

Greater Dalton Housing Needs Analysis

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Greater Dalton Housing Needs Analysis

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Introduction

In 2018, KB Advisory Group, then doing-business-as Bleakly Advisory Group, delivered the first Greater Dalton Housing Study on behalf of **Believe Greater Dalton**.

That study identified key issues contributing to the region's housing issues and identified untapped residential demand potential in the area.

Since then, Greater Dalton has doubled its residential permitting, added housing variety and new stock to its residential inventory, and developed the organizational infrastructure to utilize and leverage community and economic development tools to further the region's housing and economic development goals.

The state of housing in Greater Dalton has greatly evolved since the 2018 Believe Greater Dalton study, and while progress is obvious, challenges still exist that require implementation of a series of updated strategies to meet the present needs.



Introduction

Key Terms & Glossary

Detached – Independent dwelling units that are not part of the same building structure and do not share walls with any other dwelling units and are not located above or below any other dwelling units. The most common example of detached units are single-family detached units.

Single-Family Detached – A building occupied by just one household or family that does not share walls with other houses.

Attached – Two or more independent dwelling units that are within the same structure that may share common walls and may be located above or below another dwelling unit in the same structure. Some examples of the varieties of attached units are as follows:

Single-Family Attached – A building occupied by just one household or family. Single-family attached units are separated by a ground to roof wall, have separate heating systems, have individual meters for utilities and have no units located above or below them. Single-family attached units can include row houses, duplexes, quadraplexes and townhouses.

- + **Townhome** – A multi-floor, single-family attached home built with shared walls with adjacent properties but without units located above or below.
- + **Condominium** – A type of **ownership** in which each owner owns the interior walls of the unit. The owner of each unit also holds a

common or joint ownership in all common areas and facilities associated with the unit. Condominium ownership may apply to single-family and multifamily structures. A condominium multifamily building is often classified with rental apartment buildings in structures with five units or more despite the fact that each unit is individually owned.

Multifamily – Residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities.

- + **Small Multifamily** – Multifamily residential buildings containing between two and nine dwelling units
- + **Large Multifamily** – Multifamily residential buildings containing more than ten dwelling units

Affordable Housing – Housing that is affordable to households with incomes typically ranging from 30% to 60% % of the area median income (AMI). Affordable housing programs often include subsidies and/or income-based regulations on housing costs.

Workforce Housing – Housing that is affordable to households with incomes typically ranging from 60% to 120% of the area median income (AMI) located in or near employment centers and typically targets essential workers in a variety of industries– public safety, education, healthcare, manufacturing, etc.



Introduction

Key Terms & Glossary

For the purposes of clarity and conciseness, this report uses agreed-upon industry definitions and language to communicate the economic and financial conditions of households in Greater Dalton.

In this report, low income refers to households earning less than \$35,000, lower-middle income refers to households earning between \$35,000 and \$49,999, middle income refers to households earning between \$50,000 and \$74,999, upper-middle income refers to households earning between \$75,000 and \$99,999, and upper income refers to households earning greater than \$100,000 annually. Estimates of associated **Area Median Income (AMI)** ranges are included.

Report Definitions of Household Income

AMI Range	Income Level	Income Range
0% - 50%	Low	Less than \$35,000
50% - 80%	Lower-Middle	\$35,000 - \$49,999
80% - 120%	Middle	\$50,000 - \$74,999
120% - 140%	Upper-Middle	\$75,000 - \$99,999
140% +	Upper	\$100,000 +



Greater Dalton Housing Needs Analysis

Key Findings Summary



Housing is economic development.

Greater Dalton's housing market is particularly unique.

The region is bolstered by an impressive manufacturing-centered employment base. The foundation and continued growth of sought-after manufacturing jobs provide the region with generally stable housing demand.

However, Greater Dalton's geographic position pinched between two larger growing metropolitan regions, Chattanooga to the north and suburban Atlanta to the south, has, over the past decades, siphoned away housing demand from the Greater Dalton region. Recently, closer neighboring counties like Catoosa and Gordon have also attracted more than their fair share of incoming residents, many of whom commute to work in Greater Dalton.

The future success of economic development in Greater Dalton is contingent on planning for, maintaining, and building new housing.

The region's growth depends on introducing and establishing new housing choices at a range of different price points – largely to ensure appropriate housing for the Greater Dalton workforce. Greater Dalton must **ensure housing choices** that meet the needs of a part-time janitor, a teacher, a career manufacturing worker, and a C-Suite executive, **with equal intention**, in order to continue successful economic development efforts.



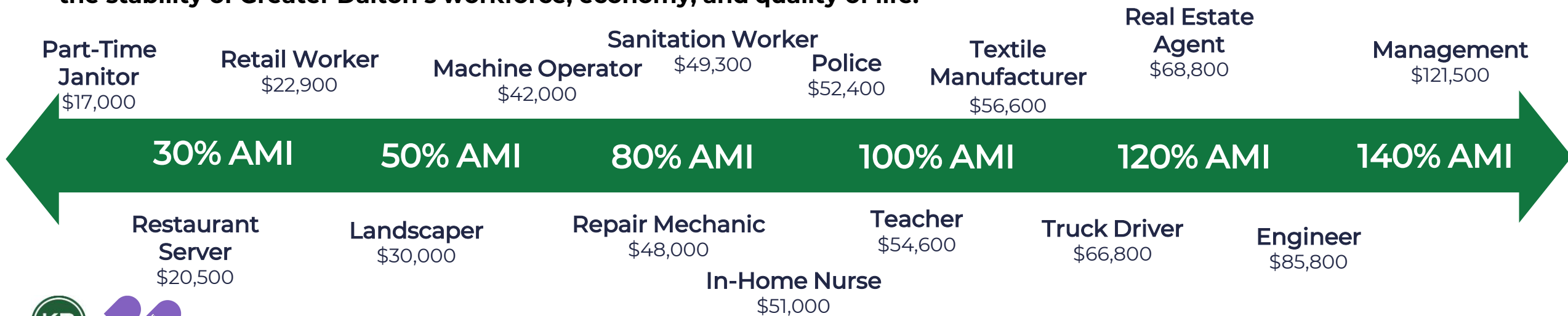
Spectrum of Housing: Affordable to Whom?

Data from the Bureau of Labor Statistics for the Dalton MSA, which includes Whitfield and Murray County, illustrate worker salaries in Greater Dalton compared to the overall resident Area Median Income (AMI).

The AMI metric is used in understanding the amount of housing costs that are affordable to households at a particular income. Typically, it is recommended that a household spend no more than 30% of their income on housing costs.



Providing adequate, attainable housing to all income levels is key to the stability of Greater Dalton’s workforce, economy, and quality of life.



Key Findings Summary

Greater Dalton faces three primary challenges related to its housing market – **a rapidly aging housing inventory, access to housing is becoming more difficult, and the concentration of new housing products at similar price points.** How effectively Greater Dalton addresses these challenges in the years to come will have long-term impacts on its housing market, its capacity for further economic development, and its community.

Access to housing is becoming more challenging, especially for low- and moderate-income households.

Over the last 10 years, homeownership has become more concentrated among older households. The lack of housing options and increasing price of homeownership is leading to younger moderate-income families either renting in the community or moving elsewhere to buy a home.

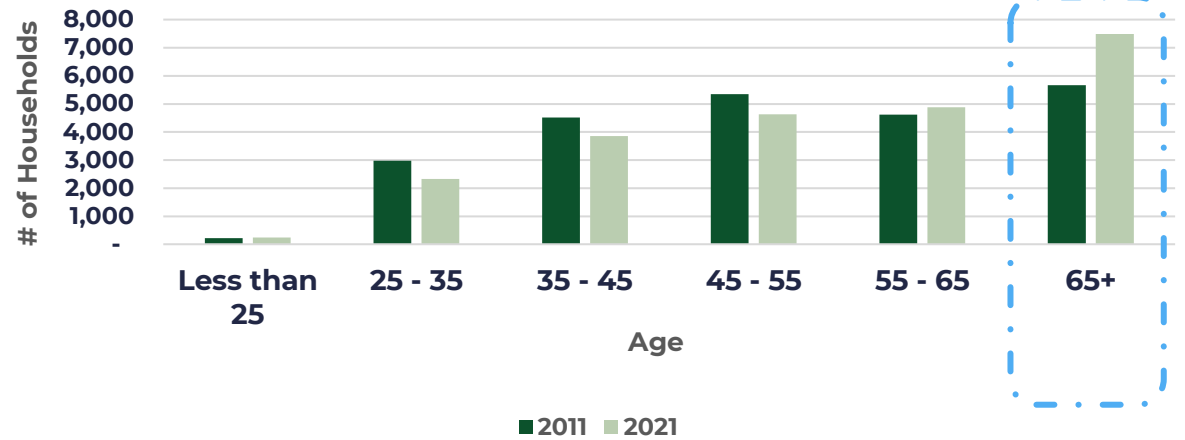
Rental and for-sale prices in Greater Dalton have increased substantially since 2020, making it difficult for many households to make rent or get on the path towards homeownership.

Greater Dalton renters are the most at risk of housing instability.

Nearly 40% of all Greater Dalton renters are “cost-burdened” or spending more than 30% of their income on housing-related expenses.

Since 2020, average rents in Greater Dalton increased by \$240 monthly, and average home price increased by over \$67,000.

Greater Dalton Home Owners by Age



Data Source: U.S. Census ACS 5-Year Estimates



2 out of every 5 Greater Dalton renters are cost-burdened.

\$240 increase in Avg. Greater Dalton rents since 2020

\$67,000 increase in Avg. Greater Dalton for sale homes since 2020



Key Findings Summary

A historic community combined with relatively few new residential buildings over the last decade has led to a housing inventory that is aging rapidly.

Greater Dalton's most significant residential "booms" were in the late 50s and early 60s and the 2000s preceding the Great Recession. Since the Great Recession, few new residential buildings have been delivered. The lack of new supply is one factor that is contributing to rising prices.

Two out of every three residential structures in the City of Dalton are more than 40 years old.

The 40-year mark is an important age to consider as most commercially constructed residential buildings require costly maintenance, upkeep, and rehabilitation once they reach that age. New residential buildings improve the health and longevity of the housing market by offering a new product in the market, which takes "stress" off of the existing inventory.

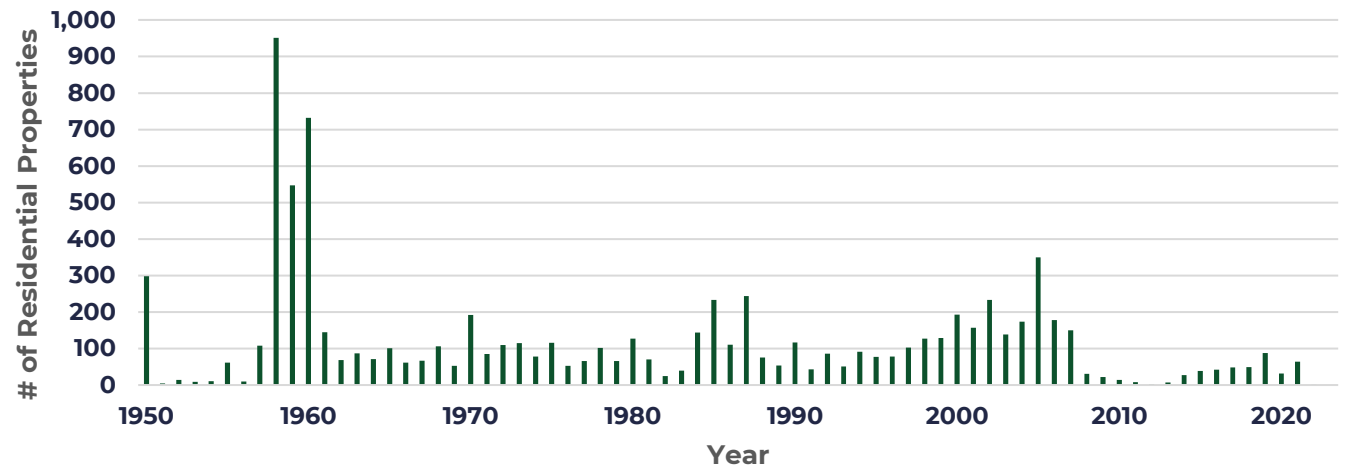
The easiest and least expensive method to ensure that affordable housing exists in the Greater Dalton market is to preserve the still-functional parts of the existing inventory.

Older housing units offer fewer amenities and often have lower prices compared to newer units, making them the foundation of **naturally occurring affordable housing** in many cities. Greater Dalton can save on the costs of constructing new affordable housing by maintaining livability and dignity in these aging units through code enforcement.



2 out of every 3 Residential buildings in the City of Dalton are more than 40 years old.

Residential Properties by Year Built



Data Source: Whitfield County Tax Assessor



Key Findings Summary

Greater Dalton's new housing market is not taking advantage of the full spectrum of potential buyers and renters.

A large majority of new homes sold in the last five years were at prices between \$200,000 and \$300,000. The concentration of housing at this price point leaves gaps at the higher and lower ends of the market.

Building new housing options at a variety of price points is necessary to retain existing residents and attract new ones.

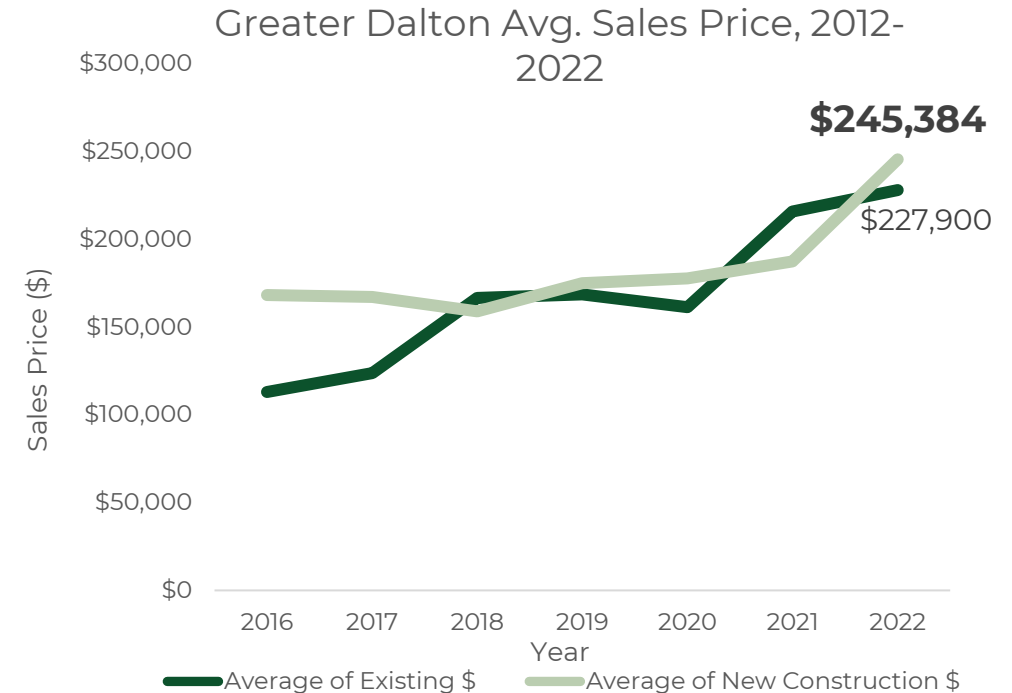
One of the key conclusions from this study's housing demand analysis is the **large segment of demand from households earning more than \$100,000 annually.** However, to convince those residents to stay in Greater Dalton and attract prospective residents from outside of Greater Dalton, **the housing market needs to deliver a housing product that commands price points greater than \$300,000.** This can be achieved through price differentiation.

In well-functioning housing markets, new units command price premiums, but in Greater Dalton, both new and existing homes sell at nearly identical prices. There is room for larger homes on larger lots outside of the city, and at the same time, there is room for smaller, denser, and highly amenitized homes walkable to shopping and restaurants. **Professional workers who work in Dalton, but look elsewhere for living options, make up the majority of demand for these homes.**

To foster a healthy housing market in Greater Dalton, additional new home inventory should be added that provides products and amenities to compete with other nearby options.



Data Source: Redfin



Data Source: Redfin



Key Findings Summary

Growth in Greater Dalton

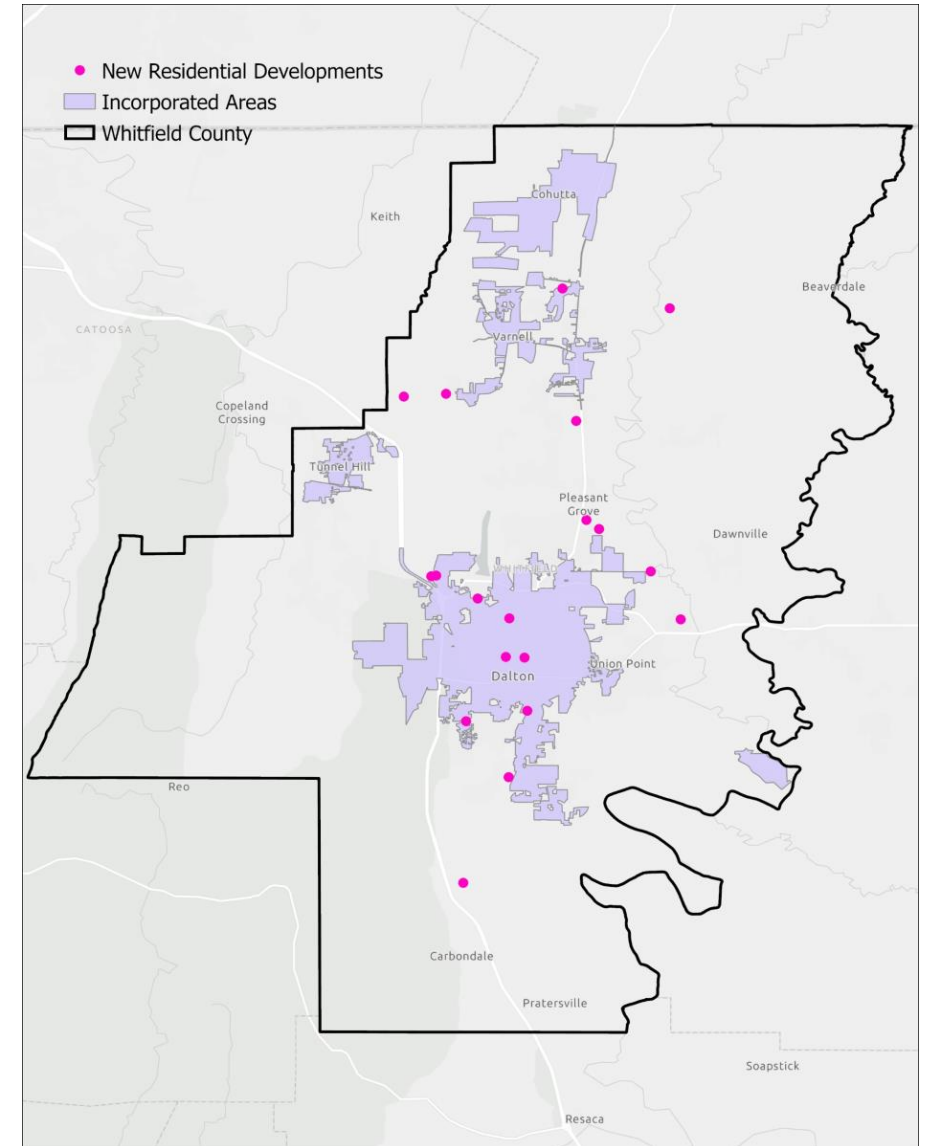
Over the last decade, Greater Dalton's population growth has been modest. The region continues to attract large amounts of manufacturing jobs, as well as higher-paying management positions in flooring, medical, and other industries. However, Greater Dalton still struggles to attract residents across the income spectrum, particularly at the high end, despite the fact that higher income jobs exist in the community.

The growth that has occurred in Greater Dalton over the last decade is largely concentrated in the City of Dalton and around the periphery of the City.

Most of the 845 new multifamily apartment units planned and permitted are located within the city limits. This is likely a result of the density of services and amenities being higher in and around the city than in unincorporated portions of Whitfield County. New for-sale housing outside the City of Dalton can find success with the inclusion of additional on-site private and nearby public amenities that further improve the quality of life for residents.

Greater Dalton's most significant opportunity is to convince residents to stay while courting new residents by planning for, maintaining, and delivering new housing that meets a wider variety of residents' needs.

3,166
new residents added
to Greater Dalton
community since 2010



Key Findings Summary

Substantial increase in the number of new housing permits

In the last five years, decision-makers and the development community have made major strides in working to deliver more new housing in Greater Dalton.

While much of it is in the planning or construction phases, the units that have been delivered in recent years have been well-received and quickly absorbed into the market. The successful integration of new housing, that was not only traditional large-lot single-family homes, was an important step in the viability of building more new housing products that can meet a variety of needs of community members and attract new ones.

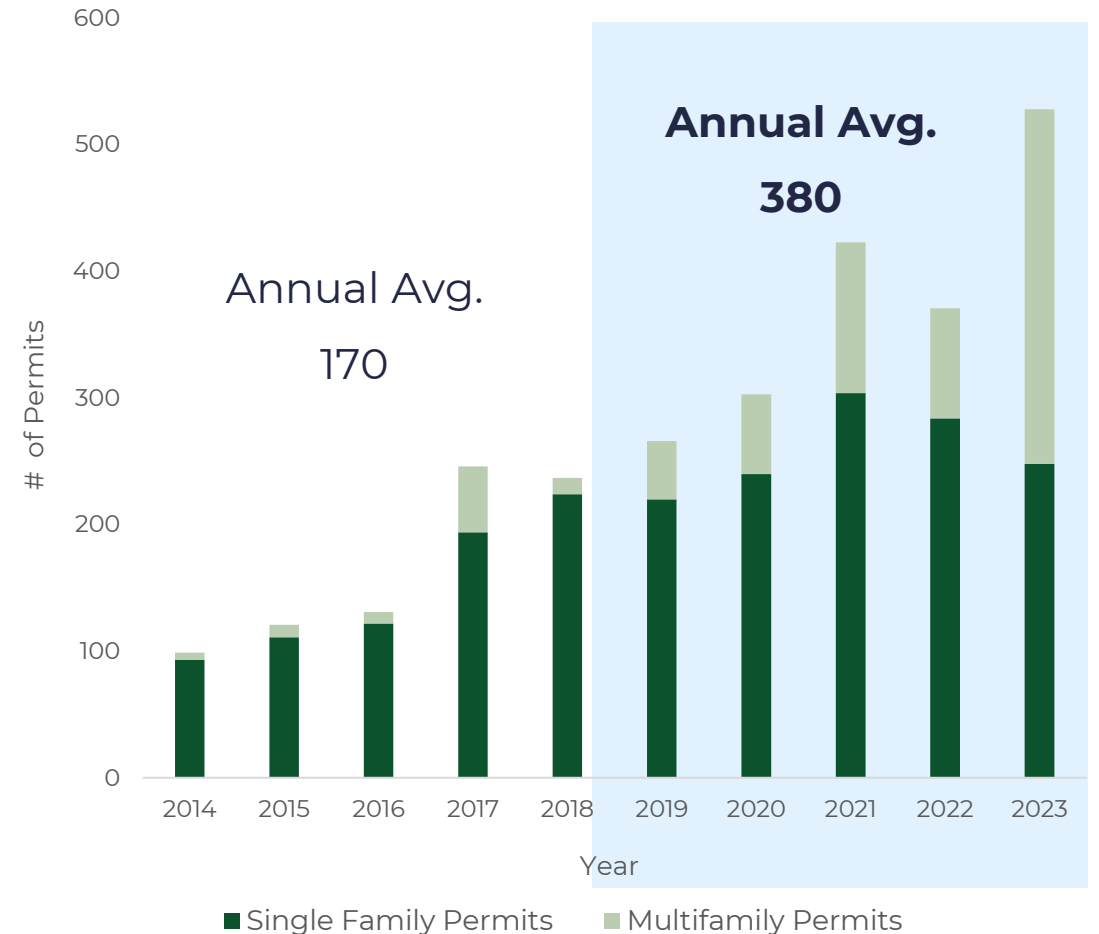
Late recovery from the Great Recession

The slow recovery from economic and financial disaster has had long-lasting impacts on Greater Dalton's housing market. From 2014 to 2017, Greater Dalton averaged 150 new residential permits annually. In the years after, Greater Dalton averaged over 350 new residential permits annually.

What is driving the increase in residential permitting?

The interconnection of jobs and continued unmet housing demand in Greater Dalton sparked a rapid increase in residential permitting. Additionally, the economics of new large-scale development in the local market are working for builders and developers, allowing for an expansion of new housing unit types to be delivered. Actions coming out of the 2018 Study contributed to highlighting housing needs and opportunities in this area.

Residential Permits by Type, 2014-2023



Data Source: Dalton-Whitfield Joint Development Authority, Believe Greater Dalton, HUD SOCDs, Whitfield County Building Permit Reports



Key Findings Summary

Growing diversity and range of housing options

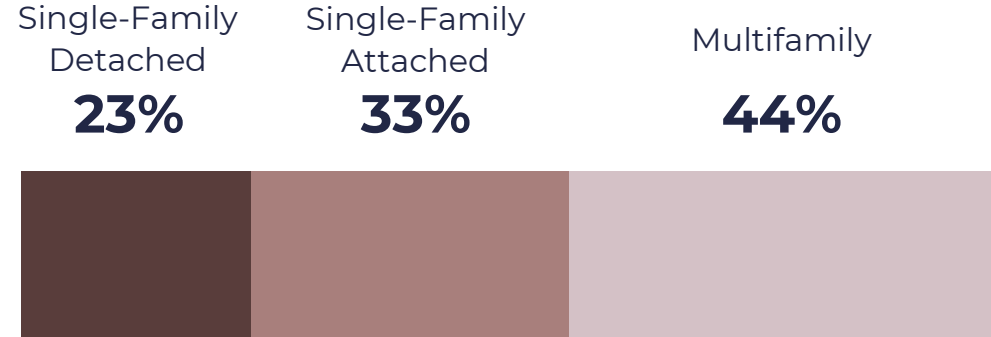
Since 2017, there has been a substantial increase in the diversity of new housing options – driven by a wave of new multifamily developments, cottages, townhomes, and quadplexes.

Addressing the opportunity

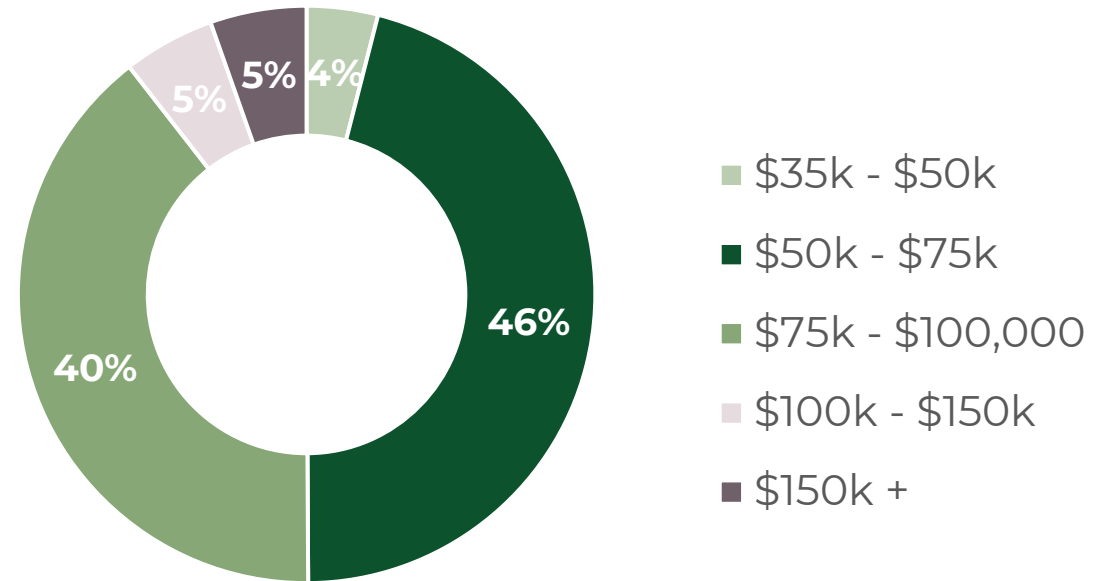
Part of encouraging housing choice is to permit housing that caters to households in all stages of life and includes options for renters and homeowners. Since 2017, the breakdown of permitted residential types has trended at a 2:1 ratio of for-sale permits to rental permits.

The impact of housing choice

As the costs of housing increase, access to stable housing becomes more difficult, particularly for moderate and low-income households. Addressing housing choices by encouraging and permitting a variety of new housing types helps to address the pricing pressure felt by many households. Most importantly, ensuring that there are housing options for the full range of Greater Dalton's households, families, and workforce is crucial to retaining existing and attracting new ones.



Greater Dalton Newly Constructed Units Attainable by Household Income



Data Source: KB Advisory Group utilizing data from Zillow and Redfin



Key Findings Summary: Housing Demand Conclusions

Greater Dalton has made important strides in planning, permitting, and building new housing.

Greater Dalton's housing market has successfully delivered new for-sale housing options priced between \$200,000 and \$300,000 in the last five years.

There is a strategic opportunity and need to expand for-sale housing choices by delivering new products at higher price points, especially for households earning over \$100,000 annually. One way that this can be achieved is by emphasizing residential uses in amenitized areas near services and greenspace, such as along the future greenway trail and Downtown Dalton.

Despite strong permitting activity over the past five years, new multifamily deliveries are not expected to begin fully leasing until the end of 2023. The new market-rate multifamily deliveries will satisfy much of the "pent-up" demand from years prior as well as projected demand for approximately the next five years.

The greatest housing need in Greater Dalton over the next five years is a combination of workforce and affordable housing along with higher-end for-sale options.



Key Findings Summary: Housing Demand Conclusions

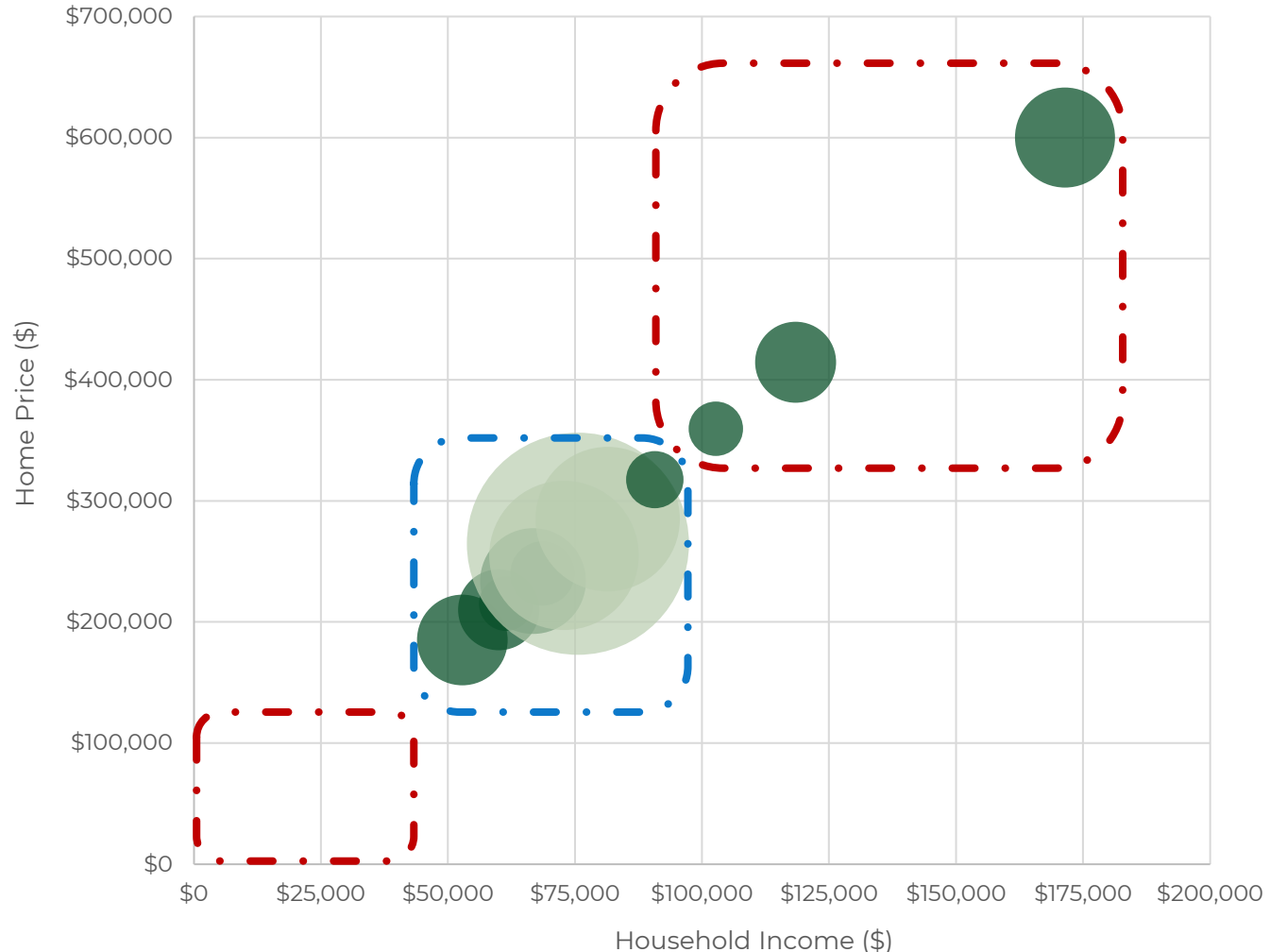
Significant gaps in Greater Dalton's housing market at both the lower and upper ends of the market.

While the Greater Dalton market has routinely delivered new for-sale housing products priced between \$200,000 and \$300,000 since 2017, the number of deliveries above \$300,000 have been limited and there have been few deliveries priced below \$200,000.

A lack of differentiated new housing products limits market potential by excluding key segments.

The housing units that have been delivered since 2017 have been sold at price points similar to existing housing units that have sold during the same period. This contributes to the wider issue of price concentration and market compression, a phenomenon which negatively impacts the diversity of housing choice in Greater Dalton and limits the segments of the market that can find housing that fits their needs within the Greater Dalton community. As Greater Dalton continues to seek new investment from employers, it is important that the local housing market can deliver not only affordable and workforce housing, but also housing for management and executive level workers.

Greater Dalton New For Sale Deliveries, 2017 - 2022



Data Source: KB Advisory Group utilizing data from Zillow and Redfin



Final Key Findings Takeaways

1 Economic Development

The future success of economic development in Greater Dalton is contingent on planning for, maintaining, and building new housing to attract a greater share of the region's workforce.

5 Amenities Drive Residential Growth

Dalton continues to be an engine of attraction for the region. Encouraging residential construction and investment near Greater Dalton's jobs centers and many key amenities can spur additional demand.

2 Housing Access

Housing stability and accessibility are greater challenges today than they were a decade ago for Greater Dalton's working households.

6 Residential Permitting Growth

Despite a delayed recovery from the Great Recession, Greater Dalton has achieved a resurgence in the issuance of residential permits in the last five years, which has contributed to new options for Greater Dalton households.

3 Housing Needs

Greater Dalton's most pressing housing needs are expanding affordable and workforce housing options while relieving pressure in the middle of the market by also adding housing for upper-income households.

7 Working Age Demand

Housing demand is concentrated among households of working ages. Addressing the needs of Greater Dalton's workforce is essential to growth and expansion.

4 Concentration & Compression

The similarities in price of newly constructed units and existing units over the last five years contribute to concentration and compression in the market. Relieving that pressure with new supply is essential to a healthy and efficient local market.

8 Room to Grow

Greater Dalton's population growth over the last decade has been modest. One of the most significant ways to encourage growth in the region is through housing production, housing choice, and housing access.

Strategies & Recommendations



Strategies & Recommendations

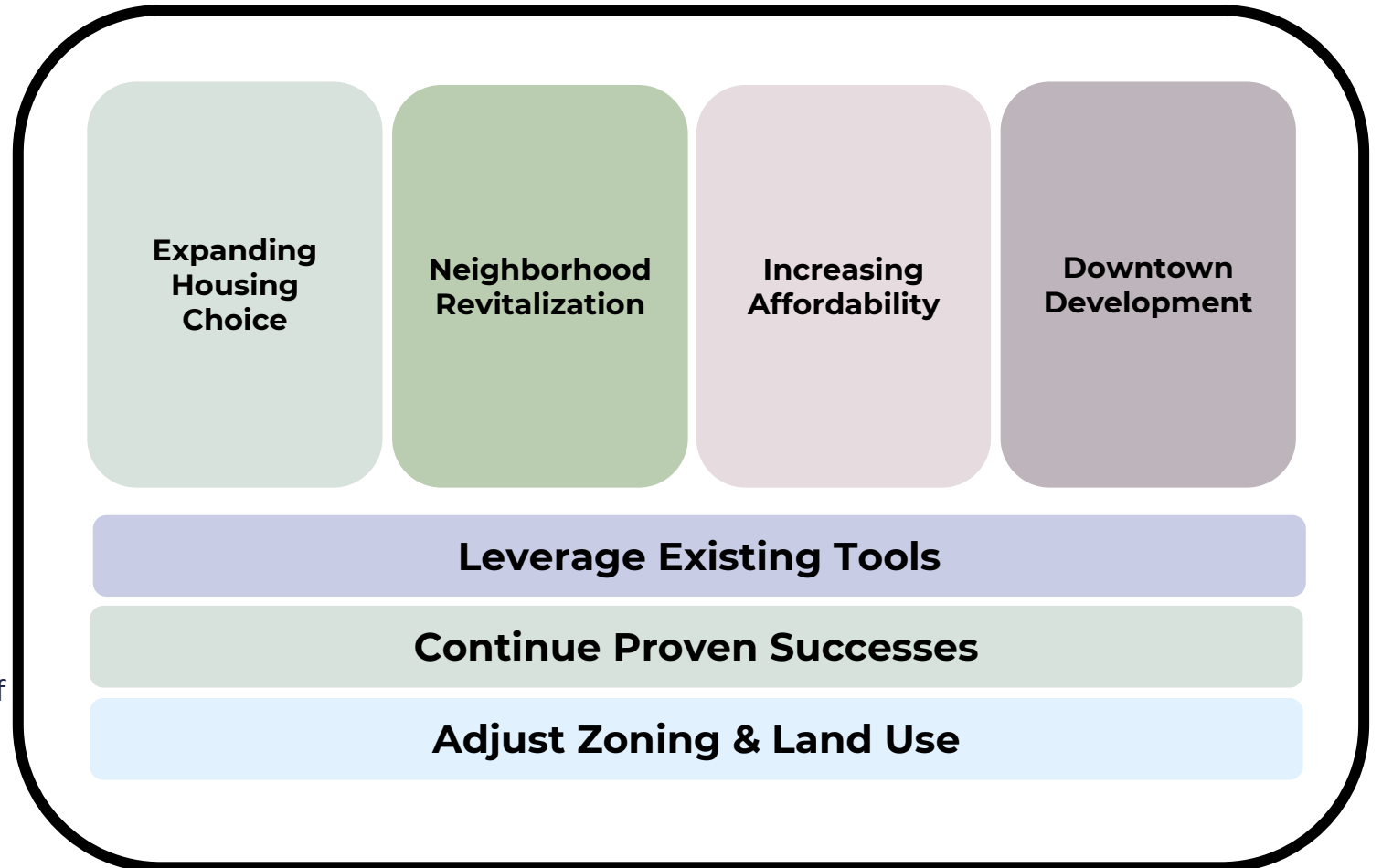
Introduction

Throughout the research and analysis for this work, several themes have emerged as the essential points for targeted strategies and recommendations. These themes are:

- **Expanding Housing Choice**
- **Neighborhood Revitalization**
- **Increasing Affordability**
- **Downtown Development**

Three types of strategies can be utilized to best address the above four themes.

- 1. Leverage Existing Tools** – especially tapping into underutilized partnerships and organizations like the Land Bank Authority, the Dalton Housing Authority, as well as the newly constituted Flooring Capital Development Corporation (FCDC).
- 2. Continue Proven Successes** – advance the goals of code enforcement and tax allocation districts.
- 3. Adjust Zoning & Land Use** – emphasizes the importance of downtown development.

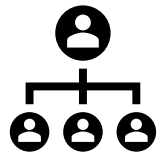


Strategies

Leverage Existing Tools – Flooring Capital Development Corporation (FCDC)

A private 501(c)(3) non-profit working in partnership with local government, the private sector, and the philanthropic sector can be an effective way to accelerate housing production in Greater Dalton. Similar structures have been implemented and leveraged successfully across the Southeast, the most pertinent example is the River City Company in nearby Chattanooga, TN. Historic District Development Corporation (HDDC) is another example in Atlanta’s Old Fourth Ward.

FCDC’s success in the long-term largely hinges on 1. establishing a strong and effective organizational framework; 2. outlining a specific set of strategic goals; 3. achieving “buy-in” from local partners; and 4. establishing sustainable funding sources for both ongoing operations and execution of a pipeline of projects.



1

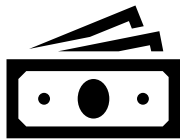
Identify and select an Executive Director for the organization.

COMPLETE



2

Establish “goalposts” and “buy-in” for strategic goals from funders and the community.



3

Coordinate with public, philanthropic, and private partners to leverage capital for specific properties the FCDC wants to engage.

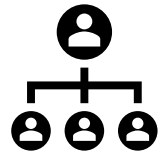
Strategic Activities

- FCDC can attract “patient capital” for projects that advance Greater Dalton’s community and economic development goals. This can be accomplished through real estate development that the private sector alone is unable to undertake.
- Achieving “buy-in” from community stakeholders and decision-makers is vital. This can be done by articulating a precise plan with tangible actions and goals for the organization.
- There is a need for an educational component of FCDC – one that clearly describes how FCDC is tackling specific issues that benefit stakeholders and highlights the negative impacts if these issues go unchecked.
- Potential FCDC activities to facilitate housing developments that would otherwise go undone:
 - Land acquisition to help jump-start projects.
 - Co-ordinate joint ventures to help fill gaps in the development “capital stack.”
 - Assist in building public support for enhanced housing development.

Strategies

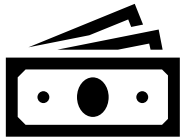
Leverage Existing Tools – Dalton Housing Authority (DHA)

As owner and manager of a substantial amount of land and currently occupied units, DHA can become a driver toward meeting more of Greater Dalton's housing demand from households earning 80% AMI and below.



1

DHA should undergo a strategic planning process including its board, funders, & staff



2

Examine funding sources and consider additional opportunities



3

Consolidate, sell, develop, or redevelop new affordable housing

DHA is unconventional in that it not funded from federal HUD dollars, but rather is funded locally, which severely hampers the ability to properly serve a greater number of Greater Dalton's low-income households. Future HUD affiliation is unlikely.

Out-dated Inventory

- Currently, DHA's units are mostly low-density 2-4-plexes, many with substantial deferred maintenance costs.

Increase Public and Philanthropic Funding

- This study recommends a concerted effort by the Greater Dalton community to appropriately fund DHA through public and philanthropic dollars to enhance operations and expand housing options for lower income households that serve the community and are the backbone of the local economy.

Example "Housing Authority" Activities

- While much larger than Greater Dalton, Gwinnett County has recently expanded its focus on ensuring an active pipeline of housing for households of all incomes.
- The Gwinnett Housing Corporation has extensive experience in every aspect of affordable housing, while successfully managing and operating over 228 rental units.
- Gwinnett County also created a Housing and Community Development Division operating within its Department of Planning and Development.

Strategies

Leverage Existing Tools – Downtown Dalton Development Authority (DDDA)

Downtown development authorities are used in cities throughout Georgia as a tool to revitalize and redevelop central business districts such as Downtown Dalton.

The current Dalton DDA is being **underutilized** and, therefore, could play a much bigger role in advancing the housing supply within its area of operation and, indirectly, throughout Greater Dalton.

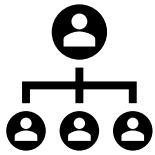
Having a vibrant downtown is an asset and catalyst for the Greater Dalton housing market, because a majority of home buyers and renters desire downtown amenities nearby, even if they live elsewhere.

The DDDA can assist in assuring the long-term success of Downtown Dalton by promoting economic growth and community activities to bring more visitors and full-time residents to Downtown.

Further, **the DDDA has unique instruments at its disposal to perform as a major decision-making and project driven entity.**

These tools include the ability to purchase, hold, and sell property, receive certain grant monies that are unavailable to the private sector, and utilize a variety of financing tools that can be used in several ways to incentivize market-rate housing opportunities in Dalton.

The DDDA should partner with the City and other groups to develop a package of incentives that could be used to attract additional downtown housing options for a wider-range of potential residents.



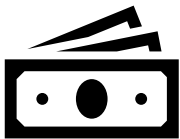
1

DDDA should undergo a strategic planning process including its board, funders, & staff



2

Partner with the City and other organizations to establish priorities for action



3

Examine funding sources and consider additional opportunities

Strategies

Leverage Existing Tools – Dalton-Whitfield Land Bank Authority

An effective land bank works best with a strong, intentional strategy. If the land bank is revived it is suggested that the organization’s strategy be centered on three key considerations:



1

A specific and targeted geographic scope.



2

A set of specific and targeted priorities.



3

Tangible expectations for desired outcomes and solutions.

Additional considerations would need to be made regarding the operations and logistics of an active land bank. These would mostly revolve around staffing, funding, and coordinating partners.

Staffing

- Land banks across the state are typically helmed by an Executive Director. Sometimes this ED is a full-time position and others it is filled with a municipal staff member who assumes the position of ED part-time when land bank work is necessary.

Funding

- The DWLBA will need some measure of funding for operations to acquire, manage, and transfer property and pay staff. The newest Land Bank Act (2012) can be utilized to ensure financial sustainability after an initial funding request is made.

Partnerships

- Land banks across the state work most effectively with a robust and dedicated set of private, public, and non-profit partners. For the DWLBA to succeed, coordination with the city, county, school board, tax commissioner, municipal attorney, Dalton Housing Authority, FCDC, local Habitat for Humanity chapter, local philanthropic organizers, local private developers, and others is essential.

Strategies

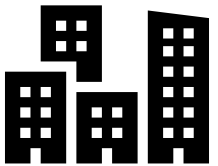
Zoning & Land Use

Housing markets are dynamic and often heavily influenced by macroeconomic factors. However, zoning and land use are one of the most important levers that local governments can pull when it comes to the “what” and “where” of housing locally.



1

Continue to encourage and allow townhomes, duplexes, quadplexes, and cottages in appropriate locations in Greater Dalton.



2

Encourage and plan for residential land uses Downtown and close to job centers and amenities.



3

Plan for the future by ensuring flexible land use and zoning that considers the “mismatch” between trending household size and housing product.



Downtown Development

Enhancing residential opportunities in Downtown Dalton can create synergies for existing businesses downtown, enhance walkability and placemaking, and improve quality of life.

Downtown Dalton serves as a node for retail, office, and industrial space. In total there are just under 1 million square feet of older industrial and flex space, 285,000 square feet of retail space, and 431,000 square feet of office space. Comparatively, there are very few residential units - 11 multifamily rental units available to the general public and 18 corporate multifamily rentals.

Noise complaints due to Downtown’s adjacent train tracks affect livability Downtown. A “quiet zone” is being considered, and although it would require an upfront cost, the dividends of having a vibrant Downtown population would likely outweigh those initial costs. There are several steps that decision-makers can take to ensure the success of future residential uses downtown – regardless of whether a quiet zone is implemented.

- 1. Ensure that parcels in key nodes and corridors can be developed or redeveloped to include residential uses.**
- 2. Continue to invest in Downtown amenities that contribute to an enhanced sense of livability, walkability, and marketability. Amenities like green space, shopping and dining options, and access to resources like civic and faith-based space can attract potential residents to Downtown Dalton.**
- 3. The City of Dalton can utilize Tax Allocation District (TAD) #1 – Downtown to mitigate the risk for potential residential or mixed-use developers.**

Strategies

Continue Proven Success – Code Enforcement & TAD

Greater Dalton has established a robust code enforcement program that appears to act quickly and fairly. This strategy is meant to ensure that residents and tenants are living in conditions that meet, and hopefully exceed the minimum requirements for livability and human habitation.



1

Continue current code enforcement program across the geographies that necessitate it



2

Consider additional ways to track code enforcement data to gauge the success of current and future strategies.



3

Consider coordinating efforts with the Land Bank to reduce the code non-compliance and property tax delinquency.

Code Enforcement

Cities across the state have few options outside of code enforcement to deal with the structure of buildings owned by private individuals once they are already built and inhabited. However, one way to utilize code enforcement along with a Land Bank Authority is by using Judicial In Rem Code Enforcement alongside the Judicial In Rem Tax Sale process.

To briefly summarize the process, properties that are tax delinquent and code non-compliant, may have work done on them by the city or county to minimize hazardous conditions. Those costs may become super-priority liens against the property. If the liens and delinquent taxes are not paid by the owner, the property may be sold or transferred to a responsible party such as a land bank. This process is used in Macon-Bibb County in order to minimize tax delinquency and the most severe code non-compliance. Future deliberations between code enforcement, the city, county tax commissioners, and others would be required in order to see if this option is politically palatable or thought to be effective for Greater Dalton.

TAD Plan for Crown Mill District and North Dalton

There are currently four Tax Allocation Districts (TADs) in the City of Dalton. The 2022 Young Gamechangers report that outlines final recommendations for Greater Dalton includes a recommendation to establish a fifth TAD in North Dalton, adjacent to the Crown Mill area. Additional analysis would need to be conducted to ensure that total property values in all TADs did not exceed 10% of the jurisdiction's total real property value. The case laid out in the 2022 Young Gamechangers report is strong, and establishing a fifth TAD in North Dalton can help to fund greenway infrastructure projects, develop trail-adjacent properties, and impact housing outcomes.



Strategies

Case Study

Housing + Community

- Greater Dalton’s desire to refurbish the structures in **Crown Mill District** and to foster stronger community there bears significant similarities with LaGrange and DASH’s goals and may present a vision for how an expanded housing and community development strategy can be deployed throughout Greater Dalton.
- DASH in LaGrange was started with a focus on the rehabilitation of homes within a specific community: Hillside, a former mill community.
- DASH received redevelopment authority powers from the city of LaGrange and advances goals of community building and physical renewal primarily in the Hillside community of the city.



www.dashlagrange.org

Our Mission

To be a catalyst for community revitalization that transforms the lives of families and individuals by providing opportunities that focus on dependable, affordable, sustainable housing and active community leadership.

Our Vision

Our vision is vibrant, safe, diverse communities where families are proud to be part of the neighborhood.



Demographic Analysis



Demographic Analysis - Key Findings

1

Employment Driven Housing Demand

Greater Dalton's population growth is contingent on the strength and future growth of the region's labor market. Greater Dalton's future housing demand depends upon the ability to capture a greater percentage of the region's workforce. Successful economic development depends on planning for, permitting, and building various housing options that fit the workforce's spectrum of needs.

2

Housing Access

Over the last decade access to housing in Greater Dalton has become more difficult for low- and lower-middle-income households, as well as younger households.

Recent trends show that homeownership has been concentrated in the oldest households, while at the same time households that rent have increasingly spent more of their income on housing costs.

3

Shifting Trends in Household Composition

Over the last decade, small, nonfamily households in Greater Dalton have increased significantly. This shift has been accompanied by a decrease in the number of households with children, suggesting that the majority of new households in Greater Dalton are working singles or couples drawn to the area by major local employers.

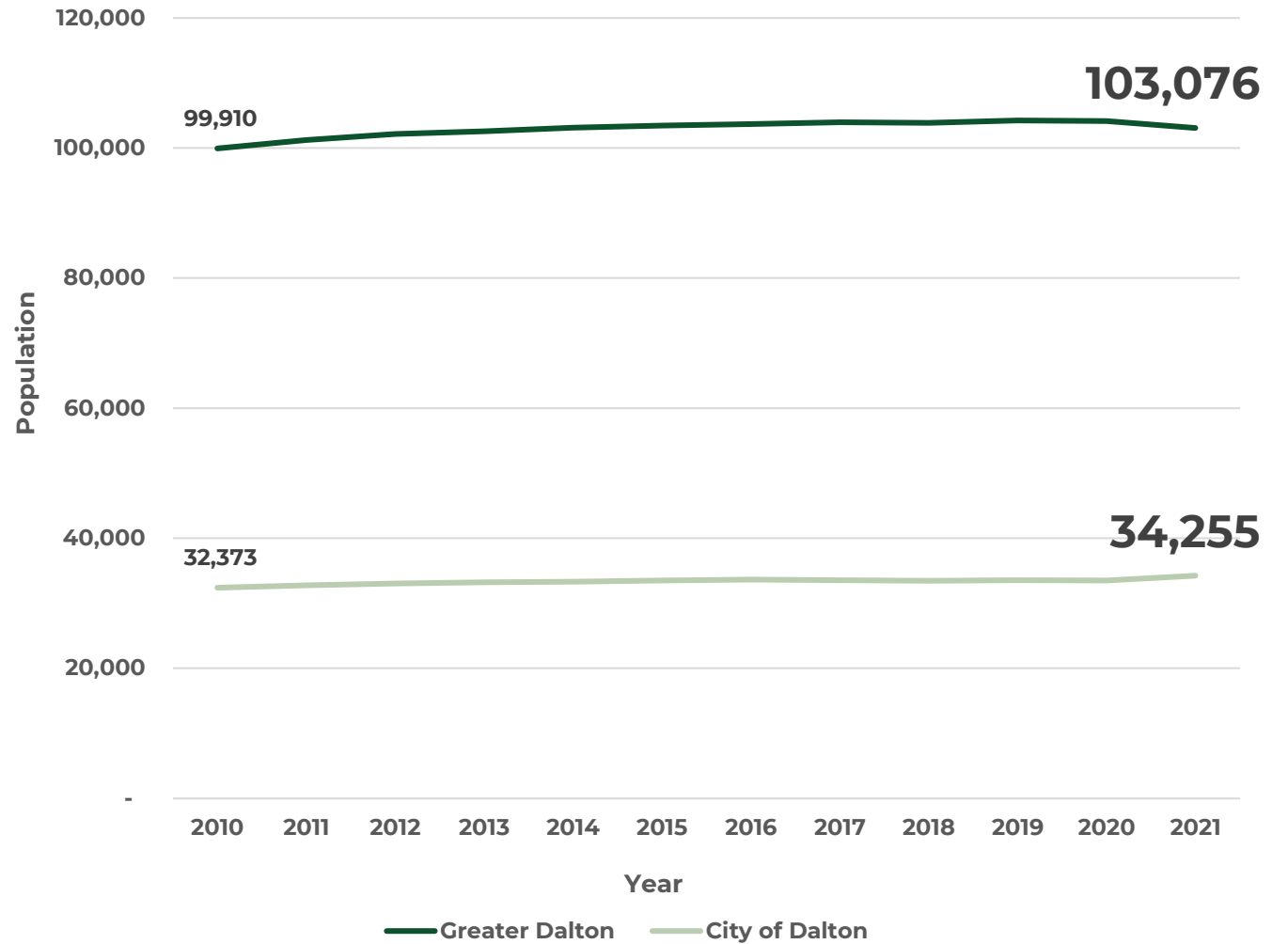
Demographic Analysis

Population Growth

In the five years since the previous Believe Greater Dalton housing study was conducted, Greater Dalton's population remained stable.

Population growth in Greater Dalton is intimately connected to the growth of employment in the region. In recent years employment has grown due to manufacturers' steady addition of employees and the addition of new, advanced manufacturing centers in Greater Dalton.

Greater Dalton Population Growth, 2010 - 2021



Data Source: U.S. Decennial Census, 2010, 2020, ACS 5-Year Estimates, 2017, 2021



Demographic Analysis

Household Size & Composition – Greater Dalton

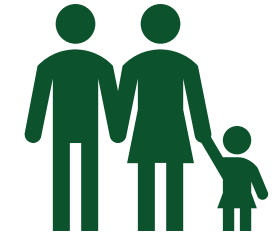
Greater Dalton’s household size and composition changed significantly between 2011 and 2021.

During that interval, the number of one-person households increased by over 1,300 households, while three- and four-person households declined. The number of two-person households increased by nearly 300.

The number of households without children increased by 2,300 between 2011 and 2021 while the number of households with children declined by more than 1,500 households. The increase of households without children and the decline of households with children suggest that many new households in Greater Dalton are working singles. The decline in households with children suggests the growing impact that Greater Dalton’s housing shortage has on families and school-aged children.

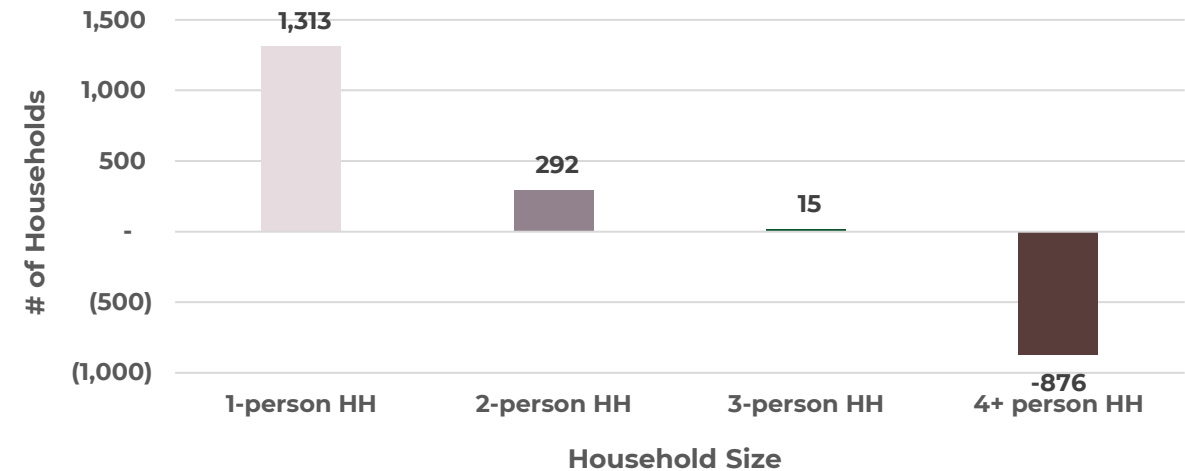


Households without children increased by 2,300+



Households with children declined by 1,500+

Changes in Greater Dalton HH Size 2011-2021



Data Source: U.S. Census ACS 5-Year Estimates, 2011, 2021

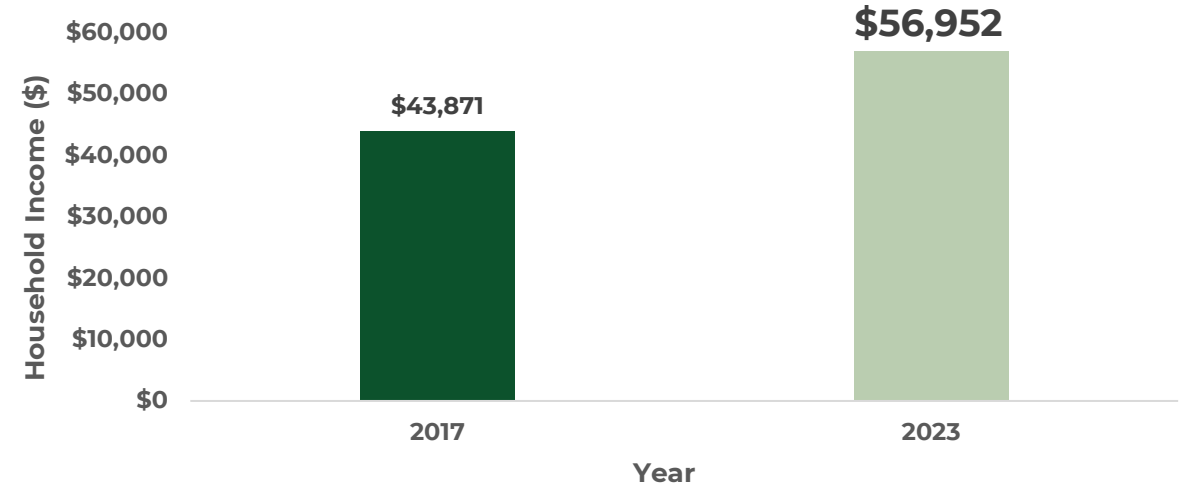
Demographic Analysis

Household Income

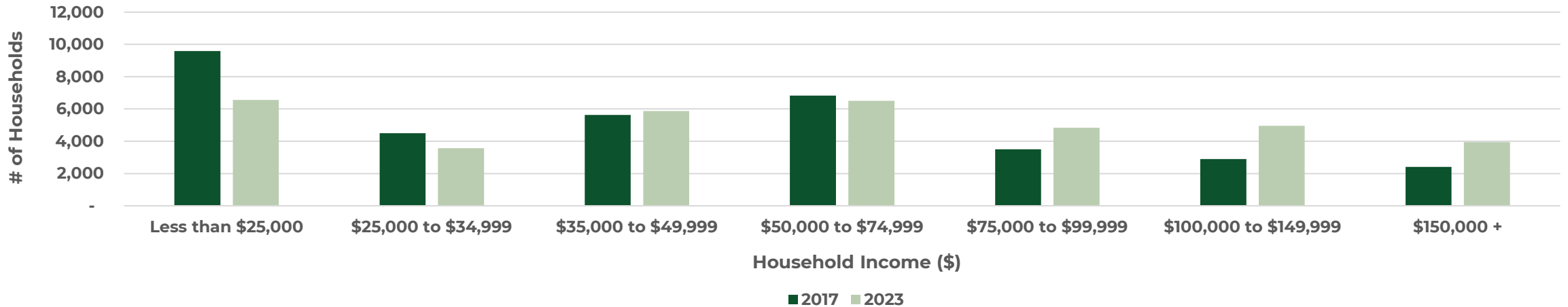
From 2017 to 2023, Greater Dalton's median household income increased. The region's median household income grew by over \$13,000 between 2017 and 2023.

The rise in incomes is further evidenced by household income distributions, where the largest gains were in households earning between \$100,000 and \$150,000. The largest declines were in households with incomes less than \$25,000

Median Household Income, 2017 v. 2023



Household Income Distribution, 2017 v. 2023



Data Source: U.S. Census ACS 5-Year Estimates, 2017, Claritas 2023

Demographic Analysis

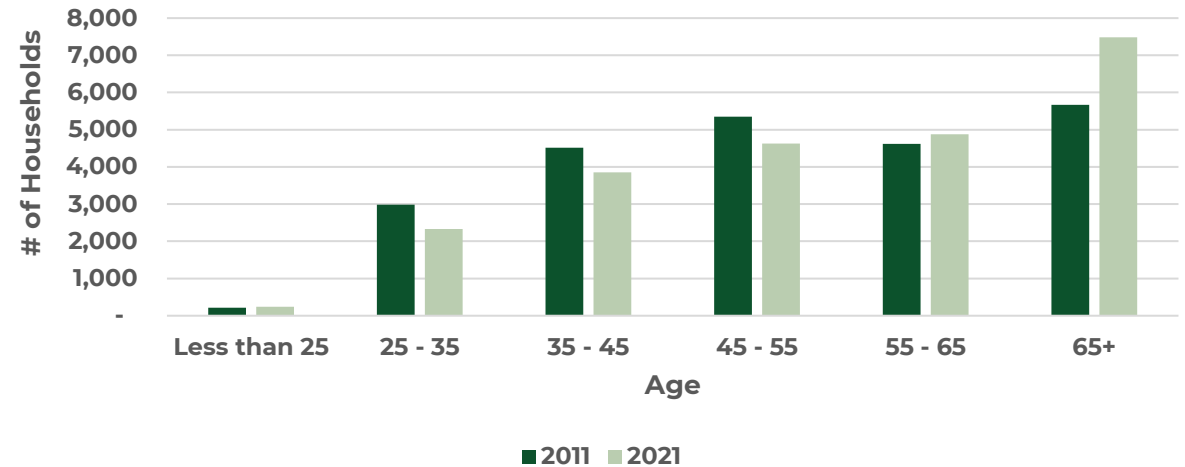
Tenure by Age – Greater Dalton

The only age cohorts to experience a net increase in homeownership in Greater Dalton since 2011 were households between the ages of 55 and 65 and households older than 65. In all other age groups, homeownership was either stagnant or in decline.

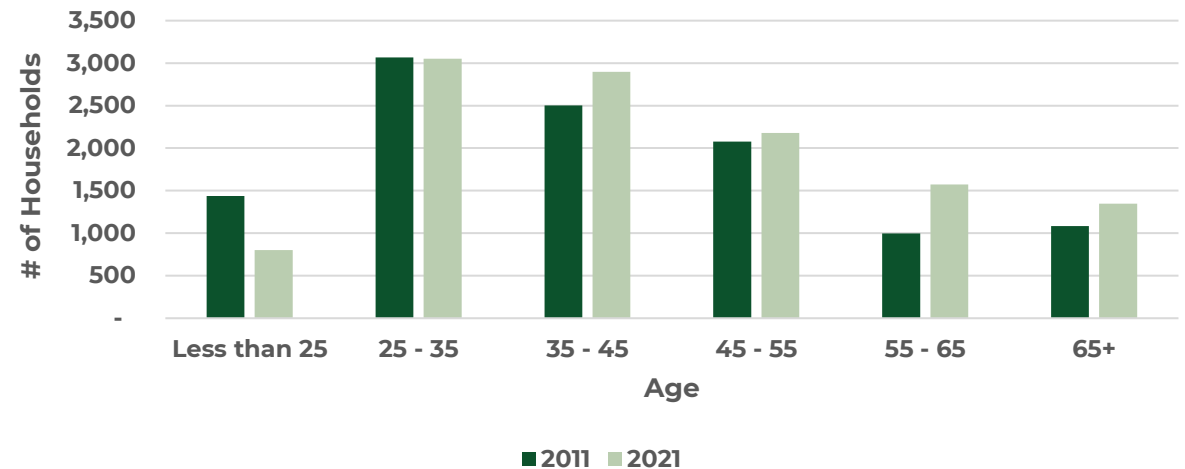
While there was an increase in both senior homeownership and rentership between 2011 and 2021, there were **no new active adult or age-restricted housing options produced and there are currently none in the development pipeline**. A lack of supply of housing that is tailored to the needs of older adults may contribute to dampened turnover rates and constrain supply of both for-sale and rental products in the Greater Dalton market.

There was a significant increase in rentership for all age groups older than 35. The largest increase in rentership was among households between 55 and 65. During this period, rentership decreased slightly among households younger than 25, in part due to a lack of new market rate options locally.

Greater Dalton Owners by Age, 2011 - 2021



Greater Dalton Renters by Age, 2011 - 2021



Data Source: U.S. Census ACS 5-Year Estimates, 2011, 2021



Demographics

The Impacts of Cost Burden

A household is cost-burdened if they spend more than 30% of their income on housing and housing-related expenses. A household is severely cost-burdened if they spend more than 50% of their household income on housing and housing-related expenses. Cost burden and severe cost burden contribute to housing instability and ensure that households have less income to spend on other necessities like food, transportation, and medical expenses.

Cost-burden has many negative impacts on households and affects renters and low- and moderate-income households more severely. Cost-burdened households are more likely to experience housing instability and have higher risks for eviction, homelessness, food insecurity, truancy for school-aged children, and a variety of negative physical and mental health impacts.

In Greater Dalton, a household earning the median household income of \$56,952 could afford to pay \$1,425 on housing every month (based on using 30% of their income for housing).



Demographic Analysis

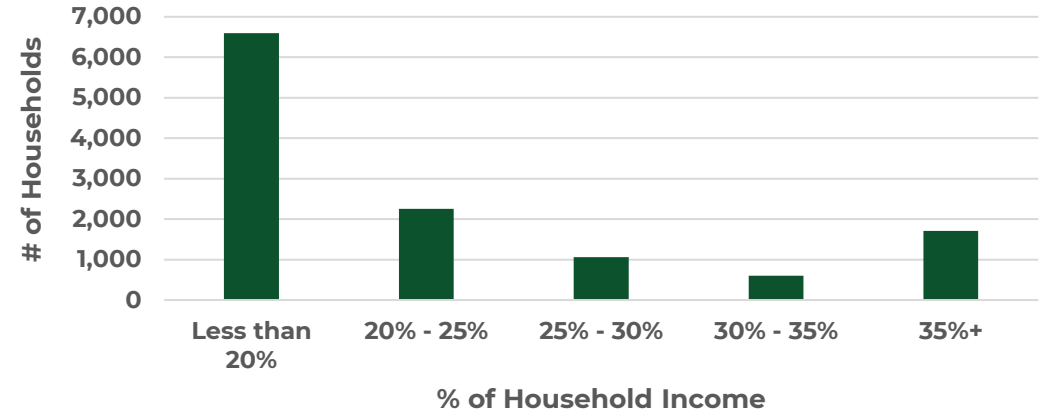
Cost-Burdened Homeowners – Greater Dalton

A household is cost-burdened if they spend more than 30% of their income on housing and housing-related expenses and severely cost-burdened if they spend more than 50% of their household income on housing and housing-related expenses.

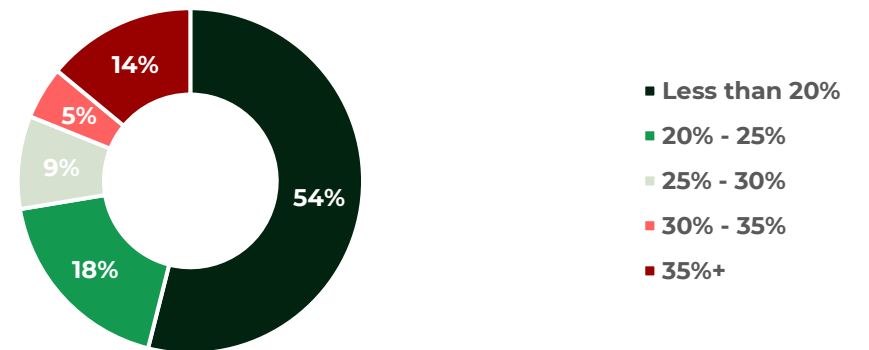
A majority of homeowners (with a mortgage) in Greater Dalton are well below the cost-burden threshold.

More than half of homeowners in Greater Dalton spend less than 20% of their monthly household income on housing-related expenses. This suggests that many Greater Dalton homeowners would have the financial capacity to purchase more expensive homes than the ones they currently live in, if available.

Greater Dalton Owner's Housing Costs as a % of Household Income, 2021



Greater Dalton Owner's Housing Costs as a % of Household Income, 2021



Data Source: U.S. Census ACS 5-Year Estimates, 2021



Demographic Analysis

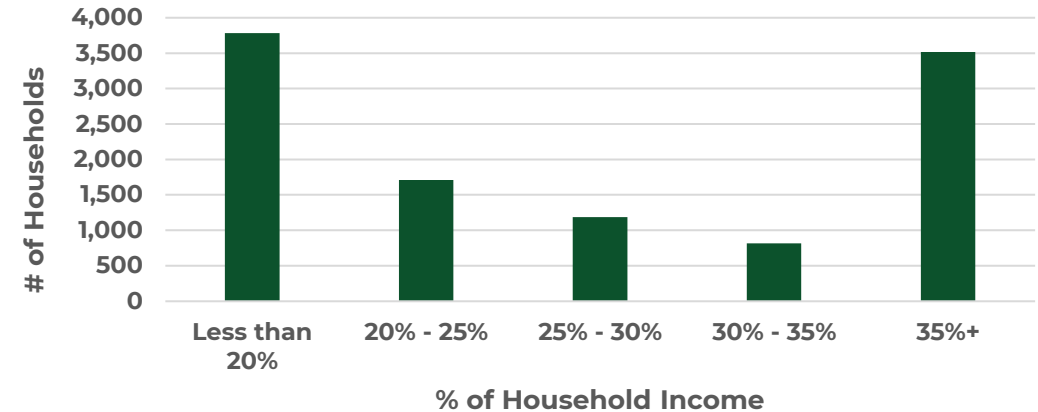
Cost-Burdened Renters – Greater Dalton

Cost-burden has many negative impacts on households and affects renters and low- and moderate-income households more severely.

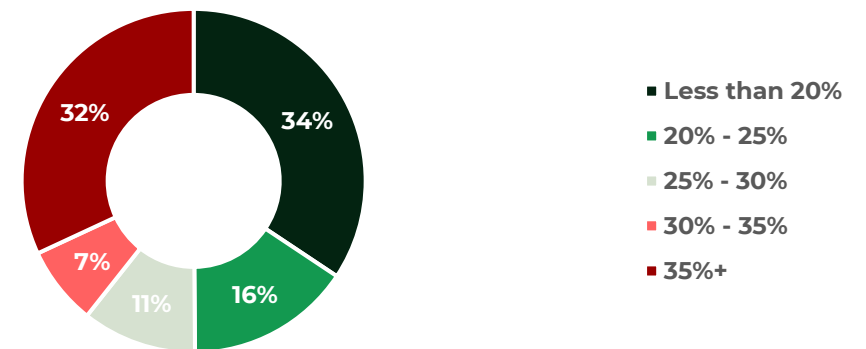
Nearly two out of every five renter households in Greater Dalton are cost-burdened.

The issue of renter cost-burden in Greater Dalton is heightened by the supply-constrained local market. A slate of new market rate options is beginning to deliver that will relieve supply pressure in the middle of the market. However, the new rental deliveries will do little to relieve cost-burden for the most vulnerable low-income households.

Greater Dalton Renter's Housing Costs as a % of Household Income, 2021



Greater Dalton Renter's Housing Costs as a % of Household Income, 2021



Data Source: U.S. Census ACS 5-Year Estimates, 2021



Demographic Analysis

Employment, Wages, & Housing Cost – Greater Dalton

The top 5 industries by employee count in Greater Dalton represent more than two-thirds of all jobs in the region.

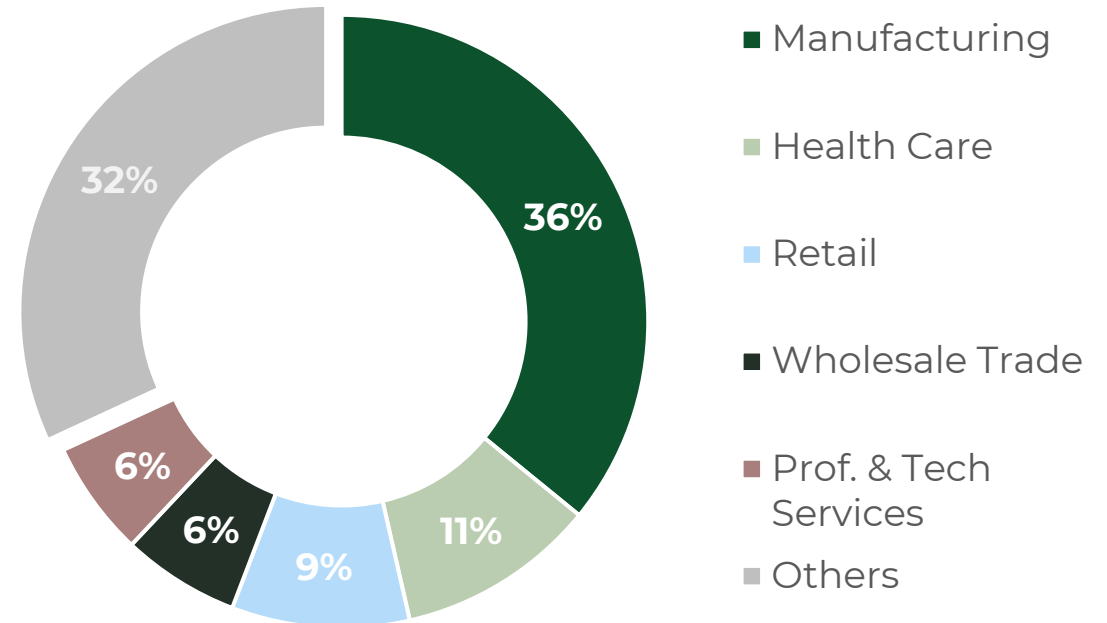
The wages from the top five industries in Greater Dalton illustrate the challenges of single-wage earning households' access to quality housing. However, households with dual incomes can more easily achieve the goals of homeownership and housing stability.

The table below illustrates those top 5 industries, the average wage, and how the average wage has changed over the last 5 years.

Industry Sector	Avg. 2021 Wages	5-Year Wage Chng.
Manufacturing	\$48,800	\$2,400
Health Care	\$60,600	\$10,700
Retail	\$33,600	\$4,300
Wholesale Trade	\$56,400	\$6,200
Professional & Tech	\$73,000	-\$2,700

Data Source: Bureau of Labor Statistics, 2017, 2021

Greater Dalton Top 5 Industries by Total Jobs



Housing Supply Analysis



Key Findings

1

Growth of Housing Choice

Greater Dalton's residential permitting has increased significantly in recent years, with the annual average number of permits issued between 2019 and 2023 more than doubling the number of permits issued between 2014 and 2018. In the last five years, the housing market has delivered a variety of housing products, such as townhomes, cottages, duplexes, and quadplexes at price points accessible to middle and upper-middle-income households.

2

Concentration and Compression

A large majority of new home deliveries in the last five years were sold at prices between \$200,000 and \$300,000. The concentration of housing at this price point leaves gaps at the higher and lower ends of the market, where demand potential exists. When these gaps are not filled with differentiated products, it can lead to market compression.

3

Aging Housing Stock

A historic community combined with relatively few new residential buildings over the last decade has led to a housing inventory that is aging rapidly. Two out of every three residential structures in the City of Dalton are more than 40 years old. The 40-year mark is an important age to consider as most commercially constructed residential buildings require costly maintenance, upkeep, and rehabilitation once they reach that age.

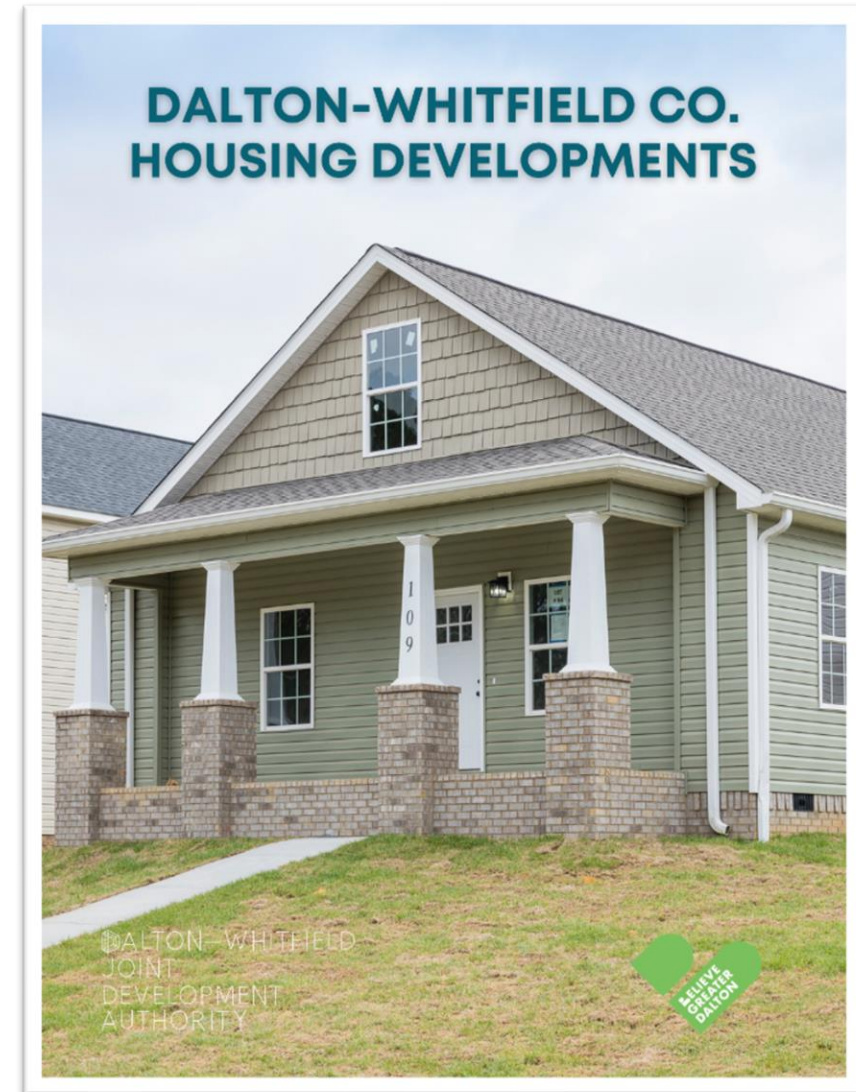
Source: ACS 5-Year Estimates, Decennial Census



Housing Supply Analysis

Recent Development Analysis

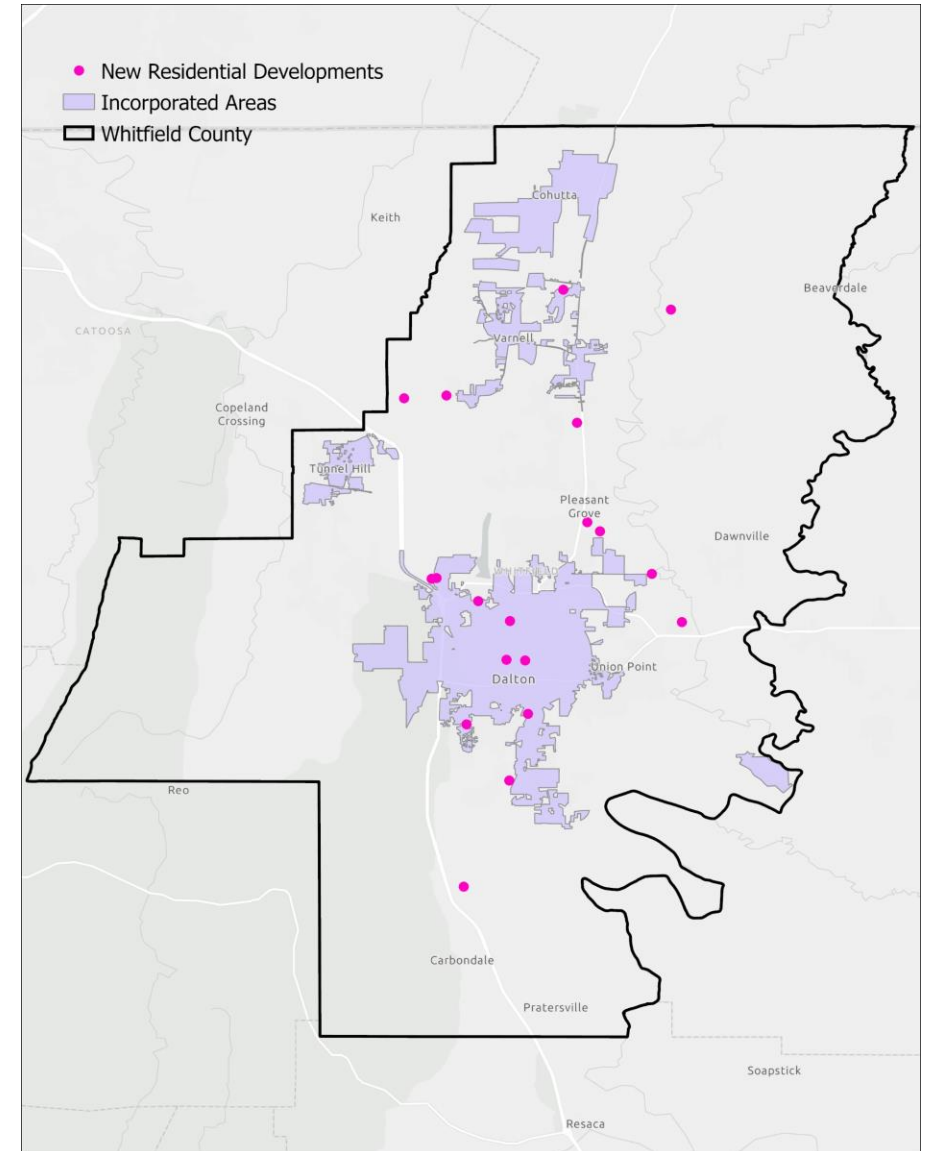
- KB Advisory Group analyzed the recent developments using the work from the Dalton-Whitfield Joint Development Authority that compiled new housing permits from 2018 to 2021. Additional research was conducted to gather data on permits through September of 2023 using Whitfield County's building permit database and the U.S. Department of Housing and Urban Development's State of the Cities permit database.
- Several trends emerged based on:
 - Location
 - Total permitting numbers
 - Housing Types
 - For Sale vs. Rental
 - Price Points



Housing Supply Analysis

Residential Pipeline

- 2,128 residential units have been permitted in Greater Dalton since 2018.
- 21% of the new developments permitted since 2018 are located within the incorporated limits of the City of Dalton. While only 21% of permitted developments are located within the City of Dalton's municipal boundaries, many other developments are located just outside the City's borders.
- Many of these residential developments are planned in areas just beyond the incorporated limits of the City of Dalton. This illustrates that new residential development continues to be concentrated in and around the City of Dalton.



Data Source: KB Advisory Group using locational data from permitted developments and newly constructed housing units

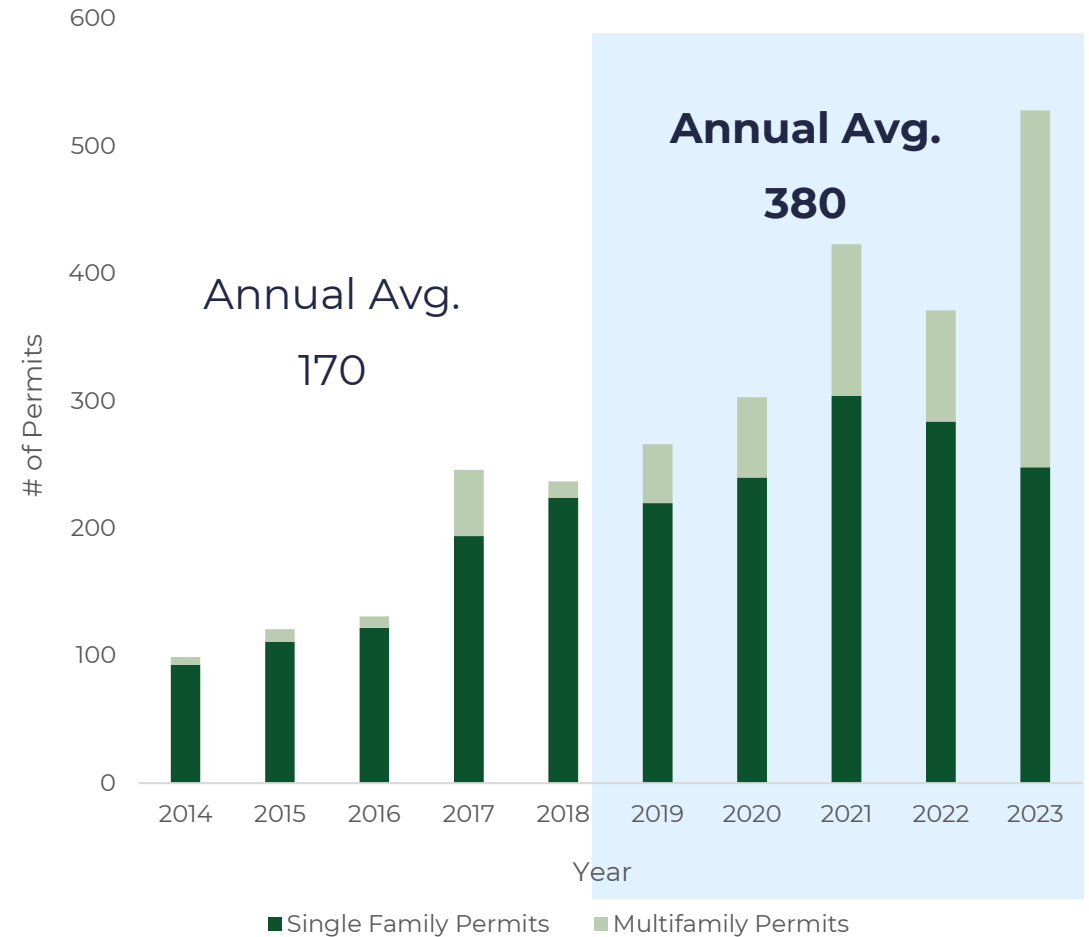
Housing Supply Analysis

Permitting – Greater Dalton

- Total permitting numbers post-2018 have more than doubled the permitting numbers of the years prior.
- Greater Dalton’s permitting since 2018 has been the most active since the onset of the Great Recession.
- The growth in permits is due to a significant increase in both single-family and multifamily developments.



Residential Permits by Type, 2014-2023



Data Source: Dalton-Whitfield Joint Development Authority, Believe Greater Dalton, HUD SOCDs, Whitfield County Building Permit Reports

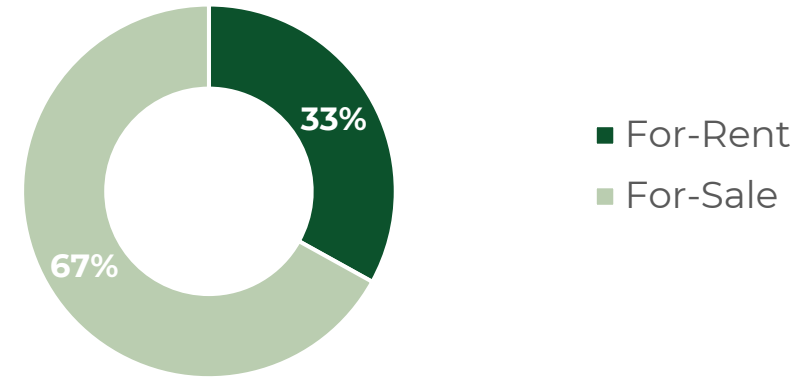


Housing Supply Analysis

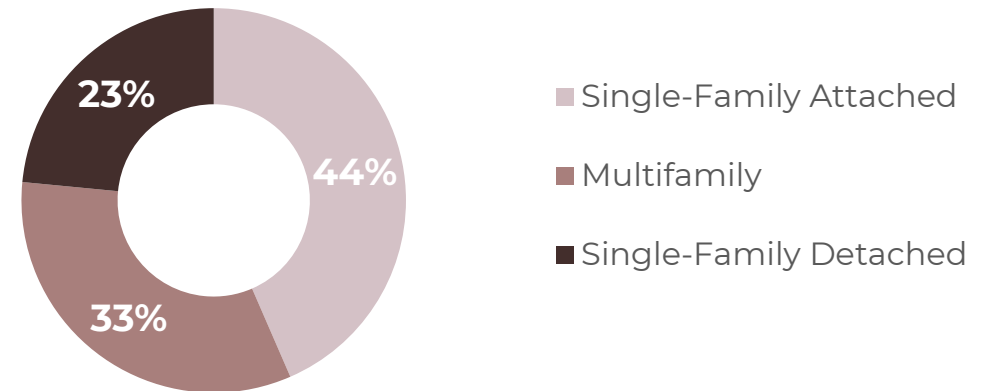
Housing Types & Tenures – Greater Dalton

- Based on permitting data, two-thirds of new developments since 2018 have been for sale, while the remaining third have been for rent.
- Single-family attached products have been the most-permitted housing product post-2018.

Greater Dalton Permitted Units for Purchase & Lease



Greater Dalton Permits by Housing Type



Data Source: Dalton-Whitfield Joint Development Authority, Believe Greater Dalton, HUD SOCDs, Whitfield County Building Permit Reports



Housing Supply Analysis

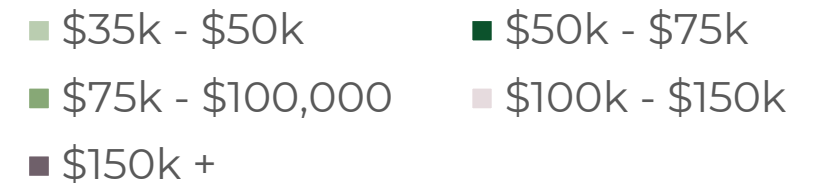
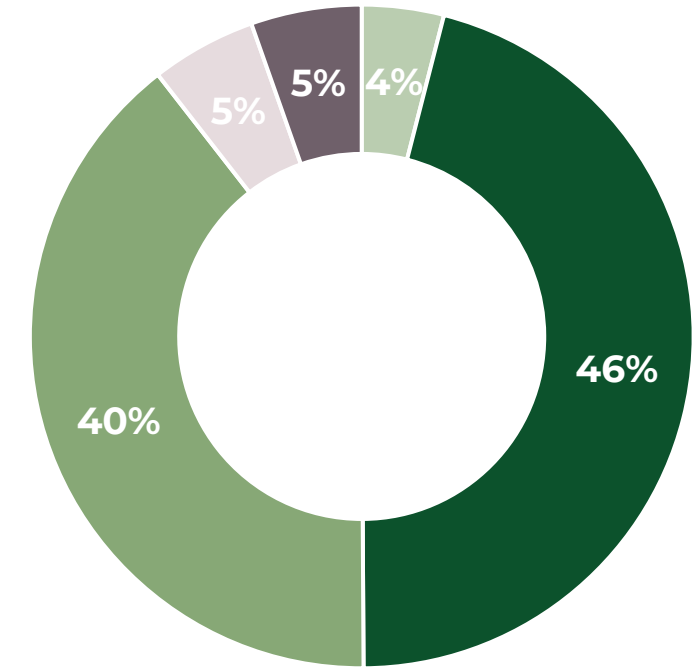
Housing by Household Income – Greater Dalton

- KB Advisory Group analyzed price data on the developments that have been built and sold/leased since 2018.
- Calculated what a “typical” household would need to earn in order to afford each of the products – using 30% of their household income.
- This illustrates the need for housing at the lowest end of the income spectrum as well as the upper end of the income spectrum.

Household Income	Attainable Rents	Attainable Home Price	Percentage of New Construction Units
Less than \$35,000	Up to \$875	Up to \$150,000	0%
\$35,000 - \$49,999	\$875 - \$1,250	\$150,000 - \$195,000	4%
\$50,000 - \$74,999	\$1,250 - \$1,875	\$195,000 - \$280,000	46%
\$75,000 - \$99,999	\$1,875 - \$2,325	\$280,000 - \$385,000	40%
\$100,000 - \$150,000	\$2,325 - \$3,125	\$385,000 - \$550,000	5%
\$150,000 +	\$3,125 And Up	\$550,000 And Up	5%

Rental assumptions: 30% of the monthly wage on housing per household. For sale assumptions: 30-year fixed-rate mortgage, 20% down payment, 7.5% interest rate, regional average monthly debts, and credit score.

Greater Dalton Newly Constructed Units Attainable by Household Income



Data Source: KB Advisory Group utilizing data from Zillow and Redfin



Housing Supply Analysis

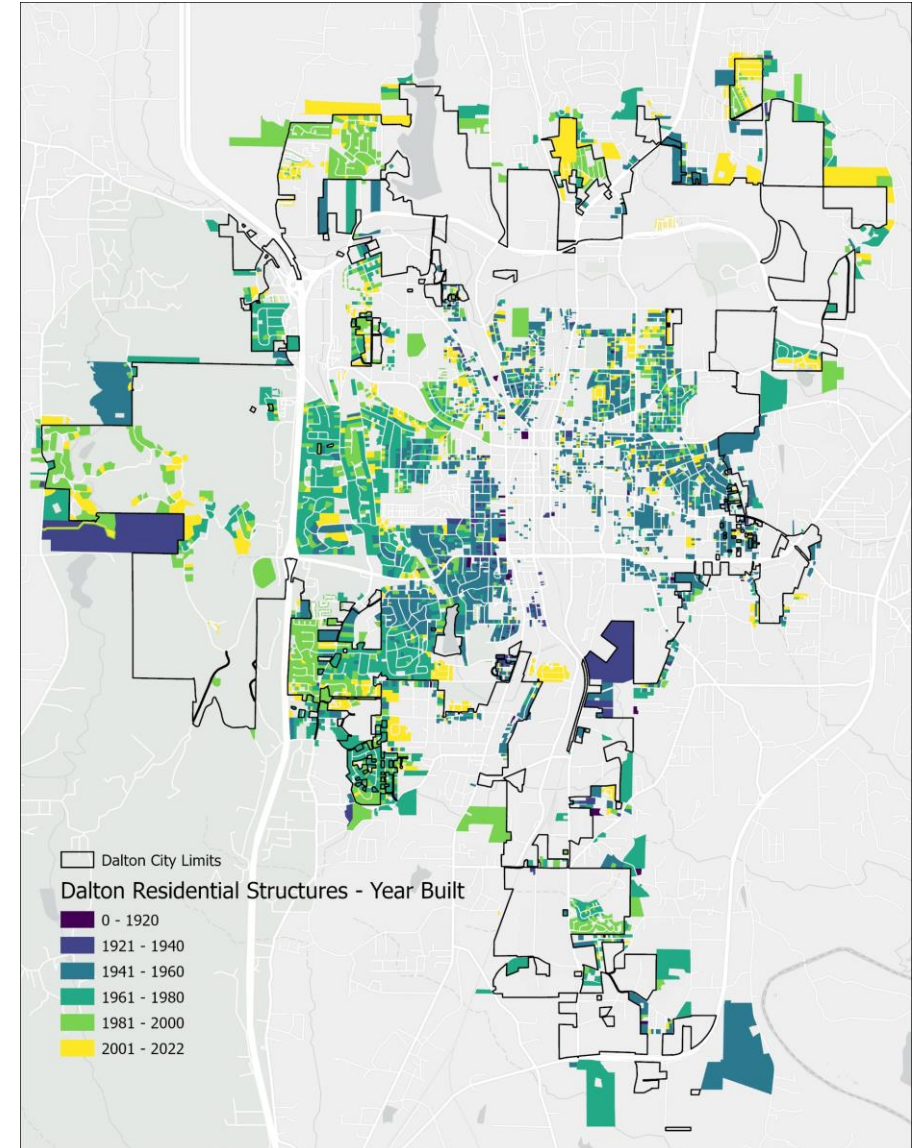
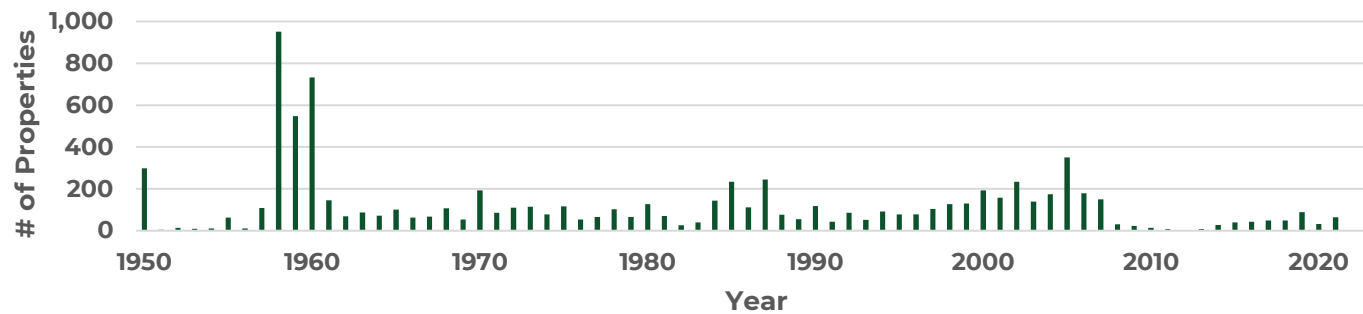
Historical Development Patterns – City of Dalton

Residential development in the City of Dalton has occurred radially outwards from the downtown area, with the oldest buildings in the city located in the center of Downtown and progressively newer bands of development emanating out from Downtown Dalton.

Most of the residential properties in the City of Dalton were constructed in the 1960s, with other noticeable upticks in development in the 1980s and 2000s. This suggests that the City of Dalton’s housing stock is aging, and that in some places there is a need for replacement or renovation of aging housing units.

Many of the newest residential properties in Greater Dalton are not actually in the City of Dalton itself, again suggesting that development in unincorporated portions of the Greater Dalton community are favored due to the availability of developable land.

City of Dalton Residential Properties by Year Built



Data Source: Whitfield County Tax Assessor



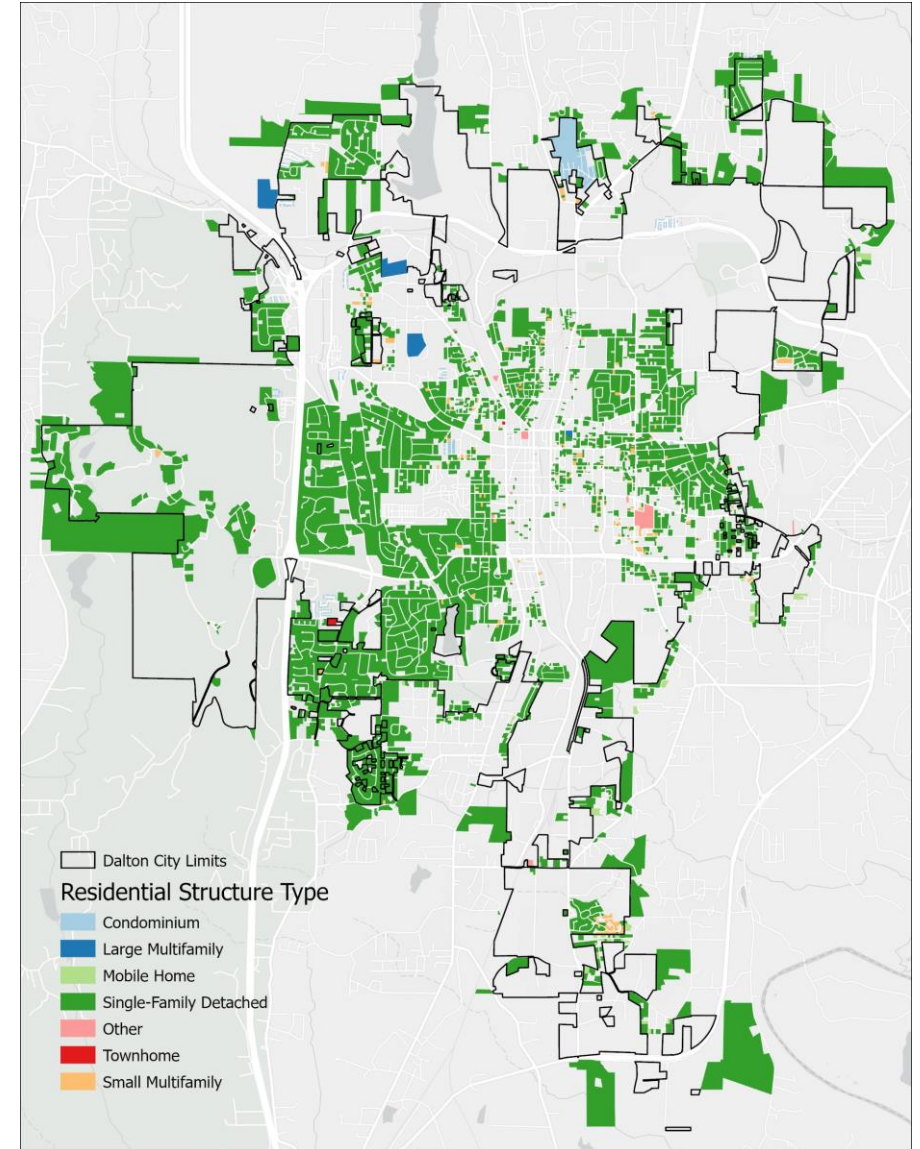
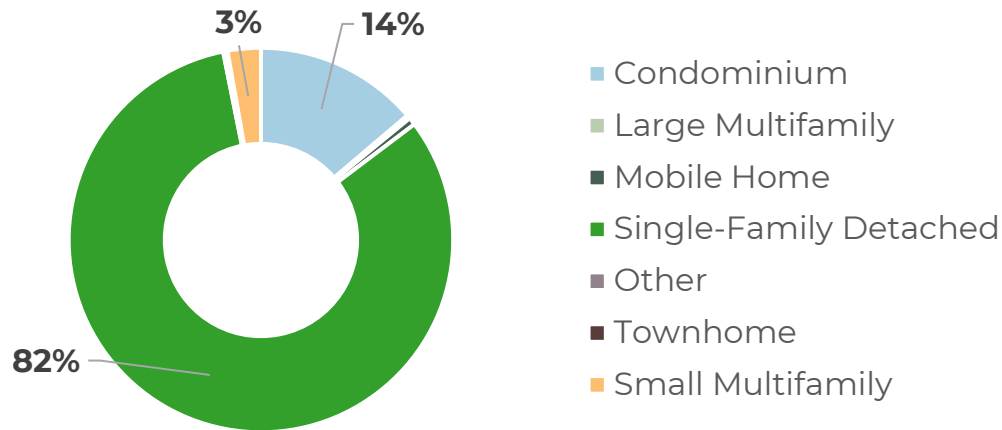
Housing Supply Analysis

Historical Development Patterns – City of Dalton

Most of the City of Dalton’s residential acres are occupied by single-family detached structures. However, development trends in recent years have yielded significantly more attached units and multifamily developments.

As land availability within the city continues to shrink and low-density development patterns continue to proliferate in the unincorporated portions of Whitfield County, Greater Dalton has the opportunity to identify strategic infill opportunities and to legalize and encourage higher density uses across the region where appropriate. Pursuing higher residential density within the city limits will help to balance Greater Dalton’s housing choices as it continues to grow.

City of Dalton Residential Acres by Structure Type



Data Source: Whitfield County Tax Assessor



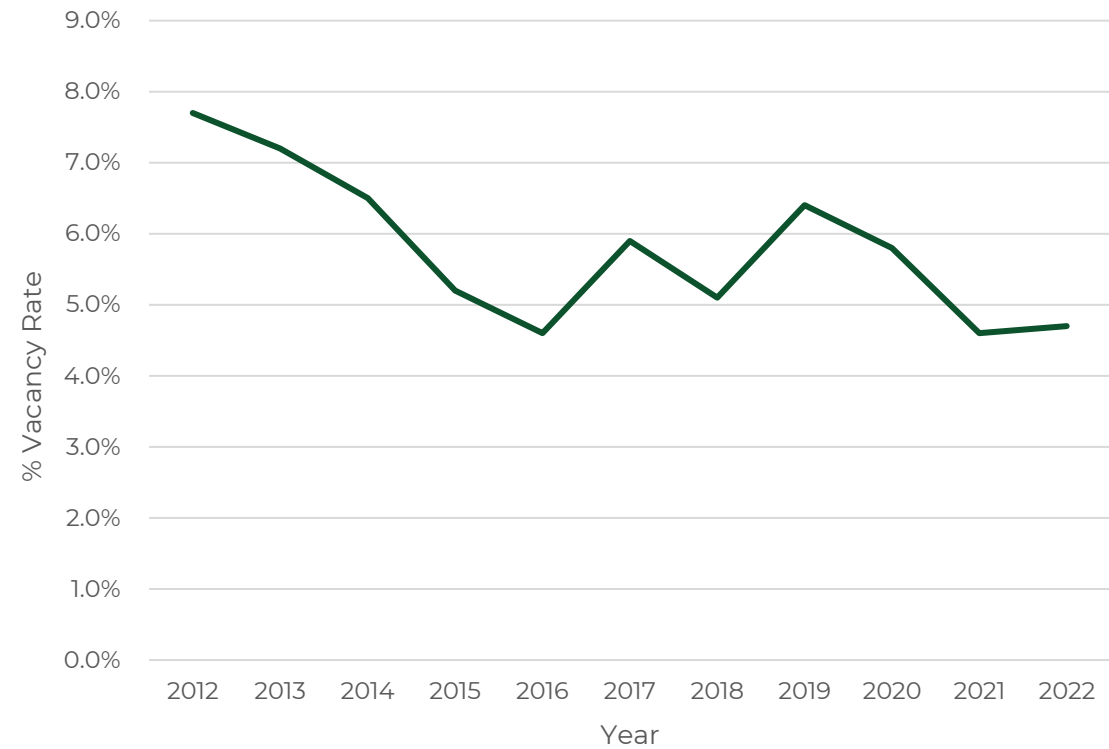
Housing Supply Analysis

Multifamily Vacancy – Greater Dalton

Between 2012 and 2022 the Greater Dalton’s multifamily housing market demonstrated decreasing vacancy, dropping from 8% vacancy in 2012 to less than 5% vacancy as of 2022. Declining vacancy can signal positive trends in the region’s housing market, indicating a healthy demand for rental units. A vacancy rate that drops too low, however, can suggest problems for the county’s housing market, indicating that demand has outstripped supply, which may translate into barriers to housing accessibility for both current and future residents of Greater Dalton.



Greater Dalton Vacancy Percent, 2012-2022



Data Source: CoStar

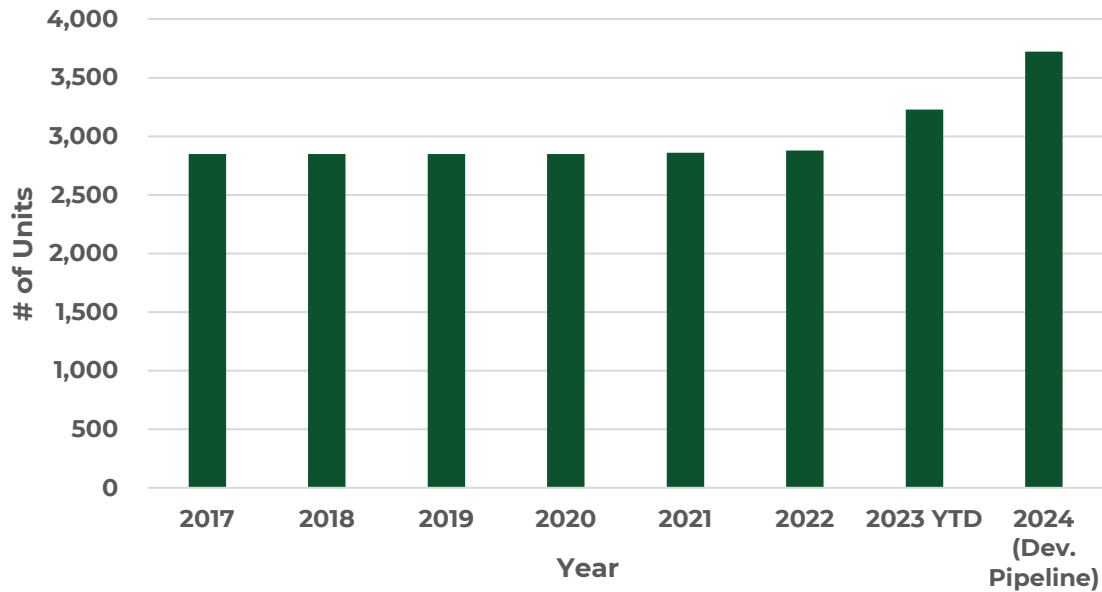


Housing Supply Analysis

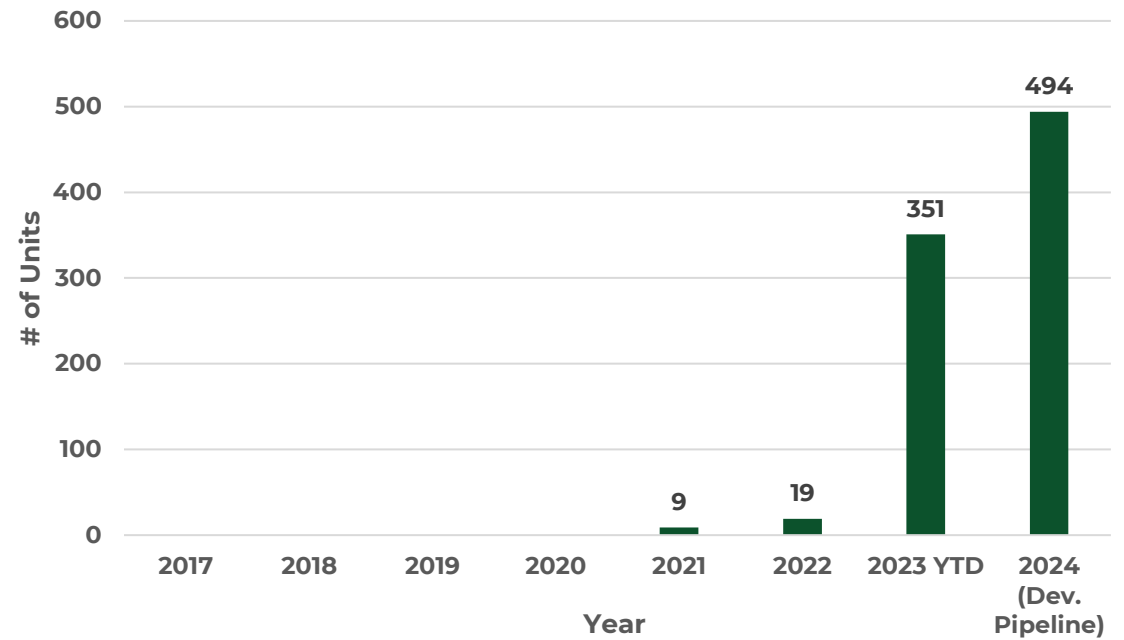
Multifamily Housing Inventory – Greater Dalton

Greater Dalton’s multifamily development pipeline is expected to make significant contributions to the region’s housing inventory in the next several years. The Lofts at Hamilton, Dalton Station, The Dalton by Alta, Crow Valley Heights, and The Township at Hammond Creek will be the first new multifamily options, that are not corporate rentals, since at least 2017. These units will provide new rental housing stock at a variety of price points.

Expected Multifamily Inventory by Unit, 2017 - 2024



New Multifamily Deliveries, 2017 - 2024



Data Source: CoStar

Housing Supply Analysis

Multifamily Development Pipeline – Greater Dalton

New multifamily development activity in Greater Dalton is significant. Five new developments are expected to deliver 845 new multifamily units by the end of 2024. This represents the greatest number of new multifamily deliveries at any point in Greater Dalton in the last two decades.

A majority of the multifamily development pipeline is concentrated in market rate apartments, but it also includes micro-apartments that can hit lower price points due to smaller unit sizes and a Low-Income Housing Tax Credit (LIHTC) development that will provide households earning 60% AMI and below with quality affordable housing.

The addition of new market rate multifamily housing and affordable multifamily housing will contribute significantly towards producing much-needed new inventory to Greater Dalton’s housing supply. The diversity of multifamily unit types contributes to satisfying the needs of a variety of residents representing multiple market segments.

Development Name	Year Built	Number of Units	Development Type	Status
Shaw Living Lab	2021	9	Corporate Downtown Lofts	Complete
Belk-Gallant Apartments	2022	19	Corporate Downtown Lofts	Complete
Lofts at Hamilton	2023	218	Market Rate Apartments	Partially Complete
Dalton Station	2023	133	Micro-apartments	Under Construction
Crow Valley Heights	2024	70	LIHTC Apartments	Under Construction
The Dalton by Alta	2024	214	Market Rate Apartments	Under Construction
The Township at Hammond Creek	2024	209	Market Rate Apartments	Under Construction



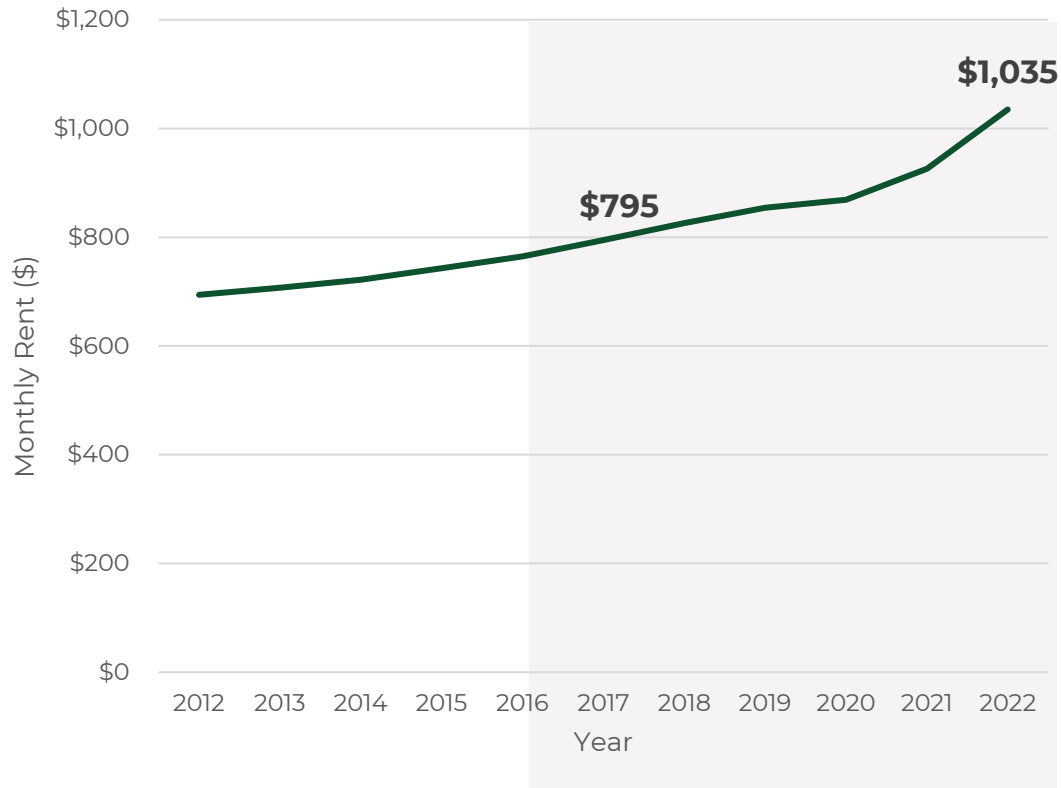
Data Source: CoStar

Housing Supply Analysis

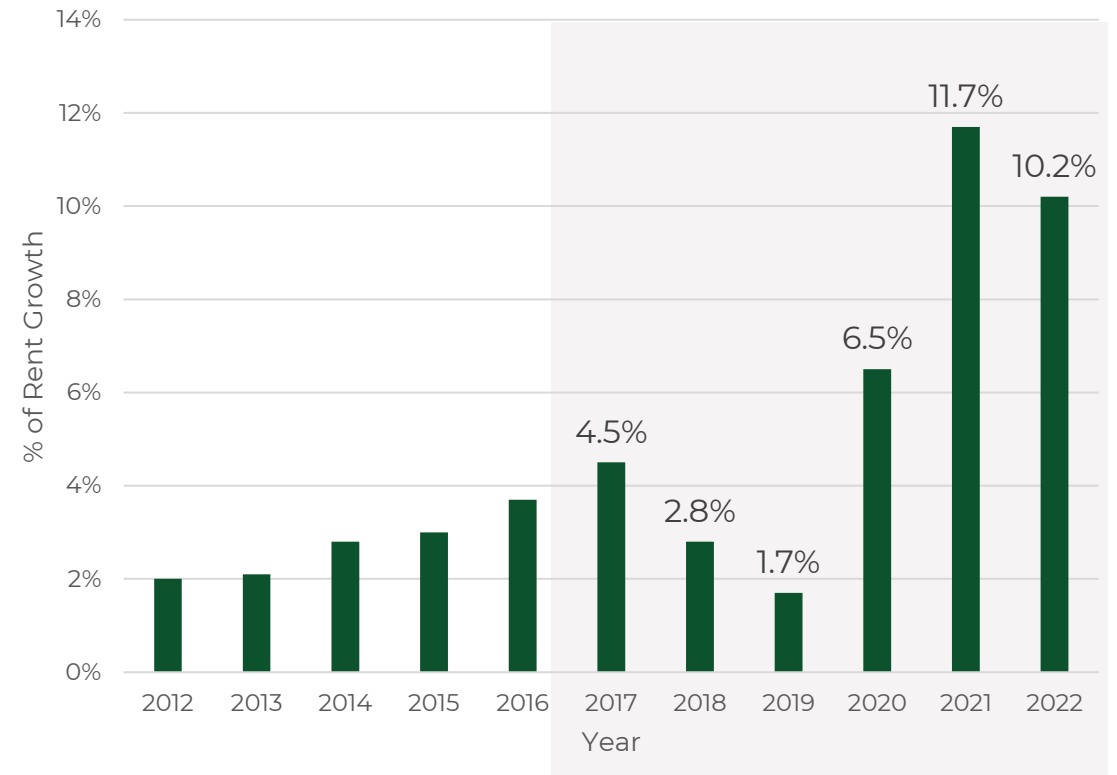
Multifamily Rent Growth – Greater Dalton

The average multifamily rent in Greater Dalton grew gradually between 2012 and 2019 and then rapidly from 2020 onwards. Rent growth has been the most acute in the last two years (2021 and 2022), despite no new multifamily offerings that are available to the general public.

Greater Dalton Avg. Rent per Unit, 2012 - 2022



Greater Dalton Avg. Rent Growth, 2012 - 2022



Data Source: CoStar



Housing Supply Analysis

For Sale Housing Prices & Sales – Greater Dalton

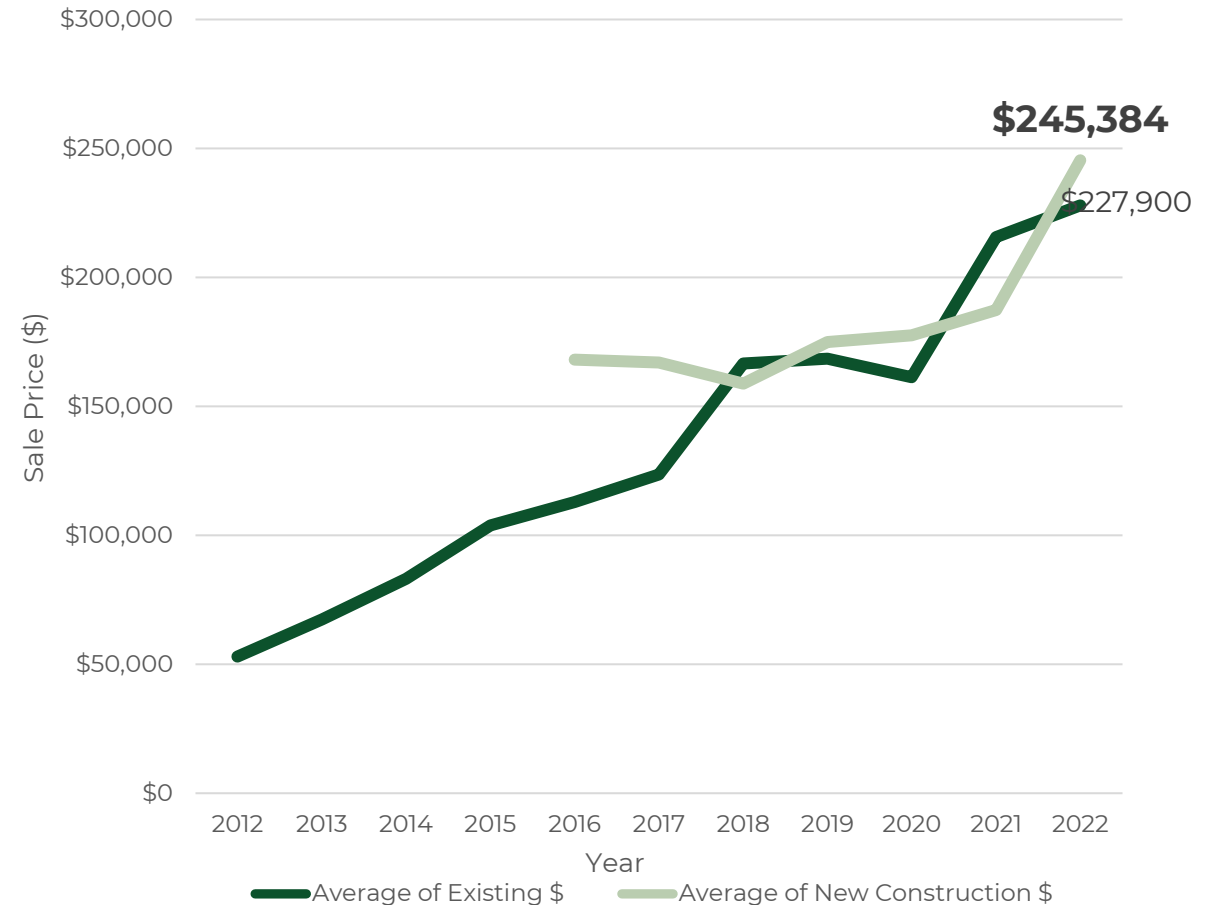
Housing prices in Greater Dalton have risen to record highs since the financial crisis in 2008 and the subsequent “bottoming out” of the region’s housing market in 2012.

Prior to the Great Recession, the peak of average home prices in Greater Dalton reached \$115,000. This was surpassed in 2017, and average home prices have continued to grow since then.

Since 2018, the prices of newly constructed homes and existing homes have remained in a similar range. In a “typical” housing market, the newest deliveries will command a premium over the existing, older housing stock. This has not been the case for the last 5 years. There are several reasons for this:

1. 80% of all new housing delivered in the last five years is priced between \$200,000 and \$300,000.
2. Attached housing products have been the majority of new for-sale deliveries in the last 5 years.

Greater Dalton Avg. Sales Price, 2012-2022



Data Source: Redfin



Housing Demand & Gap Analysis



Housing Demand Analysis

Introduction

What is “Housing Demand” and why is it important?

- **“Housing Demand”** is the number of housing units that, if offered at price points accessible and affordable to the **full range** of Greater Dalton’s households, would all be absorbed at a rate commensurate with typical market conditions.
- Calculating the housing demand in Greater Dalton is an important tool for planning, permitting, and economic development. Understanding the intersection between demand and supply is critical for the efficiency, resiliency, and health of the housing market.
- **This demand forecast serves as a benchmark that can be applied to inform discussions related to housing, community services and infrastructure, regulatory decisions, and public policies.**

What happens if housing demand in Greater Dalton is *not* met?

- The most critical consequence is that families, households, employees, and future companies will choose to go someplace else, even if they work in Greater Dalton.
- Some households will forgo moving, and others will move into a house or price point that is not preferred or ideal for their situation.



Housing Demand Analysis

Demand Overview

- The greatest needs in terms of housing demand over the next 5 years are:
 - **For-sale upper-middle and upper-income** housing, with amenities, across detached and attached products
 - **For-rent: workforce and affordable multifamily housing** for households making 120% AMI and less.
- “Pent-up” rental and for-sale demand for these products still exists and will not be fully satisfied until more products are delivered.
- The four new multifamily deliveries anticipated over the next 16 months will satisfy the latent demand and likely future demand for the next 5 years for large-scale market-rate apartments. Many additional housing types have tremendous opportunities for success in Greater Dalton in the next five years.
- On the for-sale side, there is still significant demand for new products at a variety of different price points – but especially at the upper-middle and upper-end. New for-sale housing will require thoughtful location, quality, and access to amenities in order to justify increased price points.

Report Definitions of Household Income

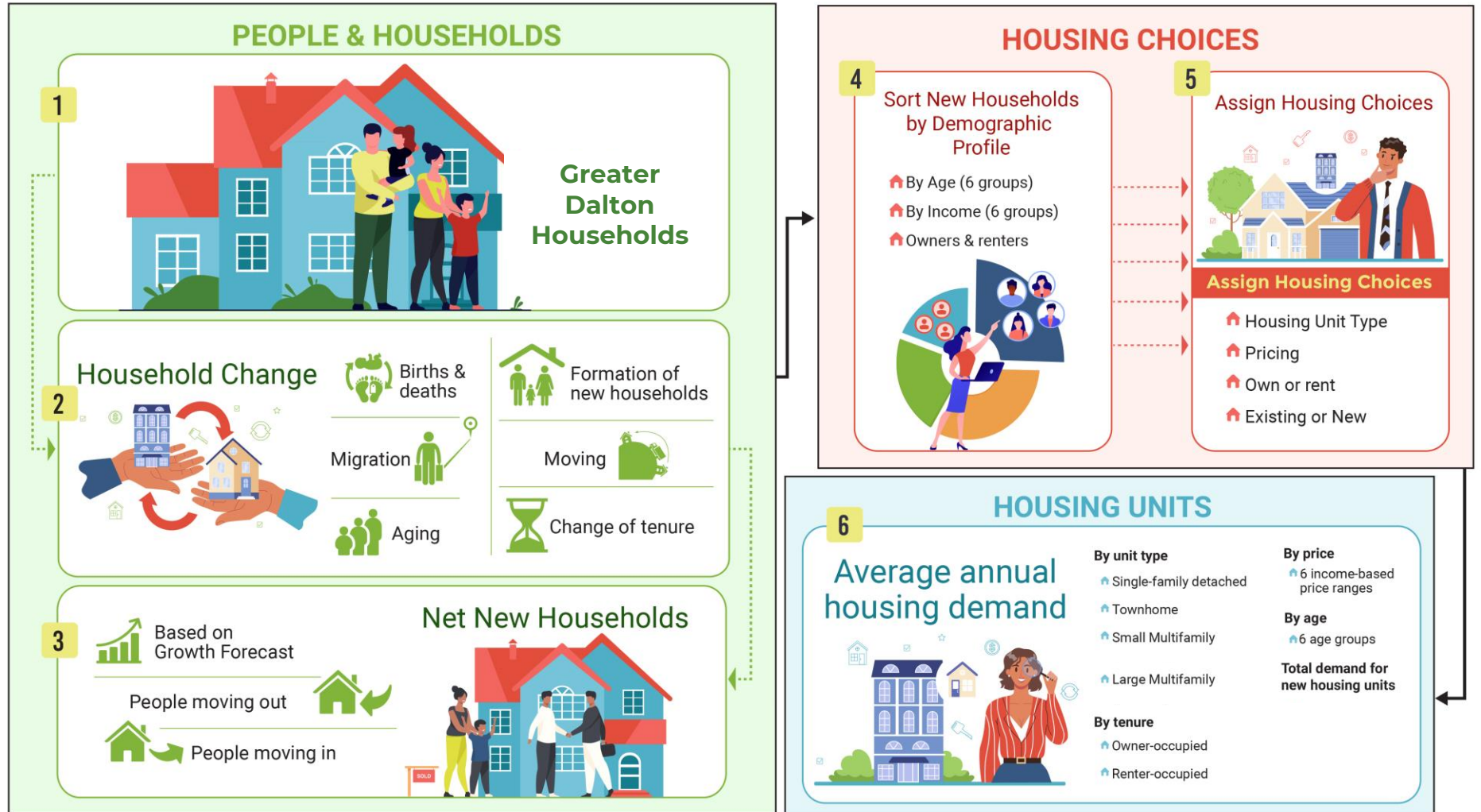
AMI Range	Income Level	Income Range
0% - 50%	Low	Less than \$35,000
50% - 80%	Lower-Middle	\$35,000 - \$49,999
80% - 120%	Middle	\$50,000 - \$74,999
120% - 140%	Upper-Middle	\$75,000 - \$99,999
140% +	Upper	\$100,000 +



Housing Demand Analysis

Methodology

- The infographic to the right illustrates the steps conducted in the housing demand analysis.
- The demand analysis uses a growth-based approach, incorporates demographic and household trends, and matches those trends with housing choices.
- The analysis is based on Census ACS, Claritas Spotlight, and Census PUMS data for the relevant geographies and is matched with supply data from CoStar, Census ACS, and SmartRE.



Housing Demand Analysis

Housing Typologies

- This analysis includes references to general housing typologies including single-family detached, townhomes, small multifamily, and large multifamily.
- **Single-family detached** units are the traditional and predominant housing type in Greater Dalton. They are detached products with separate structures and land.
- **Townhomes** are an attached single-family product with separate lots. Townhomes are attached using the sidewalls of the structure.
- **Small multifamily** encompasses a wide range of housing types from duplexes and quadplexes to cottage courts and multiplexes. A variety of small multifamily types have recently been delivered in Greater Dalton, especially duplexes, quadplexes, and cottages. Small multifamily typically represents no more than 10 units per structure.
- **Large multifamily** encompasses the largest of the aforementioned housing typologies. This product is represented by the projects currently under construction like Hamilton Lofts and The Dalton by Alta.

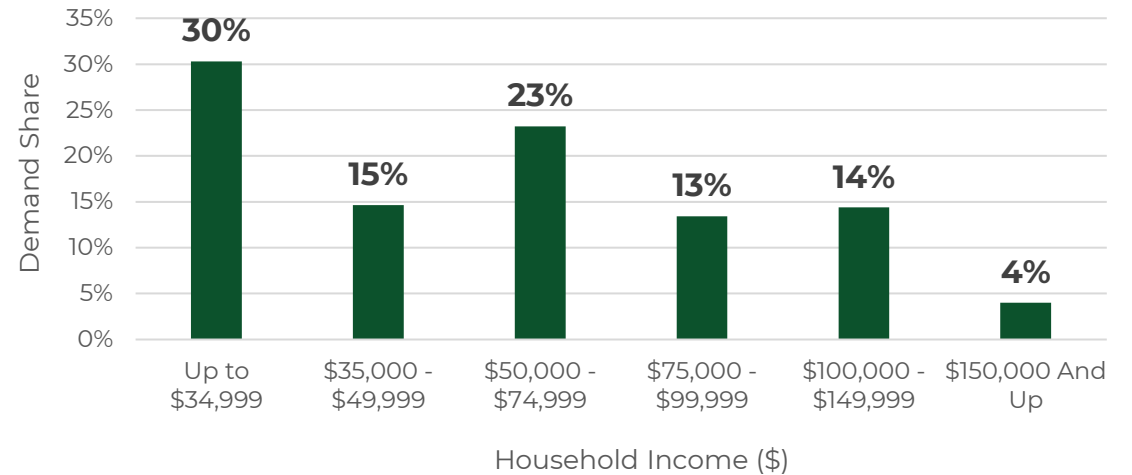


Housing Demand Analysis

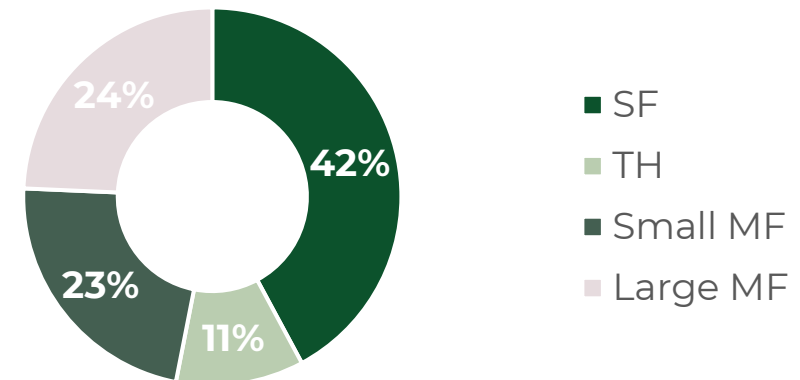
Total Housing Demand – Greater Dalton

- Over the next 5 years, Greater Dalton has the market potential to deliver between 1,200 and 1,500 new residential units.
- New housing types would help satisfy demand in Greater Dalton’s housing market. The greatest need is for amenitized housing options for middle and upper-income households as well as workforce and affordable rental options.
- The breakdown of the 5-year market demand by unit type:
 - 550 - 650 Single-Family Detached
 - 150 - 250 Townhomes
 - 250 - 300 Small Multifamily
 - 250 - 300 Large Multifamily

Demand for All Housing by Income Range



Total Demand by Unit Type



Source: KB Advisory Group

Housing Demand Analysis

Total Housing Demand – Greater Dalton

- Housing demand is concentrated across three predominant age and income segments.
 - **One-third** (approx. 33%) of total housing demand is concentrated within **households of 25-44-year-olds earning up to \$75,000 (approximately 120% AMI)**. This demographic group makes up a substantial amount of Greater Dalton’s workforce – a relatively young group, earning middle-income and lower wages.
 - **One-fifth** (approx. 20%) of total housing demand is derived from households between **55 and 64** and ranges from lower to upper middle-income earners.
 - **One-seventh** (approx. 15%) of total housing demand is concentrated in the income group earning between **\$100,000 and \$150,000**. These households are high-income earners, and likely management-level professionals working but not currently living in Greater Dalton.

AMI Range	Income Range	Under 25	25-34	35-44	45-54	55-64	65+	Total
0% - 50%	Up to \$34,999	4%	5%	6%	5%	6%	4%	31%
50% - 80%	\$35,000 - \$49,999	0%	4%	4%	0%	4%	2%	15%
80% - 120%	\$50,000 - \$74,999	1%	7%	6%	1%	6%	3%	23%
120% - 140%	\$75,000 - \$99,999	2%	3%	1%	2%	4%	1%	14%
140% +	\$100,000 - \$149,999	0%	4%	3%	3%	2%	2%	15%
	\$150,000 And Up	0%	2%	0%	1%	0%	0%	3%
	Total	8%	25%	21%	12%	21%	12%	100%

*Total percentages may not add up due to computational incongruities

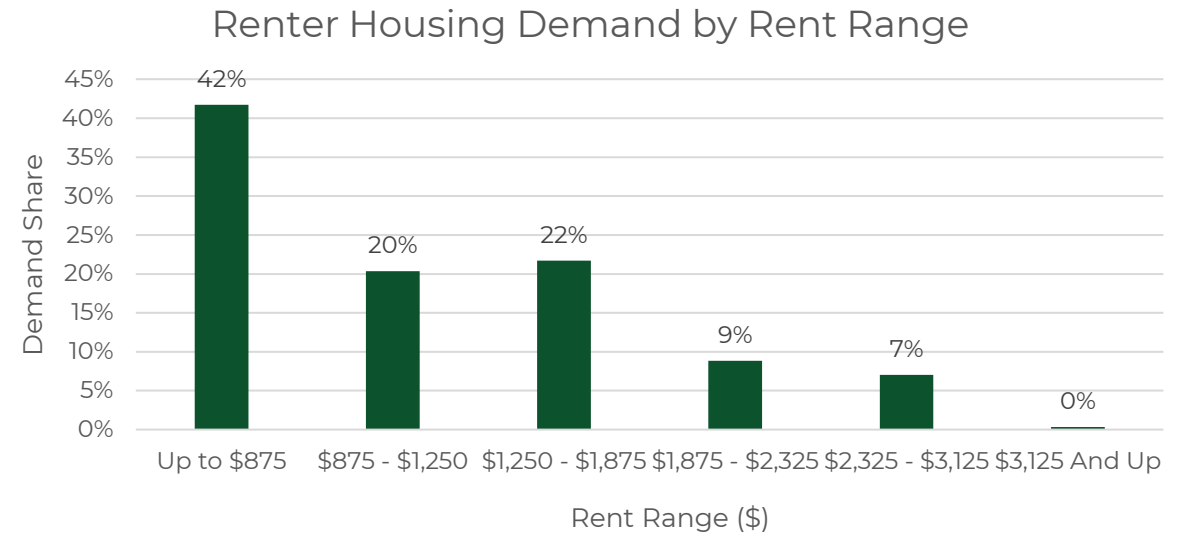
Source: KB Advisory Group



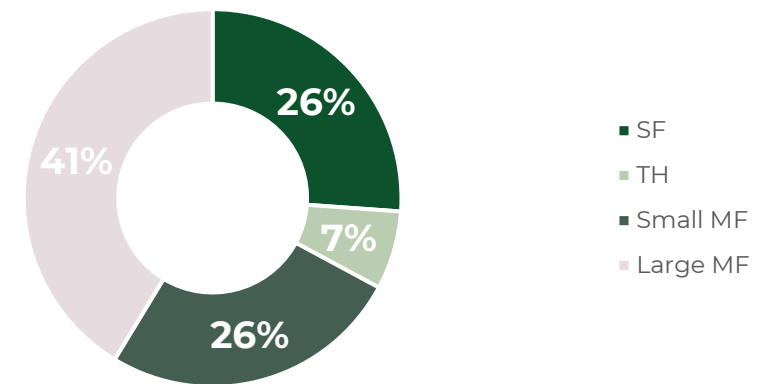
Housing Demand Analysis

Rental Housing Demand – Greater Dalton

- Over the next 5 years, Greater Dalton has the market potential to deliver between 550 and 650 rental units.
- In order to meet the demand, workforce and affordable multifamily housing must be introduced into the marketplace.
- The breakdown of the 5-year market demand by unit type:
 - 145 - 180 Single-Family Detached
 - 40 - 50 Townhomes
 - 140 - 175 Small Multifamily
 - 225 - 285 Large Multifamily



Renter Demand by Unit Type



Data Source: KB Advisory Group



Housing Demand Analysis

Rental Housing Demand

- **Rental housing demand is concentrated across three predominant age and income segments.**
 - Approximately **two-fifths** of all **rental housing demand** is concentrated in the income group earning **less than \$35,000** and includes householders of virtually every age range. The accessible rent for this income group peaks at \$875 per month in a market where average rental cost per unit is estimated to be \$1,035 per month as of 2022.
 - Nearly **half of all rental housing demand** is derived from those aged **25 to 44**, which represents the primary working age population, with the highest demand coming from households earning less than \$75,000.
 - **A fifth of rental housing demand is concentrated in the age cohort that is aged 55 to 64**, with the majority of this demand attributable to those making less than \$100,000. At least a portion of this demand segment is likely derived from older households who have become “renters by choice” as they seek to downsize as their children move out and to lessen their property upkeep responsibilities.

AMI Range	Income Range	Rent Range	Under 25	25-34	35-44	45-54	55-64	65+	Total
0% - 50%	Up to \$34,999	Up to \$875	7%	7%	9%	7%	8%	3%	42%
50% - 80%	\$35,000 - \$49,999	\$875 - \$1,250	0%	7%	7%	0%	4%	2%	20%
80% - 120%	\$50,000 - \$74,999	\$1,250 - \$1,875	1%	5%	7%	1%	5%	3%	22%
120% - 140%	\$75,000 - \$99,999	\$1,875 - \$2,325	2%	2%	0%	1%	3%	1%	9%
140% +	\$100,000 - \$149,999	\$2,325 - \$3,125	0%	1%	2%	2%	2%	1%	7%
	\$150,000 And Up	\$3,125 And Up	0%	0%	0%	0%	0%	0%	0%
	Total		11%	21%	25%	10%	22%	10%	100%

*Total percentages may not add up due to computational incongruencies



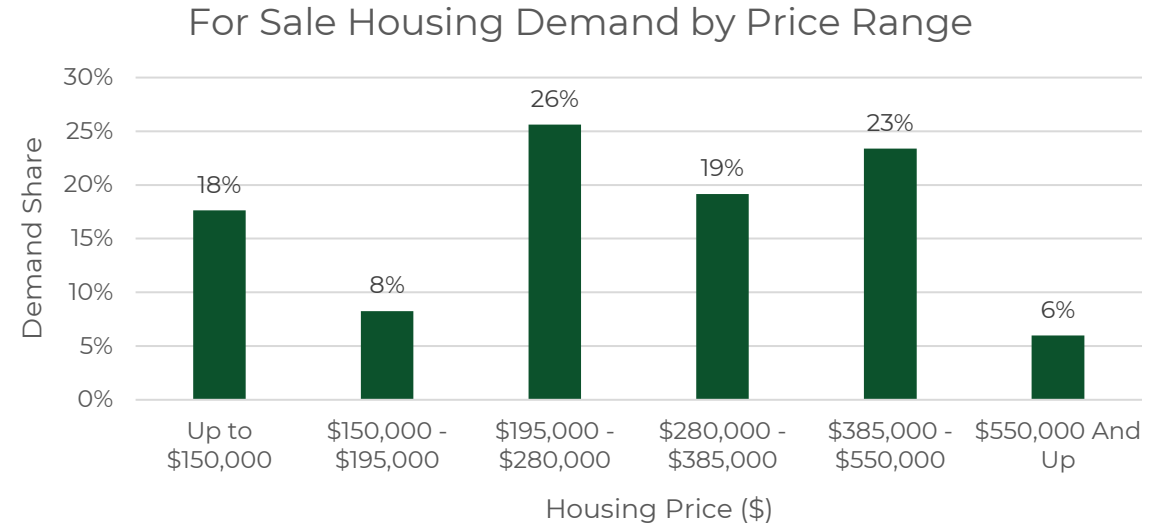
Data Source: KB Advisory Group

Housing Demand Analysis

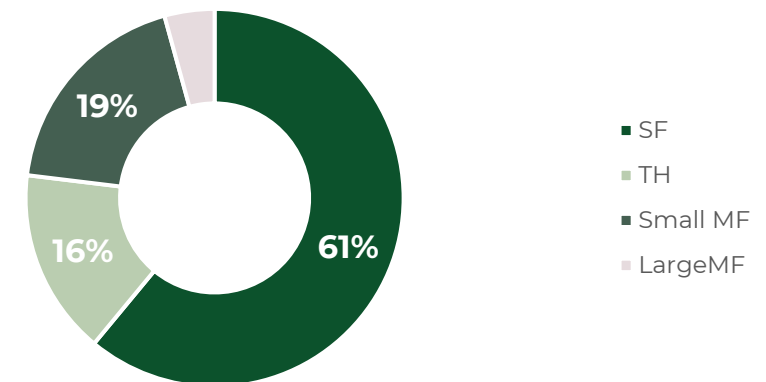
For Sale Housing Demand – Greater Dalton

- Greater Dalton has the market potential to deliver between 650 and 850 for-sale units.
- There is significant demand for new for-sale products at the upper-middle and upper-end of the price spectrum. New for-sale housing will require thoughtful location, finishes, build quality, and access to amenities to justify the increased price points.
- The breakdown of those units is expected to be:
 - 400 - 500 Single-Family Detached
 - 100 - 125 Townhomes
 - 120 - 150 Small Multifamily
 - 30 - 35 Large Multifamily*

*The demand analysis indicates that there is some level of interest in for-sale condominiums in larger multifamily developments. However, the level of demand is likely not yet high enough to justify the development of that product at a scale greater than 35 units.



For Sale Demand by Unit Type



Data Source: KB Advisory Group



Housing Demand Analysis

For-Sale Housing Demand

- For-sale housing demand is concentrated in two predominant age and income segments.

- For-sale housing demand is concentrated within **households earning between \$50,000 and \$150,000 annually**, representing two-thirds of for-sale housing demand. Collectively, this group represents the middle, upper-middle-, and upper-income groups in Greater Dalton and is far from monolithic. Households earning \$50,000 annually have far different needs from those earning \$150,000. Housing options available at a variety of price points are vital to ensure Greater Dalton’s housing market can satisfy potential demand.
- Those aged 25 to 34 account for a quarter of all for-sale demand with most of that demand concentrated in households earning \$50,000 to \$150,000. Demand from this age group is driven by younger millennials progressing in their careers and starting families, who have begun to seek ownership opportunities.
- Those aged 35 to 64, representing mid- to late-career professionals, account for the age group with the greatest share of for sale demand collectively.

AMI Range	Income Range	Housing Unit Price Range	Under 25	25-34	35-44	45-54	55-64	65+	Total
0% - 50%	Up to \$34,999	Up to \$150,000	1%	3%	2%	2%	4%	5%	17%
50% - 80%	\$35,000 - \$49,999	\$150,000 - \$195,000	0%	1%	1%	0%	3%	2%	8%
80% - 120%	\$50,000 - \$74,999	\$195,000 - \$280,000	1%	9%	4%	2%	7%	3%	25%
120% - 140%	\$75,000 - \$99,999	\$280,000 - \$385,000	2%	5%	3%	3%	4%	1%	19%
140% +	\$100,000 - \$149,999	\$385,000 - \$550,000	1%	7%	5%	5%	2%	2%	23%
	\$150,000 And Up	\$550,000 And Up	0%	1%	3%	1%	1%	2%	8%
	Total		5%	26%	17%	15%	21%	16%	100%

*Total percentages may not add up due to computational incongruencies



Data Source: KB Advisory Group

Housing Demand Analysis

Rental Housing Demand – Greater Dalton

- Since the 2018 study was published, one new, non-corporate multifamily rental development has been delivered – meaning that the “pent-up” demand discussed in the 2018 report still exists and has continued to build.
- The last quarter of 2023 will be the beginning of a significant series of market rate multifamily deliveries. The first phase of The Lofts at Hamilton is in the process of leasing. After The Lofts at Hamilton, Dalton Station, The Dalton by Alta, and The Township at Hammond Creek are expected to deliver and begin leasing throughout 2024. These four developments are expected to deliver 775 new market rate multifamily units in a span of 16 months. This addition of new similarly priced rentals will represent the largest addition to Greater Dalton’s rental housing stock in several decades.
- This infusion of new rental products over a condensed period of time will likely satisfy much of the “pent-up” demand and new demand for new market rate multifamily for the next five years.
- There is likely some potential for new market rate rental products in the next five years, however, it will need to substantially differentiate itself from the aforementioned developments in terms of price, quality, and location in order to be successful.



Housing Demand Analysis

For-Sale Housing Demand – Greater Dalton

- Even with higher levels of for-sale permitting in the last five years, some permits have not yet materialized into deliveries. There is still “pent-up” demand for for-sale products in addition to new demand over the next five years.
- Greater Dalton’s housing market has robust demand for new for-sale housing, and this is particularly true at the higher end of the price spectrum. Attached and detached options at price points greater than \$300,000 have the largest opportunity for growth and expansion.
- In order to reach higher price points, these products will require access to amenities, higher quality, a variety of sizes, and finishes that would necessitate and justify higher price points.

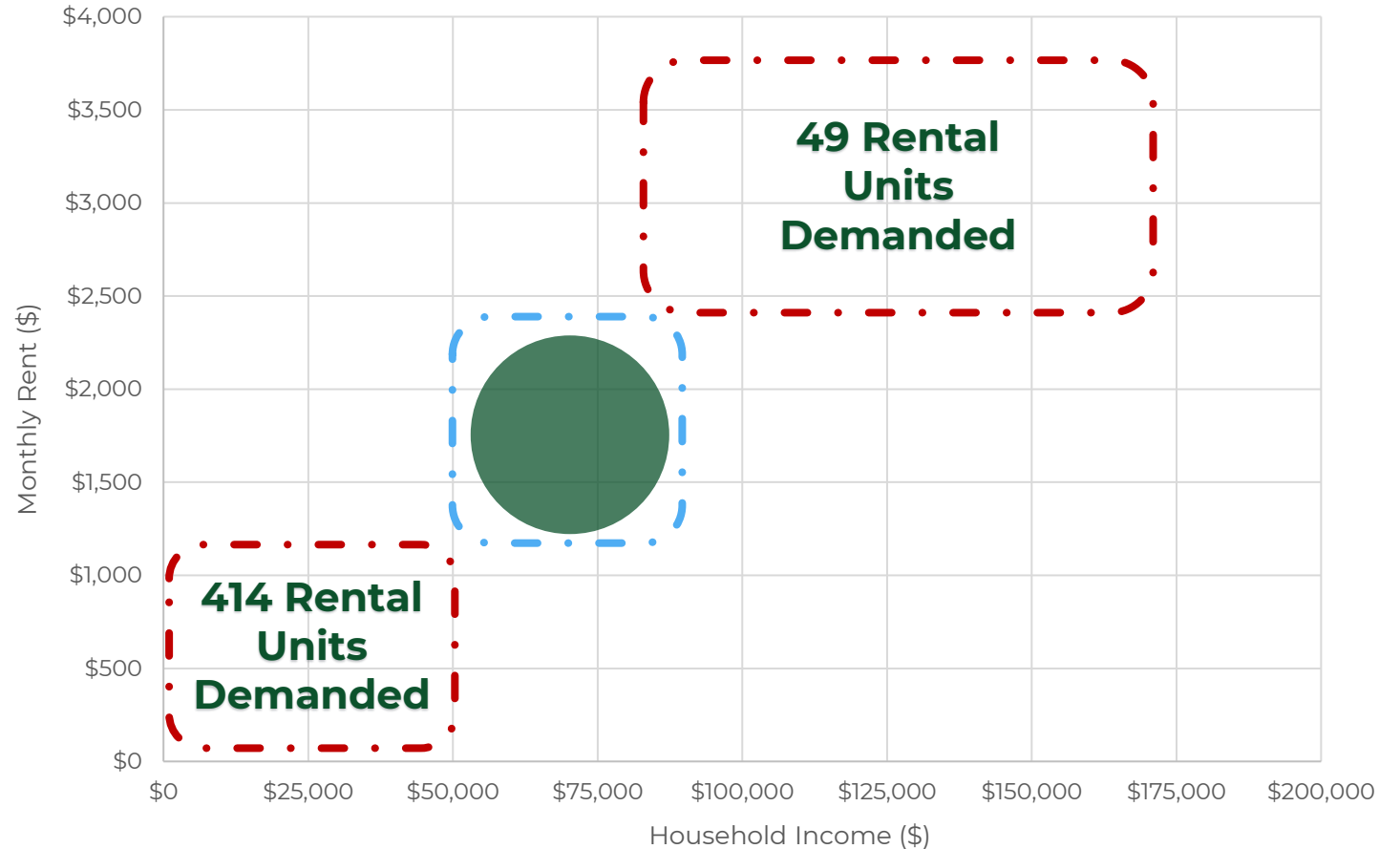


Housing Demand Analysis

Rental Housing Demand

- The only new rental deliveries provide rental opportunities between \$1,300 and \$2,200 per month.
- This leaves significant gaps where rental products are demanded at both the higher and lower ends of the market.
- Based on the analysis of the demand model, over the next five years, the largest need in the rental market is in affordable multifamily housing, which would satisfy the gap at the lower-end of the rental market.

Greater Dalton New Rental Deliveries, 2018 - 2022



Data Source: KB Advisory Group utilizing data from CoStar

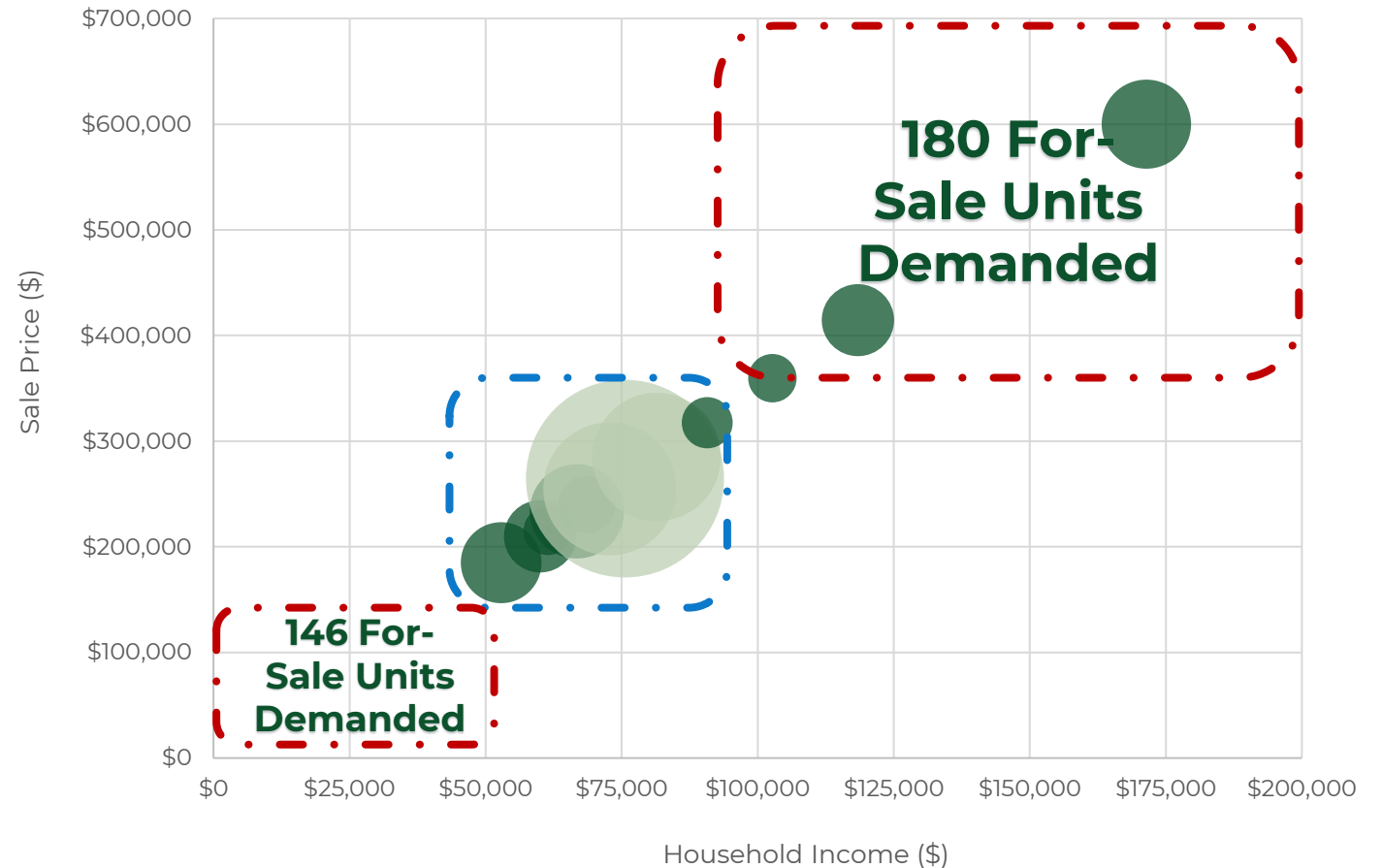


Housing Demand Analysis

For-Sale Housing Demand

- 80% of Greater Dalton's new for-sale housing was delivered at price points between \$200,000 and \$300,000.
- This leaves notable gaps in the demand at other price points in the residential market. When these gaps are not filled with differentiated products, it can lead to market compression.
- Builders and developers have been adept and efficient at producing housing between \$200,000 and \$300,000. However, the demographic and population-based demand model suggests that there are opportunities to expand the market at the higher and lower ends – thereby eliminating the gaps and relieving some of the compression felt in the middle of the market.

Greater Dalton New For Sale Deliveries, 2018 - 2022



Data Source: KB Advisory Group utilizing data from Zillow and Redfin



Appendix: Comparative Community Assessment



Comparative Community Assessment

Introduction

This section contains an assessment of comparable communities to Dalton* and Whitfield County* based on a variety of factors. The four comparable communities that were analyzed are:

- Gainesville / Hall County, GA
- LaGrange / Troup County, GA
- Macon / Bibb County, GA
- Rome / Floyd County, GA

The four Georgia comparison communities were selected based on similarities regarding population and growth, geographic proximity, housing markets, and policy tools.

In addition to the data assessment conducted amongst the set of comparable communities, research on the housing policy tools of the various counties was also conducted.

The outcome of the housing policy tools research is utilized in the Strategies and Recommendations section of the report.

**Gainesville
Hall County**

**Rome
Floyd County**

**LaGrange
Troup County**

**Macon
Bibb County**

****Any use of Dalton in the Comparative Community Assessment directly refers to the incorporated boundaries of the City of Dalton.***

****Any use of Whitfield County in the Comparative Community Assessment is used to describe the Greater Dalton region. Whitfield County is inclusive of all municipalities and unincorporated portions of the county.***



Comparative County Assessment

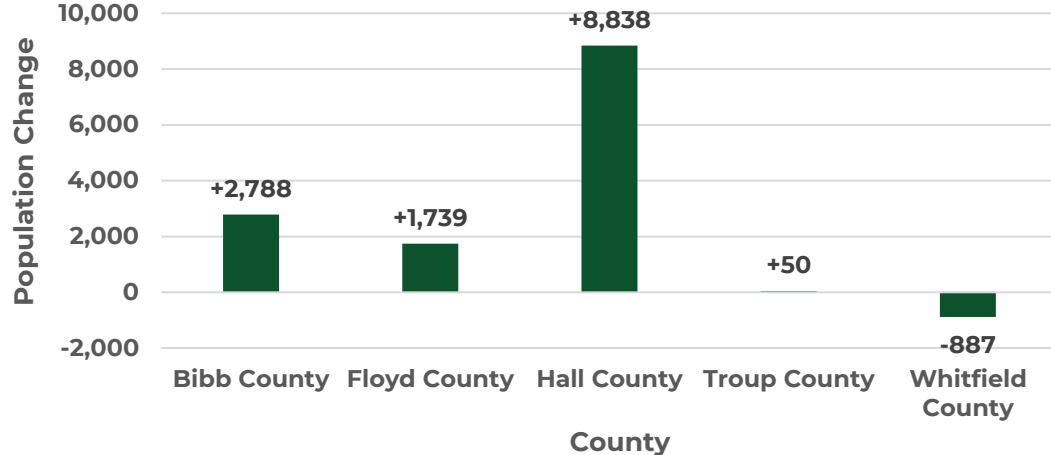
Population and Housing Units

All of the counties profiled in this comparison except for Whitfield County, which lost nearly 900 residents, experienced growth in population between 2017 and 2021. Hall County lead this group, adding nearly 9,000 people over the interval. Troup County added the fewest new residents, adding 50 and 154 respectively.

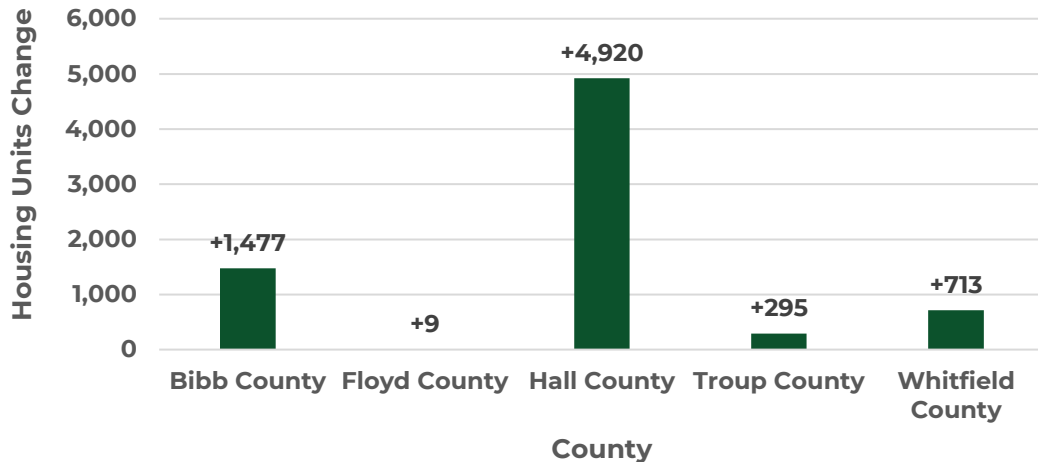
The addition of housing units to each of the counties in this comparison largely mirrored trends in population growth for each county, with Hall County adding the most housing units in order to keep up with its growth in population.

Troup County and Whitfield County both added more housing units than they did residents between 2017 and 2021, however in the case of Whitfield County, the low number of population added to the county overall is explained by significant losses in population in the unincorporated areas of the county, a contrast to the population growth seen within the city of Dalton.

Change in Population, 2017-2021



Change in Housing Units, 2017-2021



Data Source: U.S. Census ACS 5-Year Estimates, 2017, 2021



Comparative City Assessment

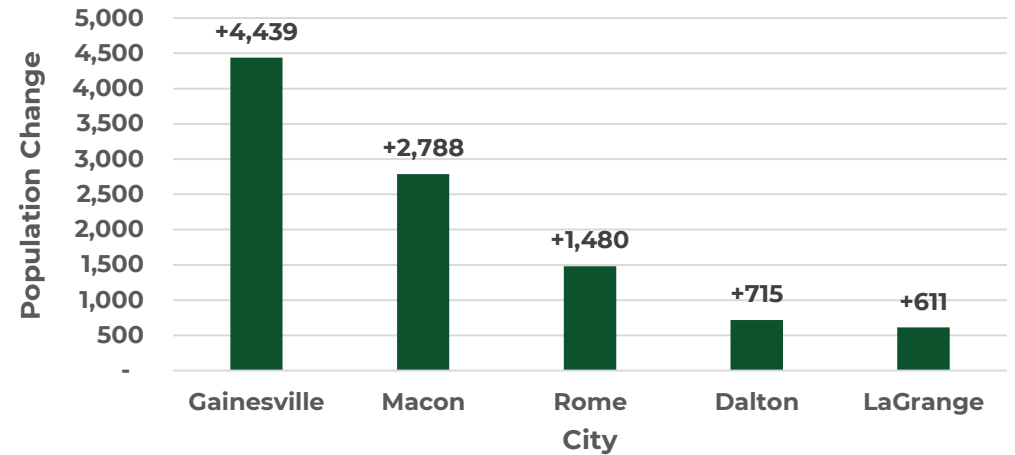
Population and Housing Units

The population of every city in this analysis has increased over the past five years. The city that gained the most new residents was the city of Gainesville, adding nearly 4,500 new residents. Macon and Rome also added on average between 300 and 600 new residents annually between 2017 and 2021. While Dalton and LaGrange both grew in population across this interval, the growth of population in both cities occurred at a slightly slower pace than in the other cities in this analysis, adding on average between 125 and 150 new residents annually.

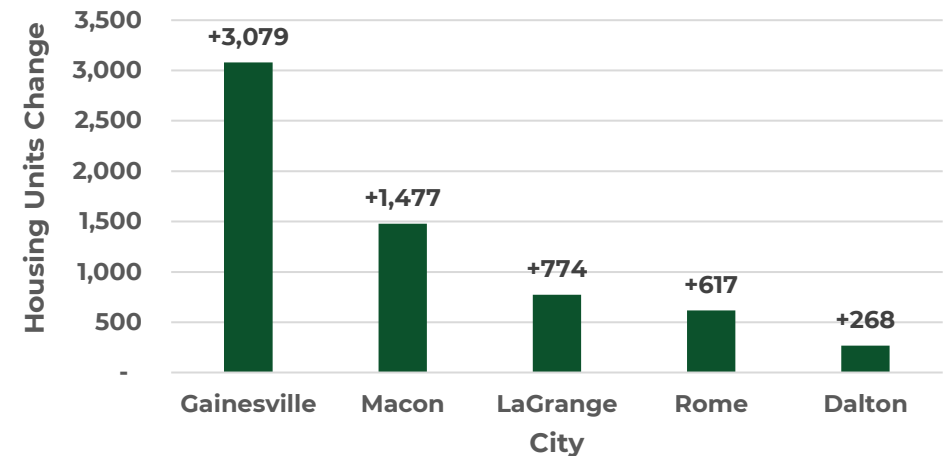
While all five cities' population grew between 2015 and 2021, the number of housing units in each of the cities also grew, though the rate at which cities added new housing units was not always the same rate at which the cities gained population. LaGrange, for example, added the third highest number of housing units over the five-year period, outstripping their growth in population. All of the other cities in this comparison added fewer units than population, Gainesville and Macon again leading the way, producing 3,079 and 1,477 housing units respectively.

While Dalton's housing unit growth may seem to lag behind the other cities in this comparison, it is important to recognize that Dalton has experienced significant growth in housing units just beyond its city limits, which if incorporated into this comparison might place Dalton closer to the third highest producer of housing units among the selected communities.

Change in Population, 2017-2021



Change in Housing Units, 2017-2021



Data Source: U.S. Census ACS 5-Year Estimates, 2017, 2021



Comparative County Assessment

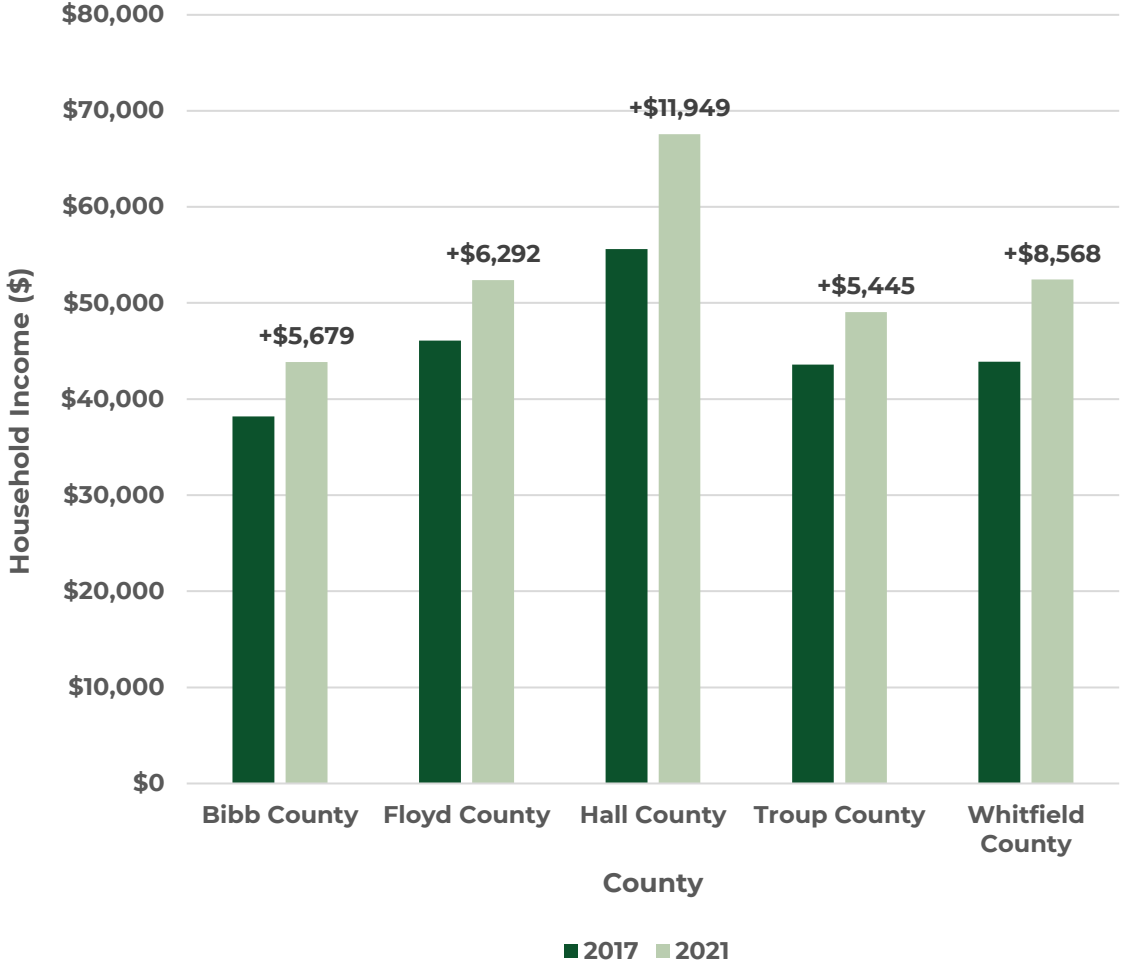
Population and Housing Units

Median household income has grown in all of the counties included in this comparison with an average increase of 16%.

Hall County saw the greatest increase in household income, growing by nearly \$12,000, a 21% growth.

Whitfield County's growth in median household income of roughly \$8,500 represented a 20% increase for the county.

Median Household Income, 2017 - 2021



Data Source: U.S. Census ACS 5-Year Estimates, 2017, 2021



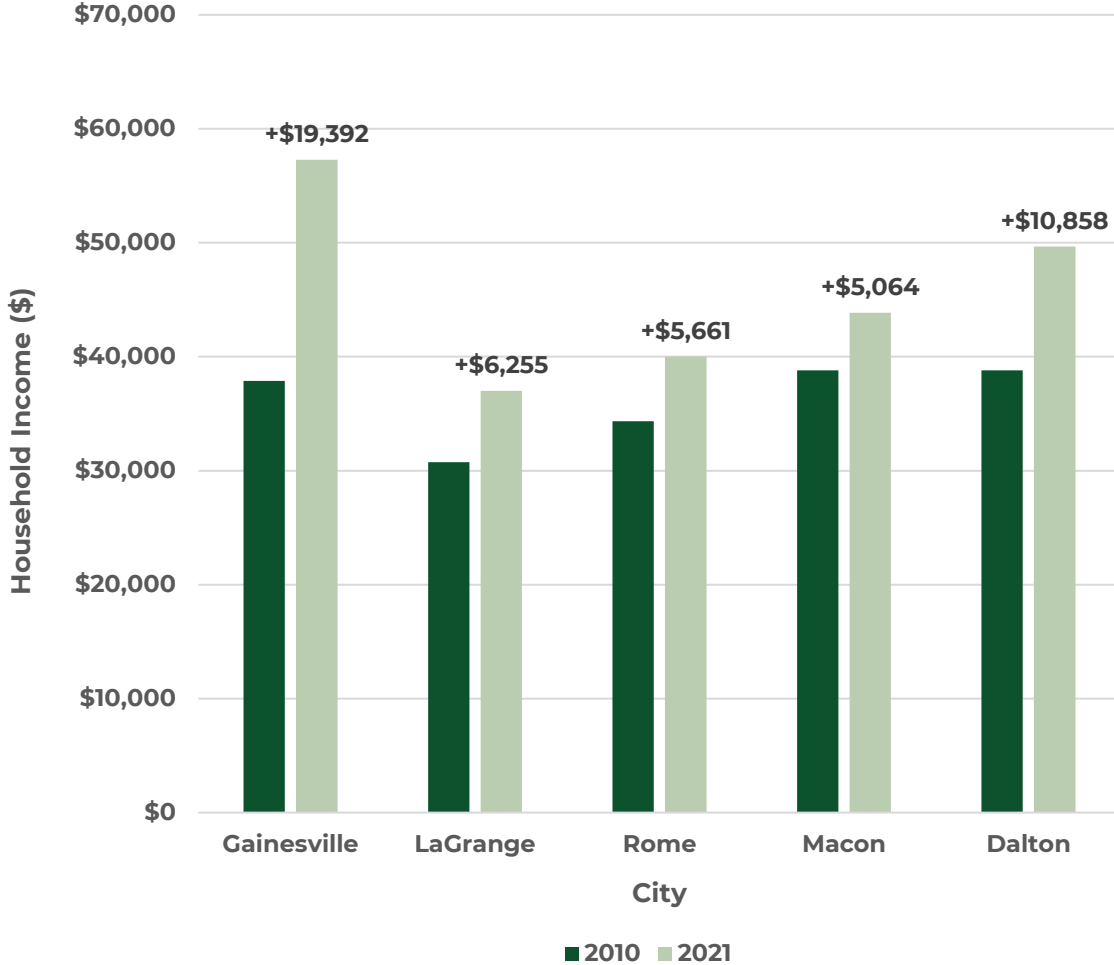
Comparative City Assessment

Population and Housing Units

Median household income has increased across all the cities in this comparison including the City of Dalton, where median household income has grown significantly between 2010 and 2021. The city of Gainesville saw the largest increase in median household income, jumping by \$20,000 between 2010 and 2021. The remaining cities saw more modest increased in median household income that were between \$4,000 and \$7,000.

While the increases in household income in some of these communities may compensate for increasing costs of living, the lack of an increase in median household income in Dalton may indicate that the gap between cost of living and household earnings is more rapidly growing.

Median Household Income, 2010-2021



Data Source: U.S. Census ACS 5-Year Estimates, 2017, 2021



Comparative County Assessment

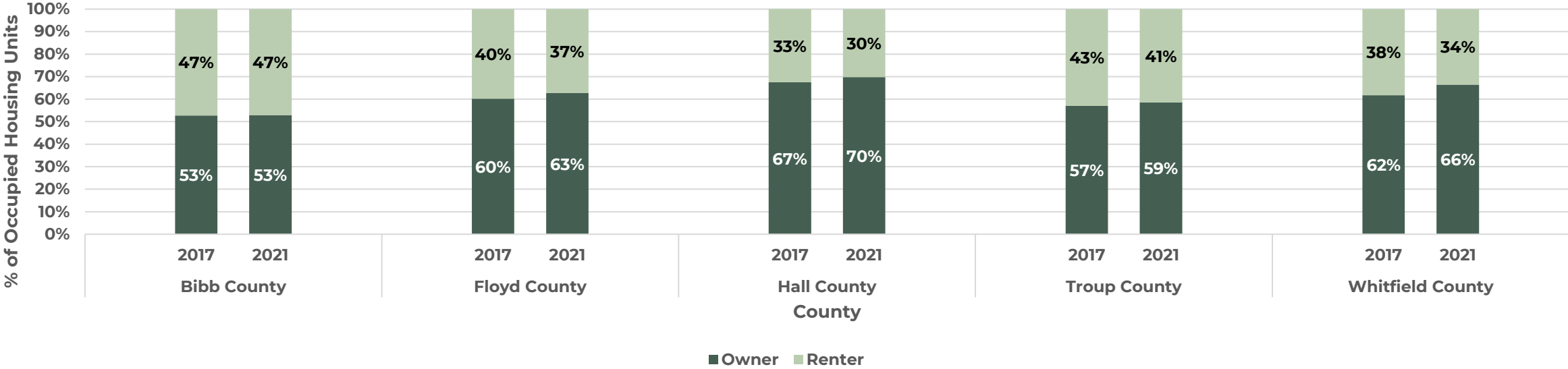
Tenure

All of the counties included in this comparison have more occupied housing units that are owner-occupied than renter occupied.

For most of these counties, tenure has transitioned to higher rates of ownership between 2017 and 2021 with the exception of Bibb County where tenure remained stable over the interval.

This transition towards higher rates of homeownership may reflect a consistent trend of building patterns that have favored owner-occupied products in each of these counties, as well as growing wealth, demonstrated through the growth in median household incomes for each of these counties.

Change in Tenure, 2017 - 2021



Data Source: U.S. Census ACS 5-Year Estimates 2017, 2021

Comparative City Assessment

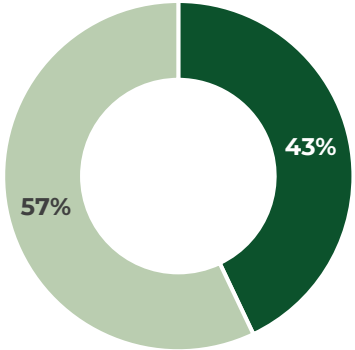
Tenure

The proportion of renter-occupied units have increased in all of the cities in this comparison besides Gainesville.

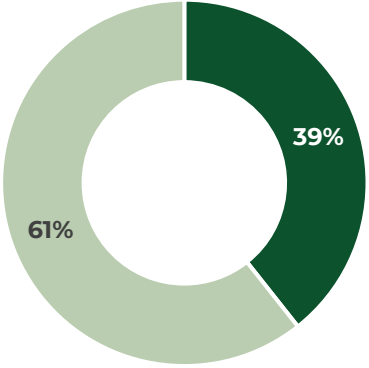
Owner-occupied units have represented around half of all occupied residential units in each of the cities in this comparison, including Dalton. Macon is the one exception; wherein owner-occupied units have typically represented a higher proportion of the city's occupied units. Since 2010, the proportion of owner-occupied units has decreased in every city in this comparison except for Gainesville, which saw a modest increase in its proportion of owner-occupied units between 2010 and 2021.

The cities of LaGrange, Macon and Rome have all seen around a 6% increase in the proportion of renter-occupied units in each of those cities. The city of Dalton has experienced a slightly smaller increase of around 2%.

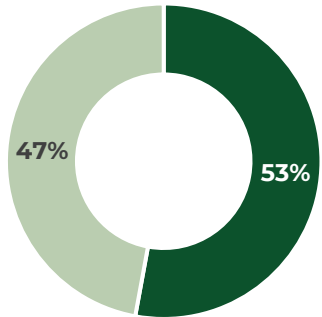
Gainesville, 2021



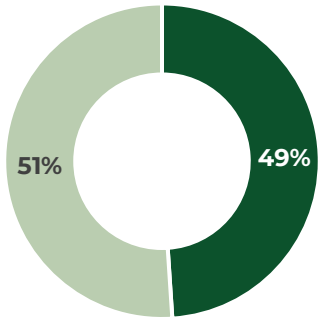
LaGrange, 2021



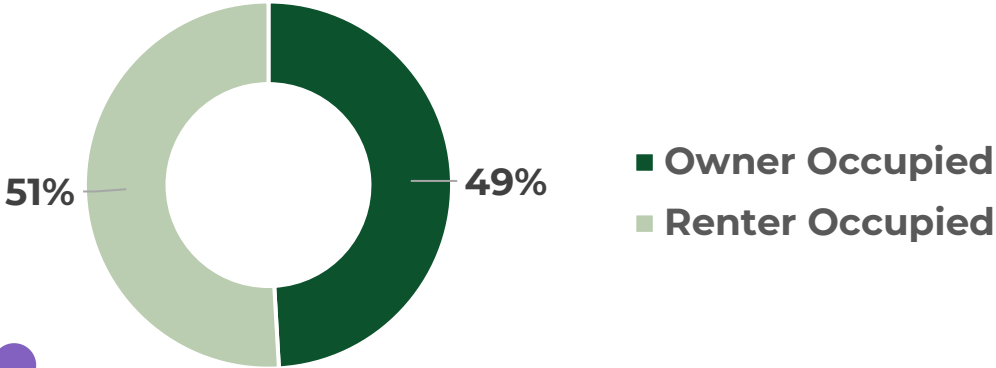
Macon, 2021



Rome, 2021



Dalton, 2021



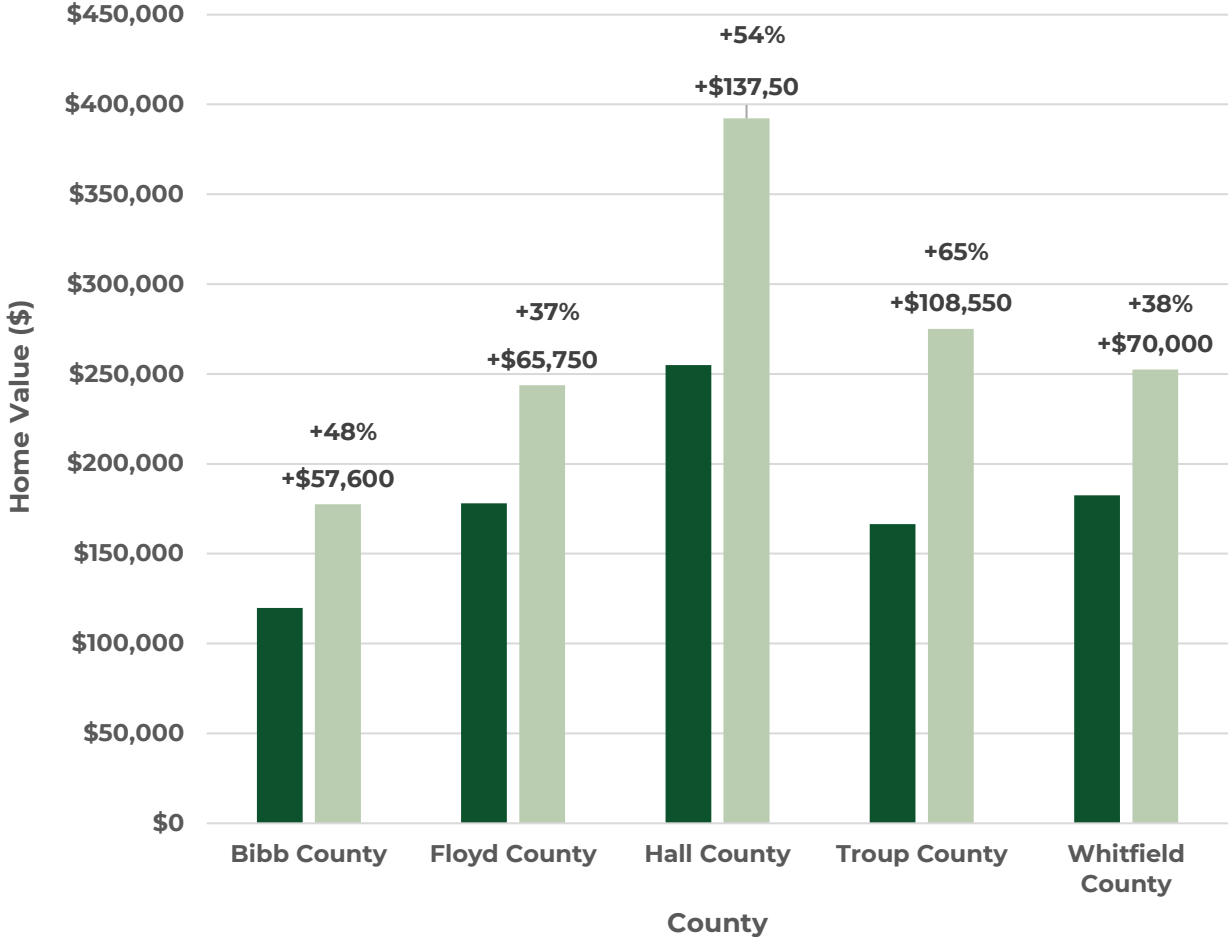
Comparative County Assessment

Median Home Price

Median home values in the counties included in this comparison have all grown significantly since 2018, ranging from a 37% growth in value in Floyd County to a 65% growth in value in Troup County.

While Whitfield County’s median home value growth was not the highest, a growth in median home value of \$70,000 represents significant growth in value for the county.

Median Home Value, 2018-2023



■ 2018 ■ 2023

Data Source: Redfin



Comparative City Assessment

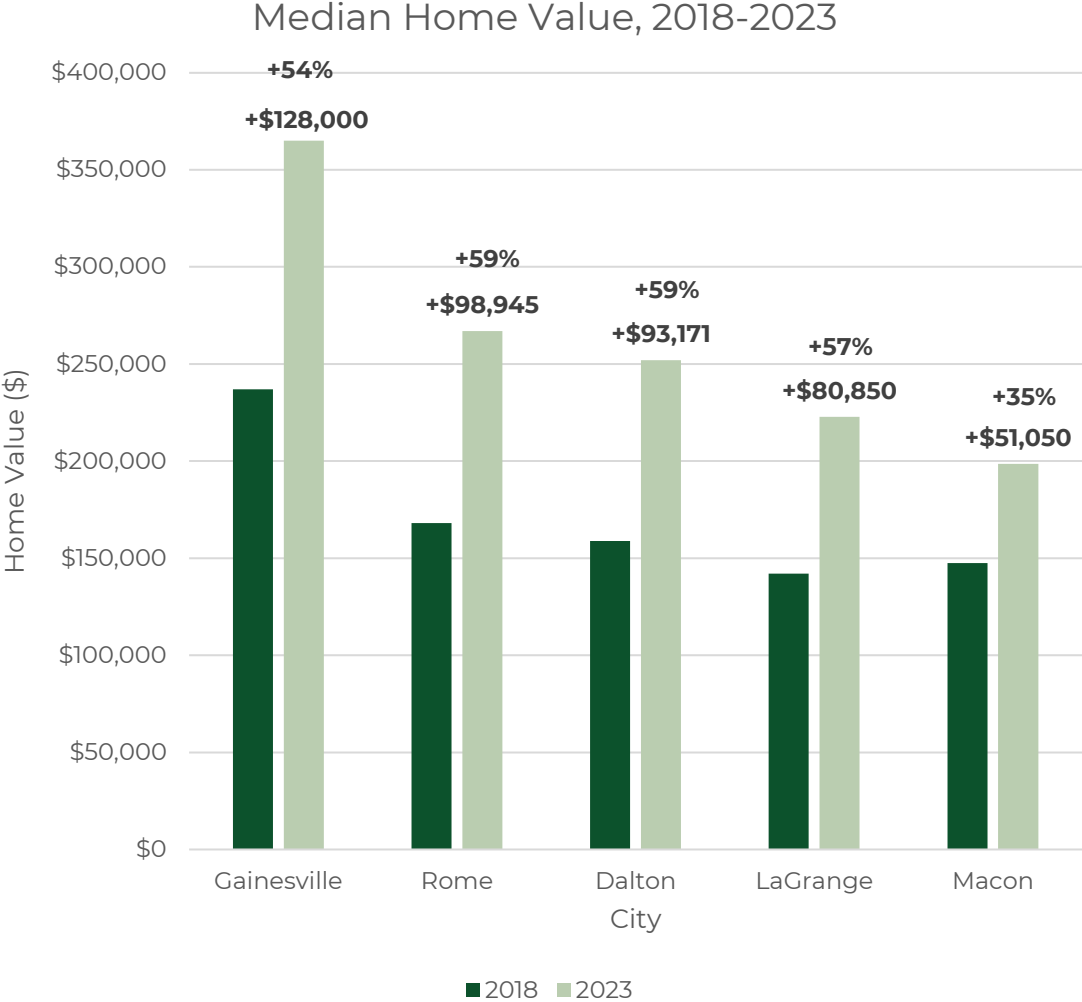
Median Home Price

Median home values have increased across all the cities in this comparison over the last five years.

Home values in Gainesville increased the most dramatically, rising from \$237,000 in 2018 to \$365,000 in 2023.

Increases in median home value ranged between \$80,000 and \$100,000 for the cities of Rome, Dalton and LaGrange. The City of Rome lead this group, experiencing an increase in median home value of \$98,945. Dalton trailed the gains seen in Rome’s median home value by around \$5,500 and exceeded median home value growth in LaGrange by more than \$12,000.

The City of Macon saw the least growth in median home values across the last five years, increasing by just over \$51,000; just over half of the growth in value observed in Dalton.



Data Source: Redfin



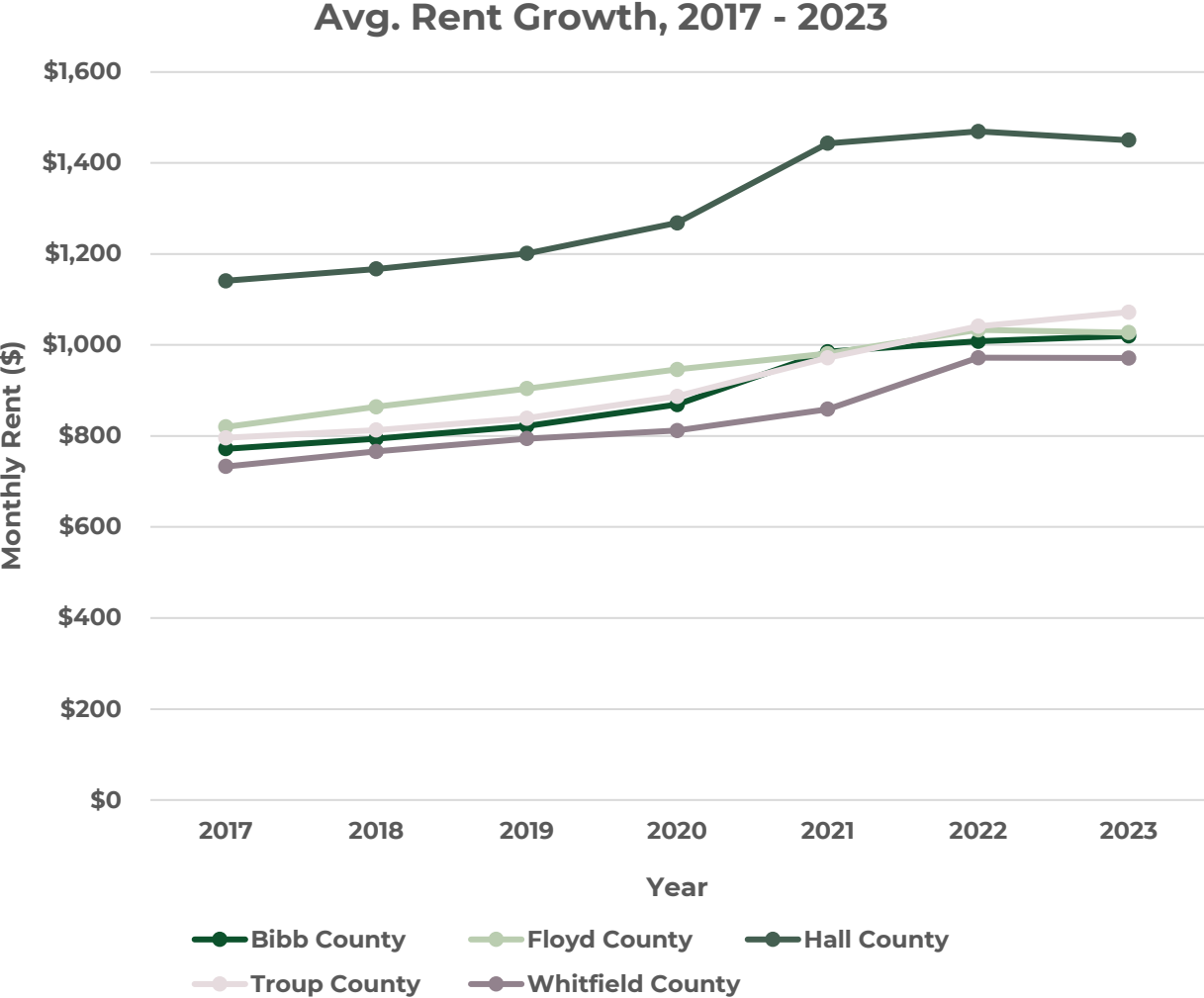
Comparative County Assessment

Average Rents

Average rents have increased in each of the comparable markets since 2017.

Floyd, Troup, Bibb, and Whitfield markets have experienced similar growth in average rents – between \$207 and \$276.

The Hall County rental market experienced the largest rent growth since 2017, average rents growing by over \$300.



Bibb County	Floyd County	Hall County	Troup County	Whitfield County
\$248	\$207	\$309	\$276	\$238

Data Source: CoStar



Comparative City Assessment

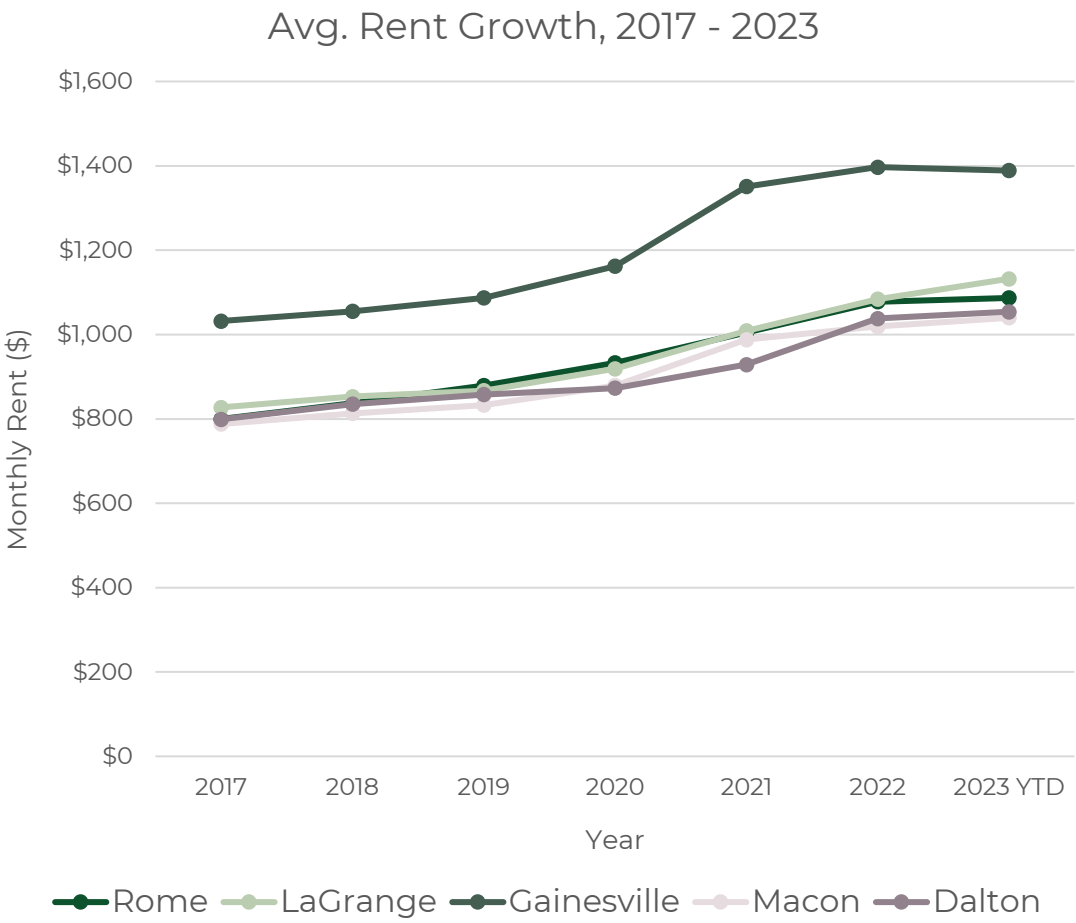
Average Rents

Average rents have increased in each of the comparable markets since 2017.

Rome, LaGrange, Macon, and Dalton markets have experienced similar rent growth – between \$220 and \$280.

Gainesville markets experienced the largest rent growth since 2017.

Rome	LaGrange	Gainesville	Macon	Dalton
\$250	\$279	\$334	\$227	\$219



Data Source: CoStar



Appendix: Employment Announcement Case Study



Regional Case Study

Methodology

The following case studies draw on information collected from the major job announcements across the state of Georgia between 2005 and 2023.

Based on the estimated average wages of the future employees of these new job centers, an affordable rent was calculated based on the premise that employees could pay up to 30% of their monthly income on housing expenses without being housing cost-burdened, assuming a one-income household. Additionally, an affordable home purchase-price was calculated based on the assumption that employees would be able to afford a home valued at around 3.5 times greater than their yearly salary.

Based on these affordability assumptions, vacant rental units and for-sale homes were identified to determine how many of the employees of each planned job center would be able to find housing within the county in which each job center is planned. Additional rental and for-sale housing units were identified in adjacent counties as well, but are not factored into the analysis, as the focus of these case studies is to show how many employees would be able to be housed within the county.

The decision to look primarily at housing units available within the counties in which these job centers have been planned is informed by the idea that living in close proximity to where one works has multiple benefits, including cutting down on infrastructure costs, traffic, emissions and adds to the time that workers are able to spend with their families.



Regional Case Study

Greater Dalton: New Manufacturing Jobs

1,280

New Manufacturing Employees Collectively

Q CELLS



Essentia
Protein Solutions

\$55,000

Average Wage of a New Manufacturing Employee

\$192,500

Affordable Home Price

\$1,375

Affordable Rent Price

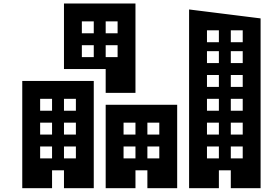


0

For-Sale Home Available* in Greater Dalton at or below Affordable Home Price

2

For-Sale Home Available in Neighboring Counties at or below Affordable Home Price



143

Rental Units Available* in Greater Dalton at or below Affordable Rent Price

932

Rental Units Available in Neighboring Counties at or below Affordable Rent Price

1,137

New Manufacturing Employees Would be Unable to Find a Dwelling Unit Within Greater Dalton under current market circumstances and unit availability

*As of November 2023



Appendix

2023 Adjusted Home Income Limits

U.S. DEPARTMENT OF HUD
STATE: GEORGIA

----- 2023 ADJUSTED HOME INCOME LIMITS -----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Columbus, GA-AL HUD Metro FMR Area								
30% LIMITS	15050	17200	19350	21450	23200	24900	26600	28350
VERY LOW INCOME	25050	28600	32200	35750	38650	41500	44350	47200
60% LIMITS	30060	34320	38640	42900	46380	49800	53220	56640
LOW INCOME	40050	45800	51500	57200	61800	66400	70950	75550
Dalton, GA HUD Metro FMR Area								
30% LIMITS	14300	16350	18400	20400	22050	23700	25300	26950
VERY LOW INCOME	23800	27200	30600	34000	36750	39450	42200	44900
60% LIMITS	28560	32640	36720	40800	44100	47340	50640	53880
LOW INCOME	38050	43500	48950	54350	58700	63050	67400	71750



Appendix

HUD Median Family Income Calculation Methodology

MFI Step by Step Calculation

1. The following are the 2021 American Community Survey 5-year median income estimate, margin of error, and sample size category for Dalton, GA HUD Metro FMR Area:

Area	ACS ₂₀₂₁ 5-Year Median Income	ACS ₂₀₂₁ 5-Year Margin of Error	Ratio	Sample Size Category	Result
Dalton, GA HUD Metro FMR Area	\$62,773	\$2,509	$\frac{\$2,509}{\$62,773} = 0.04$	6	0.04 < .5 and 6.0 >= 4 Reliable Estimate

2. Since there is a 1-year 2021 ACS estimate available, the margin of error of the estimate and the sample size category are checked for reliability:

Area	ACS ₂₀₂₁ 1-Year Median Income	ACS ₂₀₂₁ 1-Year Margin of Error	Ratio	Sample Size Category	Result
Dalton, GA HUD Metro FMR Area	\$67,852	\$6,126	$\frac{\$6,126}{\$67,852} = 0.0903$	6	0.0903 < .5 and 6.0 >= 4 Use ACS₂₀₂₁ 1-Year Median Income

3. The calculation of the CPI Inflation Factor is as follows:

Area	FY2023 <u>CPI</u>	2021 Annual <u>CPI</u>	CPI Inflation Factor
Dalton, GA HUD Metro FMR Area	303.948	270.971	$(303.948 / 270.971) = 1.1217$

4. The FY 2023 median family income is estimated as follows:

Area	ACS ₂₀₂₁ 1-Year Estimate	CPI Inflation Factor	FY 2023 Area MFI Estimate
Dalton, GA HUD Metro FMR Area	\$67,852	1.1217	$(\$67,852 * 1.1217) = \$76,110$

5. In keeping with HUD policy, the median family income estimate is rounded to the nearest \$100:

Area	Unrounded FY 2023 MFI Estimate	Rounded FY 2023 MFI Estimate
Dalton, GA HUD Metro FMR Area	\$76,110	\$76,100

NOTE: Due to differences in the computing platforms used to generate the official FY 2023 MFI estimates, and this web system, the calculated value shown may differ slightly from the official published value because of rounding.



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