



Tri-County Crossing Livable Centers Initiative (LCI) Study

Market Analysis

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Prepared For:

Spalding County

Community Development Department

and

Atlanta Regional Commission

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Tri-County Crossing

Livable Centers Initiative (LCI)Study

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1. INTRODUCTION

As part of the Tri-County Crossing Livable Centers Initiative (LCI) Study, this Market Analysis report provides an inventory and assessment of real estate and demographic trends affecting development patterns in the study area. This analysis will provide the framework for the consulting team's recommendations regarding land use and transportation improvements that together will create a vibrant, balanced mix of uses benefitting local residents, workers and businesses. The report includes the following.

- **Demographic Characteristics**- The first section will provide an overview of the population, households and housing stock in the Tri-County Crossing area, the three mile market area, and Spalding, Pike and Lamar Counties. It will also present information on businesses and employment in the study area. This section will contain 25 year forecasts for population and employment.
- **Real Estate Market Characteristics**- The second section will include an analysis of the current inventory and recent market trends for residential and commercial uses within the study area.
- **Future Real Estate Demand**- The third section of the report will present a forecast of the area's future development capacity based on the above data and analysis.

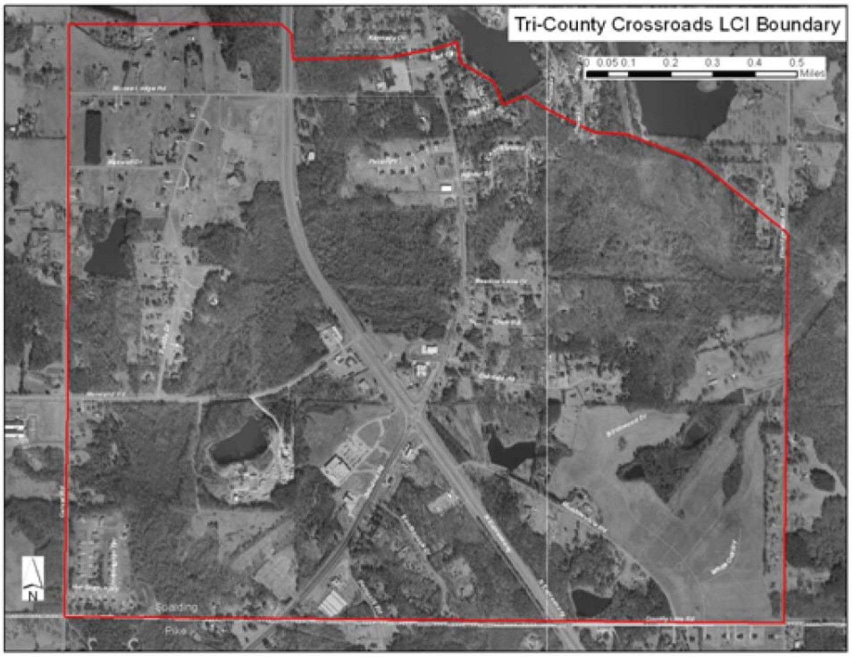
This study was prepared by Bleakly Advisory Group working as a sub-consultant to Glatting Jackson Kercher Anglin, Inc, the lead consultant in the preparation of the Tri-County Crossing LCI plan.

Study Area

This market analysis report examines the Tri-County Crossing LCI Study area, which is centered at the intersection of State Route 19 and US Route 19-41 in southern Spalding County. The study area is approximately four miles south of the city of Griffin, in unincorporated Spalding County. The study area location is at the southern edge of Spalding County, and a three-mile market area centered at the Crossing intersection also includes small portions of northeast Pike County and northwest Lamar County.

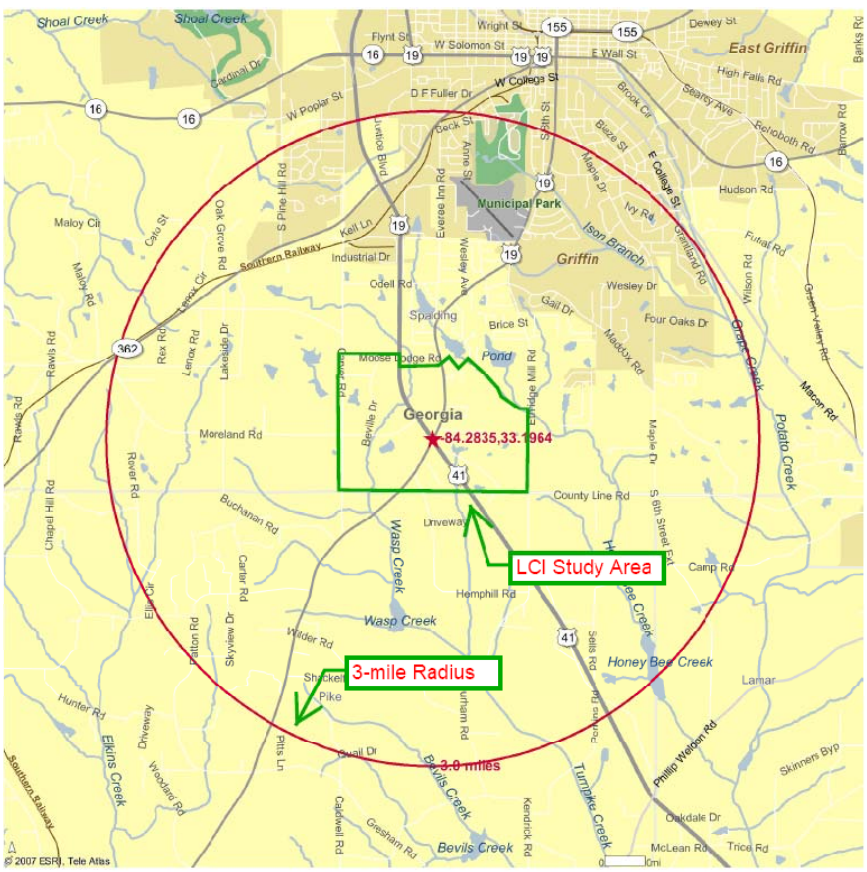
The maps below show the LCI study area and the 3-mile market area. Larger maps are available in the appendix.

1-1 Tri-County LCI Study Area



Source: Glatting Jackson Kercher Anglin, Inc

1-2 Tri-County LCI Study Area Map with 3-mile Radius



Source: ESRI

2. Demographic Characteristics

The purpose of this section is to describe the population living in the Spalding Tri-County Crossing LCI study area and its 3-mile market area. It includes an analysis of population growth, race and ethnicity, age distribution, and educational attainment. The data comes from the 2000 United States Census and Claritas, a nationally recognized socioeconomic and demographic information source. A detailed presentation of demographic data can be found in the appendix.

Demographic data in this report has generally been collected by three geographic boundaries:

- **The LCI market area**, consisting of the area within a 3-mile radius from the intersection of US Route 19-41 and GA State Route 155;
- **The 3-County area**, which consists of data for an aggregation of Lamar, Pike and Spalding Counties, the three counties which are represented in the 3-mile market area;
- **The Atlanta MSA**, which includes the entire Atlanta Metropolitan Statistical Area as defined by the US Census Bureau.

2.1. Population Characteristics

2.1.1. 25-Year Population and Job Growth Estimates

Currently there are an estimated 12,599 residents 4,802 Households, and 6,648 jobs in the Tri-County Crossing LCI 3-mile market area. The population of the study area has grown slowly but steadily since the 1980s. Forecasting growth over a long period of time can be difficult due to changing economic and development trends, the forecasts in this section are based on Atlanta Regional Commission population and employment forecasts, combined with an analysis of recent trends and anticipated LCI-related development.

- **Population** – The population boom seen throughout the Atlanta Region since the 1980s has not significantly impacted southern Spalding County, Pike County and Lamar County. The LCI market area currently has 12,559 residents, and has increased at a 1.1% annual rate from its 1990 population level of 10,269. By 2018, the population is expected to grow to 13,747, increasing by only 9.5%, or 1.1% annually. By 2033, the LCI market area is likely to grow to a population of 16,194, a total percentage gain of 28.9%, or 1.2% annually.
- **Households** – According to the forecasts, Households will increase from 4,802 to 5,391, by 2018, an increase of 12.3 % or 1.2 % annually. By 2033, the number of households in the area is likely to increase to of 6,521, a total percentage gain of 36%, or 1.4% annually. Over the same period, the average household size is likely to gradually decrease from the 2008 average of 2.62 to 2.48 in 2033.
- **Jobs** – The LCI Market area's jobs are expected to grow significantly faster than its population thanks to Spalding County's robust employment base, increasing from

6,648 jobs in 2008 to 8,553 jobs in 2018, an increase of 29%, or 2.9% annually. By 2033, the area's employment is likely to double to 13,335, a total percentage gain of 101%, or 4% annually. The jobs-housing balance will steadily increase from 1:38 to 2.05, indicating that the area will continue to attract workers from other areas.

Figure 2-1 25 Year Growth Estimates, 3-mile Market Area

Year	Population	Households	Jobs	Avg. Household Size	Jobs: Housing Ratio
2008	12,559	4,802	6,648	2.62	1.38
2013	13,246	5,105	7,511	2.59	1.47
2018	13,747	5,391	8,553	2.55	1.59
2023	14,375	5,712	9,825	2.52	1.72
2028	15,179	6,094	11,390	2.49	1.87
2033	16,194	6,521	13,335	2.48	2.05

Source: BAG, ARC, Claritas

2.1.2. Population Growth

There are currently an estimated 12,559 people living in the LCI 3-mile market area. This population is projected to grow by 5.47% to 13,246 by 2013. This population represents 12.8% of the aggregate population of Spalding, Pike and Lamar Counties, which is estimated to be 97,720 in 2008, and which is expected to grow 6.4% to 103,984 in 2013.

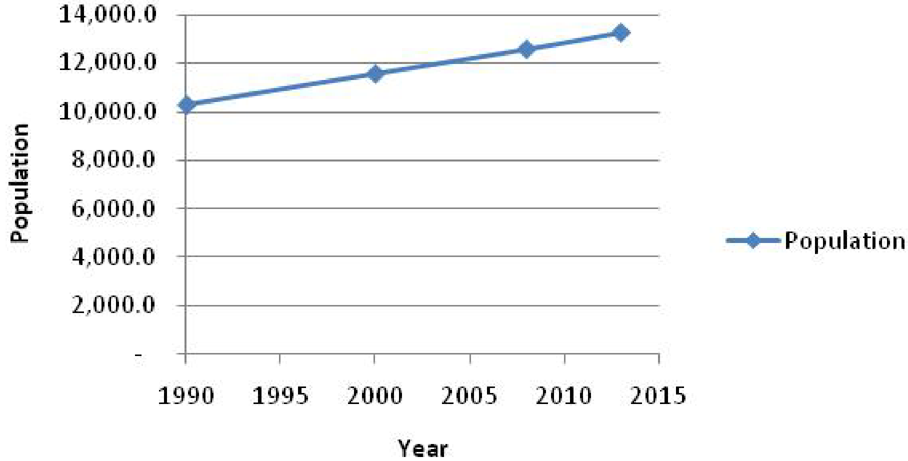
The 2000-2008 growth rate for the market area, 1.1%, is slightly slower than the 3-County area (1.3%) and significantly lower than the Atlanta MSA (3.3%).

***2-2* Population Growth History and Projections**

Population	LCI 3-Mile radius	Spalding, Pike & Lamar	Atlanta MSA
1990 Census	10,269	77,719	3,069,411
2000 Census	11,552	88,017	4,247,981
2008 Estimate	12,559	97,720	5,357,017
2013 Projection	13,246	103,984	6,065,700
Growth Rate 1990-2000	1.1%	1.3%	3.8%
Growth Rate 2000-2008	1.1%	1.4%	3.3%
Growth Rate 2008-2013	1.2%	1.3%	2.6%

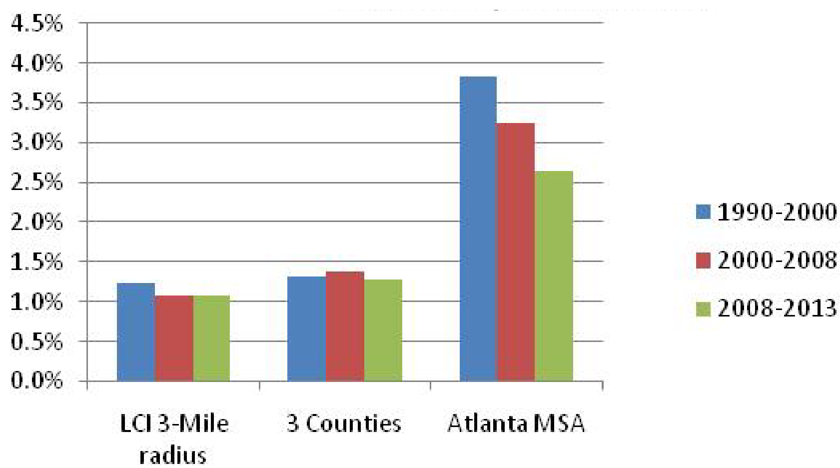
Source: Claritas

2-3 Study Area Population, 1990-2015



Source: Claritas

2-4 Population Growth Rate, 1990-2013



Source: Claritas

The Atlanta metropolitan area's suburban growth boundary has been growing rapidly in recent decades, to include significant portions of northern Spalding County. The unprecedented real-estate boom from of 2000-2006 brought rapid housing and retail development to the northern portion of Spalding County, particularly along key transportation corridors such as Interstate 75, State Route 155 and US 19-41. The southern portions of Spalding County, where the study area is located, has experienced some growth, however the rate of growth and development in Southern Spalding, Pike, and Lamar Counties has been far lower than that of northern Spalding County, closer to Henry County.

The population of the LCI market area represents less than 0.2% of the population of the Atlanta Metropolitan Statistical Area (MSA)

2.1.3. RACE AND ETHNICITY

The LCI market area, as well as the 3-County area, has considerable racial diversity, yet very little ethnic diversity.

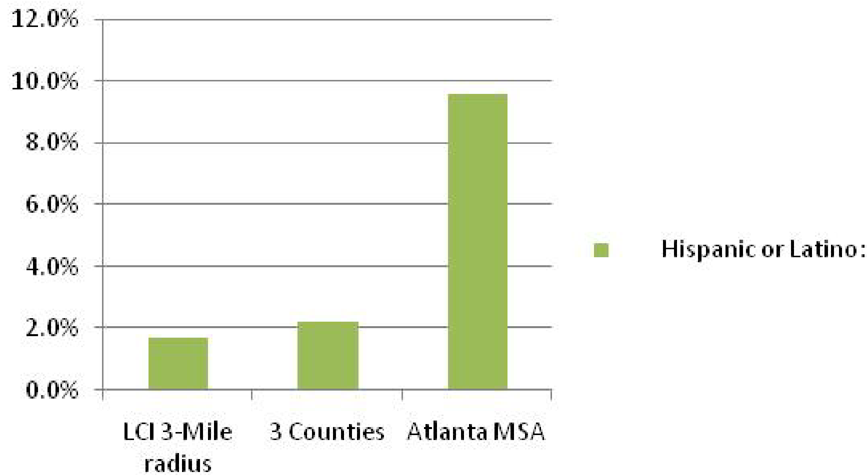
- According to 2008 Claritas estimates, 75% of the market area's residents identify themselves as white, as compared to 69% for the 3-County area, and 58% for the Atlanta MSA.
- 22% of the LCI market area's residents described themselves as Black or African American Alone, as compared to 28% for the 3-County area, and 31% for the Atlanta MSA.
- Only 2.7% of the LCI market area's residents described themselves as other than White or Black/African American, as compared to 2.8% for the 3-County area and 10.6% for the Atlanta MSA.
- 1.7% of residents in the market area identified themselves as Hispanic or Latino, compared to 2.2% for the 3-County area and 9.6% for the Atlanta MSA.

2-5 Race by Classification and Hispanic/Latino Origin . 2008

	LCI 3-Mile radius		Spalding, Pike & Lamar Aggregate		Atlanta MSA	
	Total	%	Total	%	Total	%
2008 Est. Total Population	12,559		97,720		5,357,017	
White Alone	9,459	75.3%	67,657	69.2%	3,126,852	58.4%
Black or African American Alone	2,762	22.0%	27,247	27.9%	1,661,407	31.0%
American Indian	43	0.3%	231	0.2%	16,511	0.3%
Asian Alone	117	0.9%	771	0.8%	218,896	4.1%
Native Hawaiian/ Pacific Islander	1	0.0%	15	0.0%	3,097	0.1%
Some Other Race Alone	63	0.5%	789	0.8%	214,307	4.0%
Two or More Races	114	0.9%	1,010	1.0%	115,947	2.2%
2008 Hispanic or Latino by Origin*						
Not Hispanic or Latino	12,344	98.3%	95,541	97.8%	4,844,675	90.4%
Hispanic or Latino:	215	1.7%	2,179	2.2%	512,342	9.6%

Source: Claritas

2-6 Hispanic or Latino Population, 2008



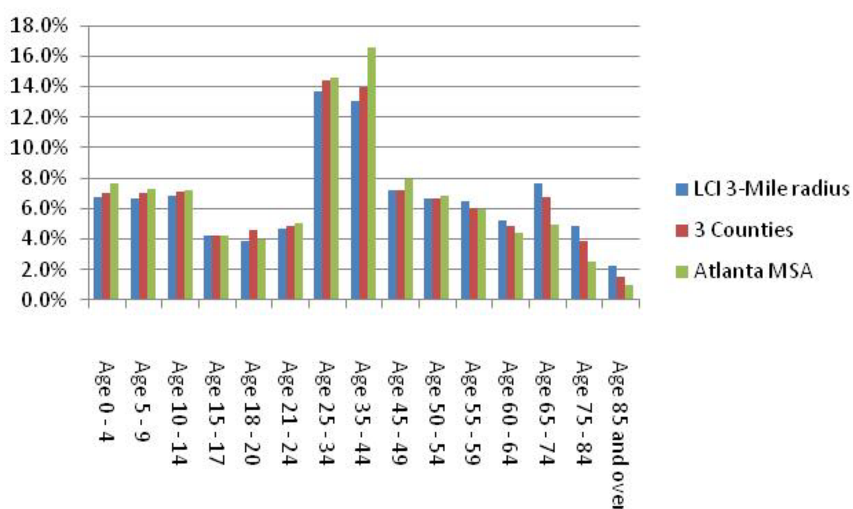
Source: Claritas

2.1.4. AGE DISTRIBUTION

Residents of the Tri-County Crossing LCI market area tend to be somewhat older than the population at large.

- The median age in the market area is 37.6 years, two years older than that of the 3-County area at 35.6 years, and 2 ½ years older than the Atlanta MSA.
- An estimated 14.7% of the market area's residents are over 65, as compared to 12.1% for the 3-County area and 8.4% for the Atlanta MSA.

2-7 Age Distribution



Source: Claritas

2.1.5. EDUCATIONAL ATTAINMENT

The residents of the Tri-County Crossing LCI market area have educational attainment levels that are significantly higher than the 3-County area, yet somewhat lower than the Atlanta MSA.

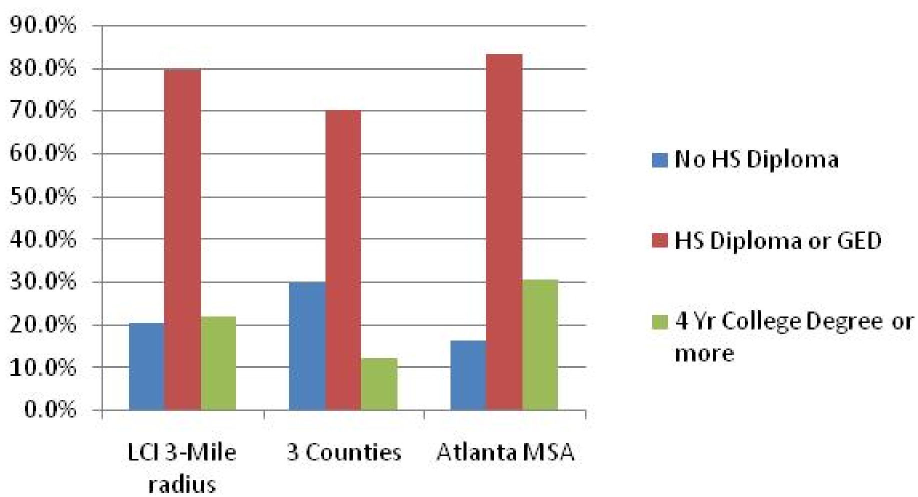
- Among, market area residents over the age of 25, 80% have a high school diploma or equivalent, compared to 70% for the 3-County area and 83% for the Atlanta MSA.
- Among market-area residents, 22% have a Bachelor's degree or higher, compared to 12% for the 3-County area and 31% for the Atlanta MSA.

2-8 Educational Attainment, 2000

2008 Est. Pop. Age 25+ by Educational Attainment*	LCI 3-Mile radius	3 Counties	Atlanta MSA
No HS Diploma	20.4%	29.8%	16.6%
HS Diploma or GED	79.6%	70.2%	83.4%
4 Yr College Degree or more	22.1%	12.4%	30.6%

Source: Claritas

Figure 2-9 Educational Attainment



Source: Claritas

2.2. HOUSEHOLD CHARACTERISTICS

2.2.1. HOUSEHOLD GROWTH

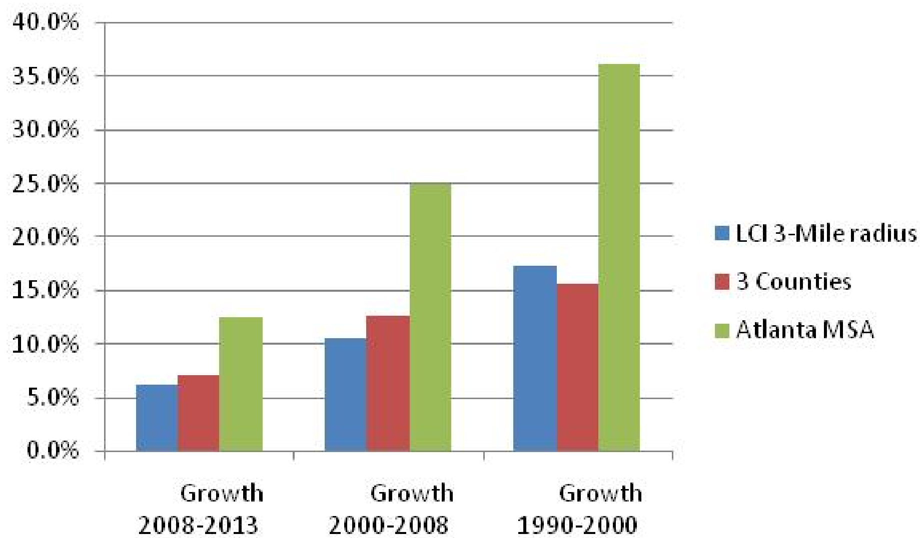
The Spalding Tri-County Crossing LCI market area has an estimated 4,802 households in 2008, expected to increase by 303 households, to 5,105 over the next five years. The growth rate for households in the market area is expected to be 6.3% between 2008 and 2013, half of the Atlanta MSA's growth rate of 12.6%

2-10 Households and Household Growth 1990-2013

Households	LCI 3-Mile radius	3 Counties	Atlanta MSA
1990 Census	3,697	27,621	1,140,838
2000 Census	4,341	31,986	1,554,154
2008 Estimate	4,802	36,081	1,942,047
2013 Projection	5,105	38,685	2,187,415
Growth 1990-2000	17.4%	15.8%	36.2%
Growth 2000-2008	10.6%	12.8%	25.0%
Growth 2008-2013	6.3%	7.2%	12.6%

Source: Claritas

Figure 2-11 Household Growth 1990-2013



Source: Claritas

2.2.2. HOUSEHOLD SIZE AND COMPOSITION

In the LCI market area, the average household size is 2.54 persons, which is slightly smaller than the 3-County area (2.65) or the Atlanta MSA (2.71). This is likely attributable to higher concentrations of older residents and retirees in the market area, as well as fewer children present.

The most typical household's size found in the 3-mile market area is Two-Person Households, which represent 36.1 percent of all households, compared to 31% for the Atlanta MSA. The market area also has lower percentages of households with 3 or more people.

The largest proportion of households found in the LCI market area are married couples without children, accounting for 34% of market area households, compared to 31% in the 3-counties and the 26% in the Atlanta MSA. There are significantly fewer non-family households in the both market area and 3-County area, both with under 3%, compared to over 7% in the Atlanta MSA.

Singles account for 22.6 % of all LCI households, and families with children, whether one or two-parent, account for 33% of all LCI area households,

2-12 Household Type, 2008

	LCI 3-Mile radius	3 Counties	Atlanta MSA
Single Living Alone	22.6%	22.2%	22.7%
Married with Children	23.9%	23.1%	26.5%
Married, No Children	34.1%	31.0%	26.3%
1-Parent W/ Children	9.1%	11.1%	9.7%
Other Family Household	7.6%	9.5%	7.5%
Non-Family Household	2.6%	3.1%	7.3%

Source: Claritas

2.2.3. HOUSEHOLD INCOME

The median household income in the Tri-Counties Crossing LCI market area is $52,499. This is significantly higher than the 3-County area's median of $44,589, but only 89% of the Atlanta MSA's median.

2-13 Household Income, 2008

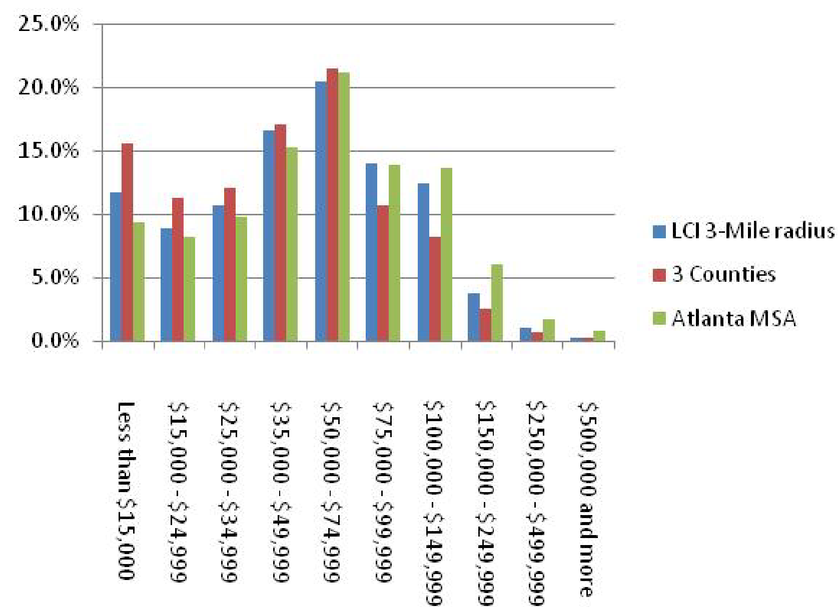
	LCI 3-Mile radius	3 Counties	Atlanta MSA
2008 Avg. HH Income	$ 64,848	$ 54,919	$ 76,301
2008 Median HH Income	$ 52,449	$ 44,589	$ 58,730
2008 Per Capita Income	$ 25,319	$ 20,474	$ 27,903

Source: Claritas

The household income distribution of the LCI market area clusters more in the middle-income range than that of the Atlanta MSA, with somewhat more households in the market area earn less than $35,000 per year (31.4% vs. 27.3%), and fewer houses in the market area earn over $100,000 (17.5% vs. 22.3%). The income distribution for the 3-County area has significantly lower household incomes than the LCI market area, where 39% of households earn less than $35,000. Thus the LCI study area is more affluent than the 3- County area in general.

The proportion of affluent households in the LCI market is limited, with only 1,571 households earn over $75,000 per year.

2-14 Household Income Distribution, 2008

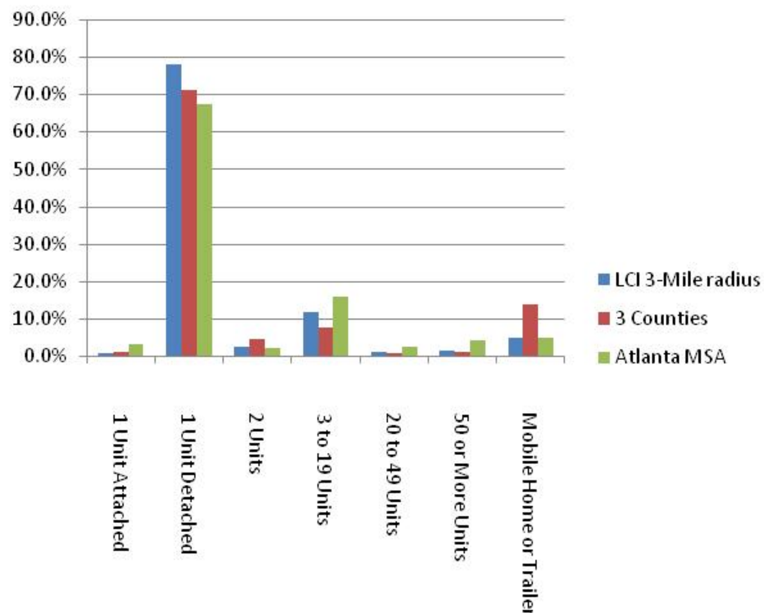


Source: Claritas

2.2.4. HOUSING TYPE AND TENURE

Within the 3-mile LCI market area, single family detached houses account for 77% of the area's housing stock, as compared to 71% for the 3-County area and 67% for the Atlanta MSA. In the LCI market area, 2% of the housing units are townhomes, and 12% of housing units are in multi-family apartment or condominium complexes, while 5% are mobile homes or trailers. By comparison, in the 3-County area, 14% of residents live in mobile homes or trailers.

2-15 Housing Type, 2008



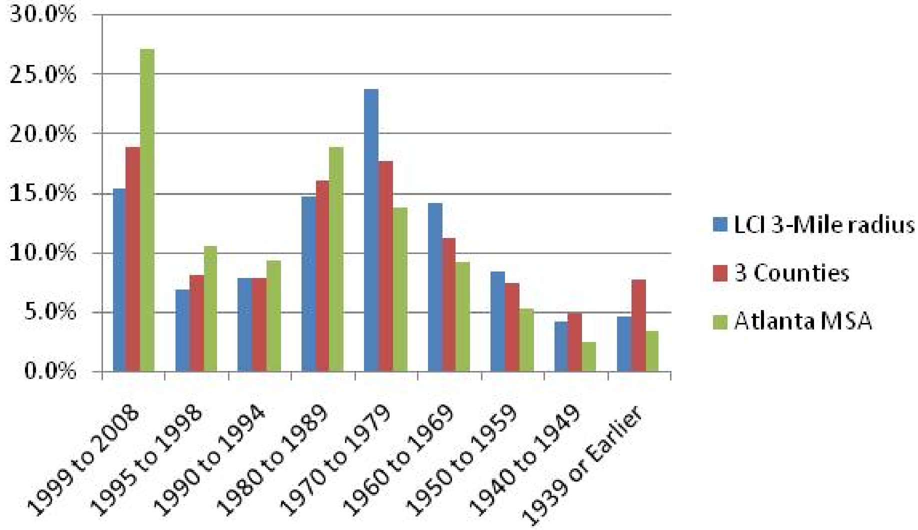
Source: Claritas

In terms of tenure preference, a very high percentage, 71%, of LCI market area residents own their home, slightly higher than the 3-County area or the MSA, both at 69%.

2.2.5. HOUSING AGE AND VALUES

The Median age of homes in the LCI market area is over 30 years old, slightly higher than the 3-County area median of 28.2 years and significantly higher than the Atlanta MSA median age of 20.3 years. The study area is a long-established rural residential area, with 55% of homes built prior to 1980.

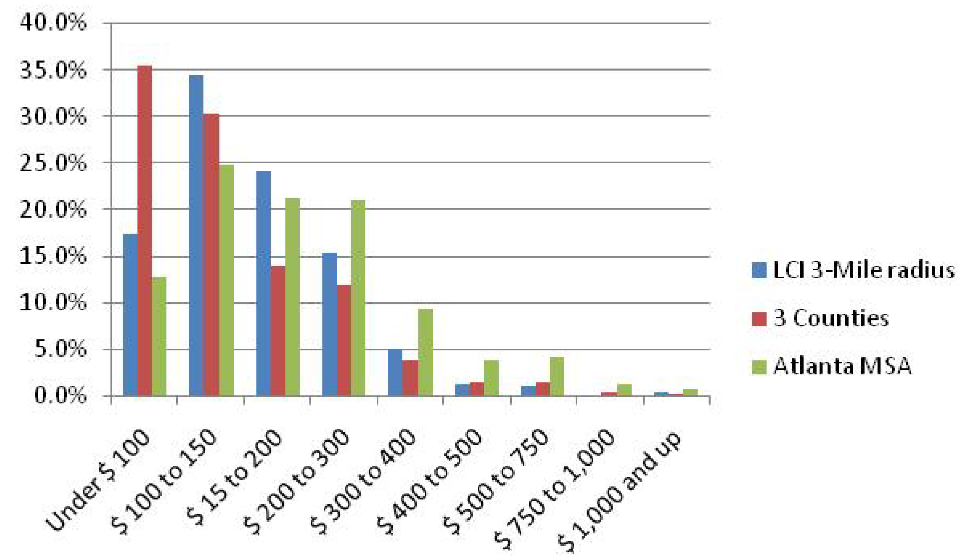
2-16 Age of Homes



Source: Claritas

Owner-occupied home values in the 3-mile market area trend higher- than in the 3-County area, but significantly lower than the Atlanta MSA. The 2008 estimated median home value in the LCI area is $146,911, 18% higher than $ 123,677 in the 3-county area, and 22% lower than the median home value of $178,689 in the Atlanta MSA. Home values in the study area tended to cluster between $100,000 and $200,000, higher than the 3-County area's values, and lower than the Atlanta MSA's values.

Figure 2-17 Distribution of Owner Occupied Home Values, 2008



Source: Claritas

Only 8% of homes in the LCI area were valued over $300,000, as compared to 20% in the Atlanta MSA

2-18 2008 Estimated Owner-Occupied Home Values

	LCI 3-Mile radius		3 Counties		Atlanta MSA	
200 Est. All Owner-Occupied Housing Values						
Under $100,000	605	17.6%	8,818	35.6%	172,526	12.9%
$100,000 - $149,999	1,189	34.5%	7,539	30.4%	333,412	24.9%
$150,000 - $199,999	833	24.2%	3,496	14.1%	283,526	21.2%
$200,000 - $299,999	532	15.5%	2,992	12.1%	281,503	21.1%
$300,000 - $399,999	175	5.1%	961	3.9%	125,671	9.4%
$400,000 - $499,999	49	1.4%	373	1.5%	53,280	4.0%
$500,000 - $749,999	39	1.1%	379	1.5%	57,921	4.3%
$750,000 - $999,999	5	0.1%	119	0.5%	18,278	1.4%
$1,000,000 or more	15	0.4%	96	0.4%	11,123	0.8%
Total:	**3,443**		**24,773**		**133,7240**	
2008 Est. Median Owner-Occupied Housing Value	**$ 146,911.8**		**$ 123,667**		**$ 178,689**	

Source: Claritas

2.3. BUSINESS & EMPLOYMENT CHARACTERISTICS.

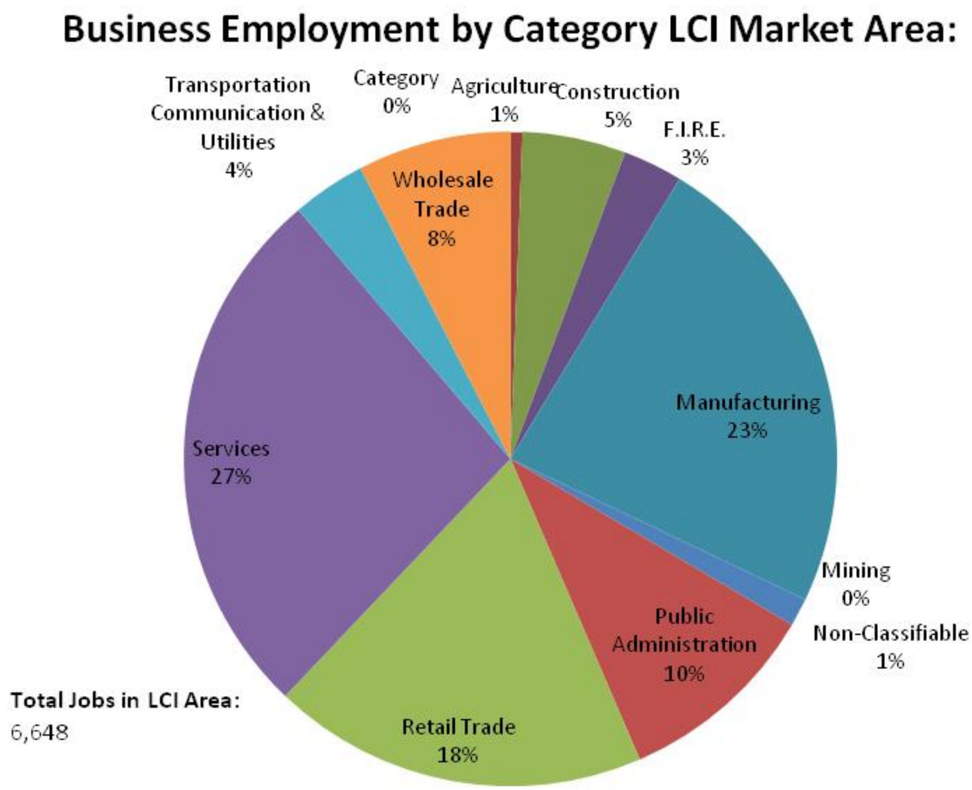
Employment patterns and trends in the local area workforce are essential indicators of economic growth and vitality in the LCI area. Not only do local businesses use goods and services in the local economy, but their employees spend money that they have earned during the workday in the local area, generating revenue for and sustaining local businesses. This section focuses on the employment base and daytime workforce of the Spalding Tri-County Crossing LCI market area.

2.4. BUSINESS ESTABLISHMENTS AND EMPLOYMENT

According to Claritas, in 2008, the Tri-County Crossing LCI 3-mile market area had an estimated 527 business establishments, 68 of which employ more than 20 people. These 527 business establishments have 6,648 employees and generating $641 million in annual sales. The LCI market area represents 18% of all the jobs in the 3-County area.

Within the LCI 3-mile market area, the largest employment sector is services, representing 198 establishments and 27% of all jobs, followed by manufacturing with 36 establishments 23% of jobs, and by the retail sector with 99 establishments and 19% of area jobs.

2-19 Business Employment by Percentage, 3-mile Market Area



Source: Claritas

2-20 Number of Employees by Industry, 2008				
	3-mile Radius		3 Counties	
Industrial Sector	**Employees**	**%**	**Employees**	**%**
All Industries	6,648	100%	37,543	100%
All Manufacturing (SIC 20-39)	1,558	23%	5,292	14%
All Retailing (SIC 52-59)	1,234	19%	7,531	20%
Public Administration (SIC 90-97)	669	10%	3,316	9%
Agriculture	39	1%	347	1%
Construction	340	5%	1,755	5%
F.I.R.E.	196	3%	1,691	5%
Manufacturing	1,558	23%	5,292	14%
Mining	0	0%	7	0%
Retail Trade	1,234	19%	7,531	20%
Transportation Communication & Utilities	243	4%	1,611	4%
Wholesale Trade	504	8%	3,006	8%
Services	1,773	27%	12,180	32%
Public Administration	669	10%	3,316	9%
Non-Classifiable	92	1%	807	2%

Source: Claritas

2-21 Number of Establishments by Industry, 2008				
	3-mile Radius		3 Counties	
Industrial Sector	**Establishments**	**%**	**Establishments**	**%**
All Industries	527	100%	3,252	100%
All Manufacturing (SIC 20-39)	36	7%	119	4%
All Retailing (SIC 52-59)	99	19%	715	22%
Public Administration (SIC 90-97)	25	5%	192	6%
Agriculture	8	2%	80	2%
Construction	51	10%	269	8%
F.I.R.E.	31	6%	281	9%
Manufacturing	36	7%	119	4%
Mining	0	0%	1	0%
Retail Trade	99	19%	715	22%
Transportation Communication & Utilities	22	4%	123	4%
Wholesale Trade	42	8%	131	4%
Services	198	38%	1,263	39%
Public Administration	25	5%	192	6%
Non-Classifiable	15	3%	78	2%

Source: Claritas

An estimate of employment growth over the next 25 years can be established by scaling 2008 employment estimates for the 3-mile market area by growth rates derived from ARC forecasts for employment growth in Spalding County and Census Tract 1612. Employment in the LCI 3-mile market area is expected to grow by a compounded annual rate of 2.9% over the next 25 years, increasing from total employment of 6,648 in 2008 to 13,335 in 2032.

2-22 Employment Growth Forecasts, by Sector , 2008 -2033

Year	CONST	MFG	TCU	WHOL	RETL	FIRE	SVCS	GOV	Other	TOTAL
2008	340	1,558	243	504	1,234	196	198	669	1,706	6,648
2013	475	1,640	302	658	1,319	207	209	821	1,880	7,511
2018	663	1,726	376	859	1,410	219	220	1,008	2,072	8,553
2023	926	1,816	468	1,122	1,508	232	232	1,237	2,284	9,825
2028	1,293	1,911	582	1,465	1,612	246	245	1,518	2,518	11,390
2033	1,806	2,011	724	1,913	1,724	260	258	1,863	2,776	13,335

Source: Claritas/BAG/ARC

Source: Claritas, ARC

2.4.1. JOBS/HOUSING BALANCE

Within the Spalding Tri-County LCI study area, there are 6,648 jobs and 4,802 housing units, a jobs/housing ratio of 1.38:1, indicating a strong balance of employment to housing within the area (by comparison, the ratio for Spalding County is 1.01: Atlanta is 2.34). There is a significant net in-flow of jobs into the market area each work day, which, given the strong correlation between the location of employment and residences, provides a potential demand source from employees of area businesses who may want to live in the area in the future. This emphasizes the LCI area's significant potential role as a future activity center.

2.5. KEY DEMOGRAPHIC TRENDS

The following conclusions are derived from the preceding evaluation of resident, household, housing, and employment characteristics:

- **The area has a modest level of existing residents, that is growing moderately and projected to continue to do so:**
    - Population and household growth in the Spalding Tri-Counties Crossing market is moderate, and significantly slower than the Atlanta metropolitan region as a whole. However, the area's population is expected to continue to increase at a steady rate for the foreseeable future.

- **Incomes and education are at higher levels than the surrounding 3-County area but lag behind the Atlanta Metro region:**
  - Household income of the market area, nearly $52,500, is significantly higher than the Spalding/Pike/Lamar County 3-County area, lags behind that of the Atlanta Metropolitan region;
  - Educational attainment of the market area, with a higher percentage of high school and college graduates, is higher than the Spalding/Pike/Lamar County 3-County area, but lags behind that of the Atlanta Metropolitan region.
- **Housing demand favors retirees and small families:**
  - Residents of the Tri-County Crossing LCI market area tend to be somewhat older than the population at large and live in smaller households.
  - Households are most likely to be married couples with and without children.
- **The area has a strong and diverse employment base:**
  - There are 1.4 jobs in the market area for every housing unit, showing a strong jobs-housing balance..
  - There are nearly 7,000 jobs within 3 miles of the study area.
- **Housing stock is predominantly aging, owner-occupied, single family, and moderately priced:**
  - More than half of market area houses were built prior to 1980;
  - Home values are higher than the surrounding counties, with a median value of nearly $147,000.
  - The Metropolitan Atlanta “Sprawl Line” has not yet reached southern Spalding County.

3. Real Estate Market Trends

In this section the performance of the Tri-County LCI study area real estate market is examined in terms of several key land uses: residential, retail, office, and industrial. The purpose of this section is to present an overview of the study area's real estate market to serve as the basis of project growth and redevelopment potential in order to inform transportation and land use decisions within the study area.

3.1. Residential Market Trends

According to Claritas, as of 2008, there are currently 5,124 housing units in the Tri-County LCI 3-mile market area, 4,802 (or 93.7%) of which are occupied. A full 77% of the homes in the market area are detached single family homes, considerably higher than both the 3-County rate (71%) or the Atlanta MSA's rate (67%). Mobile homes or trailers, which are prevalent in the 3-County area (14%) represent only 5% of the market area's housing stock, on par with the Atlanta MSA. Multifamily housing represents 13.9% of the LCI area's housing.

3-1 2008 Est. Housing Units by Units in Structure

	LCI 3-Mile radius		3 Counties		Atlanta MSA	
1 Unit Attached	37	0.7%	456	1.2%	67,126	3.2%
1 Unit Detached	3,991	77.9%	28,158	71.3%	1,413,349	67.4%
2 Units	129	2.5%	1,755	4.4%	41,270	2.0%
3 to 49 Units	642	12.5%	3,245	8.2%	385,092	18.4%
50 or More Units	71	1.4%	407	1.0%	88,755	4.2%
Mobile Home, Trailer or vehicle	254	5.0%	5,489	13.9%	101,298	4.8%
Total	**5,124**		**39,510**		**2,096,890**	

Source: Claritas

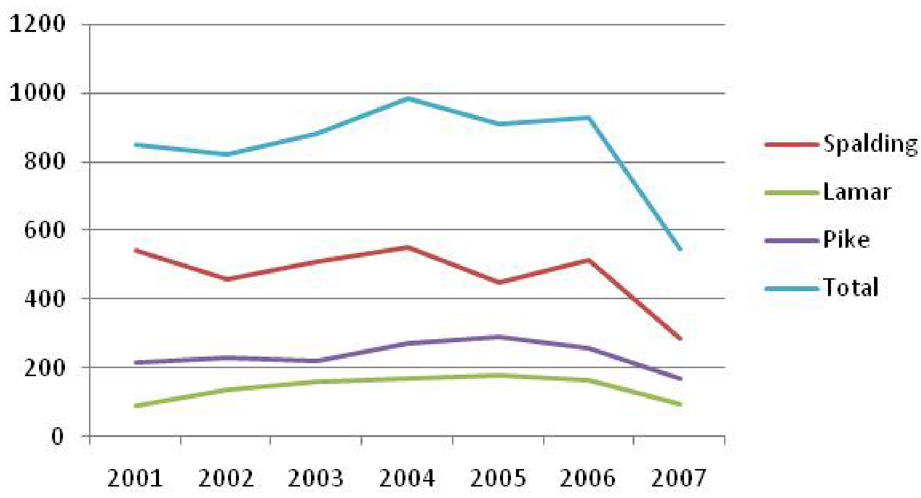
3.2. Building Permits

According to the US Census, residential permit issuances in Spalding, Pike and Lamar Counties fell sharply between 2006 and 2007 after five years of modest growth. Collectively, 2007 building permit issuances for the 3-County area in 2007 fell to 548, only 56% of their 2004 peak of 984. During the 2001-2006 period, residential building permits in Spalding County averaged 500 per year. In 2007 they declined to 301. This decline is due to the recent collapse of the mortgage and capital markets across the United States, it is difficult to project whether, upon the market's recovery, new home starts will return to 2001-2006 levels, however it is likely that-post recovery housing start levels will be considerably more conservative due to increased tightening of mortgage requirements.

3-2 Residential Building Permits, Spalding, Pike & Lamar Counties 2000-2007					
Single Family Units		**Spalding**	**Lamar**	**Pike**	**Total**
	2001	541	89	218	848
	2002	456	136	229	821
	2003	506	157	219	882
	2004	549	166	269	984
	2005	445	176	289	910
	2006	511	162	255	928
	2007	283	95	170	548
Multi -family Units		**Spalding**	**Lamar**	**Pike**	**Total**
	2001	0	52	0	52
	2002	0	45	4	49
	2003	0	34	2	36
	2004	0	16	0	16
	2005	0	12	0	12
	2006	51	10	0	61
	2007	18	0	3	21

Source: US Census

3-1 Building Permits, Single Family 2001-2007



Source: US Census, 2000

Multi-family housing development is only a small portion of new development in Spalding County, with a total of 69 units completed between 2001 and 2007. There has been a very low volume of multi-family construction in Spalding, Pike and Lamar Counties.

3.2.1. NEW HOME SALES TRENDS

Regional Trends

Of the 20 counties that make up the Atlanta Metropolitan Region, Spalding County was ranked 20th in both the number of homes sold and median home price in 2007. Spalding County's 836 home sales in 2007 represented only 0.8% of total home sales in the Atlanta MSA. Spalding County's 2007 median home sale price of $ 119,000 is only 60% of the Atlanta regional median home sale price of $ 198,000 that same year.

3-2 Atlanta Metro Region Home Sales Statistics, 2006-2007

County	'07 total units sold	2006-2007 change	Rank	'07 median price	2006-2007 change	Rank
Barrow	1,690	-20%	14	$147,900	1%	16
Bartow	1,433	-23%	19	$145,500	-1%	17
Carroll	1,513	-23%	18	$129,000	-2%	18
Cherokee	5,121	-23%	6	$214,000	1%	4
Clayton	4,507	-15%	7	$127,000	-1%	19
Cobb	12,440	-20%	3	$212,500	1%	5
Coweta	2,866	-14%	11	$187,000	1%	9
DeKalb	11,700	-16%	4	$175,300	-2%	12
Douglas	2,745	-25%	12	$178,600	-3%	11
Fayette	1,652	-26%	15	$269,885	-2%	2
Forsyth	5,193	-16%	5	$280,790	1%	1
Fulton	20,487	-21%	1	$218,500	4%	3
Gwinnett	15,244	-30%	2	$196,293	-1%	8
Hall	2,987	-11%	10	$200,000	5%	6
Henry	4,316	-33%	8	$179,000	-1%	10
Newton	2,100	-33%	13	$152,000	-5%	15
Paulding	3,820	-21%	9	$169,900	1%	14
Rockdale	1,577	-26%	16	$200,000	0%	6
Spalding	**836**	**-18%**	**20**	**$119,000**	**-2%**	**20**
Walton	1,564	-25%	17	$174,500	-3%	13
Total/Average*	**103,791**	**-22%**		**$196,947**	**1%**	

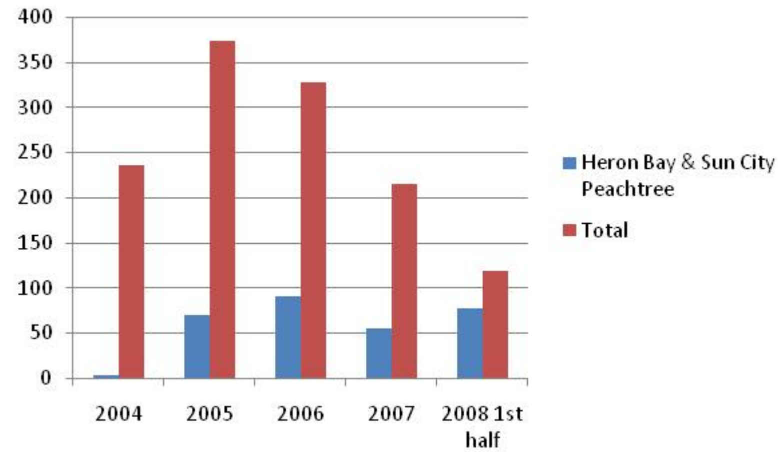
** Weighted average of county medians*

Source: Smart Numbers, Atlanta Journal-Constitution

Home sale volumes in Spalding County are relatively low, only 836 sales in 2007. The relatively low level of sales activity in the county can be significantly impact impacted by changes in one or two individual projects. As an example, home sales in just two successful subdivisions in North Spalding County, Heron Bay and Sun City Peachtree, account for 27% of all homes sold in Spalding County in 2007 and 65% of homes sold in the first half of 2008. In southern Spalding County, where the LCI study area is, the residential real estate market is much less active than county-wide.

3-3 New Home Sales, Spalding County 2004-2008

Sales in Heron Bay &Sun City Peachtree vs. countywide.



Source: Smart Numbers

One significant by-product of the recent nationwide collapse of the real estate market has been a rapidly-growing surplus of un-built home lots throughout the region, including in and around the Tri-County LCI market area. Many subdivisions in the area were fully subdivided into single-family lots and laid out with streets and infrastructure by developers anticipating continued growth in the area's housing sector. The rapid retraction of housing demand forced most of these developers to stop building new homes, leaving many subdivisions only partially completed, and driving many residential subdivision developers into foreclosure. As a result, there is currently an existing inventory of prepared home sites that will most likely take a minimum of several years to be absorbed by new home demand.

Within the Tri-County LCI market area, there are two large subdivisions which collectively have approximately 150 platted but un-built home lots. At the area's current absorption rate, the housing market could take over three years to absorb the vacant lots in these two subdivisions alone. This phenomenon is common throughout the Atlanta Metro region's southern suburban and exurban counties. The surplus of vacant lots, estimated by Metro Study to be over 148,000 lots region-wide, is likely to delay the creation of new residential developments.

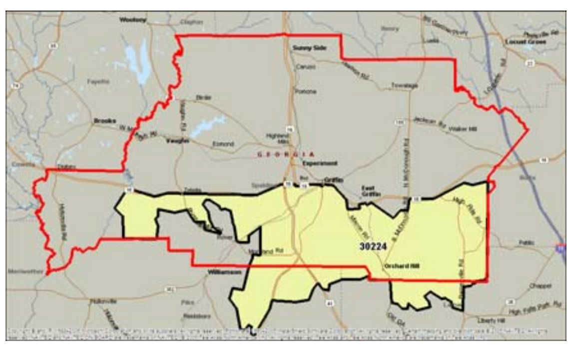
3-4 Aerial Views of two Subdivisions in LCI market area showing pre-developed vacant lots

Source: Smart Numbers

Single Family Residential Real Estate Trends

ZIP Code 30224, shown in the map below, is approximately contiguous with the southeast quadrant of Spalding County, and is the smallest area for which home sales data is available. From 2004 to 2008, housing sales volumes in the ZIP code have dramatically decreased, from 120 in 2004 to 33 (annualized, based on sales through September) in 2008. This trend reflects both regional and national housing trends.

Figure 3-5 Map of ZIP code 30224



Source: BAG

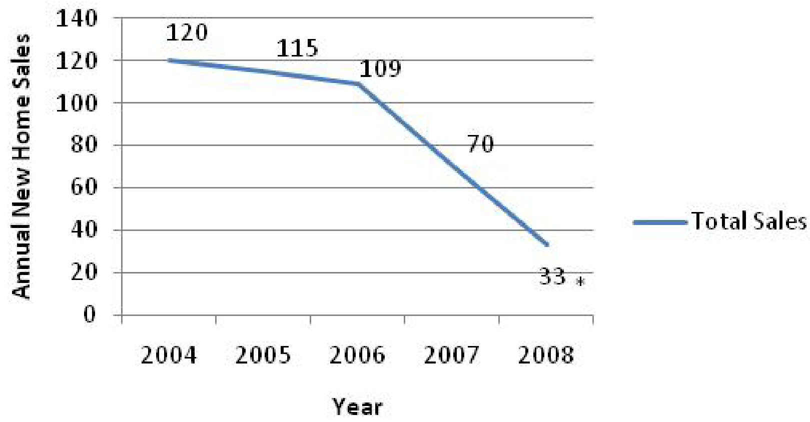
Figure 3-6 New Home Sales, SE Spalding County (Zip 30224) 2004-2008 (annualized)

	2004	2005	2006	2007	2008*
Total Sales	120	115	109	70	33
Average Price	$ 125,903	$ 130,168	$ 135,973	$ 170,387	$201,150

** Annualized , based on sales through September 2008*

Source: Smart Numbers

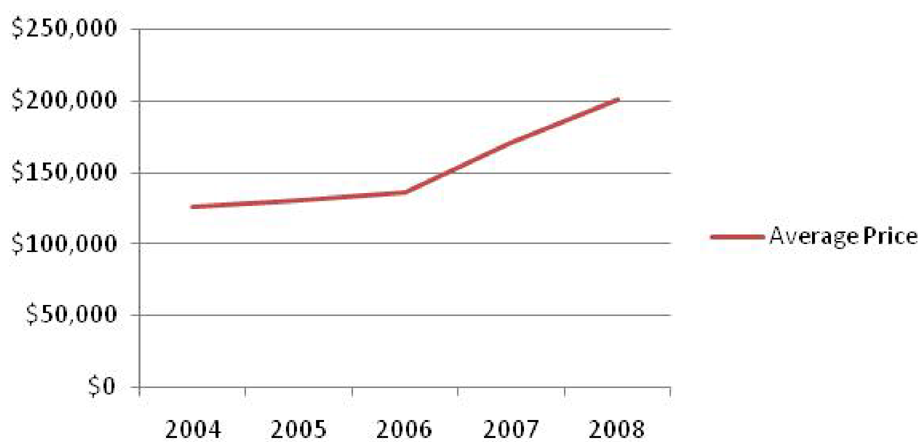
3-7 New Home Sales, SE Spalding County (Zip 30224) 2004-2008(annualized)



Source: Smart Numbers

The average sales price of new homes, however, continued to rise in southeast Spalding County from an average price of $ 125,903 in 2004 to $ 201,150 in 2008, an annualized rate of increase of 15%. The LCI area has seen significant price appreciation in recent years.

3-8 New Home Average Price, SE Spalding County (Zip 30224) 2004-2008



Source: Smart Numbers

The table below shows the distribution of homes sold by price range. 2007 and 2008 showed the introduction of homes selling above $ 350,000 to the area; volumes in that range are very low. The largest segment of units sold has shifted from the $100,000-$150,000 category in 2004 through 2006 to the $150,000 to $200,000 category in 2006 and 2007.

3-9 New Home Sales, SE Spalding County (Zip 30224)						
Price Range		2004	2005	2006	2007	2008
Under	$ 100,000	42	22	8	11	4
$ 100,000 -	$ 150,000	49	66	71	13	3
$ 150,000 -	$ 200,000	24	24	27	32	10
$ 200,000 -	$ 300,000	5	2	3	12	4
$300,000 -	$ 400,000	0	1	0	1	1
$ 400,000 -	$ 500,000	0	0	0	1	2
$ 500,000	and up					1
	Total Sales	120	115	109	70	25
	Avg. Price	$ 125,903	$ 130,168	$ 135,973	$ 170,387	$ 201,150

Source: Smart Numbers

Multi- Family Residential Real Estate Trends

Relatively few people in the LCI market area live in multi-family housing. In 2008, only 713 people, 14% of market area residents live in multi-family (3 or more attached units) housing, compared to 24% in the Atlanta MSA. Most of the multi-family housing in the LCI market area are rental apartment complexes along Carver Road at the extreme north edge of the 3-mile market area. There are no major apartment complexes in the immediate vicinity of the LCI study area.

Apartment complexes in the 3-mile market area tend to be Class “A”, of recent construction, and in good condition. The two largest contain over 330 units in 1, 2 and 3-bedroom configurations. The area also has several small, older apartment complexes.

Rents in the market area are significantly lower than the Atlanta MSA average for all units of $852. One- Bedroom apartment rents average $626, 2-bedrooms $726, and 3-Bedroom apartments average $826.

Market area apartment managers report that they are experiencing lower-than-normal occupancy rates, 83% to 85%, down from typical rates of 92% to 95%. Managers attribute the low occupancy rates to the general economic downturn, increased availability of single-family rental stock, job-loss, and families and singles doubling-up on housing.

3-10 Apartment Complexes Near LCI Study Area				
Apartment	**Address**	**Units**	**Occupancy**	**Distance from LCI**
Walden Point	701 Carver Rd	260	83%	3.2 Miles
Rents:	1 BR	$610 - $635		
	2 BR	$710 - $735		
	3 BR	$810 - $835		
Ashford Place	657Carver Rd	112	85%	3.0 Miles
Rents	1 BR	$620 - $640		
	2 BR	$720 - $405		
	3 BR	$820 - $840		

Source: BAG

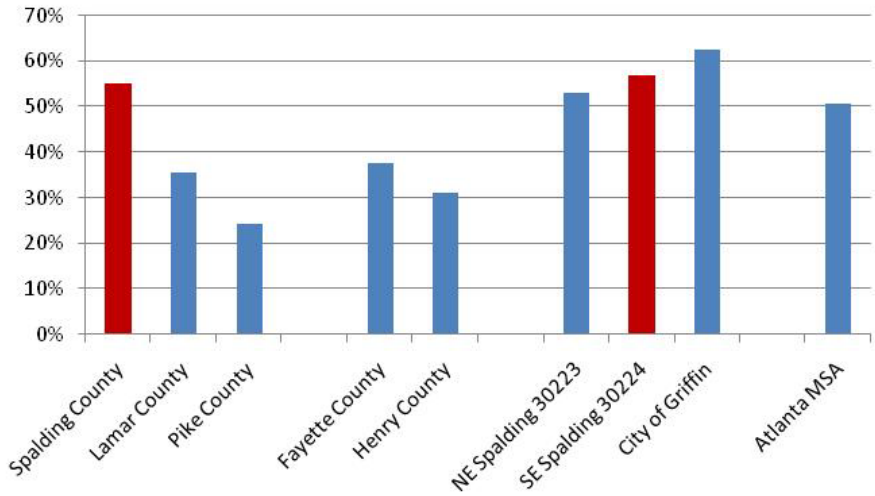
Residential & Employment Patterns

Spalding County residents are far less likely to work outside the County then the residents of other similar counties. Many counties at the periphery of the Atlanta Metropolitan region operate as "bedroom communities" where the majority of residents work in a different county from where they live. In Fayette, Henry, Lamar and Pike Counties, the percentage of workers who live in the county where they work is below 40%. As a result, these counties are very much subject to regional economic, employment, and housing trends.

By comparison, 55% of those who work in Spalding County also live there, a testament to the County's relatively strong employment base. Because of this, the LCI's study area is somewhat insulated from Atlanta's larger employment market, and less impacted by transportation issues such as fuel costs or congestion, which significantly add to the cost of living for commuter-dependent counties.

Spalding's high rate of local employment could have a significant impact on the way that the county responds to current problems in the housing market. As the inventory of vacant housing and lots increases throughout the Atlanta Metropolitan region, the increased availability of homes closer to the urban core are likely to be attractive to buyers who work in the urban core, reducing the attractiveness of homes at the outer edge of the metropolitan region, in counties such as Spalding, Henry, and Fayette. The fact that Spalding's economy operates more independently of regional trends and the LCI area's strong job base could provide a key demand source for residential development in proximity to those jobs, insulating the area somewhat from regional housing trends.

3-11 Workers Who Work in the County Where They Live



Source: US Census, 2000

3.3. COMMERCIAL MARKET TRENDS

The following section describes the existing inventory of commercial space in the Tri-County LCI market area and the 3-mile market area. It includes an analysis of the retail, industrial, and office sectors.

3.3.1. RETAIL MARKET TRENDS:

Within the LCI study area, existing retail options are extremely limited. The study area contains the following retail stores, all located at the intersection of US 19-41 and State Route 155:

- 1 grocery store (50,000 SF)
- I drug store/pharmacy (15,000 SF)
- 1 fast-food restaurant
- 2 gas stations
- 1 manufactured home dealer

Reportedly, local property owners are considering preliminary plans to add two additional retail buildings of approximately 40,000 SF each to the study area at the US 19-41 SR 155 Intersection.

Within the LCI 3-milemarket area, the retail sector is still limited. In the 3-mile market area, there is a total of 215,000 SF of retail space, the bulk of which is in two neighborhood centers, with a combined total of 20 stores. Both of these shopping centers are to the east of the Griffin-Spalding County Airport, over two-miles from the LCI Study Area. The remaining 65,000 SF of retail space is in small strip centers and stand-alone stores, mostly convenience and grocery. The 3-mile market area represents 9.5% of the 3-County area's total retail inventory of 2.3 million SF.

Approximately four miles to the north of the study area, at the intersection of State Route 16 and US Highway 19-41, is a significant concentration of several national grocery and discount retailers in several community retail shopping centers, comprising just under 300,000 SF of retail space. This concentration includes many national brand stores and restaurants, and represents the largest shopping concentration in the 3-County area.

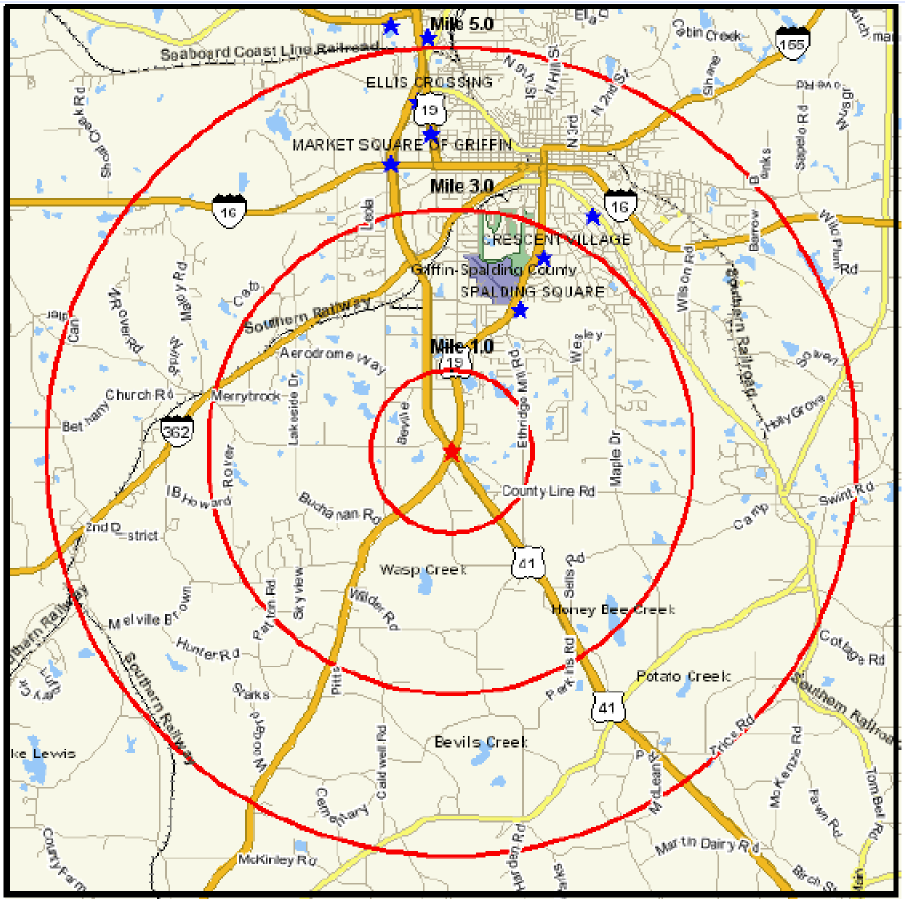
To the south of the Market Area, in Pike and Lamar Counties, there is a dearth of retail options, with few major-brand grocery stores. The next significant retail hub South of the LCI Market Area is Upson, GA 32 miles to the South, with a Super Wal-Mart and Ingles grocery store. It is likely that a significant portion of Pike and Lamar do most of their daily shopping along the US 19-41 corridor, passing through the LCI study area on the way.

3-12 Shopping Centers in the LCI area

Center Name	Address	Year Open	Retail Type	GLA	Stores	Dist.	Dir.
0 to 3 Mile Radius							
Spalding Square	1106 Zebulon Rd	1977	Community	77,300	10	1.9	NE
Crescent Village	814-830 S Hill St	1995	Neighborhood	69,534	10	2.6	NE
			Subtotal:	**146,834**	**20**		
3 to 5 Mile Radius							
Experiment Shopping Center	450 Forrest Ave	1960	Neighborhood	17,000	5	3.4	NE
Expressway Village	501N Expressway	1988	Community	116,400	15	4.2	N
Ellis Crossing	655 N Expressway	1986	Neighborhood	160,326	13	4.3	N
			Subtotal:	**293,726**	**33**		

Retail rents in the LCI market area average $12.00 per square foot (triple-net lease terms)), which is just 65% of the 3-County average of $18.50/sf. The average vacancy Rate is 20%, higher than the 3-County average of 15.6%, and the average age of retail space in the market area is 13 years, only half of the average age the total retail inventory in the 3-County area.

3-13 Retail Centers in the LCI Market Area



Source: Claritas

3-14 Comparative Retail Space Inventory	3 Mile Market Area	Spalding County	3 County Area
Buildings/Centers	11	68	82
Square Feet	214,418	2,096,948	2,265,223
Average S.F.	19,493	30,837	27,625
Vacant S.F.	43,350	353,833	353,833
% Vacant	20.2%	16.9%	15.6%
Rent Min	$12.00	$6.28	$6.28
Rent Max	$12.00	$18.50	$18.50
Avg. Rent	$12.00	$9.60	$9.60
Avg Age (Years)	12.9	26.2	25.5

Source: CoStar Group, Inc.

3.4. MARKET AREA SPENDING

Residents in the market spend an estimated $188 million per year at retail stores. This averages to $39,126 in retail spending per household. The top categories of retail purchases in the area are general merchandise stores, gasoline stations, grocery stores, building materials, and restaurants & bars.

Figure 3-15 2008 Retail Spending, 3-Mile Market Area

Retail Sales Category*	Total Spending	Spending Per Household
Furniture and Home Furnishings Stores	$5,252,116	$1,094
Electronics and Appliance Stores	$4,660,776	$971
Building Material, Garden Equip Stores	$23,810,048	$4,958
Automotive Parts/Accessories, Tire Stores	$3,253,375	$678
Food and Beverage Stores	$25,455,896	$5,301
Health and Personal Care Stores	$11,480,864	$2,391
Non-Store Retailers-454	$12,840,168	$2,674
Foodservice and Drinking Places	$20,552,627	$4,280
Gasoline Stations	$24,572,386	$5,117
Clothing and Clothing Accessories Stores	$9,388,662	$1,955
Sporting Goods, Hobby, Book, Music Stores	$3,447,073	$718
General Merchandise Stores	$25,017,595	$5,210
Miscellaneous Store Retailers	$5,310,769	$1,106
Non-Store Retailers	$12,840,168	$2,674
Total Retail Sales	**$187,882,523**	**$39,126**

* Retail spending figures do not include automobiles

Source: Claritas

3.5. OFFICE MARKET TRENDS

The LCI Study area and 3-mile market area have very little supply of leased office space. Within the 3-mile area, there are only three commercial office buildings, with a total of 37,000 square feet, representing 10.6% of the 3-County area's 350,000 SF. Within the 3-mile area, there are several small stand-alone offices, housing primarily local-oriented services.

3-16 Office Space Inventory			
	3 Mile Market Area	Spalding County	3 County Area
Buildings	3	23	26
Square Feet	37,125	174,097	350,331
Average S.F.	12,375	7,569	13,474
Vacant S.F.	3,311	28,487	28,487
% Vacant	8.9%	16.4%	8.1%
Rent Min	$9.51	$9.51	$9.51
Rent Max	$21.38	$21.38	$21.38
Avg. Rent	$10.71	$11.10	$11.10
Avg Age (Years)	24.8	47.4	37.7

Source: CoStar Group, Inc.

3.6. INDUSTRIAL MARKET TRENDS

The LCI Study area contains no industrial space. However, within the 3-mile market area, the industrial market is significant, with 1.8 million SF of industrial space in 25 buildings, representing 37% of the industrial space in the 3-County area. Just outside the 3-mile radius to the northeast are several county-owned industrial parks which house the majority of the 3-counties' industrial space. These industrial areas contain some of the area's largest employers.

Rents for Industrial space in the 3-mile market area average $4.00/sf, on par with rents in the 3-County area. The average age of industrial buildings in the LIC market area is 24 years, on par with the 3-County area average. There is reportedly no new industrial space in the development pipeline for the LCI market area.

3-17 Industrial Market Inventory			
	3 Mile Market Area	**Spalding County**	**3 County Area**
Buildings for Lease	25	55	61
Square Feet	1,754,894	4,176,535	4,792,693
Average S.F.	70,196	75,937	78,569
Vacant S.F.	268,628	287,057	287,057
% Vacant	15.3%	6.9%	6.0%
Rent Min	$4.00	$3.75	$3.75
Rent Max	$4.00	$6.00	$6.00
Avg. Rent	$4.00	$3.98	$3.98
Avg Age (Years)	23.8	26.0	25.1

Note: These figures do not include industrial built-to-suit and corporately-owned, single-user space.

Source: CoStar Group, Inc.

3.7. Real Estate Market Trends Conclusions

Presented below are the key trends which emerged from the analysis of the real-estate market in the Tri-County Crossing LCI market area.

- **The study area's market operates independently of the Larger Atlanta MSA metropolitan Market:**
    - The high percentage of the area's residents who work in the county distinguishes the Spalding County from other nearby "bedroom counties";
    - The Tri-County Crossing area has a significant employment base which distinguishes this area from other suburban areas, due to its significant job base. The strong presence of existing employers could benefit future residential growth.
- **Spalding County has the lowest home values and lowest rate of home sales rates in the Atlanta Metropolitan Region:**
    - While the number of new homes sold in the market area declined 80% between 2004 and 2008, the average price rose by 59%;
    - A limited number of higher-priced homes are beginning to appear in Spalding County;
    - Existing housing in the LCI market area is mostly older single family homes.
    - The average new home price in the market area is higher than the 3-County area, but lower than home prices in northern Spalding County.

- **The surplus of available home lots in the LCI area and in the County, will likely dampen the need for new subdivisions when the residential development market eventually rebounds, perhaps in 2010.**
- **Multi-family housing is not a significant portion of the LCI-area housing market:**
  - The limited existing supply of apartments in the LCI market area are not near the LCI core;
  - Existing apartment complexes are feeling the effects of the recession: rents and occupancy are comparatively low.
- **There is limited demand for office space in the LCI market area.**
- **Strong industrial and business park employment can be a key driver of future housing and retail demand.**

4. FUTURE REAL ESTATE DEMAND

Over the next 5 to 10 years, the employment and residential demographics will change in the Tri-Counties LCI market area as modest growth continues, generating demand for new residential and commercial real estate, as well as demand for new commercial development to meet the needs of new residents and employees in the study area. This section discusses the additional real estate demand generated from anticipated residential and employment growth in the market area.

4.1. RESIDENTIAL DEMAND

This section of the market report discusses the level and character of housing demand in the Tri-County LCI 3-mile market area. The demand analysis is based on an assessment of current conditions and projected growth in the 3-mile market area. The key data derived for this analysis is presented in Table 9-1. The analysis focuses on housing demand derived from three main sources:

1. **Household Growth**— Over the next ten years, the LCI market area will be completing for its share of new households from residential growth both in the 3-County area and the Atlanta region. Modest household growth in the market area will result in a demand for new housing units.

2. **Turnover in Households**— Every year a significant number of households, both renters and owners move for a variety of reasons, such as: changes in income status, changes in marital status, job-related factors and lifestyle preferences. The LCI Study area will be competing for its share of these turnover-related moves.

3. **Other Sources of Demand**— A small portion of total demand in a market area will come from other sources including lifestyle preferences, relocation from another region or country, or other factors not captured in the two other demand sources above.

4.1.1. HOUSING DEMAND FROM HOUSEHOLD GROWTH

In the current recessionary environment, there are very low levels of residential demand, and this is true in the LCI market area as well. Regionally, residential sales are running at 35% to 45% of 2004-2006 peak demand levels. However, it is likely that the residential market will return in late 2009 or early 2010, although most probably at a more conservative pace than that seen in the market’s peak years, which was fueled by a flood of low-cost financing.

Between 2008 and 2013 the number of households in the Tri-Counties LCI market area is forecast to increase from 4,802 to 5,105 -- an increase of 303 households over the five year period or 61 households annually. Of these new households an estimated 72% are expected to be owner occupants and 28% renters. This results in demand for 217 new owner units and 86 rental units over the five-year period. The annual demand for housing in the study area due to growth in households is for 33 owner-occupied units and 13 renter-occupied units per year over the five year period.

4.1.2. Housing Demand from Household Turnover

A significant number of existing households in the area will move in a given year due to a wide range of factors. Based on an assessment of mobility trends for the Atlanta MSA in 2004 as reported in the American Housing Survey, 16% of Atlanta homeowners move each year. Of these movers 47% go from one owner unit to another; 53% move from being an owner to a renter. Among renters 23% move each year, and among the movers 21% go from renters to owners and 79% stay renters. Applying these metro mobility rates to household characteristics for the Tri-County LCI market area indicates that there will be housing turnover in the 3-mile market area of 410 owner units and 341 rental units annually over the ten year period. Most of this turnover will be between existing units: assuming that 20% of turnover demand for housing goes to new units, that represent a demand for new units from turnover of 41 owner units and 34 rental units per year.

4.1.3. Other Demand

Other demand comes from households who move for a variety of reasons in addition to those captured above by household growth and turnover, such as lifestyle preferences, relocation from another region or country, and a range of other often highly individual factors that can trigger a move to an area. It is estimated that an additional 10% increase in demand for owner-occupied housing and a 5% increase in demand for renter-occupied housing will come from external sources, generating an annual demand for an additional 8 owner-occupied units and 3 rental units.

4.1.4. Total Housing Demand

Owner-Occupied Housing—Based on an analysis of the three sources of housing demand discussed above, over the 2008-2013 period there will be annual demand for 93 owner-occupied units in the LCI 3-mile market area, or 465 units over a five-year period

Currently there is a surplus inventory of approximately 150 pre-developed vacant home sites in the market area. Due to lower development costs, homes sites are likely to be among the first to be sold, moderating the demand for additional new single family development within the LCI study area once the market returns. Once the residential real estate market picks up again, it is reasonable to assume that the existing lot inventory will be absorbed at a rate of approximately 36 units per year.

Renter-Occupied Housing— The demand for rental housing in the LCI 3-mile market area is estimated to be 54 units annually over the next five years, or 270 total.

Allocation of Market Demand to LCI Study area— If competitive housing stock is developed within the LCI study area, we assume that it can capture 50% of the housing demand in the broader 3-mile market area. This means that the LCI market area could reasonably expect to absorb 46 owner-occupied housing units, and 27 rental units per year.

4-1 Future Residential Demand

	3-mile Market Area	LCI Study Area 50% allocation
Owner		
I. Annual demand from household growth 2008-2013	43	
II. Annual demand from turnover of existing units	41	
III. Other demand @ 15%	8	
Total annual demand for owner housing	**93**	**46**
Renter		
I. Annual demand from household growth 2008-2013	17	
II. Annual demand from turnover of existing units	34	
III. Other demand @ 5%	3	
Total annual demand for rental housing	**54**	**27**

Sources: U.S. Census American Housing Survey, Claritas, Bleakly Advisory Group

4.2. RETAIL DEMAND

Between 2008 and 2013, the 303 new households in the study area will generate nearly $12 million in additional retail demand over the next five years, as detailed in Table 4-2. Additionally, new retail in the LCI area could reasonably capture 20% of the approximately $188 million of current spending in the LCI market area, or $37.6 million in household expenditures. This is based on Claritas estimates that the average annual retail expenditures of households in the LCI market area is $39,126. (Household retail expenditures do not include motor vehicle sales and parts.)

The LCI study area would be in direct retail competition with the established retail concentration at the intersection of US 19-41 and SR 16, 5 miles to the north. If the study area captures 50% of new retail demand, the study area could support an additional 190,000 square feet of retail space. As noted early, there is currently 21,400 square feet of retail space located in the study area, of which 43,000 square feet is vacant. Because the study area vacancy rate of 20% is higher than the county average (15%), it is likely that a portion of the new retail space demand from future household growth would be absorbed into the existing vacant retail space.

4-2 Potential Future Retail Demand, 2008-2013	
	LCI 3-mile market Area
2008-2013 New Households	303
Average Annual HH Expenditures	$ 39,126
Additional Retail Spending	$ 11,855,145
Capture 50% of New Spending	$ 5,927,572
Capture of 20% of Existing Spending	$ 37,576,505
Total New Retail Demand	**$ 43,504,077**
Supportable New Space (Sq. Ft.) *Assumes $229 sales per square foot.	**189,974**

Source: Claritas /BAG/ULI

4.3. EMPLOYMENT GROWTH

Demand for additional office and industrial space will be driven by employment growth in Spalding County and the LCI market area over the next 10 years. According to ARC estimates, in the years 2008-2033, employment in the Spalding County portion of the 3-mile market area is expected to grow at a compound annual rate of 2.9%.

4-3 Employment Growth Forecasts, by Sector , 2008 -2033

Year	CONST	MFG	TCU	WHOL	RETL	FIRE	SVCS	GOV	Other	TOTAL
2008	340	1,558	243	504	1,234	196	198	669	1,706	6,648
2013	475	1,640	302	658	1,319	207	209	821	1,880	7,511
2018	663	1,726	376	859	1,410	219	220	1,008	2,072	8,553
2023	926	1,816	468	1,122	1,508	232	232	1,237	2,284	9,825
2028	1,293	1,911	582	1,465	1,612	246	245	1,518	2,518	11,390
2033	1,806	2,011	724	1,913	1,724	260	258	1,863	2,776	13,335

Source: Claritas/BAG/ARC

4.4. OFFICE SPACE DEMAND

In the years 2008-2018, the LCI 3-mile market area is projected to add only 165 new office-related jobs from within the employment categories noted. Based on a typical ratio of 300 square feet of office space per employee, overall office-related employment growth over the next 10 years will generate potential demand for 45,000 to 50,000 SF of additional office space in the market area. Based on current office location patterns in the County, likely 50%, or 25,000 square feet of office space will be located in office buildings, with the rest incorporated into retail centers and flex-space in business/industrial parks.

It remains to be seen how much of the Market Area's total office space demand will be met by buildings within the Market Area itself, although it is likely that new office space will be located close to existing new retail and residential development, and along highway 19-41.

4-4 Office-Related Employment Growth 2008-2018

Office Employment Categories	2008	2018	Net Change 2008-2018	Growth in Office Demand (s.f.)
Transportation, Communication and Utilities	49	78	29	8,756
Finance, Insurance and Real Estate	196	215	19	5,638
Services	99	112	13	3,956
Public Administration	669	772	103	31,044
Total	**1,013**	**1,177**	**165**	**49,395**

* 20% of TCU-Employment is considered office-related.

**50% of Service Employment is considered office-related

Source: Claritas/BAG/ARC

4.5. INDUSTRIAL DEMAND

In the years 2008-2018, the LCI 3-mile market area is project to add 965 new industrial-related jobs, which are jobs created in the key employment categories which drive industrial space demand, listed in Table 4-5. Based on a ratio of 500 square feet of industrial space per employee, overall industrial-related employment growth over the next 10 years will generate potential demand for 450,000 to 500,000 square feet of additional industrial space in the Market Area.

Over half of industrial-related growth in the market area will be in the wholesale trade and logistics sector, which places a high premium on transportation access. As the region's economy shifts away from manufacturing towards transportation and logistics, the LCI-market will be competing with newer Industrial parks in east Spalding County and Henry County, with better transportation infrastructure and interstate access. By providing greater regional access, significant improvement of the area's transportation infrastructure would enhance the appeal of this area for industrial development.

As with the office demand, the ultimate specific location of projects developed to meet this projected industrial demand will be based on local planning and development decisions, as well as depending on the specific needs of the ultimate end-users.

4-5 Industrial-Related Employment Growth, 2008-2018				
	Employment: 2008	**Employment: 2018**	**Net Change 2008-2018**	**Growth in Industrial Demand (SF)**
TCU	194	311	117	58,500
Manufacturing	1,558	1,462	(96)	(48,000)
Construction	340	725	385	192,500
Wholesale	504	1,056	552	276,000
Services	50	56	6	3,000
Total	**2,646**	**3,611**	**964**	**482,000**

*80% of TCU employment and 25% of Service employment is considered industrial-related

Source: Claritas/BAG/ARC

4.6. Summary of Future Real Estate Demand

Overall future demand for residential, retail, office and industrial space in the Tri-County Crossroads LCI is summarized below:

- **Residential** – Residential demand in the LCI Study area will be an estimated 73 units per year or 365 units over the next five years. Overall demand will be segmented into 230 units of owner-occupied demand and 135 units of renter-occupied housing demand.
- **Retail** – Due to demand from existing households who would shop at more convenient new retail, as well as new retail demand generated by new households, the LCI area could potentially capture $26 million in new and existing retail spending, which could support approximately 190,000 to 200,000 square feet of retail space.
- **Office** – The LCI market area is not a strong market for office employment: over the next 10 years there will be demand for only an additional 25,000 SF of new office space in the 3-Mile market area, driven by moderate gains in office-related-employment
- **Industrial** – The number of industrial-related jobs in the study area is expected to increase by 965 jobs during the next 10 years, most of which will be in the wholesale trade/distribution sector. The LCI market area can expect to see an additional demand for 450,000 to 500,000 square feet of industrial space over the next 10 years.

4-6 Summary of LCI Real Estate Demand		
	3-Mile Market Area	**LCI Study Area**
Residential (Units)	**740 units*/5 years**	**365 units/5 years**
Owner-Occupied	465 units/5 years	230 units/5 years
Renter-Occupied	270 units/5 years	135 units/5 years
Retail (S.F.)	**190,000 to 200,000 SF / 5 years**	
Office (S.F.)	**25,000 SF/10 years**	
Industrial (S.F.)	**450,000 to 500,000 SF / 10 years**	

Housing estimates assume that a significant portion of new market-area housing will be built in existing subdivisions outside of Study area, and that study-area housing demand will be driven by the implementation of mixed-use development as depicted in the LCI plan.

Source: Claritas/BAG/ARC

4.7. IMPLEMENTING THE LCI VISION

Spalding County's Community Development Department and its partners in the Tri-County Crossing LCI Study's planning process are to be commended for taking early steps to shape the future growth of the LCI Study Area. If implemented as envisioned, the framework plan will help to forge a new livable, sustainable, and pleasant community; one that will be a point of pride for the entire region.

As you well know, today's economic climate is an extremely challenging environment for successful planning and development. Recent setbacks in Spalding County's employment sector make these issues particularly acute in and around the LCI study area. A steady level of growth will be necessary to support the planning and construction ofmany of the streets, parks and other public infrastructure elements that form the framework of the LCI's development scenarios. In an environment of strong growth and development pressures, County planning officials would have considerable leverage to manage growth to promote the LCI plan's framework vision. In the current economic environment, that leverage is significantly weakened.

As the current economic environment improves in late 2009, development pressures are likely to bring change to the study area over the coming decades. Spalding County has already taken several steps towards ensuring that this change contributes to a higher quality of life, including:

- Designation of the LCI study area as a designated growth node in Spalding County's Comprehensive Plan;
- Completion of the LCI Planning Process outlining a vision for the area that is an alternative to sprawl;
- Extension of sewer infrastructure to the LCI study area.

The easiest next step - to simply wait until the economy improves and let a developer initiate a project - may have consequences that irreversibly impede the chances for successful implementation of the plan. In the absence of any feasible long-term major development initiatives, property owners in the LCI area facing economic pressures will be more likely to make decisions that result in a short term benefit at the expense of less tangible long-term benefits. The most likely outcomes would include the continuation of current sprawl-oriented land-use patterns, the construction of new structures across proposed new rights-of-way, and the subdivision and subsequent sale of key large parcels to multiple owners.

If Spalding County desires to promote the pattern of growth and development as envisioned in the LCI plan, it will require significant long-term public sector commitment, investment and coordination. Some level of action will be necessary just to maintain the current status quo, and prevent detrimental changes from occurring.

Several strategies may be effective in this regard. Each of these actions would contain some combination of the following elements:

- **Regulations** which prevent actions that detract from the area's quality of life and reward those that contribute;
- **Incentives** which increase the feasibility of actions and projects which support the LCI vision;
- **Initiatives** which enhance coordination between potential development partners, and promote and implement the LCI plan's vision; and
- **Public Investment** in the area, which would "seed" positive change, demonstrate the County's commitment to promoting and supporting quality growth in the area, and increase the marketability of the area.

The following section lists strategies which collectively will increase the likelihood that the vision of the Tri-County Crossing LCI plan will be achieved. These strategies are not the responsibility of County planning officials alone: they also require the participation of anyone and everyone with an interest in the area's future, who also understands the benefits, both tangible and intangible, of quality growth. This group also includes public officials, property owners, business owners, community leaders, and the development community, among others.

- **Improve the Area's Regional Connectivity:** Improved access to Interstates 75, 85, and the Atlanta Metro region would make the LCI area more attractive to new employers of all types, especially manufacturing and logistics-oriented employers. Investment in the area's regional connectivity would demonstrate the County's commitment to promoting and supporting employment in the area, and increase the marketability of the area. Apply for LCI grants for key projects where applicable.

- **Establish the proposed connective street grid for the LCI area:** Getting the street grid in place ahead of development and traffic pressures is cheaper and easier than waiting until increased development and congestion along a more densely-populated US 19-41 require such reliever roads with higher land costs. Regulating this connectivity as part of new development standards will allow many of these new connections to be built as part of on-going private development activity.
- **Use LCI grants to create key streetscape and infrastructure improvements which will provide tangible evidence of the vision for the area.** Creating model streetscapes and other improvements to the public realm will create a template for future quality growth and development.
- **Enhance or Expand Griffin-Spalding County Airport and Surrounding Development:** Many Georgia counties are capitalizing on local airports as economic development engines. Enhanced airport facilities benefit not only direct users of the facilities, but also promote growth of firms that indirectly benefit from corporate jet access.
- **Use Public Resources to Incentivize a Catalyst or Seed Project in the LCI Area:** The establishment of a publically subsidized catalyst project, such as a vocational school, library or county office, would demonstrate the county's commitment to the area and support local housing and retail.
- **Provide infrastructure at key locations in the LCI area:** Providing infrastructure**,** such as sewer and water, in the LCI area will make the area more attractive and cost effective for development.
- **Provide fiscal incentives to promote investment in the area –** such as the waiver of fees, expedited approval, shared infrastructure costs, or tax abatements.
- **Ensure that local zoning is in place to support the LCI Plan's proposed density, design and site planning recommendations:** Use an enhanced regulatory framework, such as an overlay district, as a key incentive for creating the vision for the area detailed in the LCI plan. This could include density and mixed-use bonuses that are not available at non-designated locations nearby.
- **Make early strategic investments in parks and greenways:** These key amenities will improve the area's desirability, and attract additional residential and commercial development to the LCI area.
- **Discourage continuous retail & commercial development along US 19-41:** This will weaken the long-term appeal of the area as retail and commercial destination and undermine the LCI plan's vision.
- **Form partnerships to promote the large-scale vision:** Work with property owners to see if contiguous parcels which are individually owned could be packaged, promoted, and marketed collectively. A pre-packaged collection of parcels, coupled with existing appropriate zoning and infrastructure and public-buy-in, is

likely to be much more attractive to a potential developer than would be individual parcels.

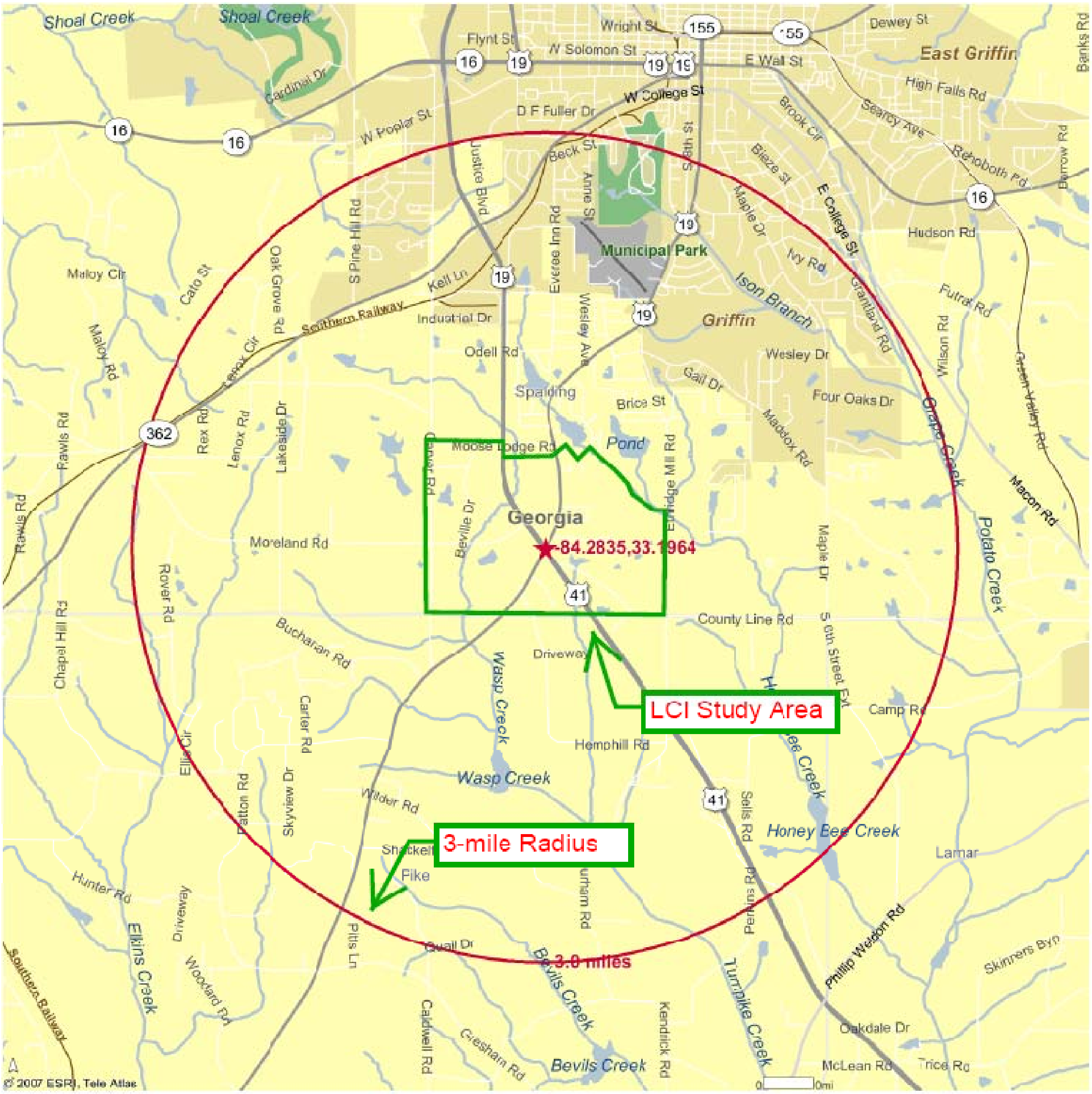
- **Create and market a theme that drives interest to the area** that goes above and beyond the appeal of the community itself- Similar approaches have been effective in other similar communities:
    - Peachtree City markets the lifestyle provided by its cart-path network as an amenity that appeals equally to families, golfers,
    - Serenbe in South Fulton County is positioned to appeal to people interested in new urbanism and sustainability.
    - Several communities in the Louisville area provide common stables, bridle paths, and show facilities to appeal to equestrian enthusiasts.

- **Consider promoting the redeveloped Tri-County Crossing area to seniors and active adults.** Senior housing and new urbanism have both been strong elements of the housing market in recent years, and organizations such as the AARP and the Congress for New Urbanism have recognized the intersection between these two segments. Older Americans are shifting away from the traditional model of remote retirement communities, and aging boomers are much more likely to remain in or near the communities that they have lived most of their lives. The mix of housing types, styles, and uses in new urbanist communities, even those not targeted towards older residents are appealing to retiring baby boomers. The easy access to retail, restaurants and activities and reduced dependence on cars is another draw.

  A variety of senior housing options, from active adult and independent living through to continuing care centers can be integrated into non-targeted communities, providing the homes and amenities older adults desire as an alternative to traditional retirement community. Examples of senior-oriented new urbanism include Warwick Grove in New York's Hudson Valley, and Fearington Village near Chapel Hill, North Carolina. Spalding County would be an attractive location for Atlanta-area seniors due to its pastoral location and lower cost of living.

Ultimately, it will take slow and steady effort, investment and coordination, along with many false starts, to implement the development that represents the first building block of the total Tri-County Crossing vision. Once that first development is in place, subsequent projects are likely to come on-line with increasing ease and frequency as the area begins to establish momentum behind the plan. After the first several projects are successfully implemented, and their financial feasibility is established, the lowered risk will encourage more quality growth. Higher concentrations of people, both residents and workers, will support more commercial and retail investment, feeding that momentum until, eventually, the vision is achieved.

5. APPENDICES: MAPS AND DATA



Tri-County Crossing LCI, Study Area and 3-Mile Market Area Map

Population Growth History and Projections			
Population	**LCI 3-Mile radius**	**Spalding, Pike & Lamar Aggregate**	**Atlanta MSA**
1990 Census	10,269	77,719	3,069,411
2000 Census	11,552	88,017	4,247,981
2008 Estimate	12,559	97,720	5,357,017
2013 Projection	13,246	103,984	6,065,700
Growth Rate 1990-2000	1.1%	1.3%	3.8%
Growth Rate 2000-2008	1.1%	1.4%	3.3%
Growth Rate 2008-2013	1.2%	1.3%	2.6%

Source: Claritas

25 Year Growth Estimates, 3-mile Market Area					
Year	**Population**	**Households**	**Jobs**	**Avg. Household Size**	**Jobs: Housing Ratio**
2008	12,559	4,802	6,648	2.62	1.38
2013	13,246	5,105	7,511	2.59	1.47
2018	13,747	5,391	8,553	2.55	1.59
2023	14,375	5,712	9,825	2.52	1.72
2028	15,179	6,094	11,390	2.49	1.87
2033	16,194	6,521	13,335	2.48	2.05

Source: BAG, ARC, Claritas

Race by Classification and Hispanic/Latino Origin . 2008						
	LCI 3-Mile radius		Spalding, Pike & Lamar Aggregate		Atlanta MSA	
	Total	%	Total	%	Total	%
2008 Est. Total Population	12,559		97,720		5,357,017	
White Alone	9,459	75.3%	67,657	69.2%	3,126,852	58.4%
Black or African American Alone	2,762	22.0%	27,247	27.9%	1,661,407	31.0%
American Indian	43	0.3%	231	0.2%	16,511	0.3%
Asian Alone	117	0.9%	771	0.8%	218,896	4.1%
Native Hawaiian/ Pacific Islander	1	0.0%	15	0.0%	3,097	0.1%
Some Other Race Alone	63	0.5%	789	0.8%	214,307	4.0%
Two or More Races	114	0.9%	1,010	1.0%	115,947	2.2%
2008 Hispanic or Latino by Origin*						
Not Hispanic or Latino	12,344	98.3%	95,541	97.8%	4,844,675	90.4%
Hispanic or Latino:	215	1.7%	2,179	2.2%	512,342	9.6%

Source: Claritas

Educational Attainment, 2000			
2008 Est. Pop. Age 25+ by Educational Attainment*	**LCI 3-Mile radius**	**3 Counties**	**Atlanta MSA**
No HS Diploma	20.4%	29.8%	16.6%
HS Diploma or GED	79.6%	70.2%	83.4%
HS + 4 Yr College Degree or more	22.1%	12.4%	30.6%

Source: Claritas

Households and Household Growth 1990-2013			
Households	**LCI 3-Mile radius**	**3 Counties**	**Atlanta MSA**
1990 Census	3,697	27,621	1,140,838
2000 Census	4,341	31,986	1,554,154
2008 Estimate	4,802	36,081	1,942,047
2013 Projection	5,105	38,685	2,187,415
Growth 1990-2000	17.4%	15.8%	36.2%
Growth 2000-2008	10.6%	12.8%	25.0%
Growth 2008-2013	6.3%	7.2%	12.6%

Source: Claritas

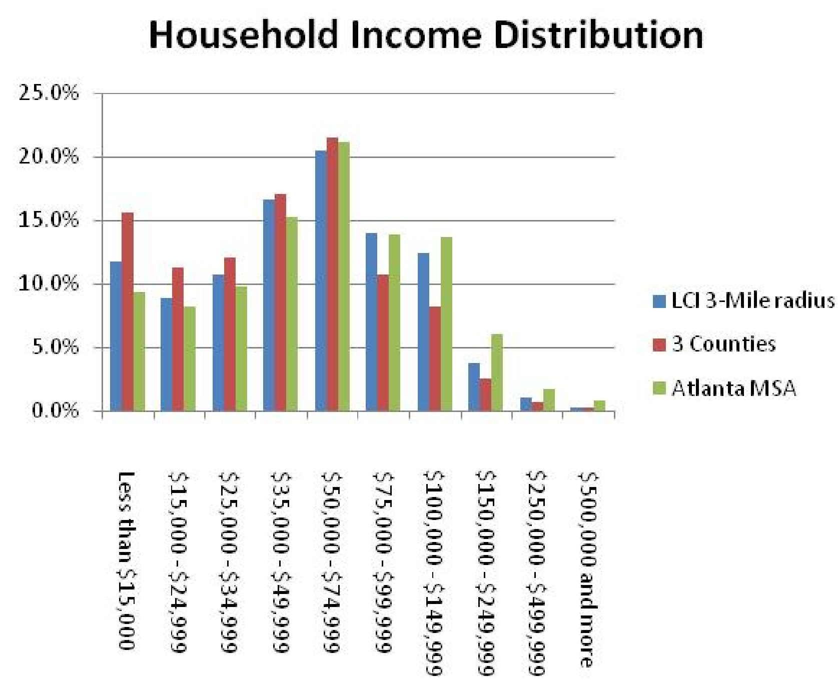
Household Type, 2008			
	LCI 3-Mile radius	3 Counties	Atlanta MSA
Single Living Alone	22.60%	22.20%	22.70%
Married with Children	23.90%	23.10%	26.50%
Married, No Children	34.10%	31.00%	26.30%
1-Parent W/ Children	9.10%	11.10%	9.70%
Other & non-family	10.30%	12.60%	14.80%

Source: Claritas

Household Income, 2008			
	LCI 3-Mile radius	3 Counties	Atlanta MSA
2008 Avg. HH Income	$ 64,848	$ 54,919	$ 76,301
2008 Median HH Income	$ 52,449	$ 44,589	$ 58,730
2008 Per Capita Income	$ 25,319	$ 20,474	$ 27,903

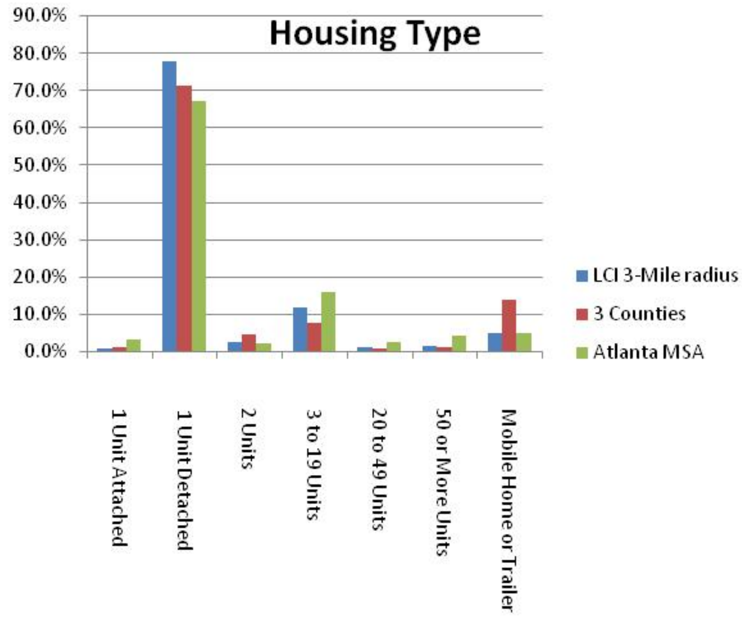
Source: Claritas

Household Income Distribution, 2008



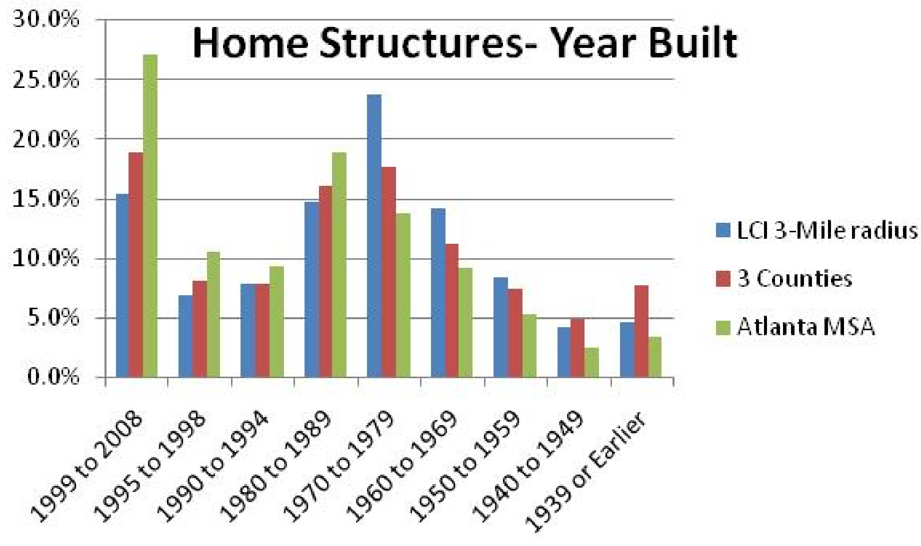
Source: Claritas

Housing Type, 2008



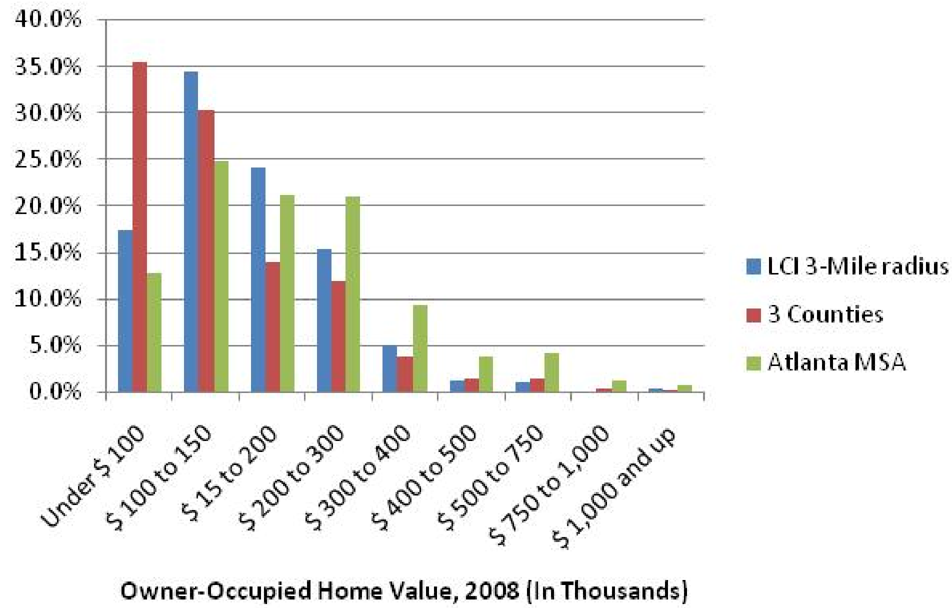
Source: Claritas

Age of Homes



Source: Claritas

Distribution of Owner Occupied Home Values, 2000



Source: Claritas

2008 Estimated Owner-Occupied Home Values						
	LCI 3-Mile radius		3 Counties		Atlanta MSA	
2008 Est. All Owner-Occupied Housing Values -Total	3,443		24773		1337240	
Under $100,000	605	17.6%	8,818	35.6%	172,526	12.9%
$100,000 - $149,999	1,189	34.5%	7,539	30.4%	333,412	24.9%
$150,000 - $199,999	833	24.2%	3,496	14.1%	283,526	21.2%
$200,000 - $299,999	532	15.5%	2,992	12.1%	281,503	21.1%
$300,000 - $399,999	175	5.1%	961	3.9%	125,671	9.4%
$400,000 - $499,999	49	1.4%	373	1.5%	53,280	4.0%
$500,000 - $749,999	39	1.1%	379	1.5%	57,921	4.3%
$750,000 - $999,999	5	0.1%	119	0.5%	18,278	1.4%
$1,000,000 or more	15	0.4%	96	0.4%	11,123	0.8%
2008 Est. Median All Owner-Occupied Housing Value	**$ 146,911.8**		**$ 123,667**		**$ 178,689**	

Source: Claritas

Number of Employees by Industry, 2008				
	3-mile Radius		3 Counties	
Industrial Sector	**Employees**	**%**	**Employees**	**%**
All Industries	6,648	100%	37,543	100%
All Manufacturing (SIC 20-39)	1,558	23%	5,292	14%
All Retailing (SIC 52-59)	1,234	19%	7,531	20%
Public Administration (SIC 90-97)	669	10%	3,316	9%
Agriculture	39	1%	347	1%
Construction	340	5%	1,755	5%
F.I.R.E.	196	3%	1,691	5%
Manufacturing	1,558	23%	5,292	14%
Mining	0	0%	7	0%
Retail Trade	1,234	19%	7,531	20%
Transportation Communication & Utilities	243	4%	1,611	4%
Wholesale Trade	504	8%	3,006	8%
Services	1,773	27%	12,180	32%
Public Administration	669	10%	3,316	9%
Non-Classifiable	92	1%	807	2%

Source: Claritas

Number of Establishments by Industry, 2008				
	3-mile Radius		3 Counties	
Industrial Sector	**Establishments**	**%**	**Establishments**	**%**
All Industries	527	100%	3,252	100%
All Manufacturing (SIC 20-39)	36	7%	119	4%
All Retailing (SIC 52-59)	99	19%	715	22%
Public Administration (SIC 90-97)	25	5%	192	6%
Agriculture	8	2%	80	2%
Construction	51	10%	269	8%
F.I.R.E.	31	6%	281	9%
Manufacturing	36	7%	119	4%
Mining	0	0%	1	0%
Retail Trade	99	19%	715	22%
Transportation Communication & Utilities	22	4%	123	4%
Wholesale Trade	42	8%	131	4%
Services	198	38%	1,263	39%
Public Administration	25	5%	192	6%
Non-Classifiable	15	3%	78	2%

Source: Claritas

25-Year Employment Forecast, 3-Mile Market Area									
	Employment Sector								
Year	CONST	MFG	TCU	WHOL	RETL	FIRE	SVCS	GOV	TOTAL
2008	340	1,558	243	504	1,234	196	198	669	**4,942**
2033	1,883	1,790	498	993	1,643	235	295	1,723	**9,061**
'08 – '23% Growth	554%	115%	205%	197%	133%	120%	149%	258%	**183%**
Annual% Growth (Compound)	7.1%	0.6%	2.9%	2.7%	1.2%	0.7%	1.6%	3.9%	**2.5%**

Source: Claritas, ARC

2008 Est. Housing Units by Units in Structure	LCI 3-Mile radius		3 Counties		Atlanta MSA	
1 Unit Attached	37	0.7%	456	1.2%	67,126	3.2%
1 Unit Detached	3,991	77.9%	28,158	71.3%	1,413,349	67.4%
2 Units	129	2.5%	1,755	4.4%	41,270	2.0%
3 to 49 Units	642	12.5%	3,245	8.2%	385,092	18.4%
50 or More Units	71	1.4%	407	1.0%	88,755	4.2%
Mobile Home, Trailer or vehicle	254	5.0%	5,489	13.9%	101,298	4.8%

Source: Claritas

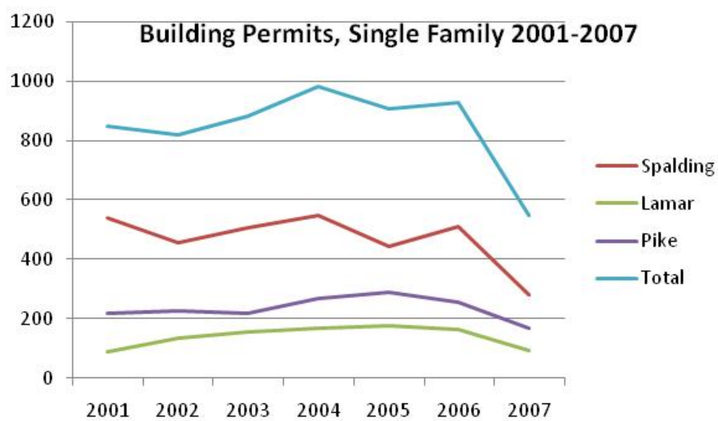
Residential Building Permits,

Spalding, Pike & Lamar Counties 2000-2007

Single Family Units		Spalding	Lamar	Pike	Total
	2001	541	89	218	848
	2002	456	136	229	821
	2003	506	157	219	882
	2004	549	166	269	984
	2005	445	176	289	910
	2006	511	162	255	928
	2007	283	95	170	548
Multi -family Units		**Spalding**	**Lamar**	**Pike**	**Total**
	2001	0	52	0	52
	2002	0	45	4	49
	2003	0	34	2	36
	2004	0	16	0	16
	2005	0	12	0	12
	2006	51	10	0	61
	2007	18	0	3	21

Source: US Census

Building Permits, Single Family 2001-2007



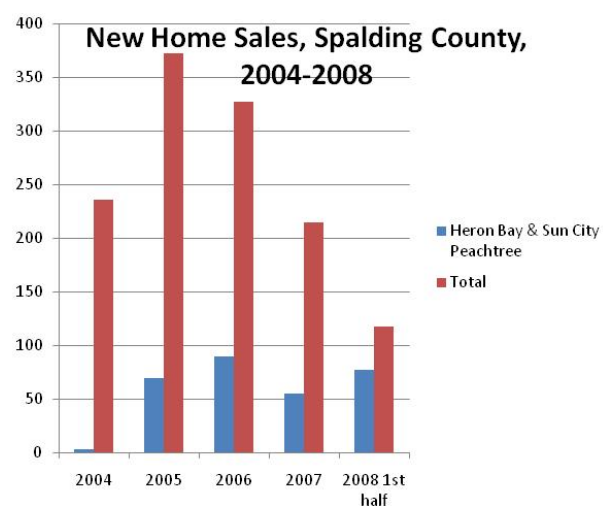
Source: US Census, 2000

Atlanta Metro Region Home Sales Statistics, 2006-2007						
County	**'07 total units sold**	**2006-2007 change**	**Rank**	**'07 median price**	**2006-2007 change**	**Rank**
Barrow	1,690	-20%	14	$147,900	1%	16
Bartow	1,433	-23%	19	$145,500	-1%	17
Carroll	1,513	-23%	18	$129,000	-2%	18
Cherokee	5,121	-23%	6	$214,000	1%	4
Clayton	4,507	-15%	7	$127,000	-1%	19
Cobb	12,440	-20%	3	$212,500	1%	5
Coweta	2,866	-14%	11	$187,000	1%	9
DeKalb	11,700	-16%	4	$175,300	-2%	12
Douglas	2,745	-25%	12	$178,600	-3%	11
Fayette	1,652	-26%	15	$269,885	-2%	2
Forsyth	5,193	-16%	5	$280,790	1%	1
Fulton	20,487	-21%	1	$218,500	4%	3
Gwinnett	15,244	-30%	2	$196,293	-1%	8
Hall	2,987	-11%	10	$200,000	5%	6
Henry	4,316	-33%	8	$179,000	-1%	10
Newton	2,100	-33%	13	$152,000	-5%	15
Paulding	3,820	-21%	9	$169,900	1%	14
Rockdale	1,577	-26%	16	$200,000	0%	6
Spalding	**836**	**-18%**	**20**	**$119,000**	**-2%**	**20**
Walton	1,564	-25%	17	$174,500	-3%	13

Source: Smart Numbers, Atlanta Journal-Constitution

New Home Sales, Spalding County 2004-2008

Comparing Sales in 2 key subdivisions to sales countywide.



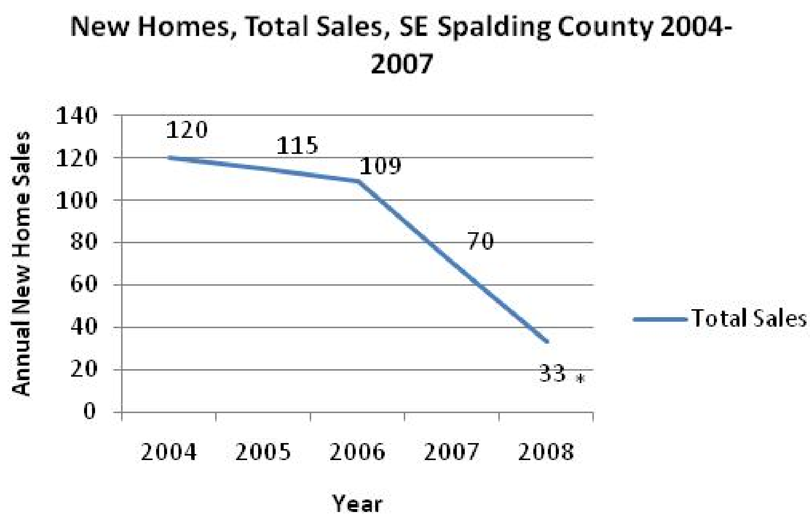
Source: Smart Numbers

New Home Sales, SE Spalding County (Zip 30224) 2004-2008 (annualized)					
	2004	**2005**	**2006**	**2007**	**2008***
Total Sales	120	115	109	70	33
Average Price	$ 125,903	$ 130,168	$ 135,973	$ 170,387	$201,150

** Annualized , based on sales through September 2008*

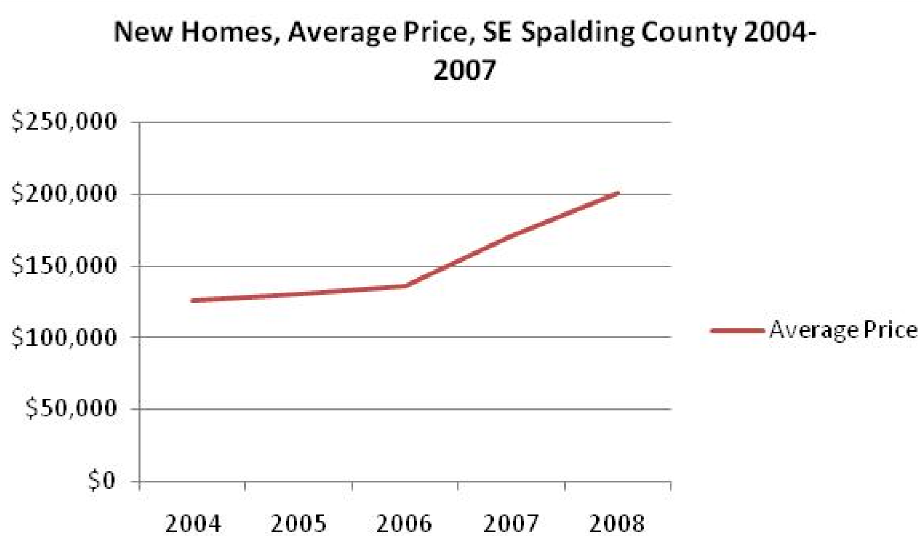
Source: Smart Numbers

New Home Sales, SE Spalding County (Zip 30224) 2004-2008(annualized)



Source: Smart Numbers

New Home Average Price, SE Spalding County (Zip 30224) 2004-2008



Source: Smart Numbers

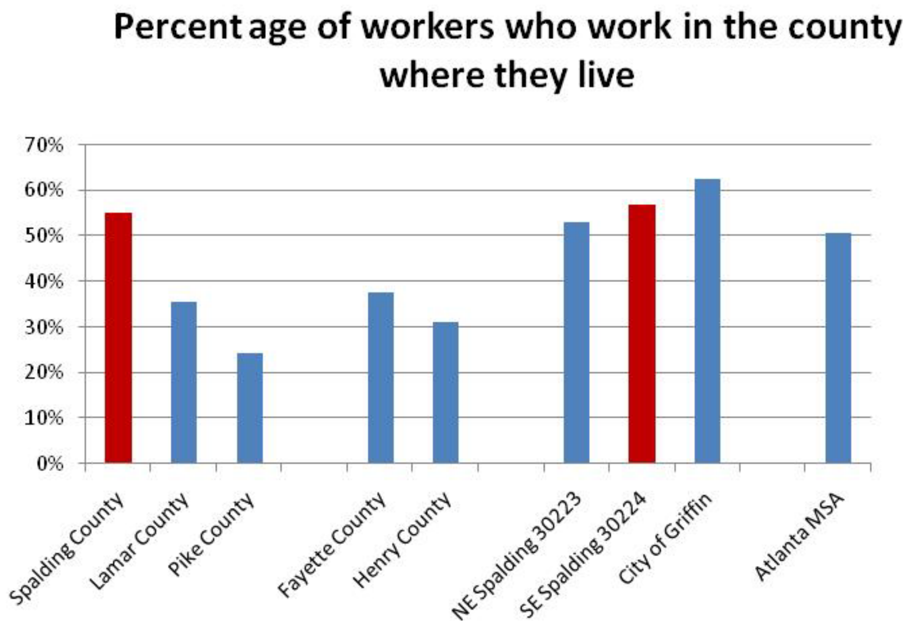
New Home Sales, SE Spalding County (Zip 30224)						
Price Range		**2004**	**2005**	**2006**	**2007**	**2008**
Under	$ 100,000	42	22	8	11	4
$ 100,000	$ 150,000	49	66	71	13	3
$ 150,000	$ 200,000	24	24	27	32	10
$ 200,000	$ 300,000	5	2	3	12	4
$300,000	$ 400,000	0	1	0	1	1
$ 400,000	$ 500,000	0	0	0	1	2
$ 500,000	and up					1
Under	$ 100,000	42	22	8	11	4
	Total Sales	**120**	**115**	**109**	**70**	**25**
	Avg. Price	**$ 125,903**	**$ 130,168**	**$ 135,973**	**$ 170,387**	**$ 201,150**

Source: Smart Numbers

Apartment Complexes Near LCI Study Area				
Apartment	**Address**	**Units**	**Occupancy**	**Distance from LCI**
Walden Point	701 Carver Rd	260	83%	3.2 Miles
Rents:	1 BR	$610 - $635		
	2 BR	$710 - $735		
	3 BR	$810 - $835		
Ashford Place	657Carver Rd	112	85%	3.0 Miles
Rents	1 BR	$620 - $640		
	2 BR	$720 - $405		
	3 BR	$820 - $840		

Source: BAG

Comparison of Commuting Patterns



Source: US Census, 2000

Shopping Centers in the LCI area

Center Name	Address	Year Open	Retail Type	GLA	Stores	Dist.*	Dir.
0 to 3 Mile Radius							
Spalding Square	1106 Zebulon Rd	1977	Community	77,300	10	1.9	NE
Crescent Village	814-830 S Hill St	1995	Neighborhood	69,534	10	2.6	NE
			Subtotal:	**146,834**	**20**		
3 to 5 Mile Radius							
Experiment Shopping Center	450 Forrest Ave	1960	Neighborhood	17,000	5	3.4	NE
Expressway Village	501N Express Way	1988	Community	116,400	15	4.2	N
Ellis Crossing	655 N Express Way	1986	Neighborhood	160,326	13	4.3	N
			Subtotal:	**293,726**	**33**		

Figure 5-1 2008 Retail Spending, 3-Mile Market Area

Figure 5-2 2008 Retail Spending, 3-Mile Market Area		
Retail Sales	**Total Spending**	**Spending Per Household**
Furniture and Home Furnishings Stores-442	$5,252,116	$1,094
Electronics and Appliance Stores-443	$4,660,776	$971
Building Material, Garden Equip Stores -444	$23,810,048	$4,958
Automotive Parts/Accessories, Tire Stores-4413	$3,253,375	$678
Food and Beverage Stores-445	$25,455,896	$5,301
Health and Personal Care Stores-446	$11,480,864	$2,391
Non-Store Retailers-454	$12,840,168	$2,674
Foodservice and Drinking Places-722	$20,552,627	$4,280
Gasoline Stations-447	$24,572,386	$5,117
Clothing and Clothing Accessories Stores-448	$9,388,662	$1,955
Sporting Goods, Hobby, Book, Music Stores-451	$3,447,073	$718
General Merchandise Stores-452	$25,017,595	$5,210
Miscellaneous Store Retailers-453	$5,310,769	$1,106
Non-Store Retailers-454	$12,840,168	$2,674
Total Retail Sales	**$187,882,523**	**$39,126**
Retail spending figures do not include automobiles		

Source: Claritas

Comparative Retail Space Inventory			
	3 Mile Market Area	**Spalding County**	**3 County Area**
Buildings/Centers	11	68	82
Square Feet	214,418	2,096,948	2,265,223
Average S.F.	19,493	30,837	27,625
Vacant S.F.	43,350	353,833	353,833
% Vacant	20.2%	16.9%	15.6%
Rent Min	$12.00	$6.28	$6.28
Rent Max	$12.00	$18.50	$18.50
Avg. Rent	$12.00	$9.60	$9.60
Avg Age (Years)	12.9	26.2	25.5

Source: CoStar Group, Inc.

Office Space Inventory			
	3 Mile Market Area	Spalding County	3 County Area
Buildings	3	23	26
Square Feet	37,125	174,097	350,331
Average S.F.	12,375	7,569	13,474
Vacant S.F.	3,311	28,487	28,487
% Vacant	8.9%	16.4%	8.1%
Rent Min	$9.51	$9.51	$9.51
Rent Max	$21.38	$21.38	$21.38
Avg. Rent	$10.71	$11.10	$11.10
Avg Age (Years)	24.8	47.4	37.7

Source: CoStar Group, Inc.

Industrial Market Inventory			
	3 Mile Market Area	Spalding County	3 County Area
Buildings for Lease	25	55	61
Square Feet	1,754,894	4,176,535	4,792,693
Average S.F.	70,196	75,937	78,569
Vacant S.F.	268,628	287,057	287,057
% Vacant	15.3%	6.9%	6.0%
Rent Min	$4.00	$3.75	$3.75
Rent Max	$4.00	$6.00	$6.00
Avg. Rent	$4.00	$3.98	$3.98
Avg Age (Years)	23.8	26.0	25.1

Note: These figures do not include industrial built-to-suit and corporately-owned, single-user space.

Source: CoStar Group, Inc.

Five-Year Residential Demand		
	3-mile Market Area	LCI Study Area 50% allocation
Owner		
I. Annual demand from household growth 2008-2018	43	
II. Annual demand from turnover of existing units	41	

III. Other demand @ 15%	8	
Total annual demand for owner housing	**93**	**46**
Renter		
I. Annual demand from household growth 2008-2018	17	
II. Annual demand from turnover of existing units	34	
III. Other demand @ 5%	3	
Total annual demand for rental housing	**54**	**27**

Sources: U.S. Census American Housing Survey, Claritas, Bleakly Advisory Group

5-1 Potential Future Retail Demand, 2008-2013

	LCI 3-mile market Area
2008-2018 New Households	303
Average Annual HH Expenditures	$ 39,126
Additional Retail Spending	$ 11,855,145
Capture 50% of New Spending	$ 5,927,572
Capture of 20% of Existing Spending	$ 37,576,505
Total New Retail Demand	**$ 43,504,077**
Supportable New Space (Sq. Ft.)	**189,974**

*Assumes $229 sales per square foot.

Source: Claritas /BAG/ULI

5-2 Employment Growth, 2008 -2018

	LCI Study Area	Spalding County
2008 Employment	4,942	24,101
2018 Employment	6,377	30,070
Net New Employees	1,435	5,969
% Growth	29.0%	24.8%
Annualized Growth	2.90%	2.48%

Source: Claritas/BAG/ARC

5-3 Office-related employment growth 2008-2018				
Office Employment Categories	2008	2018	Net Change 2008-2018	Growth in Office Demand (s.f.)
Transportation, Communication and Utilities (40-49)	49	78	29	8,756
Finance, Insurance and Real Estate (60-67)	196	215	19	5,638
Services (70-89)	99	112	13	3,956
Public Administration (91-97)	669	772	103	31,044
Total	**1,013**	**1,177**	**165**	**49,395**

* 20% of TCU-Employment is considered office-related.

**50% of Service Employment is considered office-related

Source: Claritas/BAG/ARC

5-4 Industrial-Related Employment Growth, 2008-2018				
	2008	2018	Net Change 2008-2018	Growth in Industrial Demand (s.f.)
TCU	194	311	117	58,374
Manufacturing	1,558	1,462	(96)	(47,813)
Construction	340	725	385	192,691
Wholesale	504	1,056	552	276,147
Services	50	56	6	3,297
Total	**2,646**	**3,611**	**965**	**482,697**

*80% of TCU employment and 25% of Service employment is considered industrial-related

Source: Claritas/BAG/ARC

5-5 Summary of LCI Study Area Real Estate Demand	
Residential (Units)	**365 units/5 years**
Owner-Occupied	230 units/5 years
Renter-Occupied	135 units/5 years
Retail (S.F.)	**190,000 to 200,000 SF / 5 years**
Office (S.F.)	**25,000 SF/10 years**
Industrial (S.F.)	**450,000 to 500,000 SF / 10 years**

Source: Claritas/BAG/ARC