



Residential Market Potential

The Westside Study Area Chattanooga, Tennessee

Conclusions of the Study

- The Westside Study Area is in a great location in a thriving and growing city.
- Unassisted/unrestricted monthly rents from \$850 to \$1,550.
- Studio, one and two bedroom units containing between 450 and 950 sq. ft.
(\$1.63 to \$1.91 psf)
- Absorption of 52 to 66 new units at these rents each year over the next five years.

Target Market Methodology

Market potential,
Not market demand.



The Westside Study Area



Study Area Assets

The city itself is growing and thriving.

Visibility and Location on Riverfront Parkway.

Proximity to Downtown.

Proximity to the Tennessee River.

Proximity to the Southside.

Adjacency to Blue Cross/Blue Shield.

Adjacency to Convention Center.

Where Does the Potential Market for the Study Area Live Now?

City of Chattanooga: 57%

Balance of Hamilton County: 8%

Bradley County, TN,
Catoosa & Walker Counties, GA: 3%

Balance of US: 32%



How Many Households
Represent the Market for New Housing
in the Westside Study Area?

1,625 households

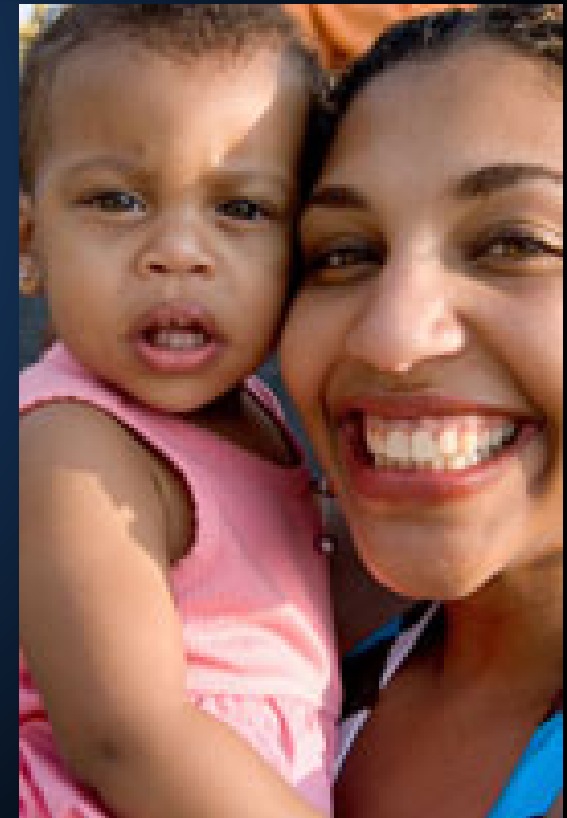
12,165 households city-wide

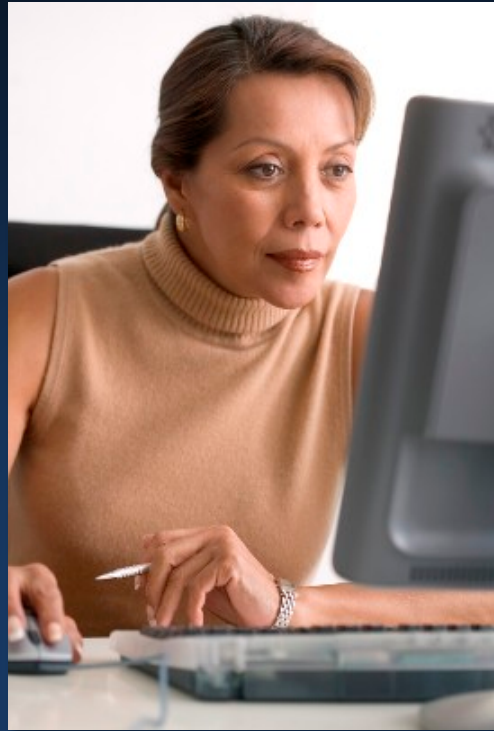
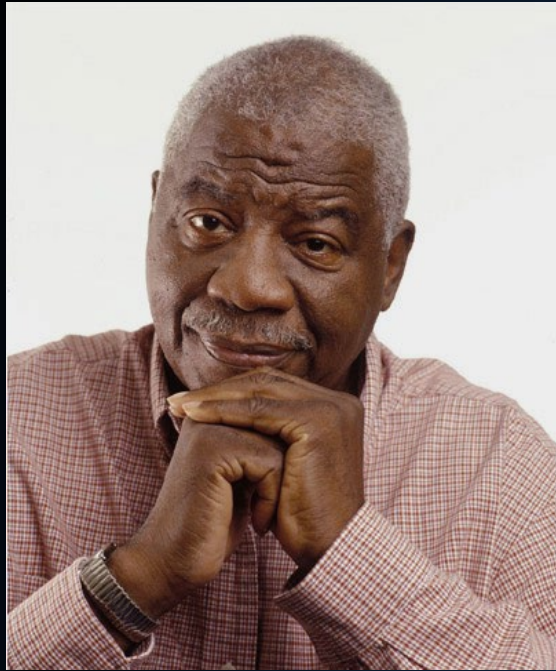
Who Is the Potential
Market For New Rental Housing
in a Redevelopment of
the Westside Study Area?

Younger Singles & Couples: 58%



Traditional & Non-Traditional Families: 20%





Empty Nesters
& Retirees:
22%



What Kind of Rental Housing Is Currently Available?

General rents in the
Chattanooga market area.



Chestnut Flats



Riverwalk Cameron Harbor



17 Broad

General Rent Ranges

\$750 to \$2,700 per month

350 sf (studio) to 2,400 sf (2/3br cottage)

(\$0.63 to \$2.39 psf)

What Are The
Financial Capabilities of the
Potential Renter Households?

Target Household Distribution by AMI
Average Annual Market Potential for New Rental Units
The Westside Study Area
City of Chattanooga, Hamilton County, Tennessee

AMI RANGE	NUMBER OF HOUSEHOLDS	PERCENTAGE
Below 30%	275	25.8%
31% to 60%	233	21.9%
61% to 80%	122	11.5%
81% to 100%	98	9.2%
100% and up	<u>337</u>	<u>31.6%</u>
Total:	1,065	100.0%

Unassisted/unrestricted units: 81 percent AMI and up
Annual average: 435 households

HUD Income Limits

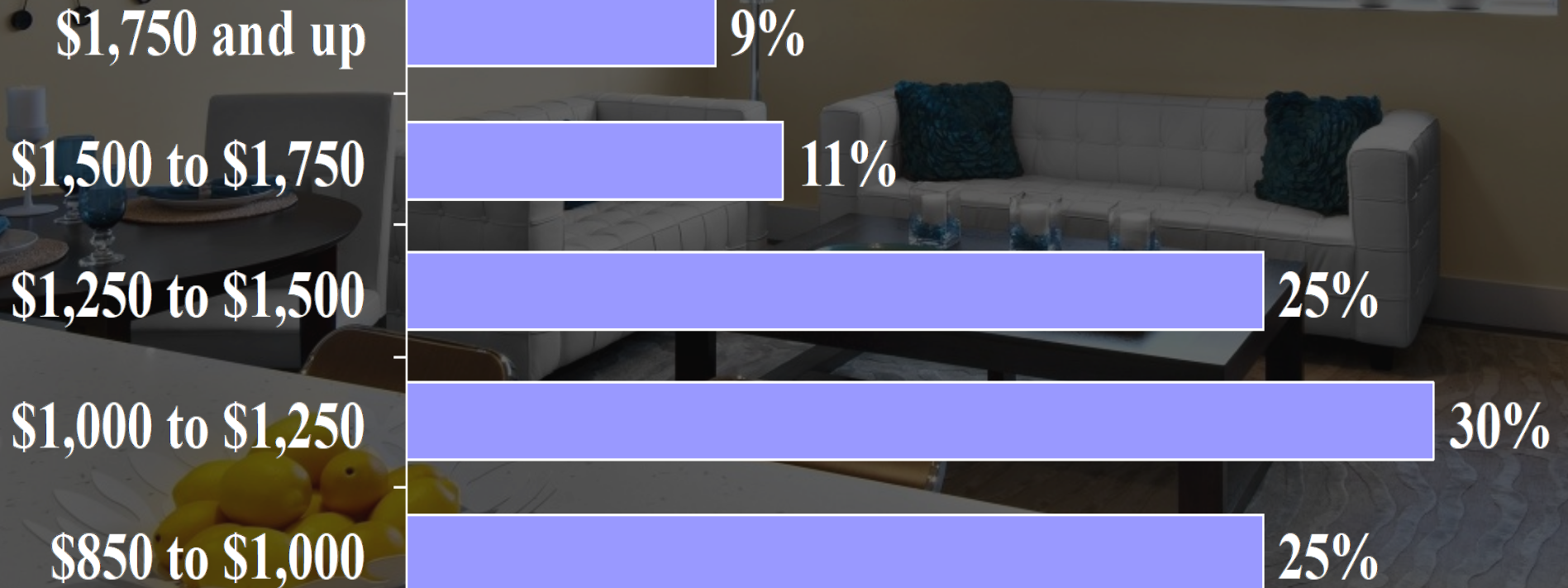
Fiscal Year 2020 Income Limits
City of Chattanooga, Hamilton County, Tennessee

NUMBER OF PERSONS IN HOUSEHOLD	EXTREMELY LOW 30% OF MEDIAN	VERY LOW 50% OF MEDIAN	LOW 80% OF MEDIAN
One	\$15,300	\$25,450	\$40,700
Two	\$17,450	\$29,050	\$46,500
Three	\$21,720	\$32,700	\$52,300
Four	\$26,200	\$36,300	\$58,100
Five	\$30,680	\$39,250	\$62,750
Six	\$35,160	\$42,150	\$67,400
Seven	\$39,640	\$45,050	\$72,050
Eight	\$44,120	\$47,950	\$76,700

Financial Capabilities

435 Annual Renter Households

Incomes 81 Percent AMI and up





Optimum Rents

Unassisted/Unrestricted units

Studio/ 1ba	35%	\$850 to \$1,050	450 to 550	\$1.89 to \$1.91
1br/ 1ba	30%	\$1,150 to \$1,250	650 to 750	\$1.67 to \$1.77
2br/ 1ba	15%	\$1,400	850	\$1.65
2br/ 2ba	20%	\$1,550	950	\$1.63

How Fast Will They Rent the New Units?

52 to 66 units per year

(12 – 15% capture of the annual
potential renter market)



Blue Cross
Blue Shield

Downtown

Questions?

GE/Alstom
Property

Convention
Center

MAIN STREET

RIVERFRONT PARKWAY

MLK BOULEVARD

HWY 27