

Alpharetta Rental Housing Study Update

Determining the current and future mix of renter and owner housing in the city

Prepared for the City of Alpharetta, Georgia



Prepared by KB Advisory Group



KB | ADVISORY GROUP

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SUMMARY

The City of Alpharetta engaged KB Advisory Group (KB) to examine the historical relationship between rental and owner housing in the city and, from that analysis, analyze the potential proportion of future rental housing in Alpharetta. This report serves as a benchmark update to the most recent version of this study that was completed in 2019. As such, it includes newly released figures from the 2020 Decennial Census and 2020 American Community Survey (US Census) as well as current market data that reflect the ongoing effects of the COVID-19 pandemic on the local and regional housing situation.

The key findings of the research are as follows:

Current Rental Housing Ratio – According to the US Census, the city’s share of renter households now stands at 32.3%. This is down from the 2015 level of 37.4% and is nearly in line with the city’s long-term goal of having 32% of its housing as renter-occupied units.

Housing Development Pipeline – Since the 2019 housing report, 3,764 units have been completed, approved, or currently under construction. Of those, 1,067 units have been completed and another 2,697 have been approved or are currently under construction.

Among the 2,697 units in the pipeline, 805 are multifamily units, representing 30 percent of the overall pipeline. Of these, 250 units are in senior/assisted living developments and 555 are in apartment developments.

A total of 2,613 single-family, townhome, or condominium units have been completed since the 2019 report or are in the active pipeline, of which 30% are single-family units and 30% are townhome or condo units. Based on existing patterns in the city, 6% of single-family units and 28% of townhome/condo units are rentals. Applying these ratios to the pipeline, about 23% of new units are expected to be rented with the remaining 77% being owner-occupied.

After applying assumptions for typical vacancy and for the percent of new units that will be renter versus owner-occupied, Alpharetta’s rental housing tenure ratio is expected to increase slightly, due to the large number of new rental units in the pipeline. When all projects currently under construction or recently approved are completed, the rental share is expected to be 33.6%, up slightly from the current level of 32.3%, as reported by the Census.

Decline in Single-Family Rental Units – According to Census data, a decline in the number of rental households has occurred despite a significant number of new apartments delivered in the past few years. The explanation for this is a rapid drop in the number of single-family detached units in the city that are occupied by renters. The number of single-family detached rentals decreased from 1,675 in 2015 to just 914 by 2020, a loss of 45%.

Characteristics of Rental Apartment Complexes – According to data from CoStar, there are 21 market-rate rental apartment communities of 20 or more units located in the City of Alpharetta, with an average age of 22 years. Among this inventory, eight have opened since 2000, eight were developed in the 1990s, and the remaining five opened in the 1980s. There are 6,700 units among the 21 complexes, representing 87% of the city’s total rental inventory. The average size of these units is 1,040 SF and the current average asking rent is \$2,013, or \$1.93 per SF, which is up 33% from the previous rental study in 2019. The overall vacancy rate as of March 2022 was 5.3 percent, but this includes two properties that are either in their initial lease-up period or under renovation. Removing these two properties, the vacancy rate of the remaining inventory is 4.0 percent.

Significant Change in Renter Profile – As rental rates have increased in Alpharetta the age and income levels of its renters have both increased sharply. In 2015, 43% of all renter households in



the city were headed by a person under the age of 35; by 2020, such younger households only accounted for 10% of renters. Income levels of renters have risen quickly as well, with the median increasing from \$59,000 in 2015 to \$72,000 in 2020.

Building Permit Activity – From October 2019 through December 2021, there were a total of 877 residential building permits issued in the city, an annualized average of 390 permits. This exceeded the 11-year average from 2011 to 2021 of 364 units. Since the 2019 study, 24% of permits issued have been for multifamily units, which is below the 11-year multifamily share of 30%.

Senior Rental Housing – An analysis of senior rental housing in Alpharetta shows that it has a significant presence in the housing inventory with 14 properties and a total of 1,651 units, with another 250 units in the development pipeline. Two senior developments have been completed since the 2019 study, containing a total of 206 units. As of 2022, senior rental housing represents 21% of all units in rental complexes in the city, up from 19% in the 2019 study.

Regional Rental Housing Trends – Although its share of renters has declined recently, Alpharetta continues to have a higher share of renter-occupied housing than surrounding communities in the north metro area. The city’s 32% renter share exceeds the overall renter share of 28% for all of North Fulton County and 23% for the wider North Metro area, which includes North Fulton, East Cobb, and the entirety of Cherokee and Forsyth counties.

Impact of Future Growth in Rental Units on Inventory – The current pipeline of units under construction and approved in Alpharetta includes a total of 2,697 units, of which 54% are planned as owner-occupied units and 46% are expected to be renter occupied. These additions would cause the renter household share to rise to 34% from the current level of 32%. If the current pipeline of 2,697 units were to be fully developed and absorbed over the next five years, it would represent a compound annual growth rate (CAGR) of 2.0%. This growth exceeds the long-term annual household growth rate in the city of 1.9% and is well above the annual household growth rate of 1.3% forecasted by Claritas Environics Analytics, a third-party data provider.

If the future development pipeline in Alpharetta was balanced to match the owner-to-renter ratio for the broader North Metro area of 77/23, this would result in about 600 units shifting to being owner-occupied instead of renter occupied. In this scenario, the resulting renter household share at buildout would be 31%, which is below the targeted figure of 32%. Given the limited number of development sites in the city and the very high cost of land, though, this balance is not likely to be realistic. As such, the overall tenure ratio in the city is more likely to remain in the range of 32-34% renters and 66-68% owners over the next few years.

IMPACT OF ALTERNATIVE GROWTH RATES AND TENURE PATTERNS, 2021-2026					
	Owner Occupied		Renter Occupied		Total
Current Pipeline Scenario					
Existing Housing Stock, 2021	18,661	68%	8,895	32%	27,556
Additions from Current Pipeline	1,454	54%	1,243	46%	2,697
Future Housing Stock, Including Pipeline	20,115	66%	10,138	34%	30,253
North Metro Average Scenario					
Existing Housing Stock, 2021	18,661	68%	8,895	32%	27,556
New Construction	2,077	77%	620	23%	2,697
Future Housing Stock	20,738	69%	9,515	31%	30,253

Source: KB Advisory Group



The city’s 2021 Comprehensive Plan update extended the existing goal of having 32% of the overall housing inventory be rental housing. This long-range goal would be consistent with historical renter ratios in the city and would help fulfill the ongoing market needs for rental housing that are not being met elsewhere in the North Atlanta metro region.

This goal could be achieved with rental housing additions of between 116 and 194 units per year, which is derived from applying the 32-36% ratios to the average number of permits issued per year from 2011-2021 and the expected number of permits per year based on the current pipeline. Calculations are as follows:

- Total Permits issued 2011-2021: 4,000 units
- Average Permits issued 2000-2011: 364 units
- Expected Permits per Year, 2022-2026: 539 units
- Targeted Rental Unit Proportion at 32-36%: 116-194 units annually

The total number of targeted rental unit permits could be adjusted every five years to reflect recent trends in total permitting activity. Permits for new units to be created on the site of existing rental apartments could be exempted from this annual limitation as an incentive to redevelop older complexes.

Presented in the following sections is a more detailed discussion of the research which supports these findings.

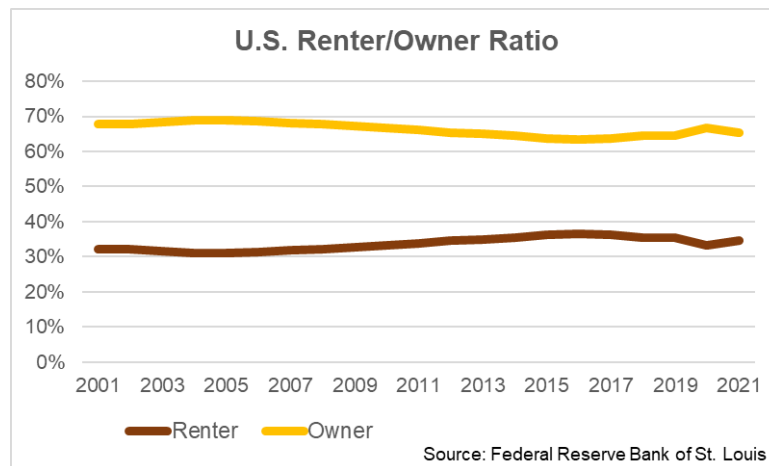


INTRODUCTION AND PURPOSE OF THE STUDY

The City of Alpharetta engaged KB Advisory Group (KB) to update its examination of the historical relationship between rental and owner housing in the city and, from that analysis, determine an appropriate proportion of future rental housing in Alpharetta, based on more recent data. The City of Alpharetta is interested in understanding what has been the historical relationship between renter and owner housing demand and the housing inventory. Understanding this relationship will allow the City to adopt policies in its comprehensive plan, zoning and land use policies that can achieve the desired balance between renter and owner units into the future as Alpharetta continues to grow.

The balance between renter and owner housing in a community is an outcome of a complex interaction of a number of factors, including: land values in an area, local land use policies, the historical pattern of development in area in terms of both the relative presence of residential and non-residential land uses, and the level of suburbanization/urbanization that has occurred over time. Another key variable is the characteristics and preferences of households in the area. National economic trends also play a role in the relationship between rental and owner housing.

For example, as shown below national data on renter/owner ratios from U.S. Census data, reported by the Federal Reserve Bank of St. Louis, shows there have been fluctuations over the past 20 years in the percentage of renter/owner ratio.



After peaking at 68.8% in 2006, the national homeownership rate declined during Great Recession and its aftermath and bottomed out at 63.4 percent in 2016. The homeownership rate increased in reaction to the COVID-19 pandemic, rising 200 basis points from 64.6% in 2019 to 66.6% in 2020. However, the rate ticked back down to 65.5% in 2021, as strong apartment construction and historically low for-sale inventory limited homebuying opportunities for many households.

The purpose of this study is to analyze what has been the ratio of rental housing demand and supply in the City of Alpharetta in the past and given that pattern, what would be the appropriate ratio between renter and owner housing development in the city in the future. This study additionally examines trends in senior housing, which presents a growing market locally and nationally. The information and analysis in this study are designed to provide the basis for the city to establish land use policies for the future that will be designed to achieve the appropriate balance between different housing types in Alpharetta’s housing inventory.

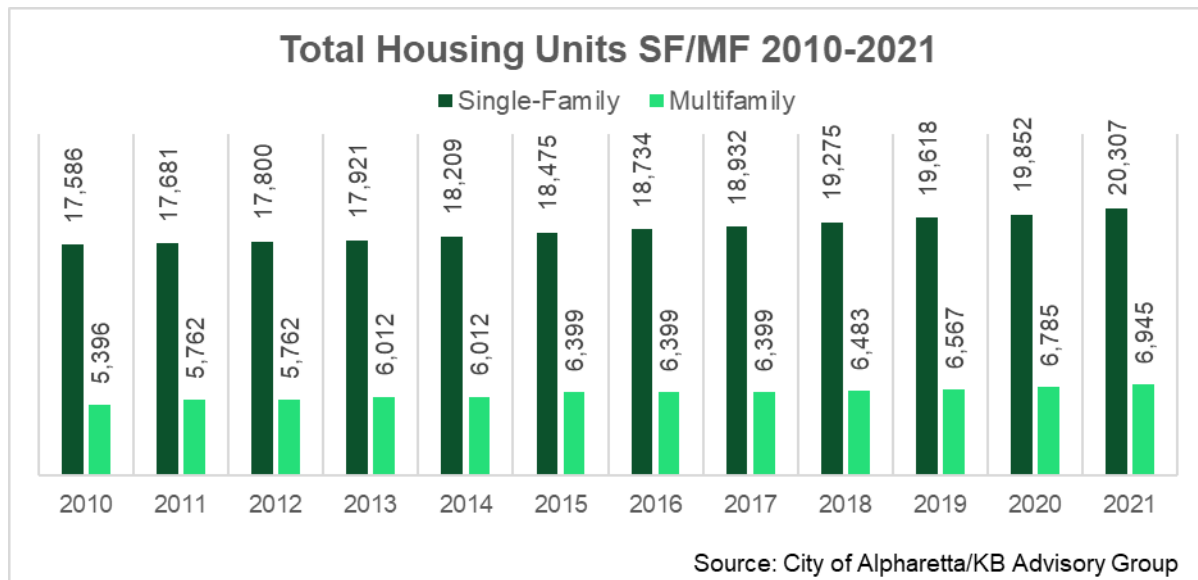
Existing City Policy and Practice

In December 2021 the City of Alpharetta adopted Horizon 2040, an update to its comprehensive plan. The plan outlines the future land use needs of Alpharetta in terms of acreage that will be required to ensure that this is sufficient land area to accommodate the needs of the community. Policy 2 in the Housing Element of Horizon 2040 expresses the city’s goals for the balance between owner- and renter-occupied housing as follows:

“H Policy 2: Maintain a balance between ‘owner-occupied and ‘renter-occupied’ in Alpharetta such that at least 68% of the housing stock is ‘owner-occupied’.” (p. 41)

Over the past decade Alpharetta has been able to maintain a stable balance of renter-occupied and owner-occupied housing. As explained in Section 1, the city’s share of renter-occupied households has declined over the past few years to 32.3%, which is very close to its comprehensive plan target of 32%.

The distribution between single-family and multifamily units is an indicator of the owner vs. renter balance, although it does not correlate exactly – there are many single-family rental units and owner-occupied condominium units in the city. As shown in the table below Alpharetta added 1,549 multifamily units (+28.7%) and 2,721 single-family units (+15.5%) from 2010 to 2021. As a result of the faster growth rate of multifamily units, the balance between single- and multi-family units shifted from 77/23 in 2010 to 75/25 by 2021.



HOUSING UNIT INVENTORY BY UNIT TYPE FOR ALPHARETTA, 2010-2021													Change	
Units	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Number	Percent
Single Family	17,586	17,681	17,800	17,921	18,209	18,475	18,734	18,932	19,275	19,618	19,852	20,307	2,721	15.5%
Multi-Family	5,396	5,762	5,762	6,012	6,012	6,399	6,399	6,399	6,483	6,567	6,785	6,945	1,549	28.7%
Total	22,982	23,443	23,562	23,933	24,221	24,874	25,133	25,331	25,758	26,185	26,637	27,252	4,270	18.6%
% Multi-Family	23%	25%	24%	25%	25%	26%	25%	25%	25%	25%	25%	25%		

Source: City of Alpharetta/KB Advisory Group



SECTION 1: EXISTING ALPHARETTA HOUSEHOLDS: TENURE PREFERENCES AND CHARACTERISTICS

GROWTH IN HOUSEHOLDS IN ALPHARETTA AND THEIR TENURE PREFERENCE

As seen in the following table, Alpharetta has experienced population and household growth from 2015 to 2020, according to data from the US Bureau of the Census. Population increased from 62,054 to 66,566, an addition of more than 4,500 new residents and a growth rate of 7.3% over the five-year span. During the same time, households increased from 22,824 to 23,958, an increase of 1,100 households and a growth rate of 5.0%. The stronger rate of population growth relative to household growth reflects an increase in family households and a decrease in single-person households over the past five years.

The number of owner-occupied households increased from 14,287 in 2015 to 16,224 in 2020, a growth rate of 13.6%. In 2020, there were 7,734 renter-occupied households, compared with 8,537 in 2015; this represents a net loss of 803 renter households or 9.4%.

OWNER AND RENTER HOUSEHOLDS IN ALPHARETTA 2015 - 2020						
	2015		2020		Growth 2015-2020	
	Total	%	Total	%	Total	%
Population	62,054		66,566		4,512	7.3%
Households	22,824		23,958		1,134	5.0%
Owner Households	14,287	63%	16,224	68%	1,937	13.6%
Renter Households	8,537	37%	7,734	32%	(803)	-9.4%

Source: U.S. Census, 2015, 2020 American Community Survey



CHARACTERISTICS OF RENTER HOUSEHOLDS IN ALPHARETTA

Renter households in Alpharetta continue to have characteristics that differentiate them from the overall household characteristics in the city. Alpharetta’s renter-occupied households have the following characteristics:

Small households, but slightly larger than in the past – Most renter households in Alpharetta (62%) consist of one or two persons. From 2015 to 2020, the single-person share decreased from 38% to 35%, while larger households gained market share.

More roommates and unmarried couples – From 2015 to 2020 the share of nonfamily households with two or more residents increased from 6% to 10% of all renter households in the city.

Share of rentals with children is decreasing – The share of renter households with children under the age of 18 declined from 38.4% in 2015 to 37.0% in 2020.

Rapid shift to older renters – In 2015, 43% of Alpharetta’s renter households were headed by a person under the age of 35 and 51% were headed by a resident age 35-64. By 2020, younger renters under 35 only represented 10% of the local market, while the age 35-64 cohort share increased rapidly up to 80%.

RENTER HOUSEHOLD CHARACTERISTICS IN ALPHARETTA, 2020	2015-2020 Change			
	All HHs	Rental HHs	All HHs	Rental HHs
Number of Households	23,958	7,734	1,134	(803)
Household Size				
1-person	20.4%	34.9%	-5.2%	-2.9%
2-person	32.3%	27.2%	3.3%	1.2%
3-person +	47.3%	37.8%	1.8%	1.7%
Household Type				
Family Households	74.3%	55.0%	3.5%	-1.1%
Married Couples	63.2%	36.4%	4.9%	-0.3%
Single Parent-Female	8.1%	12.2%	-1.3%	-2.7%
Single Parent-Male	3.0%	6.4%	-0.2%	1.9%
Non-Family Households	25.7%	45.0%	-3.5%	1.1%
Singles	20.4%	34.9%	-5.2%	-2.9%
2 or more Persons	5.3%	10.1%	1.7%	4.0%
Children Present				
With Children	40.6%	37.0%	-3.0%	-1.4%
Without Children	59.4%	63.0%	2.1%	1.4%
Age of Householder (Married Couples)				
Householder 15-34	6.4%	10.2%	-8.0%	-32.3%
Householder 35-64	81.1%	80.0%	4.9%	29.0%
Householder 65+	12.5%	9.8%	3.1%	3.0%

Source: U.S. Census, American Community Survey (2015, 2020)



Income levels among Alpharetta’s renter households are very diverse. Income levels are fairly evenly split, with 34% earning less than \$50,000 per year, 39% earning between \$50,000 and \$99,999, and 27% earning \$100,000 or more. By comparison, 72% of owner households in the city earn at least \$100,000 and just 12% earn less than \$50,000 per year.

Growth in the income levels of Alpharetta’s households has been strong in recent years, though renter household income has grown more slowly than owner incomes. The median household income for renters in the city increased from \$58,923 in 2015 to \$71,920, an annual average growth rate of 4.1%. During the same period, the median income for owner households increased by 6.9% annually, rising from \$116,966 to \$163,350.

DISTRIBUTION OF HOUSEHOLD INCOME IN ALPHARETTA, 2020					
Household Income	Renter		Owner		% Renter
	%	Number	%	Number	
Less than \$25,000	15.1%	1,169	5.1%	824	58.7%
\$25,000-\$49,999	19.0%	1,473	6.5%	1,055	58.3%
\$50,000-\$74,999	19.3%	1,494	7.9%	1,289	53.7%
\$75,000-\$99,999	19.3%	1,494	8.6%	1,397	51.7%
\$100,000-\$149,999	16.2%	1,251	14.8%	2,399	34.3%
\$150,000+	11.0%	853	57.1%	9,260	8.4%
	100.0%	7,734	100.0%	16,224	
Median Household Income					
2015		\$58,923		\$116,966	
2020		\$71,920		\$163,350	
Annual % Change		4.1%		6.9%	

Source: U.S. Census, 2015 and 2020 American Community Survey

From 2015 to 2020 there was shift in the income levels of renter households in Alpharetta. Over this five-year period the share of renters earning under \$50,000 per year decreased from 43% to 34% (-9%), while the share earning more than \$75,000 per increased by the same amount, going from 38% to 47%. Essentially, 9% of the city’s renter households shifted from lower-income to upper-income in just a few years. Interestingly, the gains at the higher income levels were limited to the \$75,000-99,999 and \$150,000+ levels, while the share of renters earning between \$100,000-149,999 was unchanged.

The shift in income has been far more pronounced for homeowner households in Alpharetta. From 2015 to 2020, the share of homeowner households with incomes above \$150,000 increased from 35% to 57%, while the shares went down for all other income categories, with a particularly steep drop in the share earning between \$100,000 and 149,999, which declined from 23% to 15%. This shift in income tracks with rising sale prices for homes; according to FMLS, the median sale price for all homes in Alpharetta increased from \$321,000 in 2016 to \$510,000 in 2021, a 59% gain over five years.



SECTION 2: RENTAL HOUSING INVENTORY IN ALPHARETTA

According to data from the American Community Survey, 81% of renter households in Alpharetta live in multifamily structures. Of these, 57% live in buildings with 10 or more units and 23% live in small buildings with 2-9 units. The remaining 19% of renter households live in single-family units, with slightly more (12.9%) in detached units than in attached townhouse units (6.5%).

Between 2015 and 2019¹ there was a net decline of about 400 renter-occupied housing units, despite an increase in the supply of multifamily units. This trend is explained by a net decline of about 600 single-family detached units that are used as rentals over this period. As a note, American Community Survey data may not be accurate, as there is a significant margin of error in this dataset. The results of the 2020 Decennial Census will provide a far more useful base for understanding this particular shift. This information is set to be released later in 2022.

Although the loss of single-family rentals has affected the diversity of rental options in the city, the rental stock is still far more diverse than the owner-occupied stock, of which 95% is comprised of single-family units.

CHARACTERISTICS OF ALPHARETTA'S HOUSING STOCK, 2019				
	Owner		Renter	
	Number	%	Number	%
Occupied Units	16,109		8,164	
Units in Structure				
Single-Family Detached	13,778	85.5%	1,055	12.9%
Single-Family Attached	1,525	9.5%	531	6.5%
2-4 units	343	2.1%	710	8.7%
5-9 units	257	1.6%	1,187	14.5%
10 or more units	136	0.8%	4,681	57.3%
Mobile Home/Other	70	0.4%	-	0.0%
Age of Structure				
2014+	478	3.0%	641	7.9%
2000-2013	3,696	22.9%	2,160	26.5%
1980-1999	10,856	67.4%	4,453	54.5%
1960-1979	947	5.9%	827	10.1%
Pre 1960	132	0.8%	83	1.0%

Source: U.S. Census, 2020 American Community Survey

Note: 2019 data are used due to discrepancies in 2020 ACS data

While Alpharetta has experienced sustained housing growth over the past 20 years, the pace of new development has slowed considerably from the preceding 20-year period. As of 2020, 30% of the city's housing stock had been built since 2000, while 63% of the stock was built between 1980 and 1999. There has been more rental development in recent years relative to for-sale development, though: 46% of units built since 2014 are rented. Among the city's oldest stock of housing (built prior to 1980), 53% are rental units.

As depicted in the table below, the percentage of units that are renter-occupied varies tremendously by unit type. Whereas 99% of units in buildings with 10 or more units are renter-occupied, only 6% of single-family detached units are renter occupied. The share of single-family

¹ 2019 data were used for tenure by units in structure due to discrepancies in the 2020 ACS data.

(detached) and townhome (attached) units that are renter occupied decreased from 2015 to 2020, as did smaller multifamily structures with less than 10 units. The share of renters in larger multifamily buildings of 10+ units did increase, though. While there was a significant shift from renters to owners in the city's stock of mobile homes, there are very few such units, so this does not have a significant impact on the overall housing market.

These percentages were factored into the development pipeline analysis in order get an accurate assessment of the number of single-family and townhome units in the pipeline that will become renter occupied. The analysis applied a 6% assumption of renter-occupied units to single-family detached for-sale units in the pipeline, 28% renter-occupied assumption to townhomes and condominium units.

CHANGE IN OWNER & RENTER SHARES BY UNIT TYPE, 2015-2020				
	2015		2020	
	Owner %	Renter %	Owner %	Renter %
Single-Family Detached	88.3%	11.7%	93.8%	6.2%
Single-Family Attached	68.7%	31.3%	71.8%	28.2%
All Multifamily	4.8%	95.2%	8.6%	91.4%
2-4 Units	10.8%	89.2%	25.2%	74.8%
5-9 Units	5.1%	94.9%	19.4%	80.6%
10+ Units	4.0%	96.0%	1.2%	98.8%
Mobile Home/Other	28.1%	71.9%	87.4%	12.6%

Source: U.S. Census, 2020 American Community Survey

GROWTH IN THE RENTAL HOUSING INVENTORY

In 2015, according to the US Census, there were 24,124 housing units in Alpharetta, of which 1,300 (5.4%) were vacant. Of the city's 22,824 occupied housing units in 2015, 63% were owner occupied and 37% were renter occupied. By 2020, the city's housing inventory saw an uptick to 26,089 units, an 8% growth rate over the 5-year period. The number of vacant units increased very slightly (62 units), but the vacancy rate declined to 5.2.

HOUSING STOCK AND OCCUPANCY TRENDS IN ALPHARETTA, 2015-Pipeline Buildout						
	2015		2020		Pipeline Buildout	
	Number	%	Number	%	Number	%
Total Housing Units	24,124		26,089		28,786	
Vacant Units	1,300	5.4%	1,362	5.2%	1,497	5.2%
All Occupied Units	22,824	94.6%	24,727	94.8%	27,289	94.8%
Owner Occupied	14,287	62.6%	16,745	67.7%	18,126	66.4%
Renter Occupied	8,537	37.4%	7,982	32.3%	9,163	33.6%

Source: KB Advisory Group, U.S. Census, 2020 American Community Survey



RENTS IN ALPHARETTA

Rental rates in Alpharetta have increased rapidly over the past decade. From 2010 to 2020, the median rent in the city (as self-reported by renter households) rose by 41%, from \$1,037 to \$1,464. The pace of rent growth has accelerated since 2015; from 2010-2015 annual rent growth averaged 2.7%; from 2015-2020 the average growth rate was 4.3%

RENTS IN ALPHARETTA 2010-2020			
	2010	2015	2020
Occupied Rental Units w/ Cash Rent	6,746	8,131	7,479
Monthly Gross Rent			
\$499 or less	2.1%	2.8%	2.5%
\$500-\$999	42.8%	23.9%	1.9%
\$1,000-\$1,499	48.4%	55.9%	50.8%
\$1,500+	6.7%	17.3%	44.7%
Total	100.0%	100.0%	
Median Monthly Rent	\$1,037	\$1,184	\$1,464

Source: U.S. Census, 2010, 2015, 2020 American Community Survey

The increase in rental rates has all but eliminated market-rate rental options priced below \$1,000. As of 2010, 45% of renter households in Alpharetta paid less than \$1,000 per month; by 2020, just 4% of renters paid this little. During the same period the share of renters paying \$1,500 or more per month increased from 7% to 45%. The strong growth in rents have been influenced by the wave of luxury apartment developments in City Center, Avalon, and other locations in the city, as discussed in the next section.

CHARACTERISTICS OF ALPHARETTA'S RENTAL APARTMENT COMPLEXES

Since a substantial portion of Alpharetta's rental inventory is in apartment complexes, the key characteristics of this portion of the rental inventory merit additional focus. As shown below, there are currently 6,700 units in 21 market-rate, non-age restricted apartment complexes (20+ units)² inside the city limits of Alpharetta that are tracked by CoStar, a national real estate database provider.

The average age of Alpharetta's rental apartment complexes has increased from 21 to 22 years since the last housing study. Among the 21 properties, 13 were built prior to 2000, and these properties account for 68 percent of the total inventory. Among these older complexes, the majority opened during a short span of time from 1995 to 1998; in this four-year period, there were eight properties completed, accounting for 3,040 units. These properties are all now around 25 years old. Following this surge in new supply there were just two new apartment communities completed in Alpharetta between 1999 and 2011, with a total of 813 units. Since 2012, though, there has been a resurgence in apartment development in the city, with six new properties totaling 1,311 units having been completed in the past decade.

The recently completed apartment communities in Alpharetta are quite different from the older properties. Prior to 2014, all of Alpharetta's apartment communities were lower-density, garden-style apartments with multiple low-rise buildings and surface parking. Since that time, five new apartment communities have opened, four of which are mid-rise buildings with structured parking that are part of high-density, mixed-use developments: Haven at Avalon, Veranda at Avalon, Amorance at City Center, and The Heights at Northwinds. The fifth, ECHO at North Point Center is a standalone development, but is a single building, rather than a garden-style complex. The Heights at Northwinds, which opened in 2021, is the only apartment development completed since the last update of this rental study.

The average apartment unit in Alpharetta is 1,041 SF in size, and most of the inventory is concentrated in 1- and 2-bedroom units. Three apartment complexes specifically have over 25% of their inventory in three-bedroom units, but these were all built prior to 1990. The shift in unit configuration experienced in Alpharetta tracks with a national trend towards smaller units, with most new properties targeted towards empty nesters, singles, and young professionals who do not have children.

Rental vacancies in Alpharetta are currently very low, mirroring the national trend over the past two years. As of March 2022, the overall vacancy rate among the apartment communities was 5.3%, which is up slightly from the 3.6% level in October 2019. The actual apartment vacancy rate in the city is likely lower, though, as the rate is elevated by the transitional status of two properties. The Heights at Northwinds is still in its initial lease-up period, and is currently 55% vacant, while Cortland Windward is undergoing a complete renovation, and 18% of its units are presently vacant. Removing these two properties from the equation, the current vacancy rate among the other 19 properties is just 4.0%.

Rental rates in Alpharetta have surged since the previous rental study. The average asking rent as of March 2022 was \$2,013, which is up 33% from the October 2019 level of \$1,508. The overall average rent per square foot in the city is now \$1.93, compared with \$1.43 in 2019. Rents in the city's newest properties are considerably higher than overall rents, owing to their age, locations, unit features, and amenities. All six of the properties that have opened since 2012 have an average rent of at least \$2.15/SF, and the four properties that are part of mixed-use developments

² The Saddle Creek Apartments on Mid Broadwell Road, which were included in the prior study, are omitted from this analysis because they are rent-restricted.



all have rents of \$2.75/SF or higher. The most expensive property in the city is Amorance at City Center, which commands average rents of \$3,508, or \$3.28/SF. The two apartment communities at Avalon – Veranda and Haven – each have average rents around \$2,900, or \$2.90/SF.

INVENTORY OF RENTAL APARTMENT PROPERTIES IN ALPHARETTA (AS OF MARCH 2022)							
Property Name	Address	Yr. Built	Units	Vacancy %	Avg SF	Ask Rent	Rent/SF
The Heights at Northwinds*	6000 Summit Plz	2021	140	55.0%	909	\$ 2,499	\$ 2.75
Amorance	2001 Commerce St	2018	168	2.4%	1,071	\$ 3,508	\$ 3.28
Veranda at Avalon	7165 Avalon Blvd	2017	276	6.6%	998	\$ 2,914	\$ 2.92
ECHO at North Point Center	10105 Westside Pky	2017	111	2.7%	932	\$ 1,996	\$ 2.14
Haven at Avalon	1213 Avalon Blvd	2014	250	5.2%	1,009	\$ 2,918	\$ 2.89
AMLI North Point	9000 Beaver Creek Rd	2012	366	1.6%	937	\$ 2,019	\$ 2.15
Lakeside at Milton Park	26000 Mill Creek Ave	2002	461	1.4%	963	\$ 1,750	\$ 1.82
Woodhaven at Park Bridge	15000 Parkview Ln	2000	352	2.0%	1,032	\$ 1,996	\$ 1.93
The Ascent at Windward	18000 Masters Way	1998	328	8.0%	1,074	\$ 2,007	\$ 1.87
Avana North Point	900 Jameson Pass	1998	264	4.9%	1,100	\$ 2,019	\$ 1.84
Bell Alpharetta	32000 Gardner Dr	1997	800	4.1%	1,021	\$ 1,949	\$ 1.91
Windward Place	3080 Market Pl	1996	288	3.4%	1,127	\$ 1,888	\$ 1.68
Cortland Lex	1000 Lexington Farms Dr	1995	360	2.9%	1,075	\$ 2,103	\$ 1.96
Wood Bridge	680 Park Bridge Pky	1995	352	0.6%	1,124	\$ 2,059	\$ 1.83
Collingwood	3400 Kimball Bridge Rd	1995	342	4.1%	1,056	\$ 1,676	\$ 1.59
IMT Alpharetta	3500 N Point Pky	1995	306	1.0%	954	\$ 1,884	\$ 1.97
Belmont at Park Bridge	150 Rockberry Ln	1989	344	6.1%	918	\$ 1,656	\$ 1.80
The Pointe at Preston Ridge	950 Executive Dr	1988	266	3.0%	1,146	\$ 1,764	\$ 1.54
Cortland Windward*	905 Lake Union Hill Way	1987	294	17.7%	969	\$ 1,760	\$ 1.82
Webb Bridge Crossing	5000 Webb Bridge Ct	1986	164	4.9%	1,043	\$ 1,887	\$ 1.81
Manchester at Mansell	401 Huntington Drive	1984	468	3.9%	1,252	\$ 1,608	\$ 1.28
AVG / TOTAL		2000	6,700	5.3%	1,040	\$ 2,013	\$ 1.93

Source: CoStar

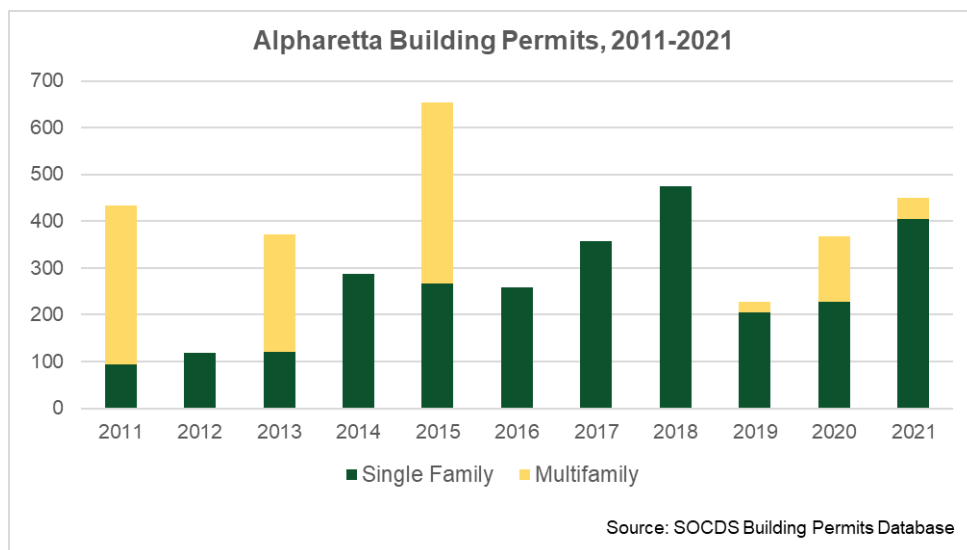
* Still in initial lease-up or under renovation

SINGLE FAMILY AND MULTIFAMILY BUILDING PERMIT ACTIVITY

Another perspective on changes in Alpharetta’s rental housing inventory can be gained from a review of building permit activity for both single-family and multifamily. According to U.S. Department of Housing and Urban Development (HUD), a total of 4,000 residential building permits were issued in the City of Alpharetta between 2011 and 2021, an annual average of 364. The breakdown of these permits was 2,814 single-family units (70 percent) and 1,186 multifamily units (30 percent).

Since the previous residential study, which contained data through September 2019, a total of 877 residential permits were issued in Alpharetta. On an annualized basis, the average pace of permit activity since the previous study has been 390, which is above the 10-year average. During this recent period, the balance has been more weighted towards single-family development – there were 668 permits issued for single-family units, representing 76 percent of the total. There were just 209 multifamily permits issued, accounting for the remaining 24 percent.

Most of the new single-family activity in the city is concentrated in attached townhouse projects, rather than detached single-family units. The largest active projects in Alpharetta are mainly comprised of townhouse units, and most new single-family developments are smaller infill developments, as land for new subdivisions is extremely limited. Recent multifamily activity has been more heavily concentrated in senior housing and smaller condominium projects than in apartments. Detailed information on the housing development pipeline is presented in the next section.





BUILDING PERMIT ACTIVITY IN ALPHARETTA 2011-2021			
Year	Single Family	Multifamily	Total
2011	94	340	434
2012	119	0	119
2013	121	250	371
2014	288	0	288
2015	266	387	653
2016	259	0	259
2017	357	0	357
2018	475	0	475
2019	204	24	228
2020	227	140	367
2021	404	45	449
Total	2,814	1,186	4,000
<i>Shares</i>	70.4%	29.7%	
Ann'l Average	256	108	364

Source: SOCDs Building Permits Database



SECTION 3: DEVELOPMENT PIPELINE IN ALPHARETTA

This section examines future changes to the city’s housing inventory by detailing projects since the last housing study update that were either completed, under construction before and after, or approved through the regulatory process for future development. Since the 2019 update to the housing report, 1,067 units have been completed, with a nearly even split among single-family detached units (363), attached townhouse/condominium units (358), and multifamily rental units (346). Of the three recently completed multifamily developments, two are assisted living developments with a total of 206 units, and one is a rental apartment project with 140 units.

RECENTLY COMPLETED	Unit Type	Units	Acres	SF	TH/Condo	MF
Braeden (JWH at Northwinds)	SF/TH	131	27.0	69	62	0
Thompson Street Flats (Chelsea Flats)	Condo	12	2.4	0	12	0
Foxhaven (Fox Road)	SF	22	10.0	22	0	0
Chelsea Walk	TH	49	7.0	0	49	0
Serenade	SF/TH/Condo	89	20.0	36	53	0
West Main	TH	23	2.0	0	23	0
East of Main	SF/TH	83	10.4	41	42	0
Voysey (fka City Center)	SF	42	5.2	42	0	0
Canton Street Commons	SF/TH	27	4.1	18	9	0
Ruths Farm	SF	49	10.0	49	0	0
Windsong Townhomes	TH	32	5.0	0	32	0
Overture at Encore	TH	76	11.7	0	76	0
Harris Walk	SF	13	3.0	13	0	0
Twelve on Canton	SF	12	5.5	12	0	0
Spruell Circle	SF	20	4.4	20	0	0
Rowes Downtown (Tiffany Square)	SF	22	3.3	22	0	0
East of Main Phase II	SF	19	3.4	19	0	0
Village Park Wills Rd	Asst Living	130	7.1	0	0	130
Northwinds Summit Multi Family	APT	140	3.6	0	0	140
Village Park Morris Rd Phase II	Asst Living	76	2.5	0	0	76
Subtotal		1,067	147.6	363	358	346

The future development pipeline in Alpharetta includes another 2,697 units, of which 1,502 are currently under construction. The under-construction pipeline is very heavily weighted towards townhouses and condominium units. There are currently 10 such projects under construction, containing a total of 1,000 townhouse or condo units; this represents 67 percent of all units under construction in the city. The remaining 502 units include a single 255-unit apartment development and 10 separate single-family developments with a total of 247 units.



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UNDER CONSTRUCTION	Unit Type	Units	Acres	SF	TH/Condo	MF
Shirley Estates	SF	53	26.0	53	0	0
Weyhill (Lehigh Homes)	SF	9	3.0	9	0	0
Ashbury (Lowe Lane)	TH	128	12.8	0	128	0
Caravelle (Windward Park)	TH	187	19.9	0	187	0
Foundry (fka Old Milton Holdings)	SF/TH	113	17.3	25	88	0
Towns on Thompson (fka Old Milton Holdings)	TH	48	3.7	0	48	0
Rumson	SF	19	11.0	19	0	0
Manning House (Cumming St)	SF	58	11.7	58	0	0
Baxley Subdivision	SF	7	4.4	7	0	0
Chiswick Park (fka Ouray)	TH	43	5.8	0	43	0
Pinemont Estates	SF	8	3.0	8	0	0
Artisan (Westside Pod P & T)	TH	94	21.9	0	94	0
Maxwell	SF/TH/Condo	138	7.4	21	117	0
Fourteen Park Place (fka Canton Street Townhome)	TH	14	1.5	0	14	0
Villa Magnolia	SF	26	3.7	26	0	0
Ecco Park	TH/Condo	99	9.2	0	99	0
Atley (fka Haynes Bridge Road Tract)	TH/Condo	122	15.3	0	122	0
Alcovy on Thompson	SF	10	1.2	10	0	0
The 1858	SF	11	1.7	11	0	0
Lakeview Park	TH/APT	315	48.7	0	60	255
Subtotal		1,502	229.2	247	1,000	255

The remaining 1,195 units in the development pipeline have been approved by the City of Alpharetta but are not yet under construction. Close to half of these units (550) are multifamily, including 250 more senior/assisted living units and 300 units of apartments as part of the North Point Mall redevelopment. The latter plan is being amended and may end up including additional units. The future pipeline also includes 456 townhouse/condo units, but just 189 single-family detached units.

APPROVED	Unit Type	Units	Acres	SF	TH/Condo	MF
Windward Park II	TH/Condo	224	19.9	0	224	0
296/304 Thompson	SF/TH	17	2.2	11	6	0
Residences at Northwinds Summit	Condo	20	3.6	0	20	0
Hudson Park	SF	17	2.0	17	0	0
Sawgrass	TH	55	7.4	0	55	0
Kimball Bridge Road (Empire)	SF	90	13.9	90	0	0
Morrison Park	SF/TH	175	24.8	35	140	0
Alpha at Main	SF	11	1.6	11	0	0
Harris Court	SF	7	3.3	7	0	0
Heritage Park (Davis Drive)	Asst Living	159	8.5	0	0	159
Village Park Phase 2 (Hwy 9)	Asst Living	91	5.0	0	0	91
Mayfair on Main	SF/TH	24	2.3	13	11	0
Mid Broadwell Parc	SF	5	2.2	5	0	0
North Point Redevelopment*	APT	300	19.6	0	0	300
Subtotal		1,195	116.3	189	456	550
TOTALS		3,764	493.1	799	1,814	1,151

Source: City of Alpharetta

* A new submission seeks to increase residential numbers and land area.



The 2,697 units in the pipeline are expected to add 2,562 households to the city, assuming a standard 5% vacancy rate. Assuming these units are fully absorbed over a 5-year period, this would represent a compound annual growth rate (CAGR) of 2.0%. This growth exceeds the long-term annual household growth rate in the city of 1.9% and is well above forecasted growth rates presented in the next section of the report.

By applying the expected owner/renter shares of new developments discussed in Section 2, the following breakdown of the units currently in the development pipeline was calculated:

- 1,381 owner occupied units (56% of pipeline)
- 1,181 renter occupied units (44% of pipeline)

The table below shows the impacts of the buildout of the pipeline on the city’s housing situation. By 2026, assuming all units are built and occupied as expected, the city’s owner/renter balance would shift from its current level of 68/32 to 66/34.

HOUSING STOCK AND OCCUPANCY TRENDS IN ALPHARETTA, 2015-Pipeline Buildout						
	2015		2020		Pipeline Buildout	
	Number	%	Number	%	Number	%
Total Housing Units	24,124		26,089		28,786	
Vacant Units	1,300	5.4%	1,362	5.2%	1,497	5.2%
All Occupied Units	22,824	94.6%	24,727	94.8%	27,289	94.8%
Owner Occupied	14,287	62.6%	16,745	67.7%	18,126	66.4%
Renter Occupied	8,537	37.4%	7,982	32.3%	9,163	33.6%

Source: KB Advisory Group, U.S. Census, 2020 American Community Survey



SECTION 4: IMPACT OF FUTURE RENTAL GROWTH ON INVENTORY

This section examines future housing demand in Alpharetta based on projections of population and household growth over the next five years and provides a range of rental housing demand based on a range of assumptions regarding future household growth rates and potential future ratios of renter and owner housing. The analysis in this section provides insight into how rental demand and inventory are likely to change through 2026.

RENTER TO OWNER RATIO IN THE REGION

Presented below is an analysis of the ratio between renter and owner housing in portions of the Atlanta region that appear to be most comparable with Alpharetta. This analysis examines the ratio of renter and owner housing units in the combined municipalities in North Fulton County and for the North Atlanta Metro area, which we defined as the entire counties of Cherokee and Forsyth, and North Fulton County (the portion of the county north of Sandy Springs), and East Cobb (the unincorporated area of Cobb County located between Marietta and the Fulton County line).

RENTER AND OWNER RATIOS: NORTH ATLANTA METRO, 2020						
	Alpharetta	North Fulton	Cherokee	East Cobb	Forsyth	North Metro
Households	24,727	102,287	90,372	60,480	80,319	333,458
Owner Occupied	16,745	73,511	69,011	47,218	67,620	257,360
Renter Occupied	7,982	28,776	21,361	13,262	12,699	76,098
Owner %	68%	72%	76%	78%	84%	77%
Renter %	32%	28%	24%	22%	16%	23%

Source: U.S. Census, American Community Survey, 2020

Although its share of renters has declined recently, Alpharetta continues to have a higher share of renter-occupied housing than surrounding communities in the north metro area. The city’s 32% renter share exceeds the overall renter share of 28% for all of North Fulton County (including Johns Creek, Milton, Mountain Park, and Roswell). The renter shares are even lower in the neighboring areas of Cherokee County (24%), East Cobb County (22%), and Forsyth County (16%). The overall renter share for these North Metro area communities is 23%.

POPULATION AND HOUSING GROWTH RATES

Presented in the following exhibit is a summary of historical and projected population and household growth for Alpharetta from 2000 to 2026. As shown in the exhibit below, the population of the City of Alpharetta grew at a 1.7% compound average annual growth rate (CAGR) from 2000 to 2021, with slightly faster growth from 2000-2010 than from 2010-2021. During the same 21-year period, the city’s household count increased at a faster rate of 1.9%, indicating that household sizes in Alpharetta have been declining.

Forecasts by Environics Analytics, a third-party data provider, anticipate that both population and household growth will slow over the next 5 years. Environics is projecting that the city’s population will grow at a 1.2% CAGR to 2026 and its household county will increase by 1.3% annually. If these forecasts are accurate, the city would have 28,009 households and 72,292 residents by 2026.



POPULATION AND HOUSING PROJECTIONS 2000-2026		
	Alpharetta	
	Population	Households
2000	47,245	17,808
2010	57,551	21,859
2021 Estimate	68,002	26,246
CAGR	1.7%	1.9%
2026 Projection	72,292	28,009
CAGR	1.2%	1.3%

Source: *Environics Analytics/KB Advisory Group*

While each of these datasets is useful for providing context, using either method to predict the number of households in 2026 still falls short of the actual number of expected households based on the current development pipeline. The future pipeline of 2,697 units, even with an assumed vacancy rate of 5%, would still add 2,562 households to the city. This compares with 1,763 new households using Environics’ growth rate and 2,539 using the historic growth rate. For this reason, our forecasts are based on the pipeline as it exists today.

While additional development that is not already in the development pipeline could add more inventory, it is also possible that some of the pipeline projects will not be developed by 2026. Our assumption is therefore that the existing pipeline provides a reasonable estimate of how much new housing – and what types of housing – are likely to be built in the next 5 years.

Starting with these forecasts, we then applied estimates of the highest and lowest possible scenarios of how much of the new housing stock would be renter occupied. These shares were derived from two datasets discussed earlier in the report.

- **The expected renter-owner balance of the current pipeline** – An estimated 46% of the current development pipeline is expected to become renter occupied units. This includes all units in multifamily rental developments, as well as a percentage of new single-family, townhome, and condominium units.
- **Assumed future rental preference at the north metro rental ratio** – Data from the north metro area shows an overall proportion of 23% renter households across the area. Given the limited number of development sites in the city and the very high cost of land, though, Alpharetta’s renter share is highly unlikely to decline to anywhere near this level.

These shares represent the extreme cases of how the owner-renter balance may shift in Alpharetta in the coming years. The following table illustrates how these alternatives would affect the city’s tenure balance.



IMPACT OF ALTERNATIVE GROWTH RATES AND TENURE PATTERNS, 2021-2026					
	Owner Occupied		Renter Occupied		Total
Current Pipeline Scenario					
Existing Housing Stock, 2021	18,661	68%	8,895	32%	27,556
Additions from Current Pipeline	1,454	54%	1,243	46%	2,697
Future Housing Stock, Including Pipeline	20,115	66%	10,138	34%	30,253
North Metro Average Scenario					
Existing Housing Stock, 2021	18,661	68%	8,895	32%	27,556
New Construction	2,077	77%	620	23%	2,697
Future Housing Stock	20,738	69%	9,515	31%	30,253

Source: KB Advisory Group

In the first scenario, Alpharetta would add 1,454 owner occupied units and 1,243 rental units and over the next 5 years, shifting its owner-renter balance from its current level of 68/32 to 66/34. In the second scenario, the city would add 2,077 owner occupied units and just 620 rental units. This would shift the owner-renter balance to 69/31. Although these two scenarios present very different outcomes for the new housing stock, the overall effect on the citywide tenure balance would still be minor. It is clear from this analysis that year-by-year variations in the tenure mix of new housing should not be of concern; rather it is long-range trends that need to be in balance.

The city’s 2021 Comprehensive Plan update extended the existing goal of having 32% of the overall housing inventory be rental housing. This long-range goal would be consistent with historical renter ratios in the city and would help fulfill the ongoing market needs for rental housing that are not being met elsewhere in the North Atlanta metro region.

This goal could be achieved with rental housing additions of 116 - 194 units per year, which is derived from applying the 32-36% ratios to the average number of permits issued per year from 2011-2021 and the expected number of permits per year based on the current pipeline. Calculations are as follows:

- Total Permits issued 2011-2021: 4,000 units
- Average Permits issued 2000-2011: 364 units
- Expected Permits per Year, 2022-2026: 539 units
- Targeted Rental Unit Proportion at 32-36%: 116-194 units annually

The total number of targeted rental unit permits could be adjusted every five years to reflect recent trends in total permitting activity. Permits for new units to be created on the site of existing rental apartments could be exempted from this annual limitation as an incentive to redevelop older complexes.

Going forward, the development pressure faced by Alpharetta is not likely to abate in the near future. The Atlanta metro area continues to add tens of thousands of jobs each year, and Alpharetta has maintained its status as one of the most desirable communities in the region. Several factors will continue to drive housing demand in the city over the next few years, including:

- The tremendous growth in the employment base in North Fulton generally and Alpharetta in particular.
- The emergence of Avalon and downtown Alpharetta as major regional shopping, dining, and tourism destinations.

- The expected redevelopment of North Point Mall and surrounding properties along North Point Parkway.
- The development of the Alpha Loop and the connector trail to the Big Creek Greenway.
- The planned extension of high-capacity transit service along GA-400 from the North Springs MARTA station to Alpharetta.

There is no reason to expect that demand for housing in Alpharetta will slow over the next few years. Rather, the major constraints on growth in the city are the limited supply of land and sites for new development and the rising costs of land acquisition and construction. These factors are likely to continue to drive up sale prices and rental rates, which will limit the pool of households that can afford to live in the city. The affordability issue is the most likely factor that could limit new housing development going forward.



SECTION 5: SENIOR RENTAL HOUSING IN ALPHARETTA

This section of the report focuses on an important segment of the overall rental housing market in Alpharetta, senior rental housing. Improved health, longer lifespans, and generational trends means that the share of the city’s population 55 or older is expected to increase significantly in the coming decades.

THE GROWING SENIOR POPULATION IN ALPHARETTA

Demographic trends in Alpharetta point to strong growth in the city’s senior population. As shown in the exhibit below, the number of seniors 65+ in Alpharetta already increased by nearly 3,000 from 2010 to 2020 and is expected to increase by another 1,500 to 2025. The annual growth rate of the senior population over the past decade was 5.9%, nearly triple the overall population growth rate of 2.0% during this period. The age 55+ population increased at a similar rate of 5.7% annually from 2010 to 2020.

As a result of this growth, the senior population’s share of the city’s population has increased significantly since 2010. During the past decade, the 55+ population share increased from 17% to 24% of all city residents and the 65+ share increased from 7% to 10%. Looking ahead, the annual growth rate is expected to slow somewhat, but is still forecasted to be 4.0% through 2025, more than double the overall forecasted growth rate of 1.8%. If these forecasts prove accurate, the 55+ population would account for 27% and the 65+ population would represent 11% of all Alpharetta residents by 2025. These trends are expected to continue the demographic “push” that will drive further demand for senior housing in the local market.

SENIOR POPULATION IN ALPHARETTA, 2010-2025					
	2010	2020	Ann % Chg	Forecasted	
				2025	Ann % Chg
Population Counts					
Total Population	54,723	66,566	2.0%	72,941	1.8%
Population 55+	9,212	16,104	5.7%	19,586	4.0%
Population 65+	3,811	6,750	5.9%	8,232	4.0%
Population Shares					
Percent 55+	16.8%	24.2%		26.9%	
Percent 65+	7.0%	10.1%		11.3%	

Source: U.S. Census American Community Survey 2010, 2020

As with other households in the city, seniors tend to be an increasingly affluent group, which speaks well to their ability to afford the cost of retirement and senior living. The share of households headed by a person age 65+ with annual incomes in excess of \$150,000 nearly doubled from 2015 to 2020, increasing from 9.3% to 18.3%. The share of senior-headed households earning \$50,000-74,999 also increased, going from 15.3% in 2015 to 24.6% in 2020. Interestingly, the share of senior households with incomes between \$75,000 and \$149,999 actually declined slightly from 2015 to 2020. The largest losses were among low-income seniors, though, as the segment earning below \$35,000 declined from 40.6% to 22.8% during this period.



INCOME OF AGE 65+ HOUSEHOLDS, 2015-2025			
	2015	2020	2025
Less than \$35,000	40.6%	22.8%	13.0%
\$35,000-49,999	9.9%	12.1%	13.0%
\$50,000-74,999	15.3%	24.6%	22.1%
\$75,000-99,999	12.8%	9.1%	11.7%
\$100,000-149,999	12.1%	13.2%	19.0%
\$150,000 and Up	9.3%	18.3%	21.3%

Source: U.S. Census ACS, 2010, 2020; KB Advisory Group

Over the next few years, the shift towards upper-income seniors is expected to continue, with the share of all income bands of \$75,000 or higher projected to grow through 2025, which the share of low-income seniors is expected to continue to decrease. The high incomes among its senior population are likely to continue to make Alpharetta an attractive location for senior housing developers to target for many years to come.

INVENTORY OF SENIOR HOUSING

The senior housing marketplace in Alpharetta was examined to determine the scale of the senior housing inventory in the city and what is in the pipeline for future development. Since the 2019 housing study, the Village Park Milton development was completed, adding 130 of assisted living and memory care units to the city’s inventory, As of March 2022, there were 14 senior housing communities in Alpharetta, containing a total of 1,651 units.

Typically, the senior developments offer a mix of independent living, assisted living, and memory care in their complexes. Alpharetta currently does not have any facilities dedicated solely to continuing or nursing care. Recent developments such as Village Park Alpharetta and Village Park Milton have also included detached cottage units that provide a more private (and more expensive) housing option within a larger community.

Beyond the existing supply, there are two additional senior housing developments in the development pipeline:

- Village Park Milton Phase 2 is planned next to the existing Village Park Milton property on Alpharetta Highway and Wills Road. This phase includes 91 independent living units, of which 71 will be apartments and 20 will be cottages.
- The Heritage at Davis Drive, to be located at Westside Parkway and the future Davis Drive Extension, is planned for a total of 159 units, including assisted living, memory care, independent apartments, and detached cottages.

A key trend we are continuing to witness in the metro area is the phenomenon of seniors not only looking to downsize from larger family homes to smaller floorplans but parents of Gen X and Baby Boomer households moving to or staying in metro Atlanta to be near their middle-aged or older children. This is creating even more demand for senior housing near affluent areas with a high presence of these households, like Alpharetta. We are continuing to see a building boom in a wide range of senior housing options throughout the northern suburbs, especially in Gwinnett, Cobb, Cherokee, North Fulton, Forsyth and Hall Counties.



ALPHARETTA SENIOR RENTAL DEVELOPMENTS (AS OF MARCH 2022)					
Property Name	Address	Care Class	Year Open	Units	Occ %
The Heritage*	Davis Drive	Assisted Living	TBD	159	
Village Park Milton (Phase 2)*	555 Wills Rd	Assisted Living	TBD	91	
Village Park Milton	555 Wills Rd	Assisted Living Memory Care	2020	130	
Mansions at Alpharetta	3675 Old Milton Pkwy	Independent Living Assisted Living Memory Care	2017	178	89.4%
Autumn Leaves of Windward	3300 Webb Bridge Rd	Nursing Care Memory Care	2017	50	
Inspired Living at Alpharetta	11450 Morris Rd	Assisted Living Memory Care	2017	128	59.7%
Village Park Alpharetta	12300 Morris Rd	Independent Living Assisted Living	2017/ 2020	206	96.9%
Addington Place of Alpharetta	762 Main St	Assisted Living Memory Care	2013	79	
Cottonwood Estates	255 Vaughn Dr	Independent Living	2013	120	93.1%
Mayfield Oaks	143 Mayfield Rd	Assisted Living	2013	13	
Atria North Point	100 Somerby Dr	Assisted Living Memory Care	2008	282	
Emblem Alpharetta	1000 Fanfare Way	Active Adult	2008	210	96.1%
Providence Senior Living	12775 Providence Rd	Assisted Living Memory Care	2007	8	
Alto Senior Living	4125 N Point Pkwy	Assisted Living Memory Care	1999	71	
Morningside of Alpharetta	253 N Main St	Assisted Living Memory Care	1997	76	
Dogwood Square	555 Janis Ln	Low-Income Independent Living	1971	100	
TOTAL UNITS:				1,901	

Source: City of Alpharetta; CoStar

* Approved, not yet under construction



The term senior housing covers a wide range of housing products as shown in the chart below.

Types of Senior Rental Housing		
	Target Population	Services Offered
Active Adult Rental Housing	Active Adults 60 to 75 years	Rental housing, standard apartment amenities, no personal services provided
Independent Living Senior Housing	Seniors aged 65- 75	Rental housing standard amenities, meal plan, transportation
Assisted Living Senior Housing	Seniors aged 70+	Same as independent plus a personal service like assistance bathing, pill monitoring, etc.
Memory/Dementia Care	Seniors aged 65+, need based	Same as assisted with higher level of care/monitoring for those unable to live independently
Continuing Care Retirement Center	Seniors 65+	Range of unit types, amenities, and services as resident ages in place
Nursing Care	Seniors 65+, need based	Smaller units, care focused

The various senior housing options provide a series of steps from independent living, which is focused solely in the provision of housing, through a range of services, personal care and medical support until you reach nursing care. Each of these differentiated products in the senior housing market appeals to its own unique market segment, and as the household ages it typically moves up the services/care dimension. The main types of senior housing in the market today include:

Active Adult Rental Housing – This is newest product offering and targets 55+ residents who are seeking a modern rental apartment with full amenities but do not want any typical senior housing services like a meal plan or transportation. They also do not want any children present on a permanent basis and are therefore age restricted to the degree allowed by the Fair Housing Law. This is the hottest area in senior housing with Walton at Bluegrass, just north of Alpharetta, an example of this type of development.

Independent Living Senior Housing – These units look much like conventional rental apartments to allow its residents to live independently but additional services of offered, typically a meal plan and a van for transportation to shopping and services. This product has recently expanded to include detached rental cottages as well, that offer the same services as the apartments but greater privacy; these cottage units typically rent at a significant premium above independent apartments. The target age profile is typically 65 to 75 years old.

Assisted Living Senior Housing – These developments have individual units with most of the amenities of active adult and independent living but often are slightly smaller in size. In addition to the meal plan and transportation additional activities are provided as is assistance with managing one or more care functions such as assistance bathing, reminders on taking medication and additional activities and programs for the residents. The residents tend to be in their 70’s and have faced some health challenge or the loss of a spouse that makes independent living less tenable.



Memory/Dementia Care – This is where the transition from provision of shelter to provision of services is most evident. The residents lack the ability to live independently, even with assistance and a higher level of care needs to be provided.

Continuing Care Retirement Community – This is where some or all of the previous options are available on one campus, with residents moving through the various options as the age and become more infirmed. Sometimes requires a major upfront endowment, and often church affiliated.

Nursing Care – In these facilities the primary purpose is the provision of health-related services and the residential component is secondary with smaller units and fewer unit amenities. The key motivation in these facilities is the on-going care and maintenance of the residents who often face multiple health challenges.



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