

Citywide Housing Needs Assessment

Prepared for: City of Dahlonega, Georgia



Prepared by: KB Advisory Group



KB | ADVISORY GROUP

February, 2023

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The City of Dahlonega engaged KB Advisory Group, Inc. (KBA) to conduct a Housing Needs Assessment in the fall of 2022.

The assessment provides the City of Dahlonega with a perspective on how current and future residential market trends will impact the city over the coming years. The research, analysis, and conclusions will provide vital inputs for making future land use, planning, and real estate development policy decisions. The housing assessment has dual purposes: first is the technical analysis, which provides abundant data points and interesting insights into the local residential marketplace, which can inform and enhance decision-making processes for housing locally. The second is the communication aspect, which gives staff and elected officials the tools and information they need to communicate to constituents the rationale for crucial policies related to land use and housing.

The following report highlights the initial analysis of KB Advisory Group's Dahlonega Housing Needs Assessment including the trends in performance of the housing market and current conditions. This portion of the study serves as a foundation to the future, subsequent analyses which will assess housing needs and market gaps, policy implications to meet future needs, and Dahlonega's position within the region compared to peer cities.

This report was prepared by KB Advisory Group, Inc. on behalf of the City of Dahlonega, GA. KB Advisory Group President Geoff Koski directed and managed the engagement.

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Executive Summary

The City of Dahlonega has seen steady growth over the last two decades, averaging 2-3% annually. New home construction, however, has not kept pace with population growth. In the past 5-years, the city has added less than 30 new for-sale homes, satisfying 4% of housing demand. Much of new rental product has been student-targeted housing. Looking forward, population growth is forecasted to cool slightly, averaging 1% over the next 5 years. Strong demand exists for new housing to both satisfy pent up demand and accommodate new Dahlonega residents.

Dahlonega's appeal as a tourist destination, attractive retirement community, and college town puts a variety of unique pressures on the housing market. Lack of supply has materialized in increased home prices and incomplete housing options, especially for young professionals, families, and older residents. Both attached and detached resale prices have nearly doubled since 2016 with a significant increase in sales volume beginning in 2020.

Half of housing demand exists in lower-income households which is unlikely to be met by the private market. A portion of this demand is comprised of students, but a significant segment of the demand exists within the local workforce: teachers, UNG employees, and those working in the service and hospitality industry. Demand for attached product, both for-sale and rental, represents 70% of total demand. This is both a component of housing preference as well as price.

Demand for higher-end homes remains strong and is an important component of the housing market in attracting and retaining high earning households. Housing at every price point contributes to a sustainable housing ecosystem by providing entry-level housing, move-up opportunities, and the ability of older households to remain in the Dahlonega community.

Source: KB Advisory

Executive Summary

Moving forward, the City of Dahlonega should consider a variety of strategies and tools to help foster a healthy housing market. Satisfying off-campus student housing demand by allowing 200-300 units within the next 5 years will help alleviate market pressure on housing throughout the city. Identifying strategic locations for housing and reducing regulatory barriers for more diverse housing products can motivate and attract developers to provide the right housing at the right price. Additionally, the city should consider existing entities and partners to provide affordable and workforce housing solutions by utilizing publicly owned land, identifying redevelopment opportunities, and recognizing funding sources. With 66% of the existing housing stock built over two decades ago, consider rehabilitation programs for existing residents to remain in the community.

Finally, Downtown Dahlonega has the potential to infuse appropriate and complementary housing within the downtown core, a pivotal aspect to the vitality of a Main Street destination. Consider mixed-use, residential opportunities to further activate the walkable core, expand lifestyle amenities, and catalyze a diverse retail and commercial offering.

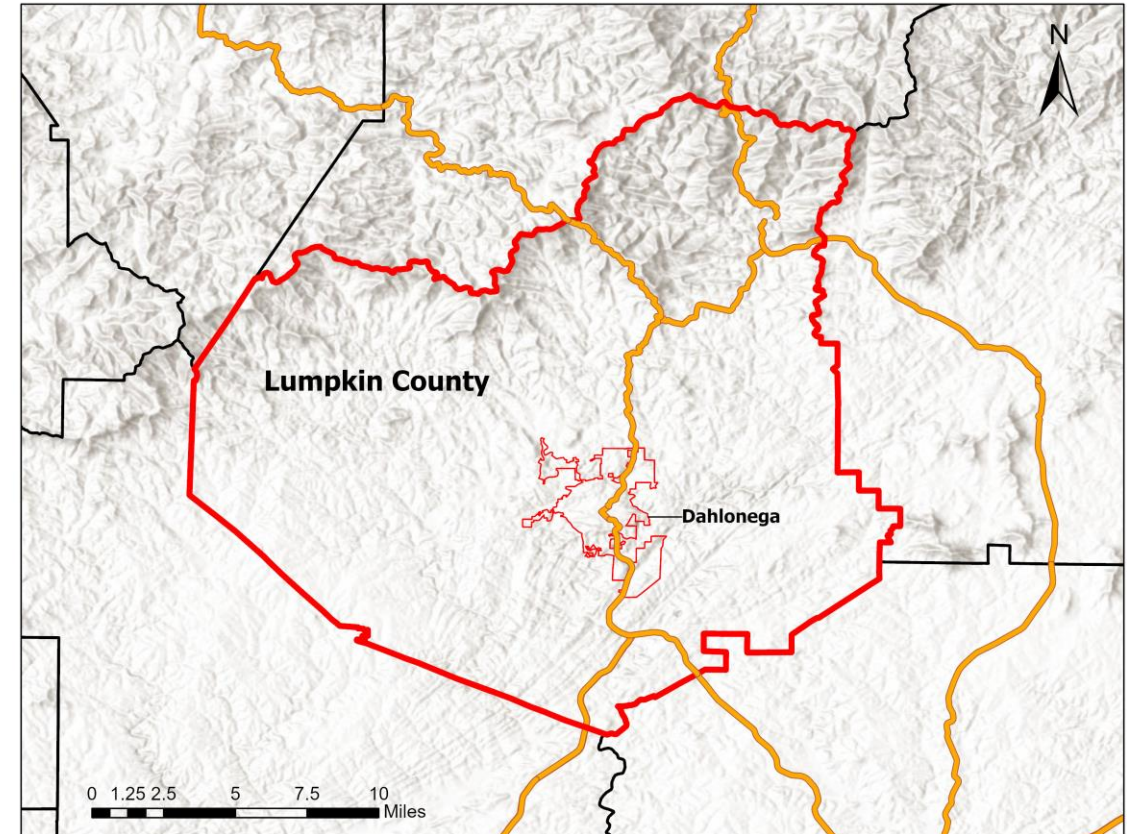
Source: KB Advisory



Study Area Context

Geographic

The city of Dahlonega is situated in the North Georgia mountains in Lumpkin County, an area recognized for its scenic beauty as well as a local magnet for college students attending the University of North Georgia. State Routes 19, 60 and 129 are the major routes that service Dahlonega and the surrounding county.



Source: KB Advisory, City of Dahlonega GIS, Lumpkin County GIS

Demographic Trends Analysis

Demographic Assessment

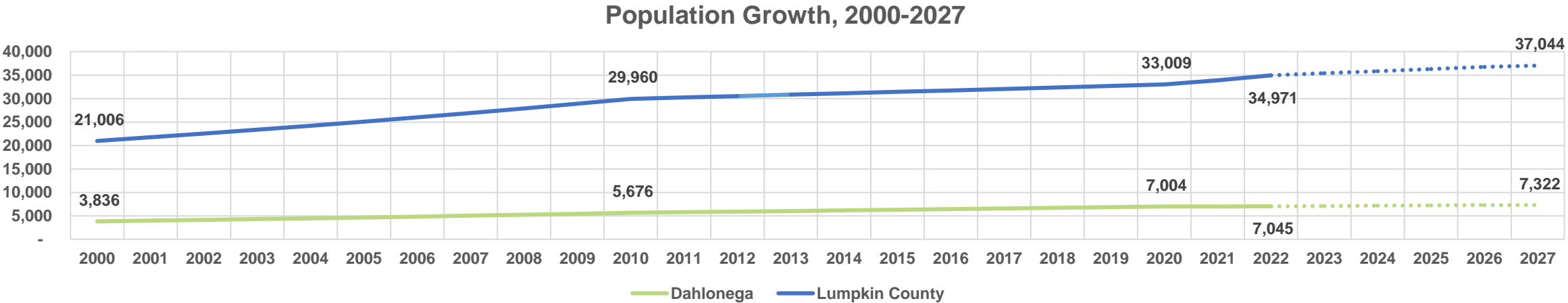
Population

The city of Dahlonega’s population is estimated at 7,045 people. Dahlonega’s population accounts for 20% of the total population of Lumpkin County, which is estimated to have 34,971 residents

Dahlonega’s population has grown at a steady rate between 2%-3% annually over the last 20 years. The city’s growth rate is projected to slow in the next five years while the county’s growth rate is expected to accelerate slightly. Dahlonega’s student population may not be accurately accounted for due to Census methodologies in counting students.

Population		
Year	Dahlonega	Lumpkin County
2000 Census	3,836	21,006
2010 Census	5,676	29,960
2020 Census	7,004	33,009
2022 Estimate	7,045	34,971
2027 Forecast	7,322	37,044

Population Growth		
Interval	Dahlonega	Lumpkin County
Growth Rate 2000-2022	2.8%	2.3%
Average Annual Growth 2010-2020	2.1%	1.0%
Average Annual Growth (fcst) 2022 - 2027	0.77%	1.16%



Source: KB Advisory, based on data from Claritas, ACS 2020 5-yr Estimates, Lumpkin County GIS



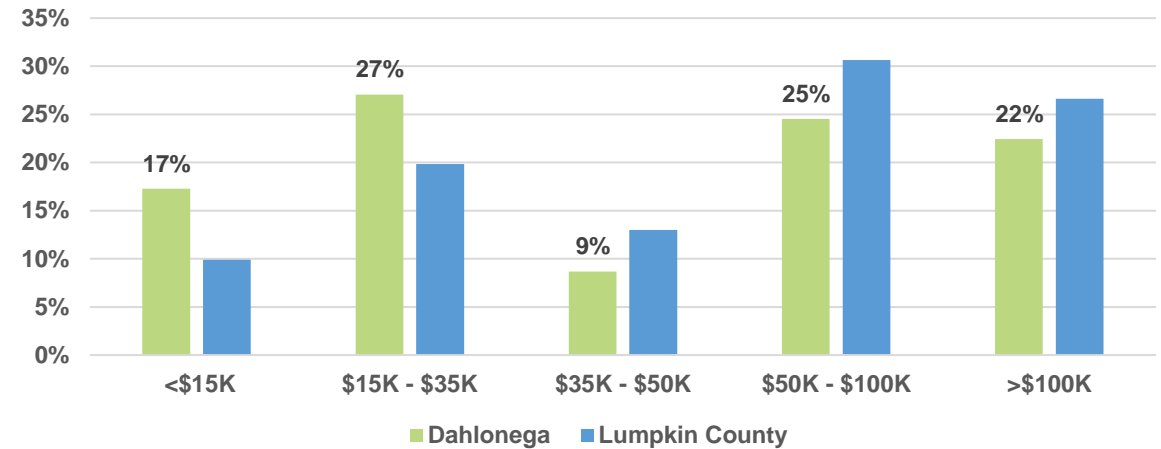
Demographic Assessment

Household Income

The median household income in the city of Dahlonega is \$43,848. The median household income in Lumpkin County is \$59,950, nearly \$17,000 higher.

The income distribution of households in Dahlonega are bifurcated, with 44% of households earning \$35,000 or less and 47% of households earning \$50,000 or more. The income distribution across Lumpkin County contains a higher proportion of households that earn more than \$50,000, representing nearly 60% of the county's households

Household Income Distribution, 2022



Income	Dahlonega	Lumpkin County
2022 Est. Median Household Income	\$43,848	\$59,950
<\$15K	17%	10%
\$15K - \$35K	27%	20%
\$35K - \$50K	9%	13%
\$50K - \$100K	25%	31%
>\$100K	22%	27%

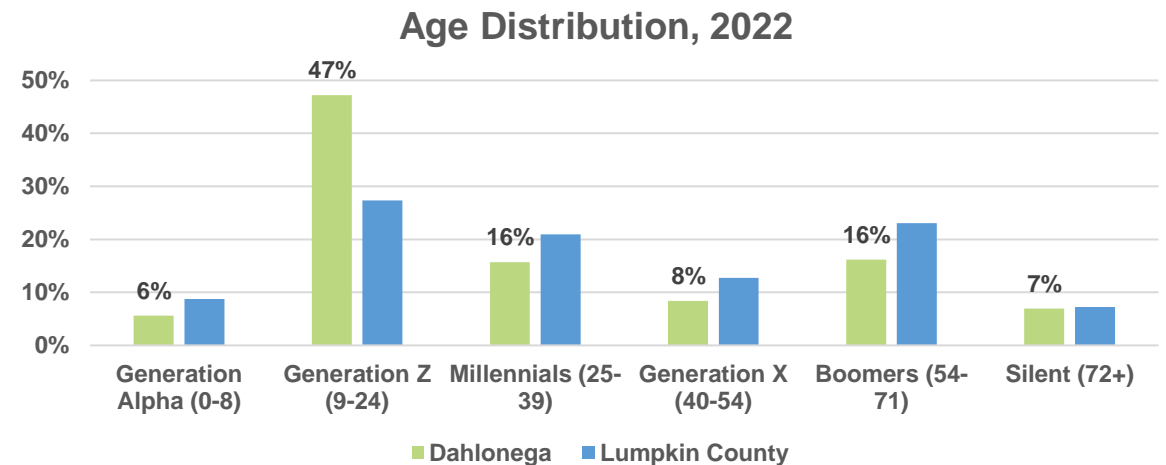
Source: KB Advisory, based on data from Claritas

Demographic Assessment

Residents by Generation

Over half of the residents of Dahlonega are under the age of 24. Both the city of Dahlonega and Lumpkin County have a large segment of their population that is between 9 and 24 years old. Lumpkin County's median age is more than 10 years older than the city of Dahlonega's, as Lumpkin County has more residents that are over 40 than the city of Dahlonega

2022 Estimated Age Cohort Distribution			
Age & Generational Cohort	Dahlonega		Lumpkin County
Generation Alpha (0-8)		6%	9%
Generation Z (9-24)		47%	27%
Millennials (25-39)		16%	21%
Generation X (40-54)		8%	13%
Boomers (54-71)		16%	23%
Silent (72+)		7%	7%
Children and Seniors			
Age & Generational Cohort	Dahlonega		Lumpkin County
Children (0-17)		12.4%	17.3%
Seniors (65+)		15.2%	18.9%
Median Age		24.2	36.7



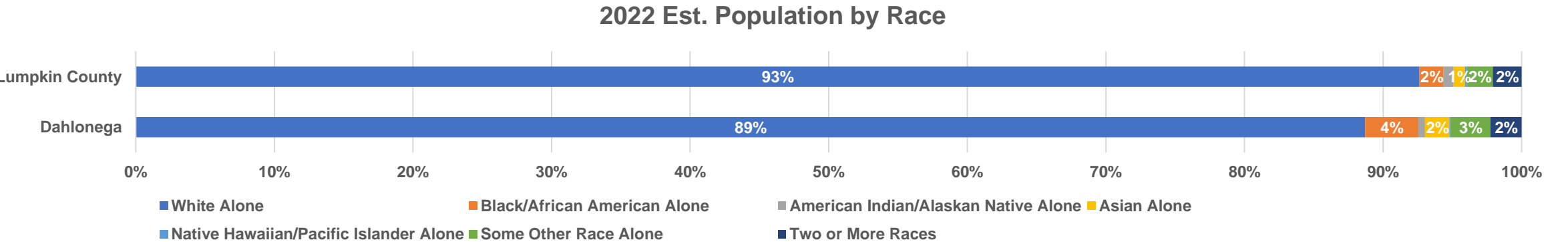
Source: KB Advisory, based on data from Claritas

Demographic Assessment

Race & Ethnicity

Over 90% of Dahlonega’s population is white. The racial composition reflects similar trends in Lumpkin County. Under 10% of the populations of both Dahlonega and Lumpkin County is Hispanic/Latino

	Dahlonega	Lumpkin County
2022 Est. Population by Single-Classification Race		
White Alone	89%	93%
Black/African American Alone	4%	2%
American Indian/Alaskan Native Alone	0%	1%
Asian Alone	2%	1%
Native Hawaiian/Pacific Islander Alone	0%	0%
Some Other Race Alone	3%	2%
Two or More Races	2%	2%
2022 Est. Population by Ethnicity (Hispanic or Latino)		
Hispanic / Latino	7%	5%
Not Hispanic / Latino	93%	95%



Source: KB Advisory, based on data from Claritas

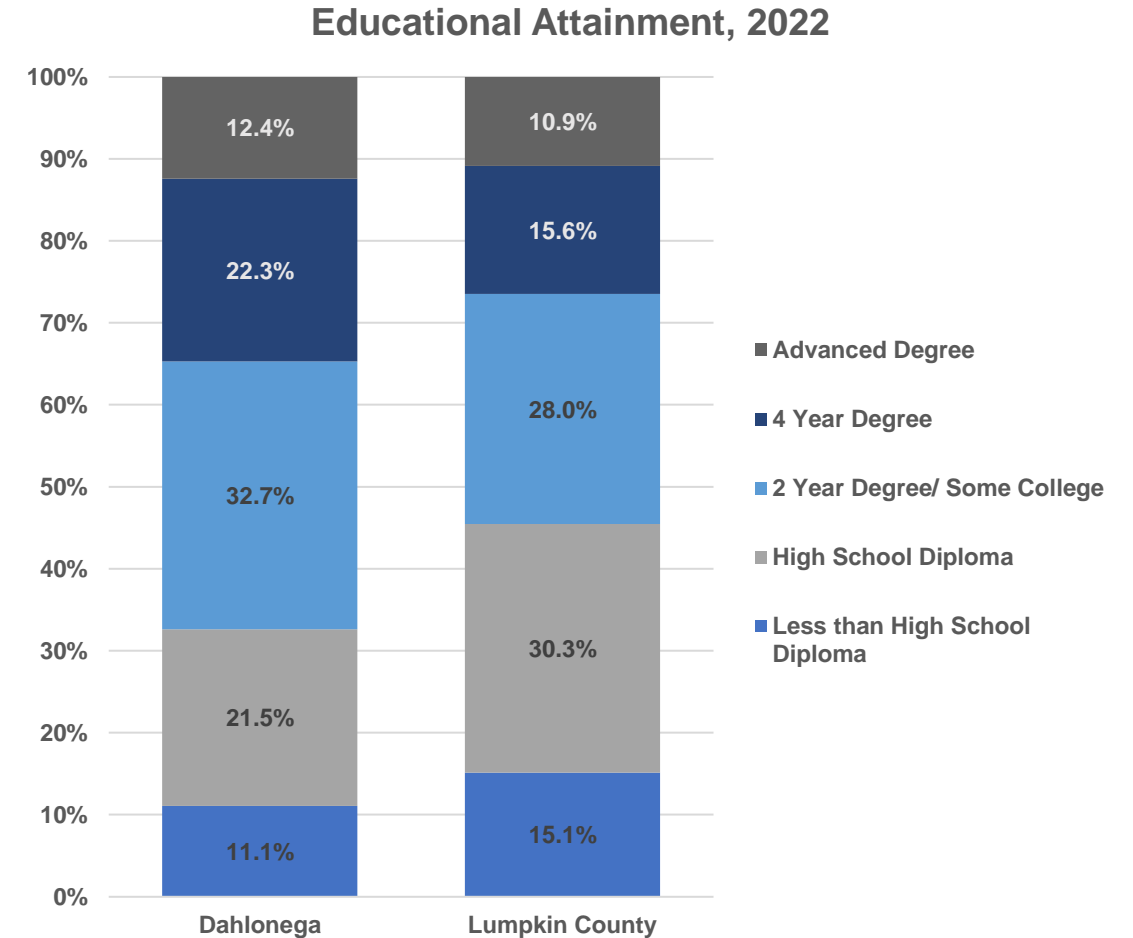


Demographic Assessment

Educational Attainment

Dahlonega is home to a population with a wide variety of educational attainment. Just over a third of Dahlonega's population holds a bachelor's degree or higher. Dahlonega's residents are slightly more educated than the residents of surrounding Lumpkin County.

Educational Attainment	Dahlonega	Lumpkin County
Less than High School Diploma	11.07%	15.15%
High School Diploma	21.54%	30.32%
2 Year Degree/ Some College	32.67%	28.04%
4 Year Degree	22.29%	15.61%
Advanced Degree	12.42%	10.88%



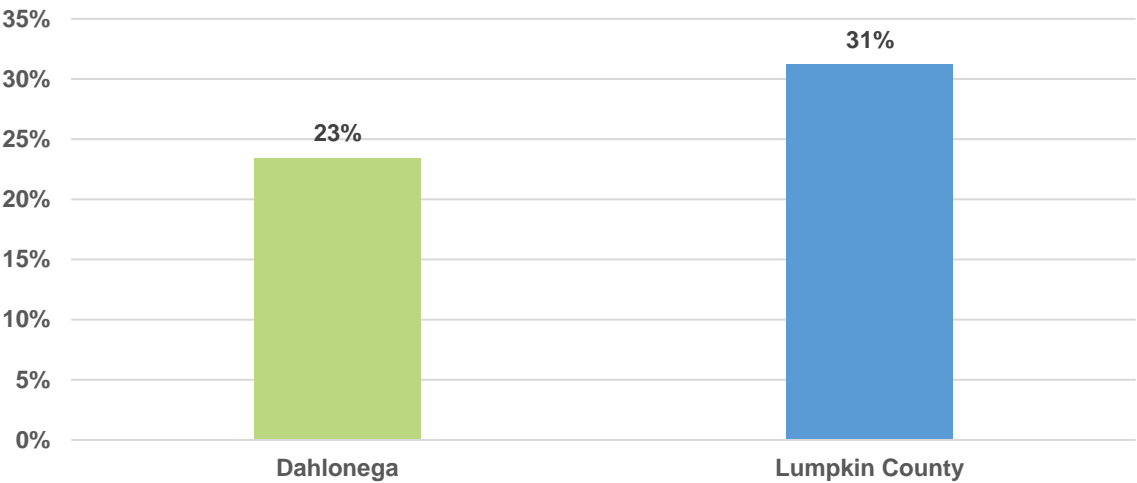
Source: KB Advisory, based on data from Claritas

Demographic Assessment

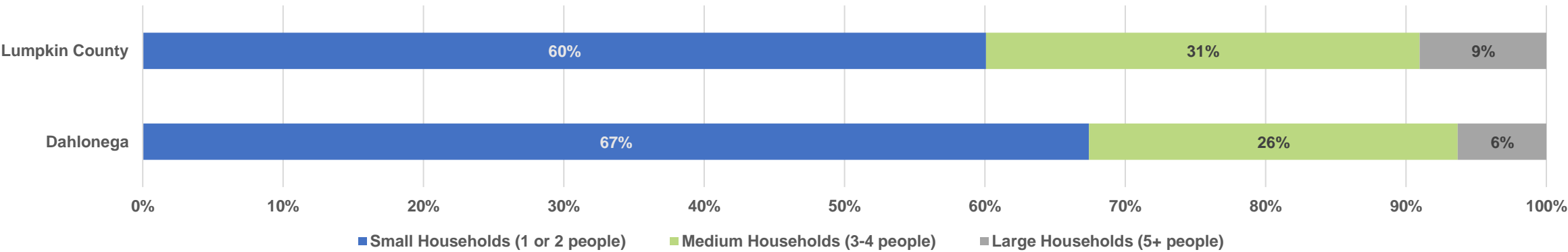
Household Size

Most households in Dahlonega are “small” (1 or 2 people) and **without children**. Additionally, the city has a smaller share of medium and large households and households with children when compared with Lumpkin County.

Households with Children, 2022



Households by Size, 2022



Source: KB Advisory, based on data from Claritas



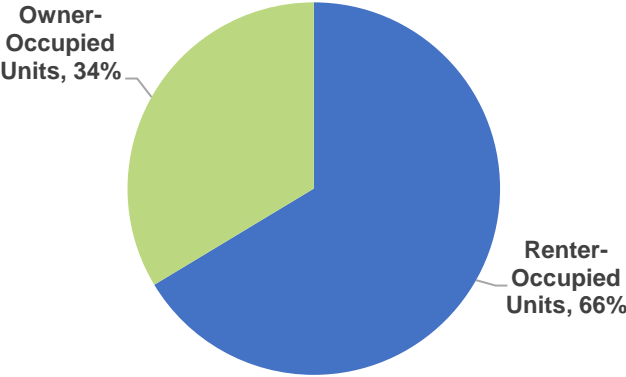
Demographic Assessment

Household Tenure Preferences

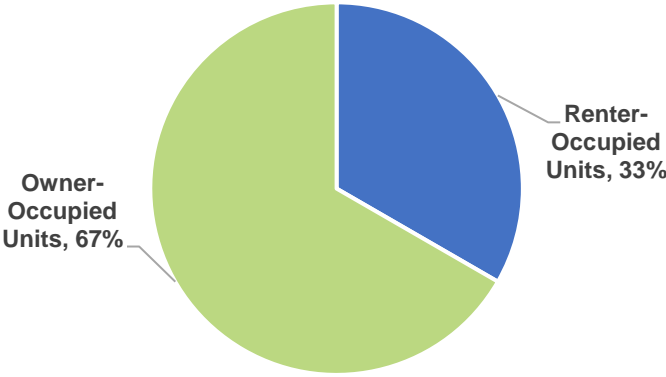
Two-thirds of Dahlonega’s occupied housing units are occupied by renters. This area represents a significantly larger share of renters when compared with Lumpkin County. This disparity is largely explained by Dahlonega’s large student population. Median home values are higher in the city of Dahlonega than in Lumpkin County. The median housing age in Dahlonega is slightly older than the median housing age of Lumpkin County.

2022 Est. Housing Tenure, Value, & Age		
Housing Characteristics	Dahlonega	Lumpkin County
Owner-Occupied	856	8,918
Renter-Occupied	1,689	4,458
Percent Owner-Occupied	34%	67%
Median Home Value	\$275,198	\$242,197
Median Age of Housing (Years)	23	20
Lumpkin County Housing Tenure		

Dahlonega Housing Tenure



Lumpkin County Housing Tenure



Source: KB Advisory, based on data from Claritas

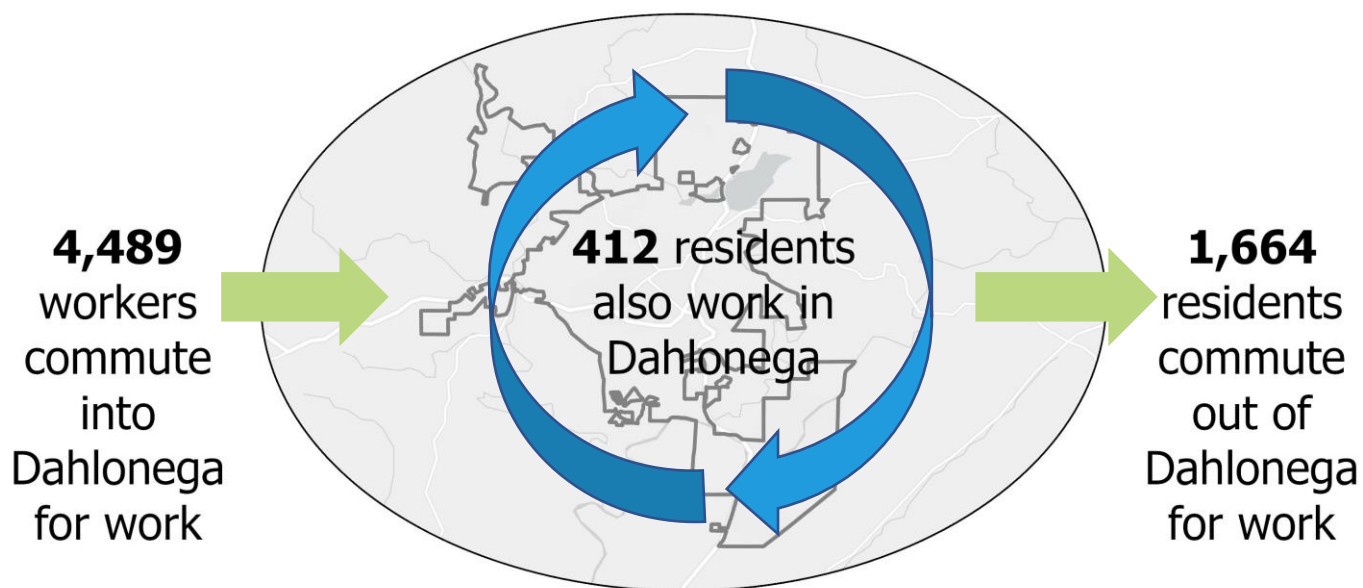


Employment & Workforce

Employment & Workforce

Inflow/Outflow

In Dahlonega, a substantial population of people who work in Dahlonega live in surrounding communities. There is an opportunity to unlock additional housing demand by offering housing products for those who commute into Dahlonega for work. Approximately 4,489 people who work in Dahlonega commute into the city for their jobs, or put another way, of the total jobs in Dahlonega, over 90% of them are held by workers who commute into the city. Dahlonega has approximately 2,076 working residents, with 1,664 of them commuting out of the city for their jobs.



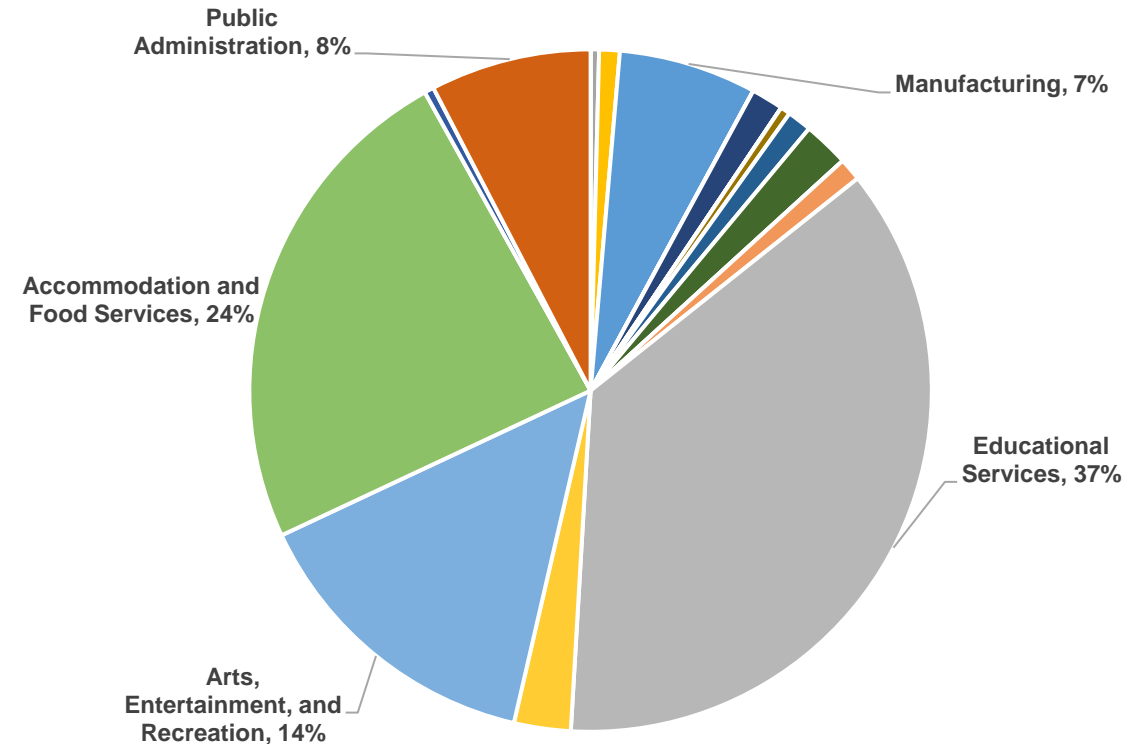
Source: KB Advisory, based on data from US Census

Employment & Workforce

Employment Estimate by Sector

Educational Services, Accommodations and Food Services and Arts and Entertainment and Recreation jobs are currently the dominant industries in the city of Dahlonega.

Employment Share by Sector of Current Jobs in the Study Area, 2022



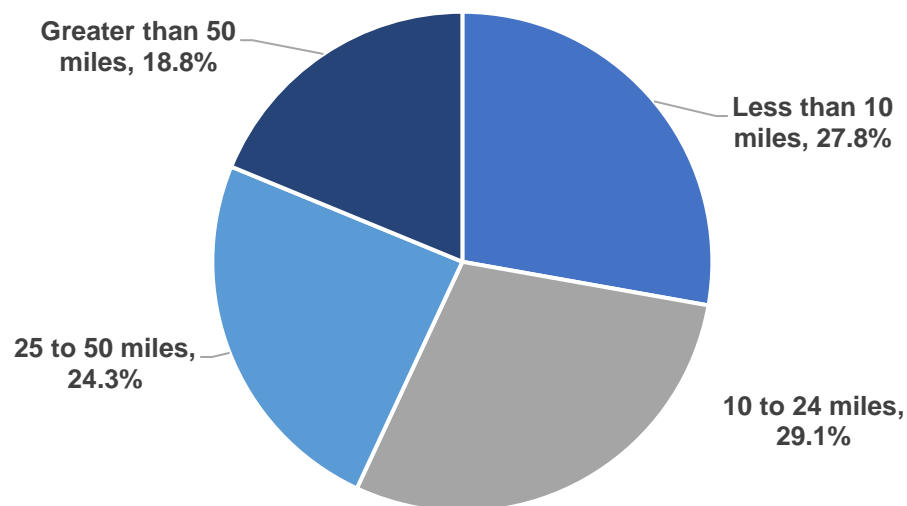
Source: KB Advisory, based on data from US Census

Employment & Workforce

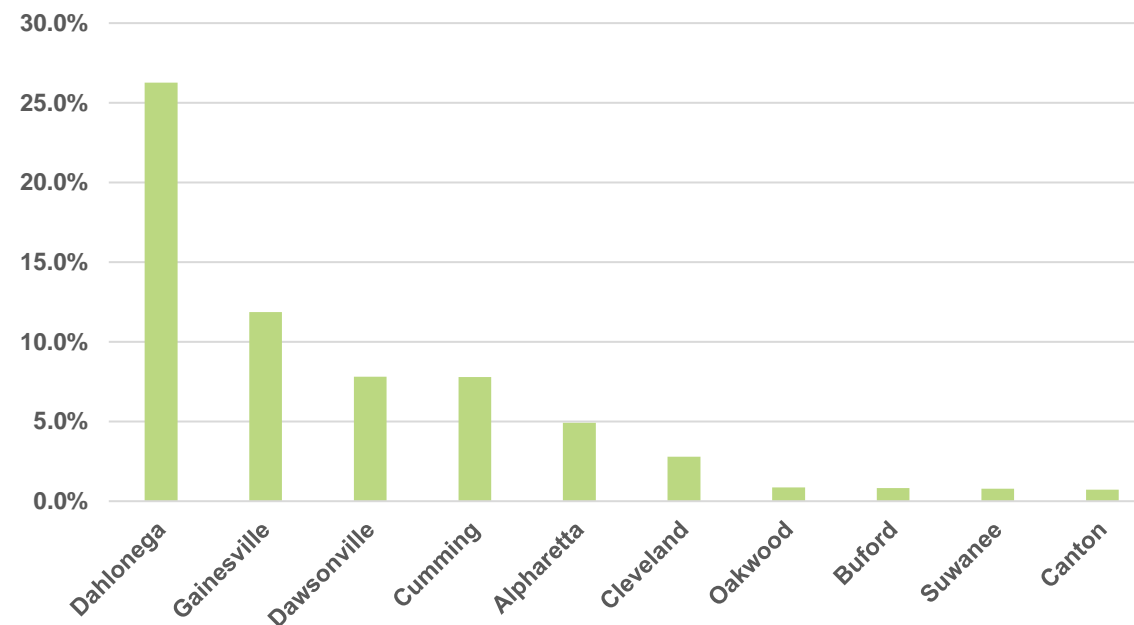
Where Do Workers Live?

Most of the workers in Dahlonega live in Dahlonega and surrounding communities. 28% of workers in Dahlonega live less than 10 miles away, and an additional 29% of workers live less than 25 miles away. Gainesville, Dawsonville, Cumming, and Alpharetta are among the most common communities that Dahlonega workers live in. Encouraging housing production that fits the needs of Dahlonega workers can reduce stress on traffic and infrastructure costs by reducing commutes.

How Far Away Do Workers in Dahlonega Live?



Where Do Workers in Dahlonega Live?



Source: KB Advisory, based on data from US Census

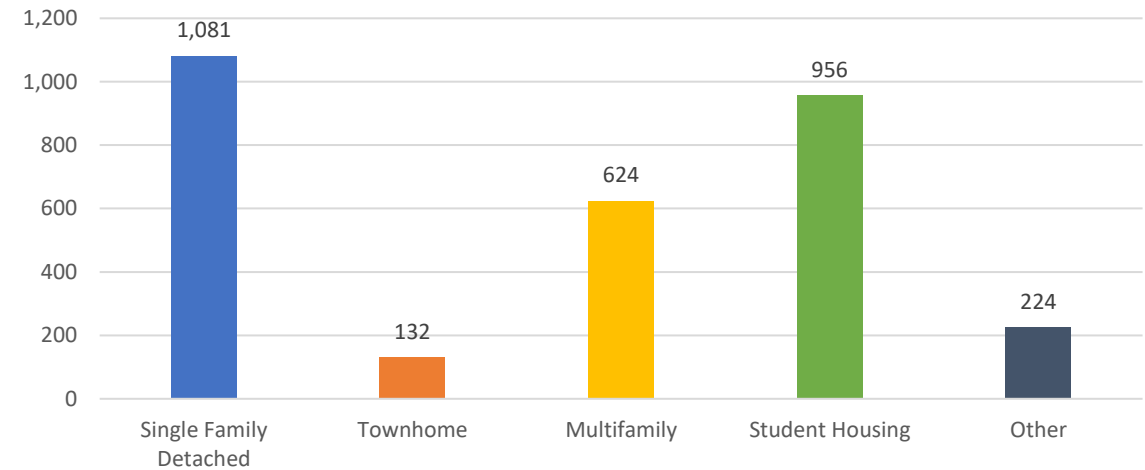
Housing Supply Analysis

Housing Supply Analysis

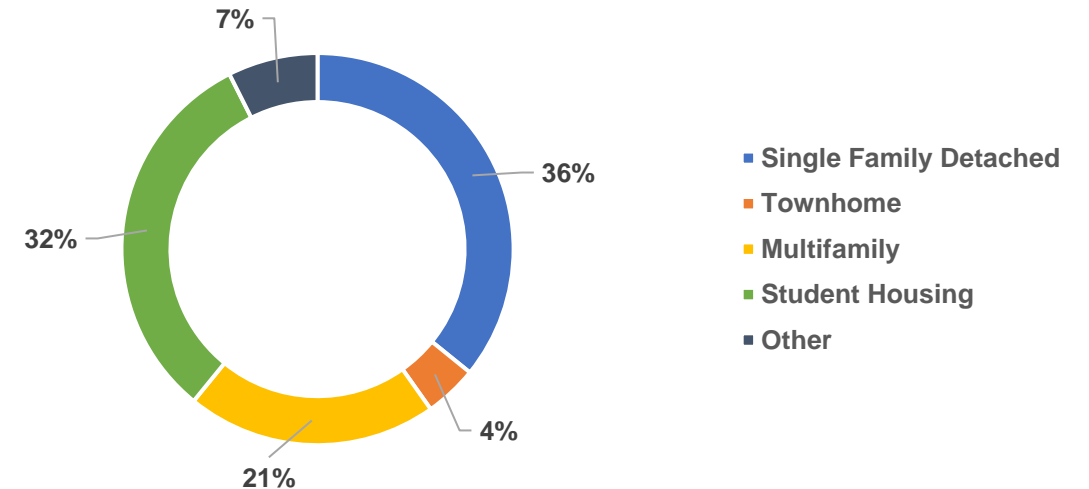
Housing Inventory

Most of Dahlonega's housing stock is comprised of single-family detached units. More than a third of the housing units in Dahlonega are single-family detached units. Another third of the units in Dahlonega are student housing. Another 21% of units are multifamily. A small but significant portion of the city's housing units are categorized as "Other" and include mobile homes and trailers and RVs.

Dahlonega Housing Units by Type, 2022



Dahlonega Distribution of Housing Units by Type, 2022

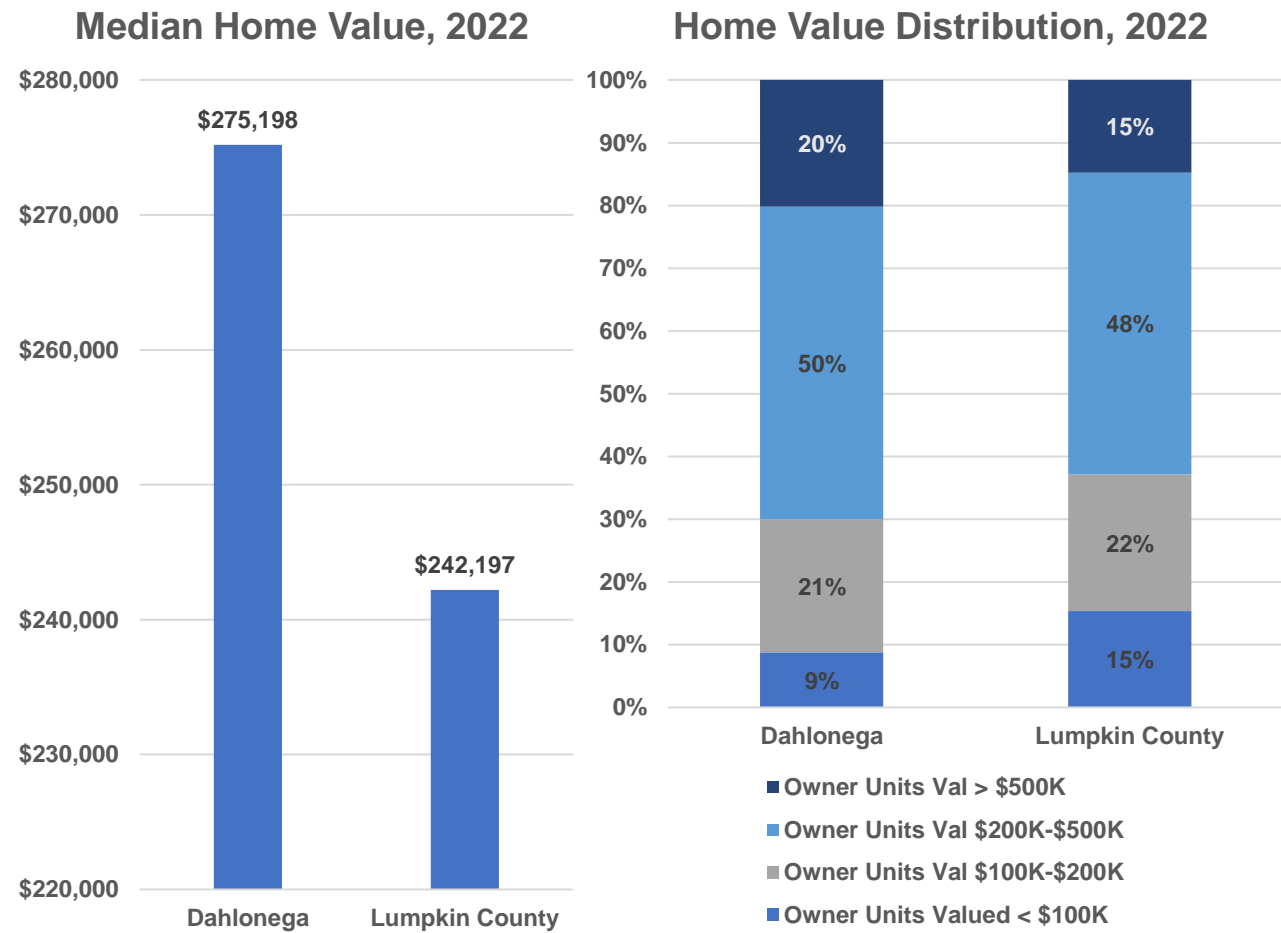


Source: KB Advisory, based on data from Claritas, UNG, Costar

Housing Supply Analysis

Value

Home values in Dahlonega and surrounding Lumpkin County span a greater range within the mid-tier level of \$200-\$500k. Compared to surrounding areas, there are less homes valued over \$500k and more homes valued less than \$200k. With the majority of homes valued modestly, the median home value within the Study Area is \$275,198.



Source: KB Advisory, based on data from Claritas

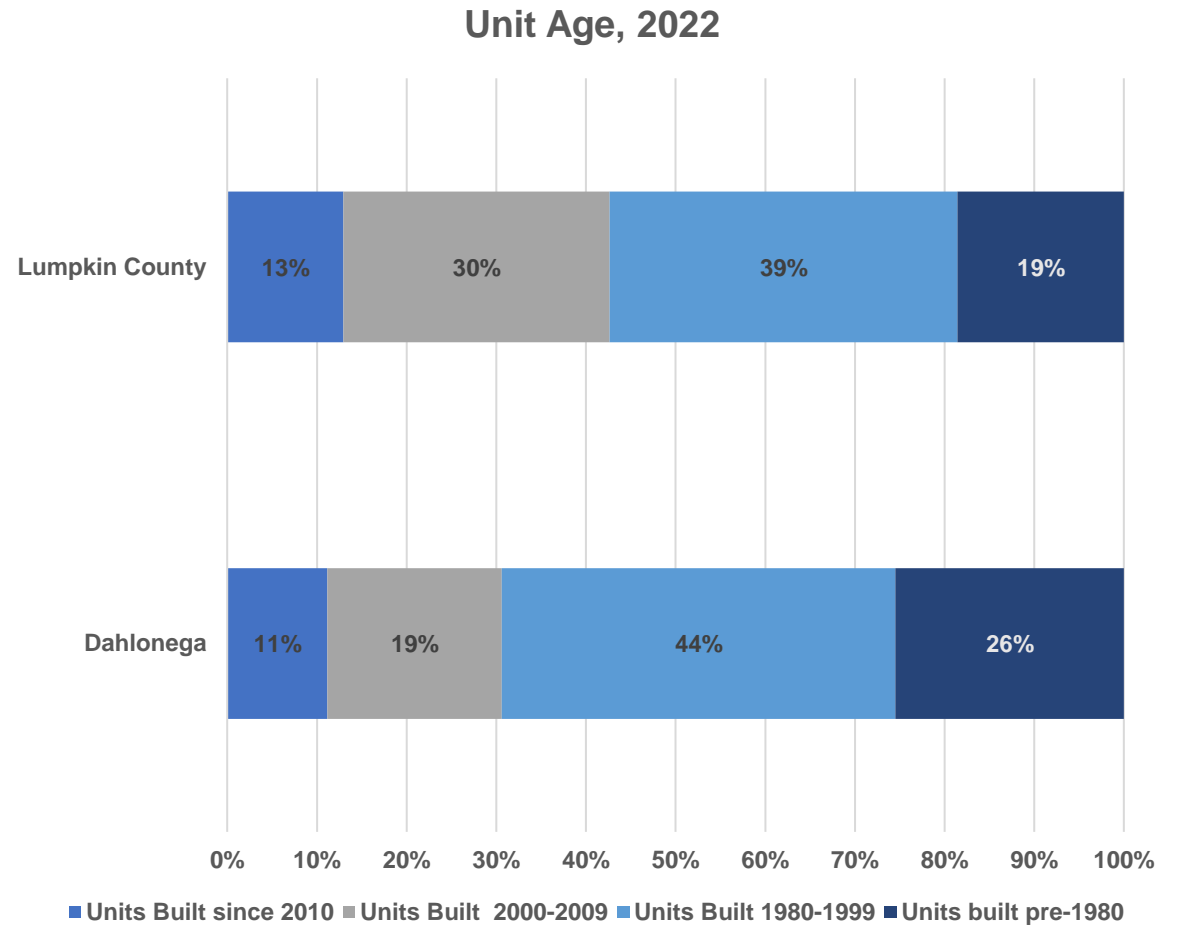


Housing Supply Analysis

Housing Age

A large majority of the housing units in Dahlonega were constructed after 1980. Over a fourth of the housing units in the city were constructed between 1980 and 1999. One out of every ten housing units in Dahlonega was built after 2010. A significant portion of Dahlonega's housing units were constructed prior to 1980 – which may indicate that concerns about aging housing stock in the city will require addressing in the coming years.

The rate at which Dahlonega has added new housing units to its supply has largely mirrored the rate at which Lumpkin County has developed new housing. A notable exception to this shared rate of housing unit development occurred between 2000 and 2009, when the rate that Lumpkin County added more housing units to its supply surpassed the rate at which Dahlonega added to its supply by more than 10%.



Source: KB Advisory, based on data from Claritas

Housing Supply Analysis

Existing Housing Stock

1. Historic Downtown:

- Mix of large, historic homes, multifamily, and commercial
- \$100-\$800K+ Sales Price



2. UNG Campus:

- On-campus and off-campus student housing
- Majority rental with some newer, multifamily product



3. Crown Mountain:

- 1970-2010s Established, Single-family neighborhood
- Some developable lots remaining
- \$250-\$600+ Sales Price



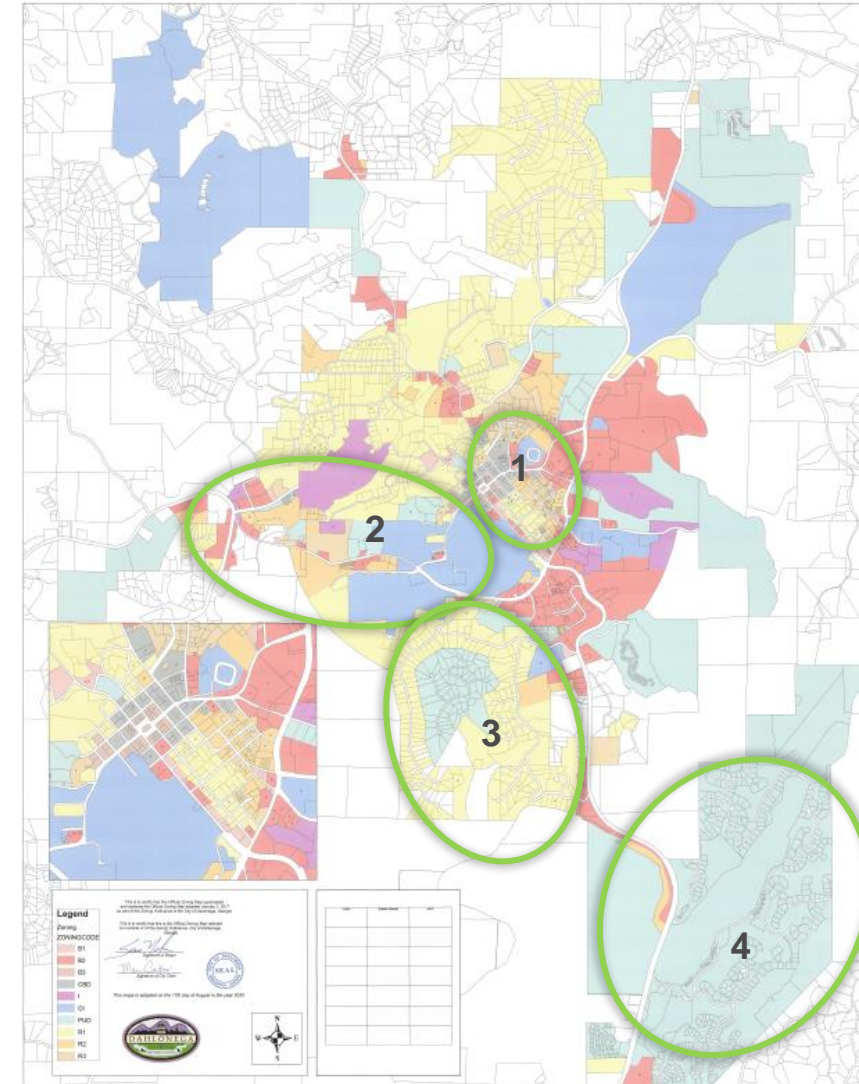
4. Achasta:

- 2000+ Planned unit development, large golf community
- Some developable lots remaining
- \$400-\$1M+ Sales Price



Source: City of Dahlonega, KB Advisory

Official Zoning Map of the City of Dahlonega



Housing Supply Analysis

Existing Housing Stock

5. Mountain Park/Stoneybrook Drive:

- Small, Attached community with potential for growth
- \$200-\$300K Sales Price



6. Skyline & surrounding neighborhoods:

- 1950-1970s, Single-family homes
- Some student rentals
- \$200-\$400K Sales Price



7. Sky Country:

- 1970-2010s, Single-family homes
- Some remaining lots
- \$300-\$700K Sales Price



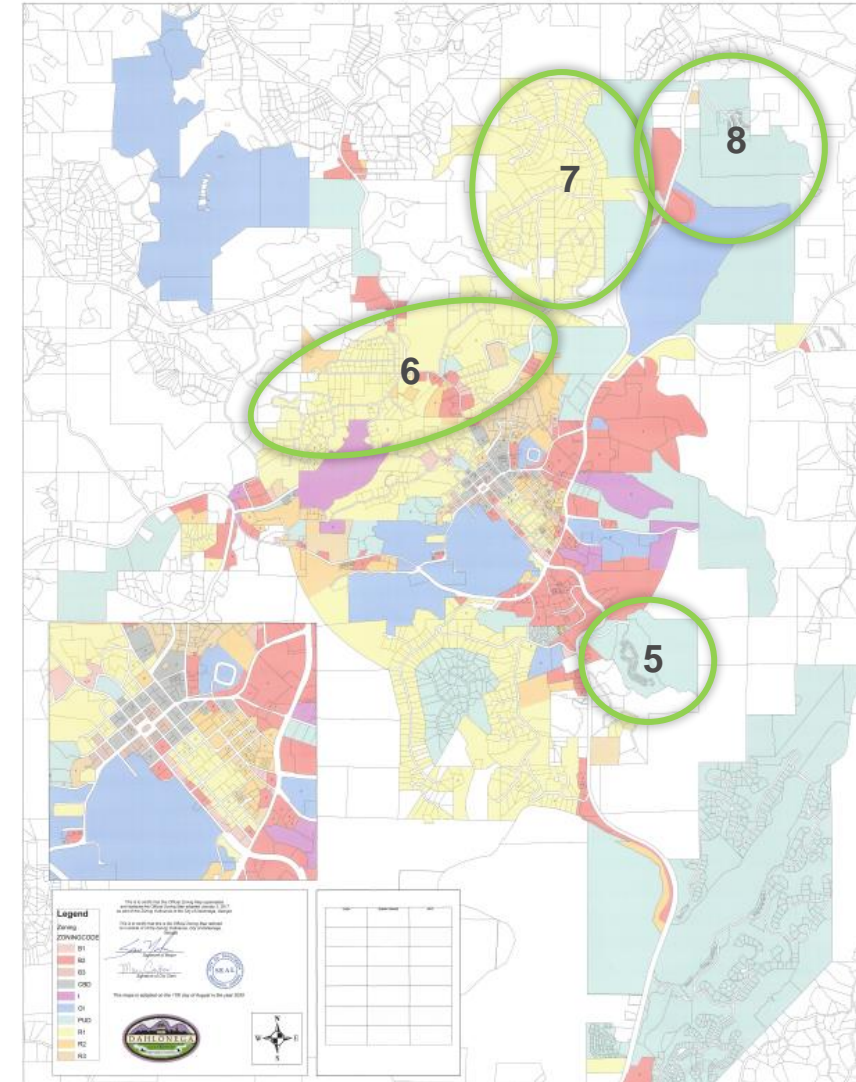
8. The Summit:

- 2010s, attached homes
- Planned expansion to include attached and detached homes
- \$300-\$400K Sales Price



Source: City of Dahlonega, KB Advisory

Official Zoning Map of the City of Dahlonega

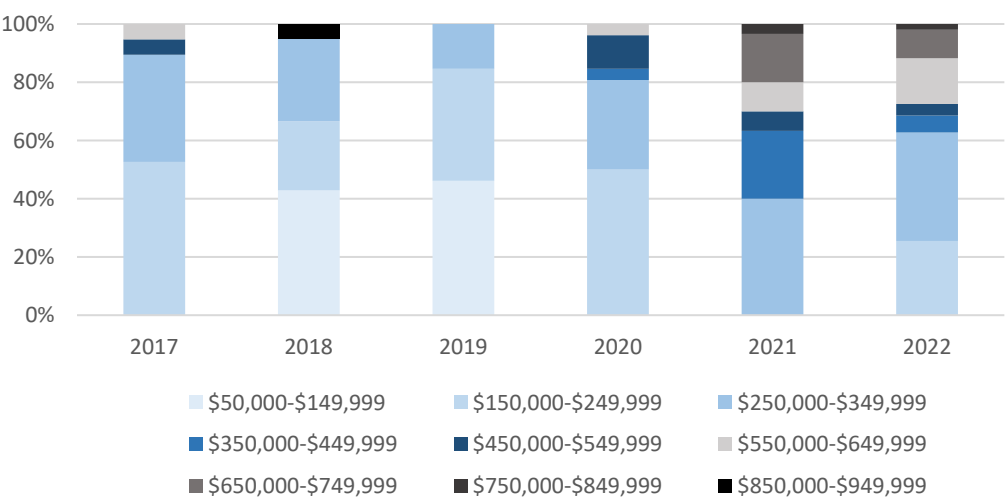


Housing Supply Analysis

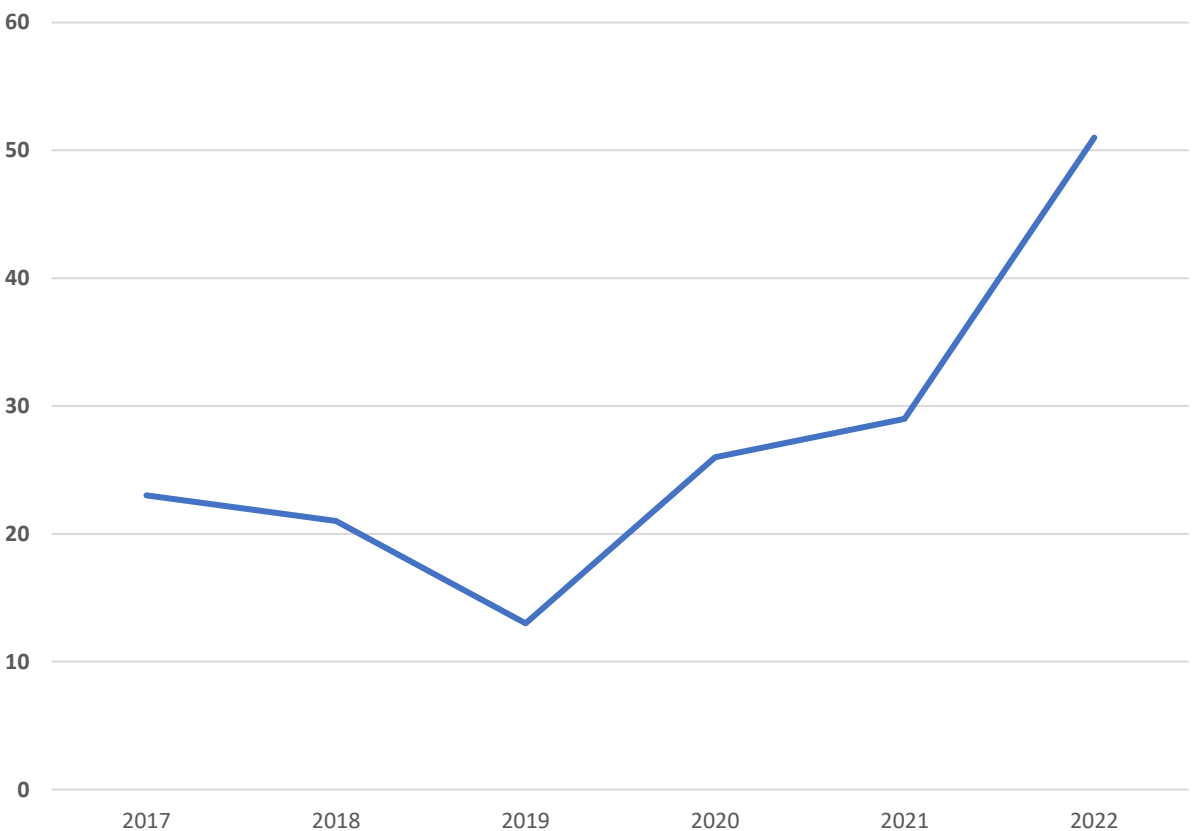
Housing Permits

On average, less than 20 residential permits were issued by the City of Dahlonega annually prior to 2020. During this time, the estimated sales price of over 85% of permitted homes was below \$350,000. From 2020 to 2022 YTD, average annual residential permits increased 84%, averaging 35 permits annually. This increase was accompanied with an increase in estimated sales price. Within the last three years, there has been a greater share of homes estimated to sell above \$350,000.

Residential Permits by Estimated Sales Price, 2017-2022



Residential Permits, 2017-2022 YTD



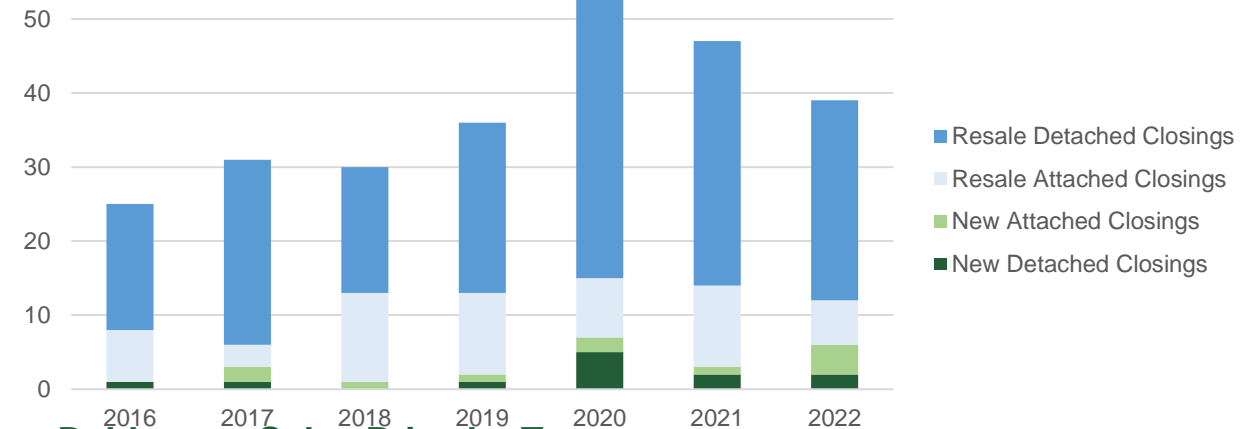
Source: KB Advisory, based on data from the City of Dahlonega

Housing Supply Analysis

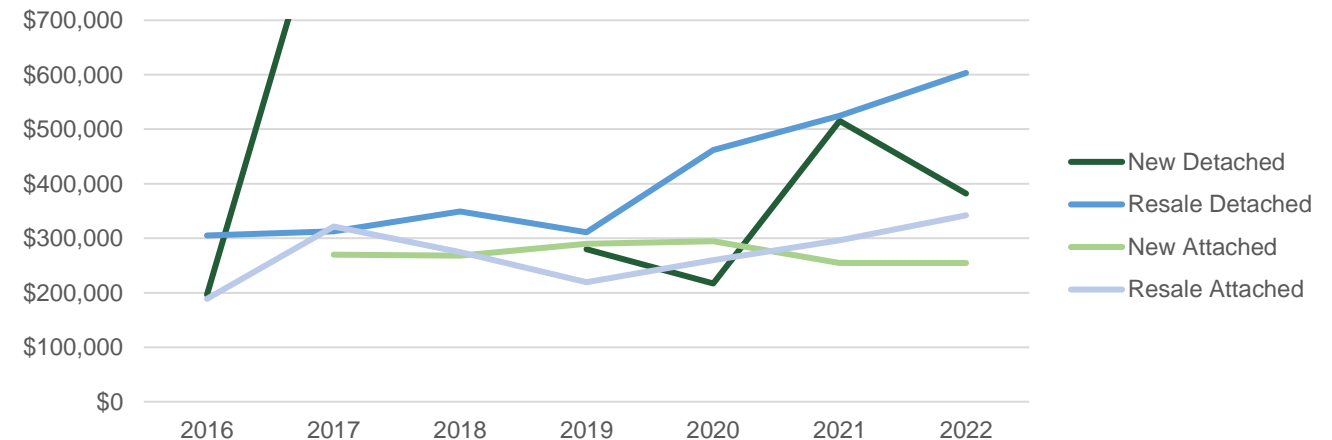
Dahlonega Home Sales

Since 2016, the City of Dahlonega has seen very few new construction home sales. Similar to demonstrated increases in housing permits, sales volume of new homes has increased since 2020. More notably, detached resale closings nearly double in 2020 compared to the previous year. Resale prices also grew over this same period. While attached and detached sales have declined slightly from a 2020 peak, sales prices continued to increase.

Dahlonega Home Sales by Type



Dahlonega Sales Price by Type



Source: KB Advisory, based on data from SmartRE data

Housing Supply Analysis

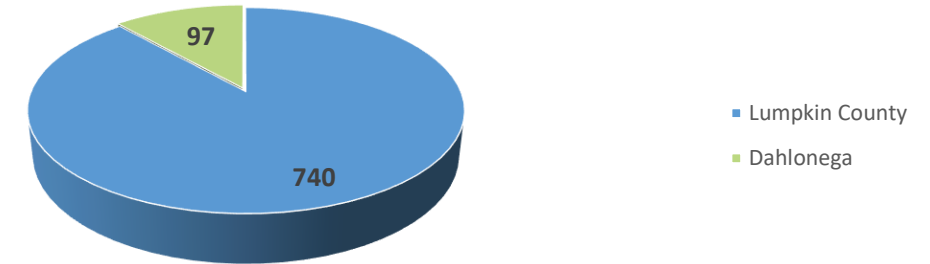
Second Homes

Second homes in Dahlonega are estimated to make up 3.2% of the city's housing stock if they were occupied by full-time residents. According to the 2020 US Census, 97 homes within Dahlonega were used for seasonal, recreational, or occasional use or otherwise not a permanent resident.

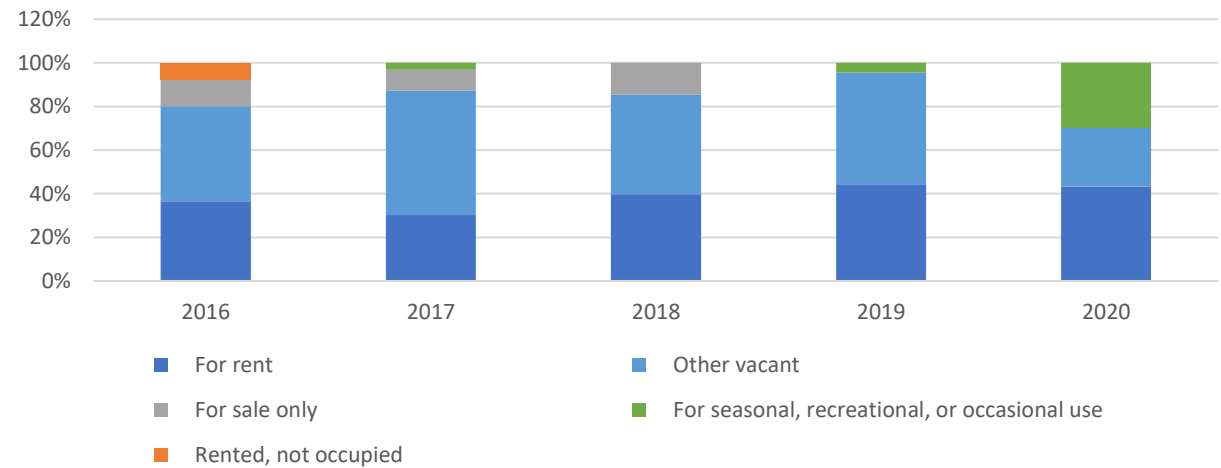
Generally, the second home market is not putting significant pricing pressure on the housing market, but data indicates a growing number of homes are being used as second homes increasing from less than 20 homes in 2017 and 2019 to 97 homes in 2020.

Compared with Lumpkin County, second homes in Dahlonega represent 13% of the county total.

Housing for Seasonal, Recreational, or Occasional Use, 2020



Vacant Housing Units by Use, 2016-2020



Source: KB Advisory Group, Data from US Census

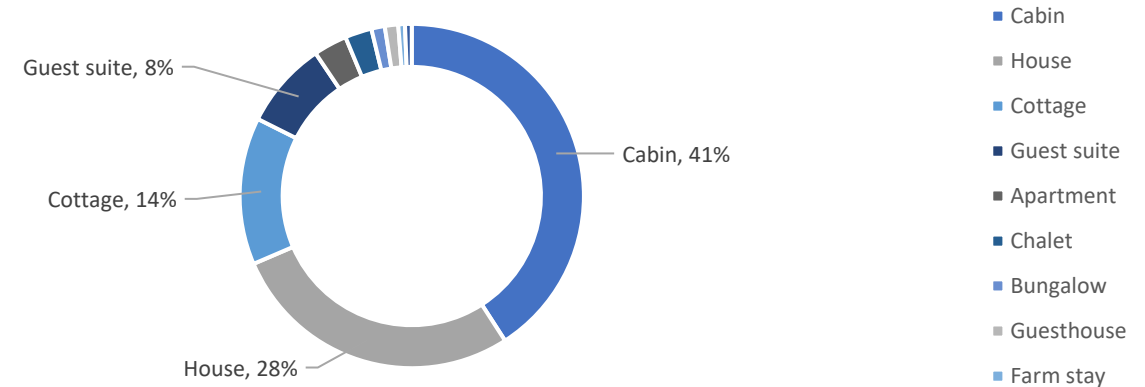
Housing Supply Analysis

Short-term Rentals

Not all second homes are used as short-term rentals (STRs), and some primary homes may be STRs. The graph and chart to the right categorize current 2022 listings within Dahlonega, with the vast majority being single-family detached homes with an average annual occupancy of 39%. 82% of STR listings on Airbnb are one to three bedroom units.

Of note, the city implemented a city-wide regulation on STRs allowing only STR properties operating with R-1 zoning districts prior to 2020 to apply for a STR license (Ordinance No. 2020-09).

Dahlonega Short-term Rental by Type, 2022



Distribution by			
Unit Size	Unit Size	Median Nightly Rate	Median Occupancy
Studio	1%	\$116	24%
1-bedroom	21%	\$126	32%
2-bedroom	30%	\$192	44%
3-bedroom	31%	\$234	34%
4-bedroom	12%	\$291	50%
5-bedroom	4%	\$410	55%
6-bedroom	1%	\$482	21%
100%			39%

Source: KB Advisory Group, Data from Airbnb

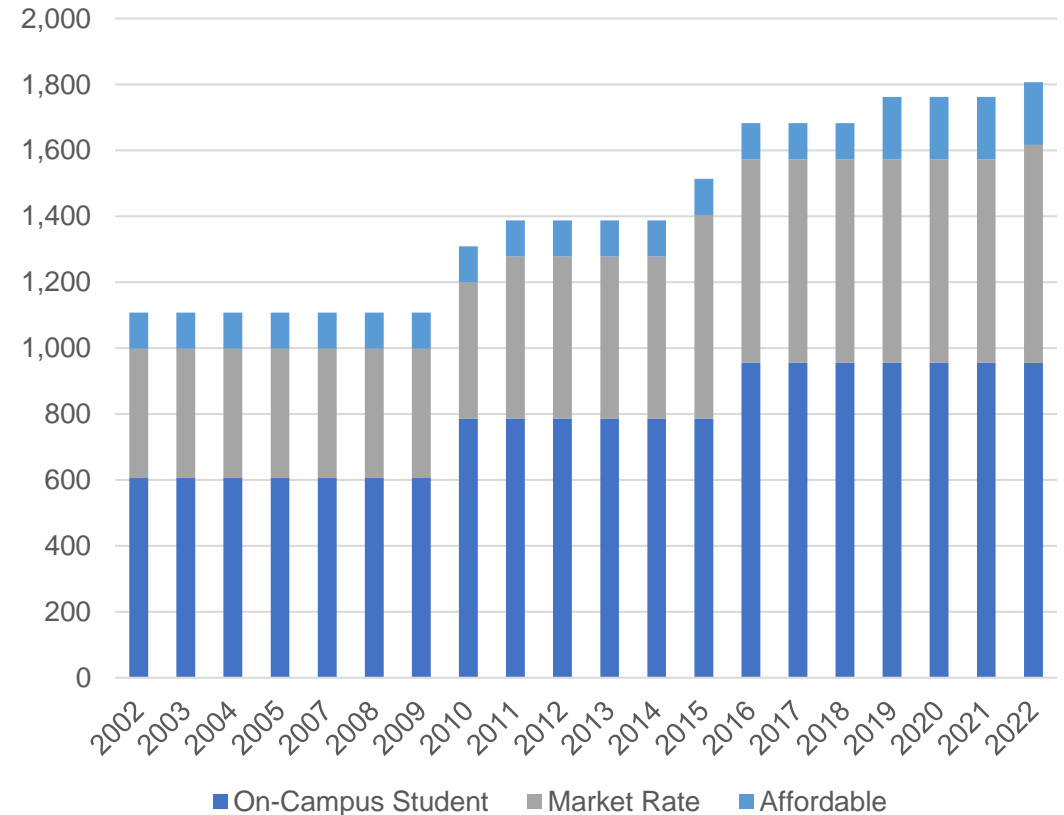
Housing Supply Analysis

Multifamily Rental Inventory

The multifamily market in Dahlonega has undergone periods of growth followed by periods of inactivity. Between 2002 and 2022, multifamily units increased by 699 units from 1,108 units in 2002 to 1,807 units in 2022. Since 2000, the number of new multifamily units delivered would equate to an average of 35 new units every year.

Since 2010, 498 multifamily apartment units have been delivered in the market. The majority of units are on-campus student-housing. Of the market-rate units, most of these units are student targeted.

Dahlonega Multifamily Unit Inventory, 2002-2022



Source: CoStar

Housing Supply Analysis

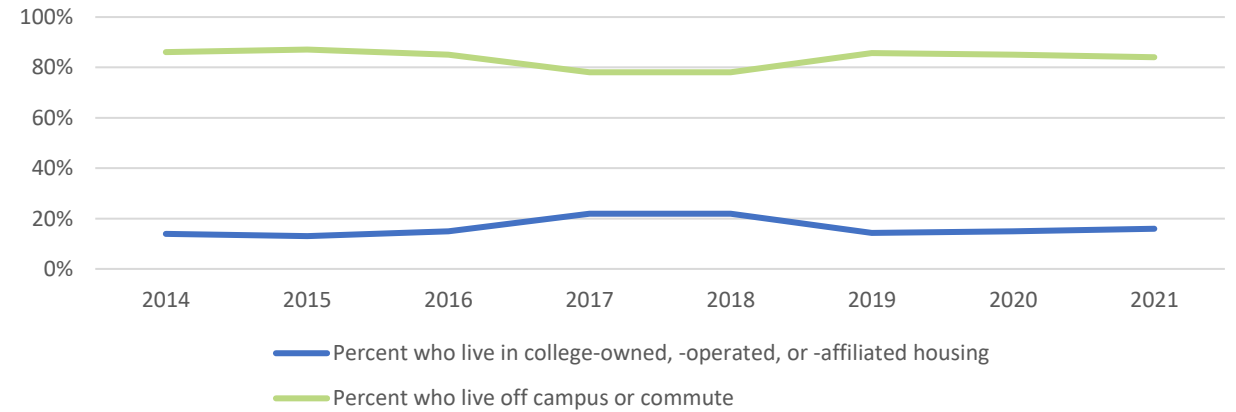
On-Campus Student Housing

Since 2014, the vast majority UNG students live in off-campus housing.

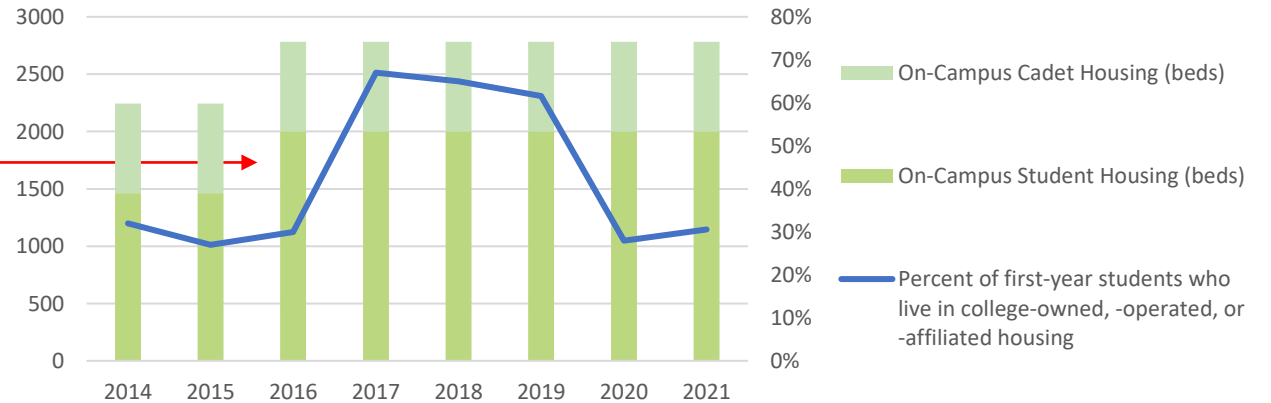
- The addition of The Commons in 2016 added 538 beds. This addition shifted the on-campus housing trends for first-year students peaking at 67% in 2017.
- Of note, UNG requires freshmen and sophomores to live on-campus.
- The Covid pandemic in 2020 resulted in a dramatic drop in first-year students living in on-campus housing and carried through to 2021.



On-Campus and Off-Campus Students (%), 2014-2021



First-year Students Housing Trends and On-Campus Housing by Beds



Source: KB Advisory, based on data from UNG Data Set

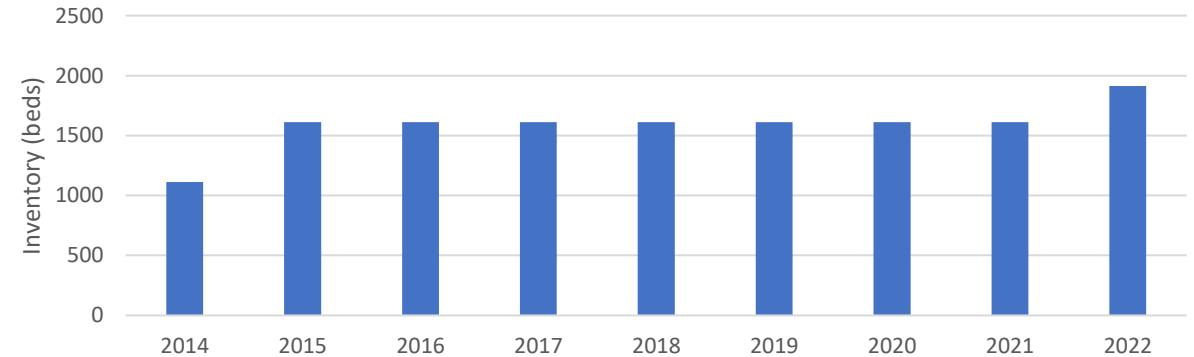
Housing Supply Analysis

Off-Campus Student Housing

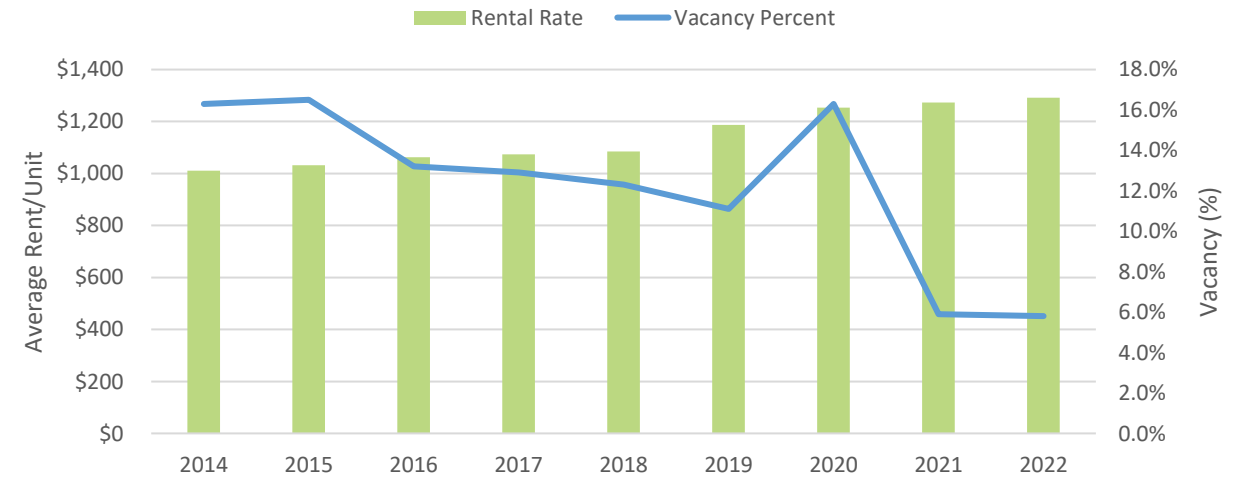
Since 2014, there has been limited off-campus, student targeted housing deliveries.

- The addition of Bellamy in 2016 and The Laurel in 2022 added 720 beds. Combined, these recent deliveries represents a third of the total off-campus housing inventory.
- Off-campus student rents have averaged 3% annual growth since 2014.
- 2019 and 2020 saw 9% and 6% average annual rent growth, respectively. Following 2020, the off-campus student housing market saw a sharp decline in vacancy.

Off-campus Student Targeted Housing, 2014-2022



Off-campus Student Targeted Housing Rent & Vacancy, 2014-2022



Source: KB Advisory, based on data from CoStar

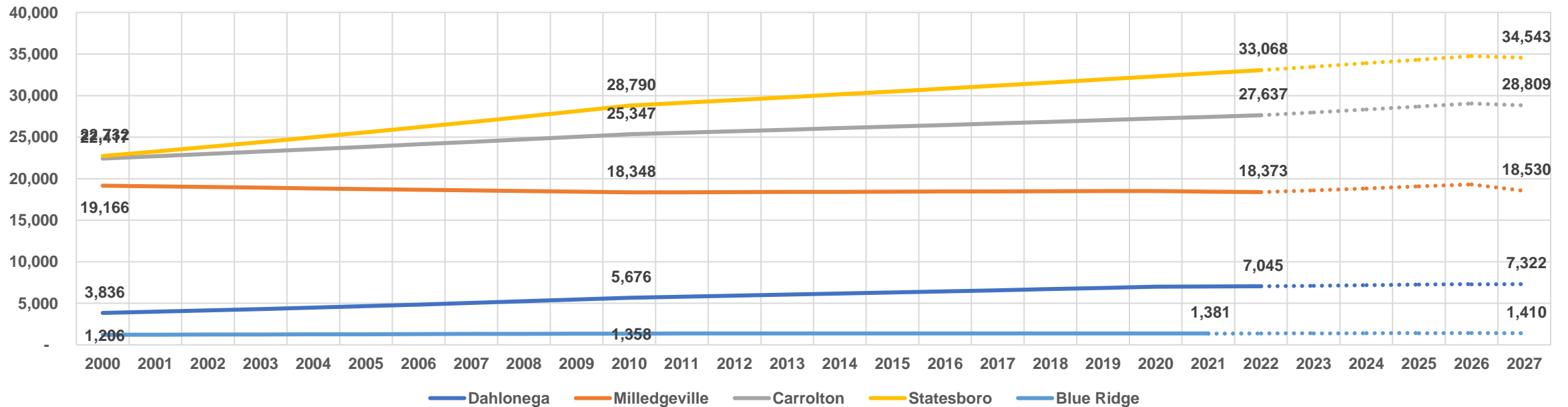
Peer Cities Assessment

Peer Cities Assessment

Population

The populations of all but one of the cities in our comparison saw increases in population between 2000 and 2022 and are projected to continue to grow in the next five years. Milledgeville was the exception to this trend, witnessing a gradual loss in population since 2000, but the city is projected to add residents in the next five years

Population Growth, 2000-2027



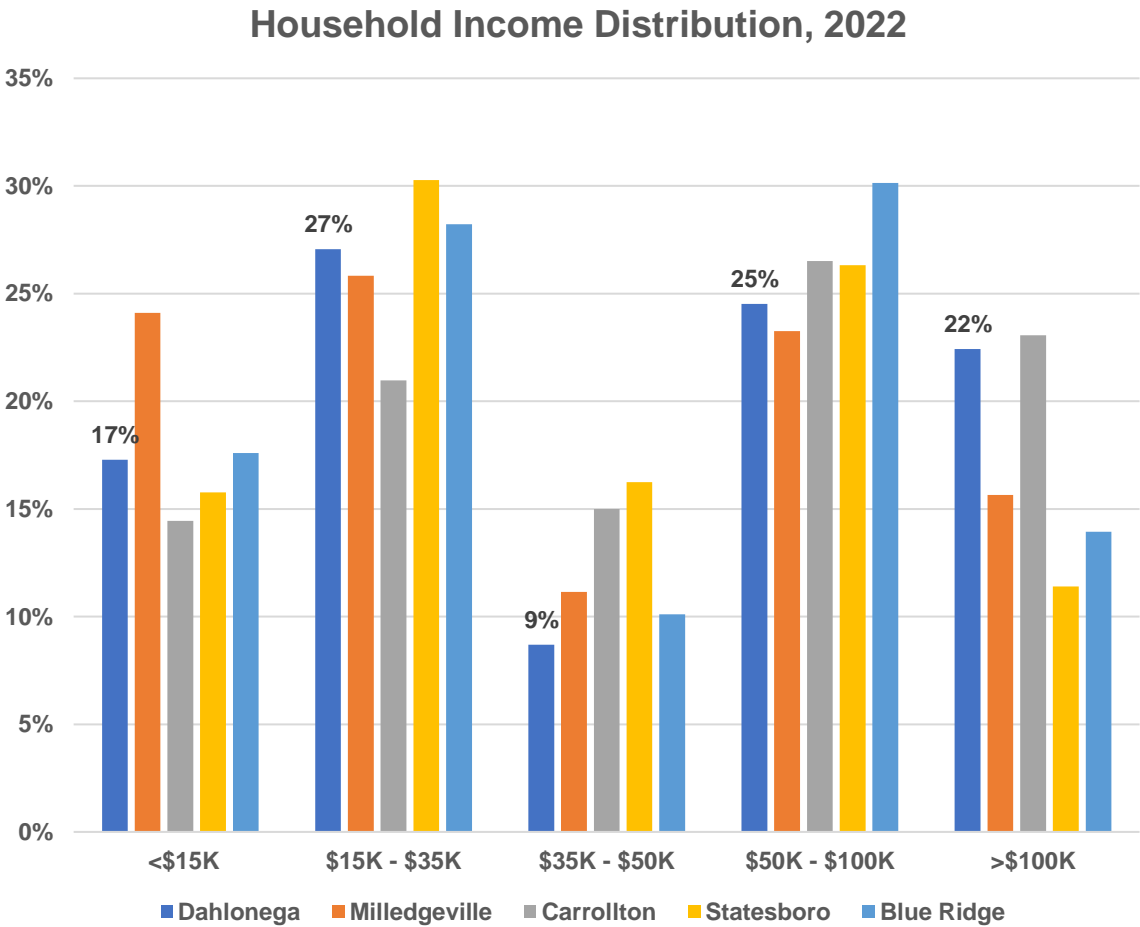
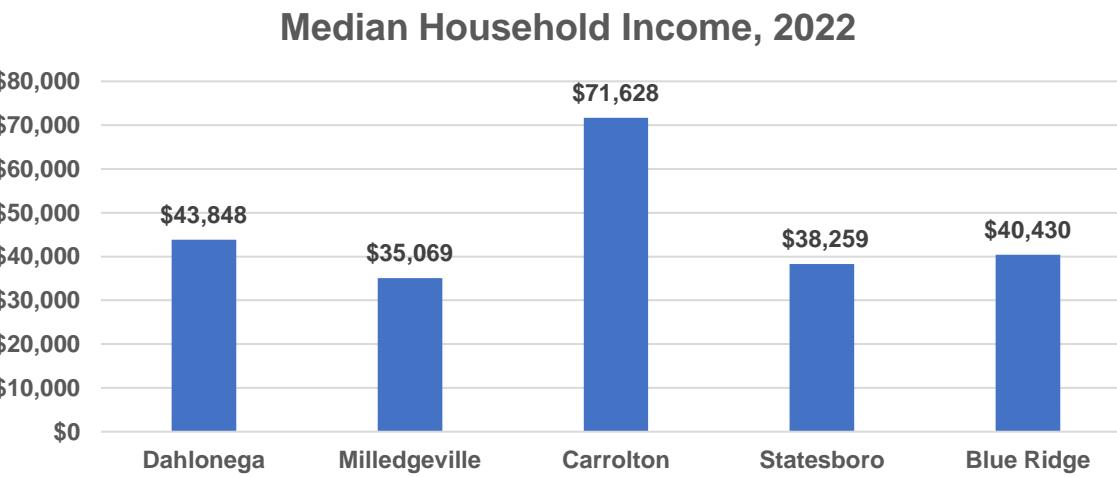
Source: KB Advisory, based on data from Claritas

Peer Cities Assessment

Household Income

Carrollton’s median household income is the highest of the peer cities in this comparison, exceeding that of Dahlonega by nearly \$30,000.
Milledgeville and Statesboro both have lower median household incomes than the city of Dahlonega

All of the cities in this comparison show a bifurcation of household incomes, with relatively few households earning between \$35,000 and \$50,000 and even distributions above and below that income cohort.



Source: KB Advisory, based on data from Claritas



Peer Cities Assessment

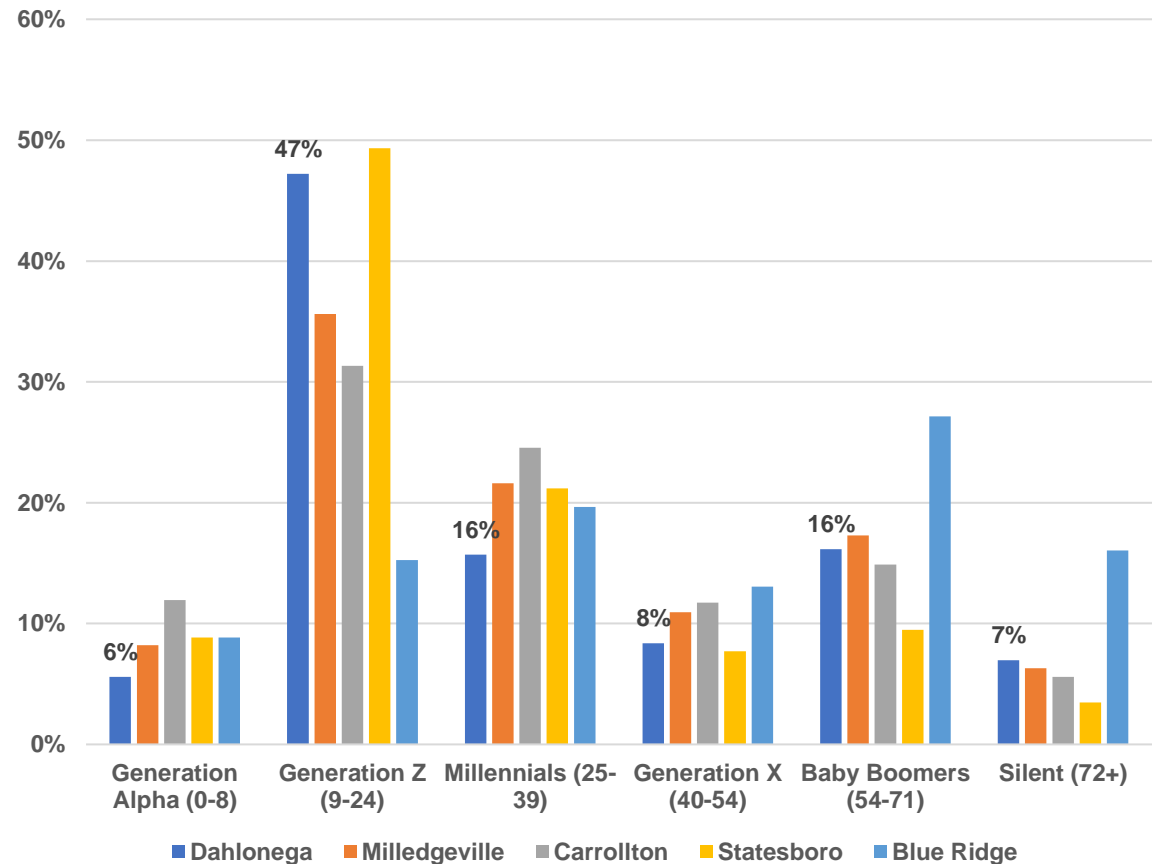
Residents by Generation

The age distribution of Statesboro most closely resembles that of Dahlonega, likely attributable to their shared character as college towns.

Milledgeville and Carrollton also resemble Dahlonega's age distribution, as both cities are also college towns where large populations of university students reside.

The age distribution of the city of Blue Ridge deviates from the overall trend among our comparison cities, with large concentrations of residents over the age of 54.

Age Distribution, 2022



Source: KB Advisory, based on data from Claritas

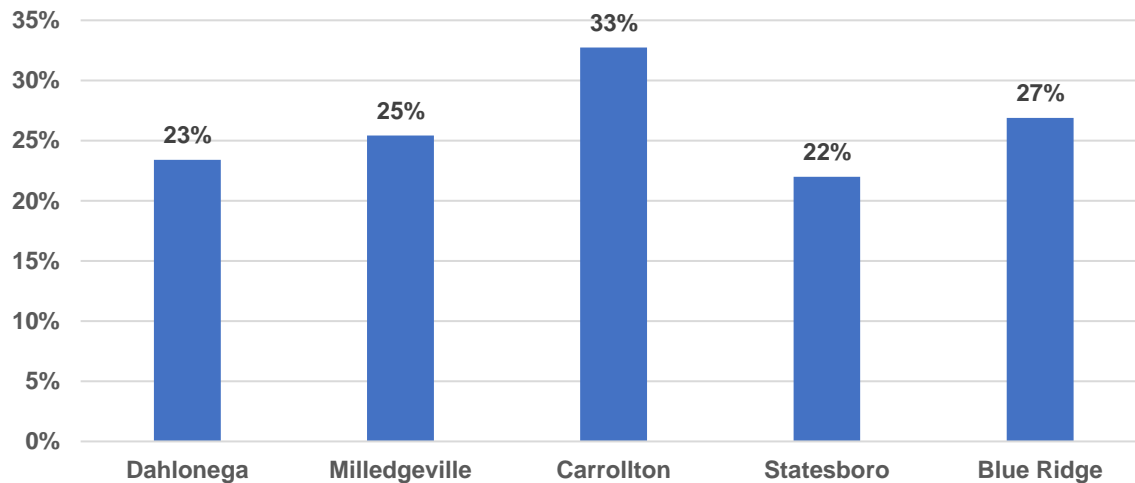
Peer Cities Assessment

Household Size

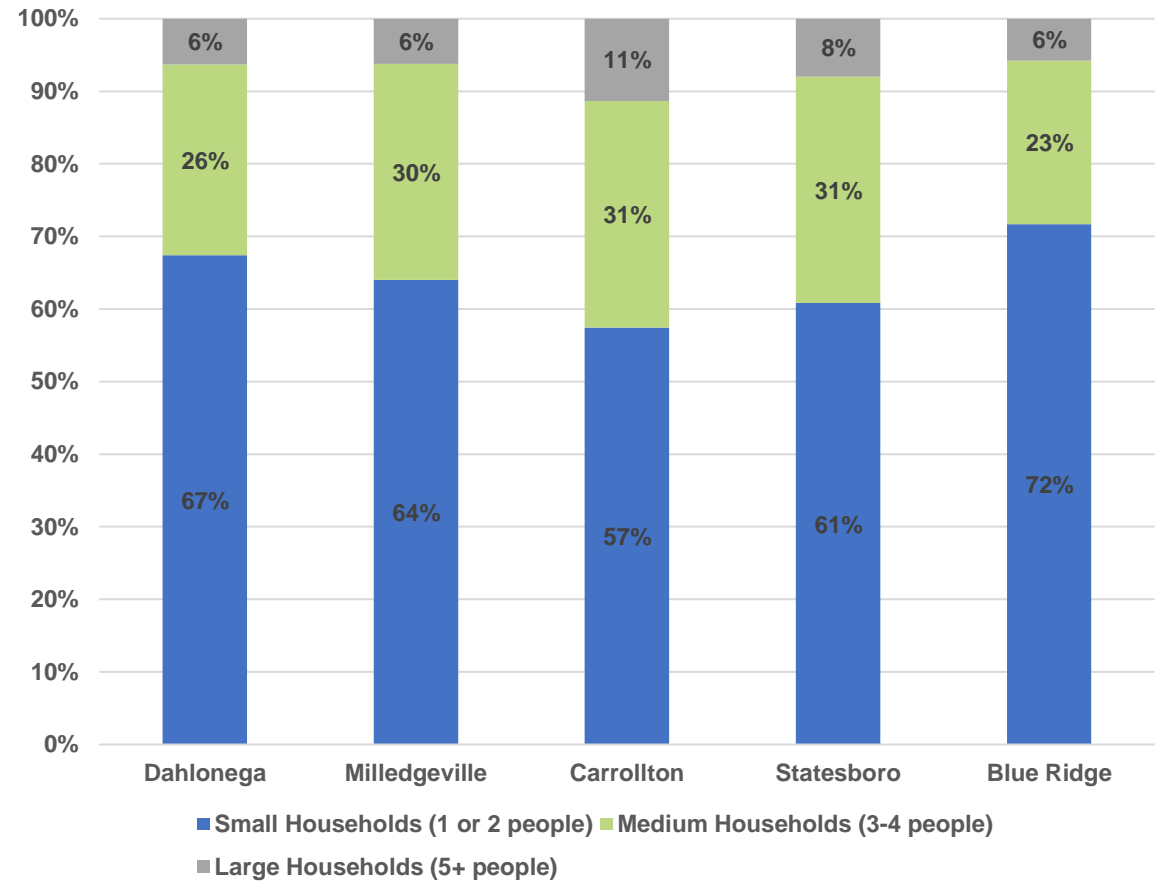
Carrollton and Statesboro both have higher proportions of medium and large households than the other cities in this comparison.

A third of Carrollton's households are households with children, higher than the other cities in this comparison where only a quarter of households have children.

Households with Children, 2022



Households by Size, 2022



Source: KB Advisory, based on data from Claritas

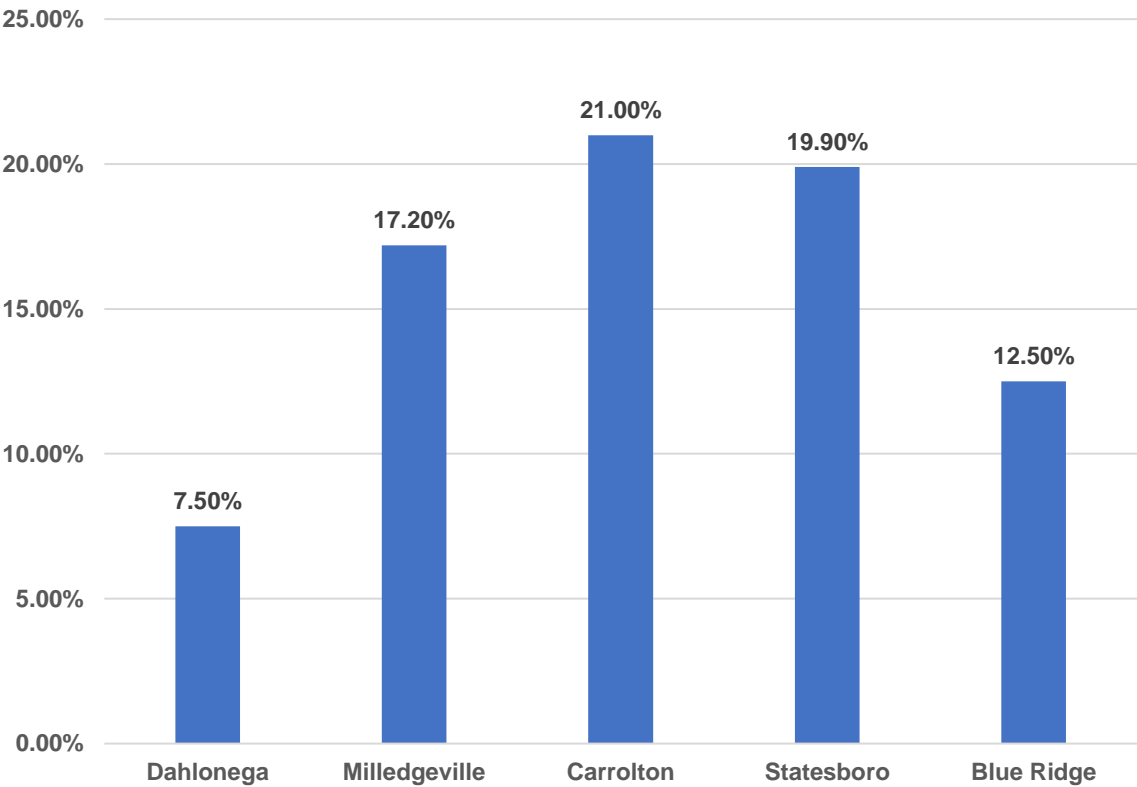
Peer Cities Assessment

Female Head of Households

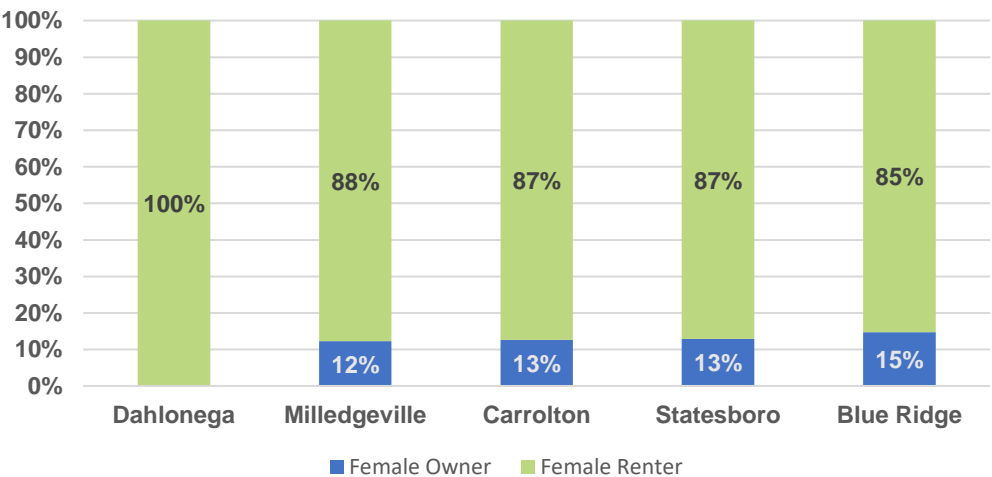
Dahlonega has the lowest share of female head of households.

Compared to other cities, Dahlonega’s female householders are 100% renters. The share of renters and owners across the remaining cities is consistent averaging 87% renter and 13% owner.

Female Householder as a Share of Total Households, 2021



Tenure of Female Householders



Source: KB Advisory, based on data from Claritas



Peer Cities Assessment

Housing Type

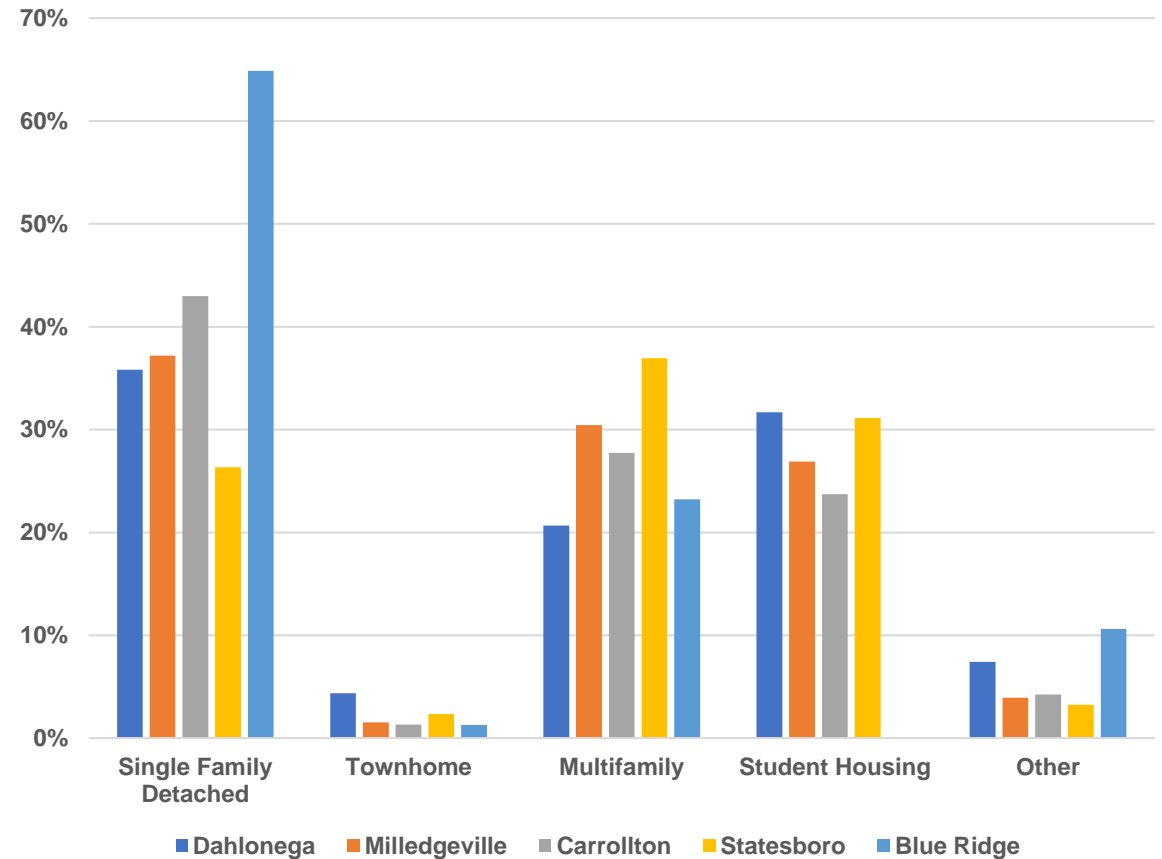
On-campus student housing accounts for a slightly larger portion of Dahlonega's housing supply than its peer cities, amounting to 32% of the city's housing units.

Blue Ridge differs from the other cities in that it has a large portion of single-family detached homes and no designated student housing with the absence of a university.

All the cities in this comparison have relatively low proportions of townhomes in their housing stock.

Multifamily units account for over 30% of both Milledgeville and Statesboro's housing stock. **Of the peer cities, Dahlonega's multifamily represents the lowest percentage of the total housing stock at 21% .**

Distribution of Housing Units by Type, 2022



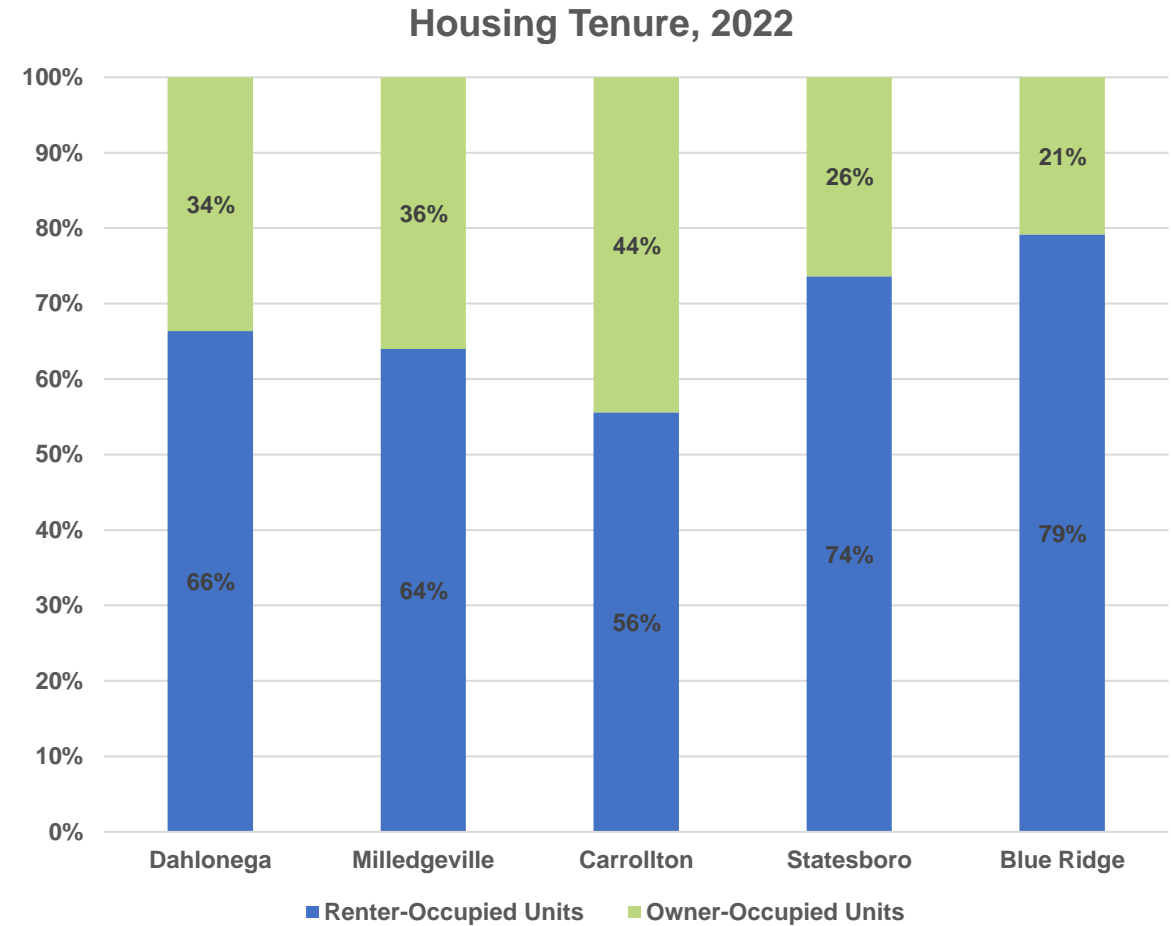
Source: KB Advisory, based on data from Claritas

Peer Cities Assessment

Housing Tenure

Renter-occupied units are the most prevalent form of occupied housing units among all five of the cities in this comparison. Four of the cities in this comparison are home to large student populations, a population well suited to rentership given the short-term nature of their stay in the cities that they attend school in.

Carrollton has a more even distribution of renter-occupied units and owner-occupied units than the other cities in this comparison, with closer to 50% of its housing units occupied by renters.

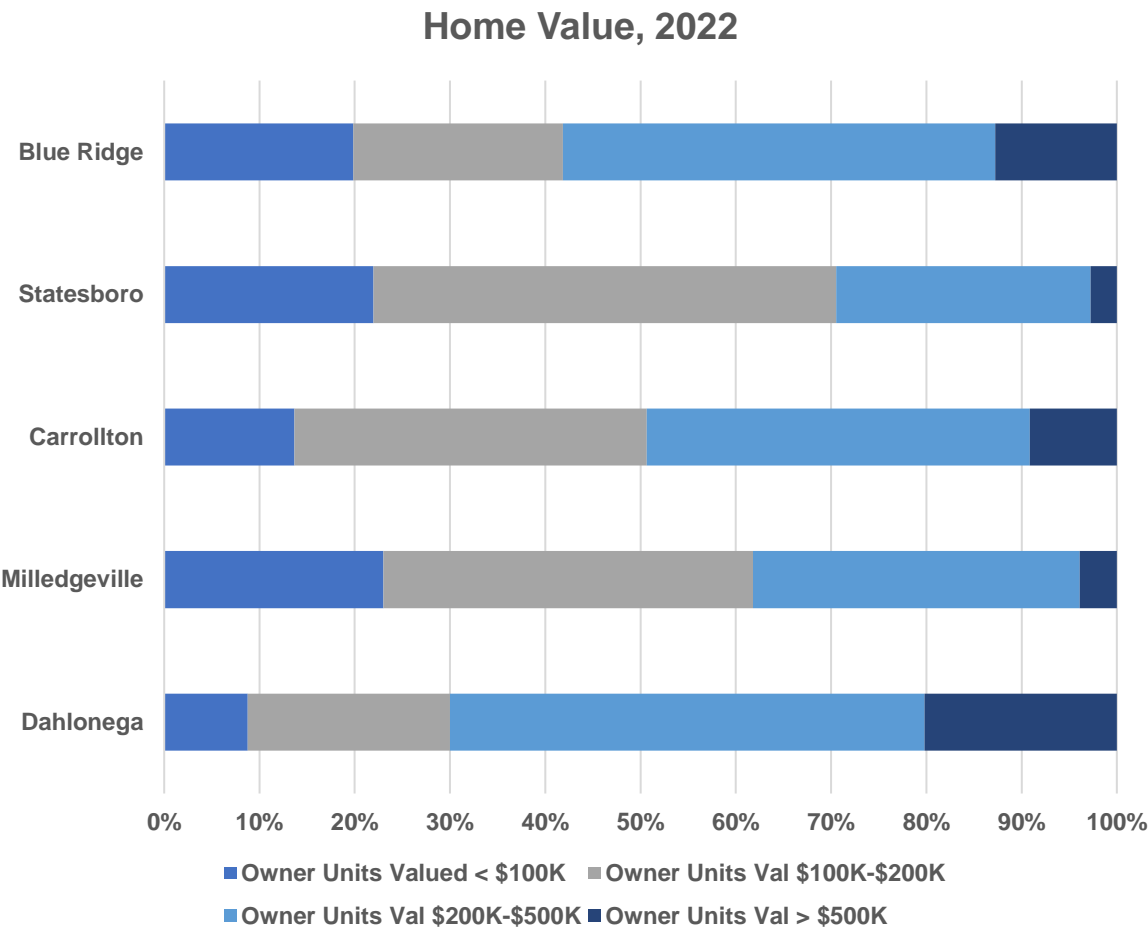
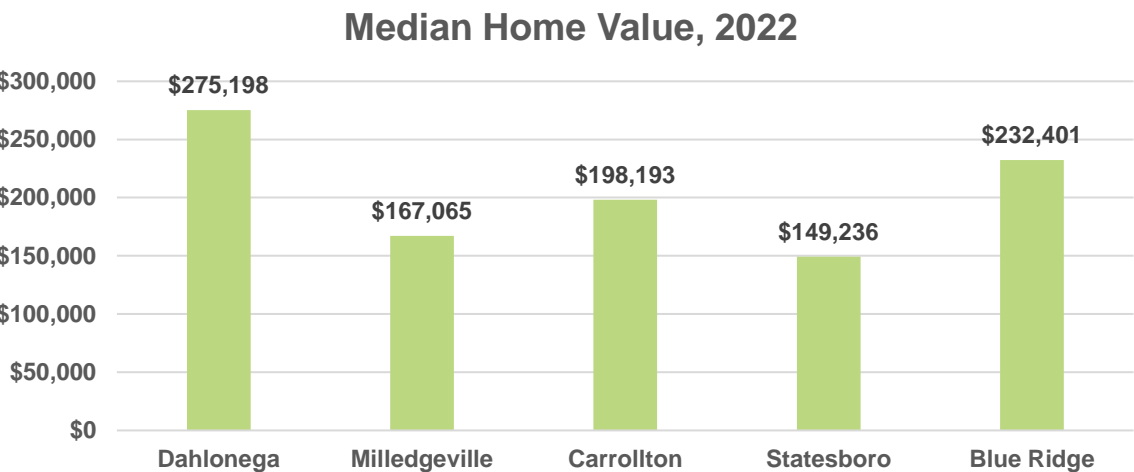


Source: KB Advisory, based on data from Claritas

Peer Cities Assessment

Housing Value

Home values in Dahlonega are generally higher than home values in other cities in this comparison. Statesboro and Milledgeville have greater proportions of units valued below \$100,000 compared with the other cities in this analysis. Milledgeville and Carrollton have higher proportions of homes valued between \$100,000 to \$200,000.



Source: KB Advisory, based on data from Claritas



Housing Demand Analysis

Housing Demand Analysis

Demand Methodology

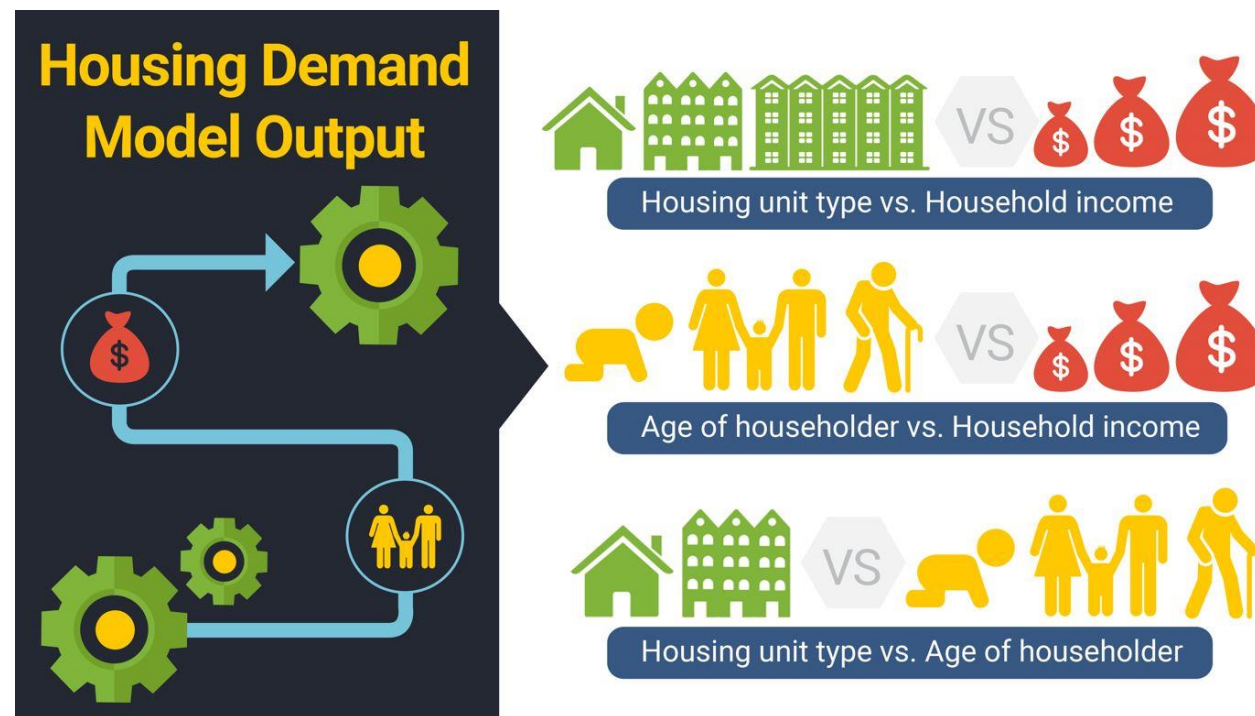
A proprietary analytical model evaluated the potential housing outcomes of three household groups that drive housing demand in Dahlenega:

- Owner households in turnover
- Renter households in turnover
- New households to Dahlenega

For each demand pool, data from numerous sources was used to forecast outcomes that, taken as whole, determine the level of local demand potential for new housing of various types at various price points.

The results provide local-level forecasts of achievable annual new-home production of for-rent and for-sale housing.

The diagram at right illustrates the process undertaken in the housing demand modeling process.



Housing Demand Analysis

Total Housing Demand

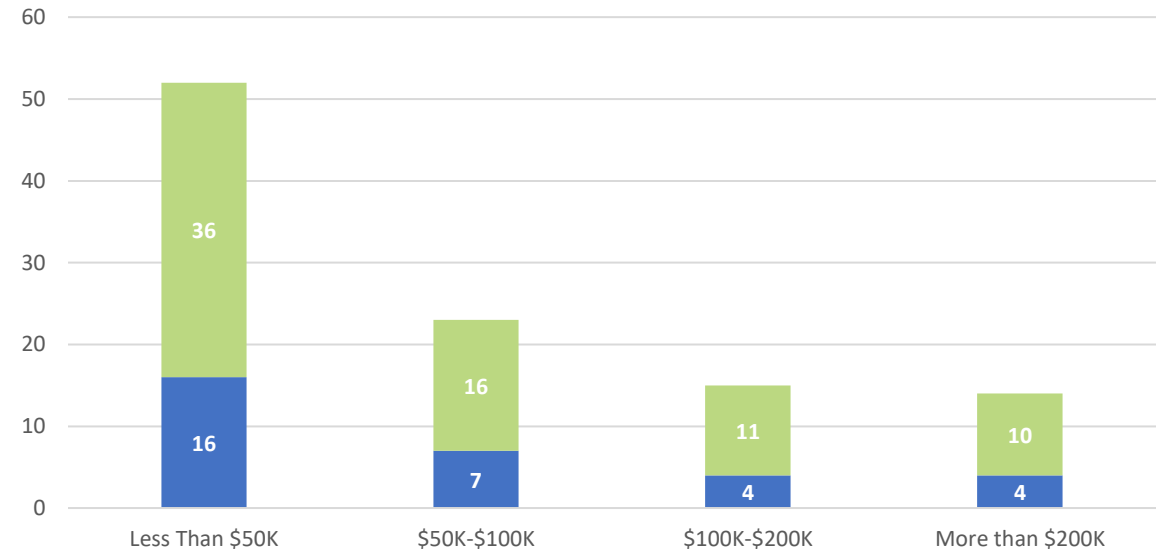
The housing demand analysis concludes that there is demand for an average of 104 new housing units in Dahlongega annually over the next five years.

The demand total of 104 units equates to an approximate demand for 31 single-family detached units and 73 attached units – which include townhomes and multifamily units.

The largest segment of housing demand in Dahlongega is from households earning less than \$50,000 annually. Demand from these households makes up 50% of total housing demand.

The results of this demand analysis are indicative of the local housing production potential if all products and price points are offered. The results of this analysis are not predictive, rather they should be used to identify potential opportunities as housing policies are assessed. Student housing demand is not included with for-sale and rental demand discussed here.

Annual Housing Demand by Type and Income



Income Range	Detached	Attached	TOTAL
Less Than \$50K	16	36	52
\$50K-\$100K	7	16	23
\$100K-\$200K	4	11	15
More than \$200K	4	10	14
TOTAL	31	73	104

Source: KB Advisory Group

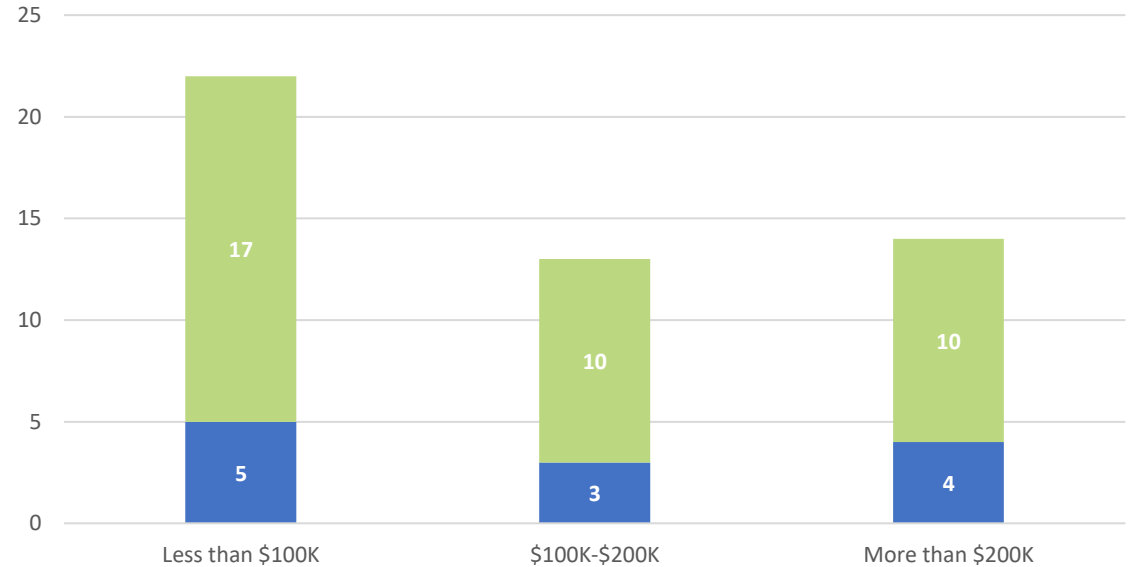
Housing Demand Analysis

For-sale Housing

The housing demand analysis concludes that there is demand for an average of 49 new for-sale housing units in Dahlenega annually over the next five years. The need for 49 units equates to an approximate demand for 12 single-family detached units and 37 attached units per year.

Households earning less than \$100,000 make up nearly 45% of for-sale demand. Of which, the majority is in attached homes, townhome, condos, or multifamily units. At higher income levels, there is proportionally more demand for detached homes.

Demand for Owner Housing by Income Range



Income Range	Housing Unit Price Range	Detached	Attached	TOTAL
Less than \$100K	Less than \$300,000	5	17	22
\$100K-\$200K	\$300,001 \$600,000	3	10	13
More than \$200K	More than \$600,001	4	10	14
TOTAL		12	37	49

Source: KB Advisory Group

Housing Demand Analysis

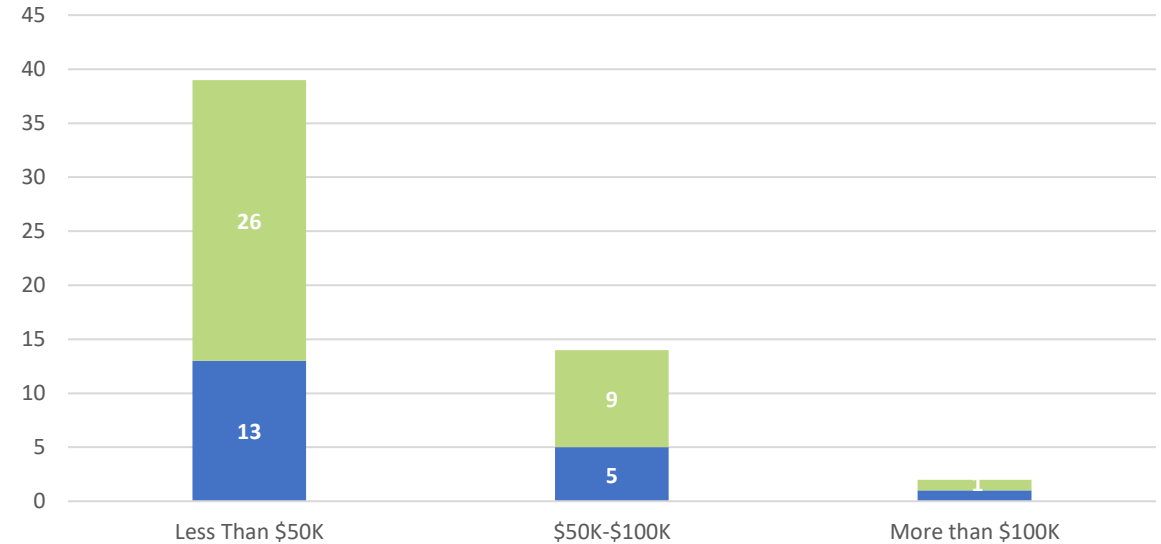
Rental Housing

The housing demand analysis concludes that there is demand for an average of 55 new rental housing units in Dahlonega annually over the next five years. A demand total of 55 units annually equates to an approximate demand for 19 single-family detached units and 36 attached.

Households earning less than \$50,000 represent 71% of new rental demand. Lower and middle-income earners comprise the largest segment of new demand with those earning over \$100K making up a larger portion of detached rental demand.

- Households earning over \$100,000 will likely seek ownership positions, and there is currently limited demand for high-end rental product within Dahlonega.

Demand for Rental Housing by Income Range



Income Range	Housing Unit Price Range	Detached	Attached	TOTAL
Less Than \$50K	Less than \$1,250	13	26	39
\$50K-\$100K	\$1,251 \$2,500	5	9	14
More than \$100K	More than \$2,500	1	1	2
TOTAL		19	36	55

Source: KB Advisory Group

Housing Demand Analysis

Student Housing

Utilizing UNG Fall semester enrollment and demonstrated student living arrangements, our demand model shows unmet demand for about **700 off-campus, student targeted beds or between 200-300 units** in the next 5 years.

UNG's on-campus living requirement for first and second year students captures a majority of freshmen and sophomore students. Undergraduate upperclassmen are much more likely to seek off-campus housing and therefore comprise a larger share of demand. Private, off-campus housing deliveries have been successful in meeting this demand but have not met pent up demand or kept up with UNG's growth.

Allowing future student housing development in strategic locations just west of UNG's campus will be vital in providing necessary housing and dampening the impact on Dahlonega's existing and future housing stock throughout the city.

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Enrollment*	7,221	7,296	7,322	7,387	7,525	7,599	7,674	7,750	7,827	7,904
On-Campus Targeted Undergraduate Demand	2,694	2,702	2,599	2,553	2,672	2,763	2,790	2,818	2,846	2,875
On-Campus Housing Inventory	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782	2,782
Off-Campus Targeted Undergraduate Demand	2,490	2,527	2,598	2,659	2,669	2,660	2,686	2,713	2,739	2,766
Off-Campus Housing Inventory	1,611	1,611	1,611	1,611	1,915	2,043	2,043	2,043	2,043	2,043
Total Net Unmet Demand (beds)	791	836	804	819	644	598	652	706	761	816
Total Units (4-bed suite)	198	209	201	205	161	149	163	176	190	204
Total Units (2-bed suite)	395	418	402	409	322	299	326	353	380	408
Total Net Unmet Demand (units)	297	313	301	307	242	224	244	265	285	306

Source: KB Advisory Group

Housing Gap Analysis

Housing Gap Analysis

Methodology

An opportunity gap analysis was conducted to assess how the housing market in Dahlonega meets the market demand for housing.

This opportunity gap analysis matched historic supply trends with forecasted demand to illustrate the gap between supply and demand in Dahlonega's housing market.

Understanding the gap between supply and demand can identify market inefficiencies and provides data points to inform and guide conversations and policy related to housing.

The opportunity gap analysis uses a 5-year average of different housing products delivered at various price points within the City of Dahlonega. The 5-year average is calculated based on housing delivery between 2017 and 2021.

Housing units delivered are categorized into four groups – Lower, Middle, Upper-Middle and Upper – each with accompanying income ranges and reasonable home prices or monthly rent based on shares of income.

Percentages are calculated based on the supply ratio to the demand for each housing type at each price point. Totals are cross-tabulated for each housing type and income class.

Range	Income Bracket	Home Price	Monthly Rent
Lower	Up to \$50,000	Up to \$150,000	Up to \$1,250
Middle	\$50,000 - \$100,000	\$150,000 - \$300,000	\$1,250 - \$2,500
Upper-Middle	\$100,000 - \$200,000	\$300,000 - \$600,000	\$2,500 - \$5,000
Upper	\$200,000 +	\$600,000 +	\$5,000 +

Source: KB Advisory Group

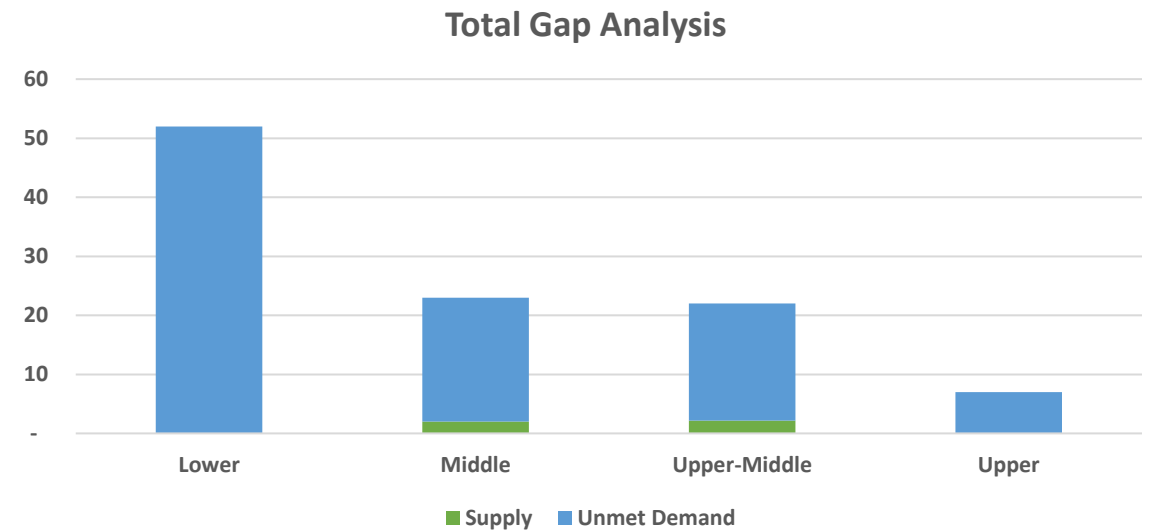
Housing Gap Analysis

Gap by Price Range

Over the last five years, the housing market in Dahlonega has supplied an annual average of approximately 4 new housing units across all housing types. This supply was concentrated in the middle and upper-middle end of the market.

This level of new home delivery supplied approximately 4% of the overall estimated housing demand in Dahlonega. In the portions of the market that Dahlonega is delivering units, the units being supplied represent around 10% of the total demand within those portions of the market, indicating that Dahlonega's demand for housing far outpaces the rate at which the supply is growing in the city.

Total	Supply	Unmet Demand	% of Demand Supplied
Lower	-	52	0%
Middle	2	21	9%
Upper-Middle	2	20	10%
Upper	-	7	0%
Total	4	100	4%



Source: KB Advisory Group

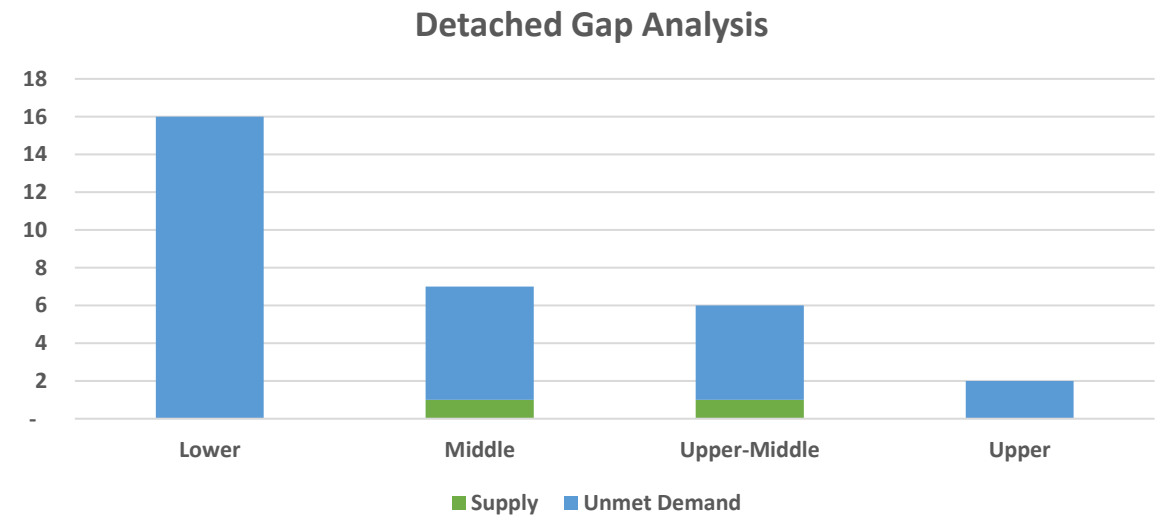
Housing Gap Analysis

Single-Family Detached Gap

Over the last five years, the housing market in Dahlonega has supplied an annual average of approximately 2 new single-family detached homes. This supply is concentrated in the middle and upper-middle portions of the market.

This level of new single-family home delivery supplied approximately 6% of the overall estimated demand.

Detached	Supply	Unmet Demand	% of Demand Supplied
Lower	-	16	0%
Middle	1	6	14%
Upper-Middle	1	5	17%
Upper	-	2	0%
Total	2	29	6%



Source: KB Advisory Group

Housing Gap Analysis

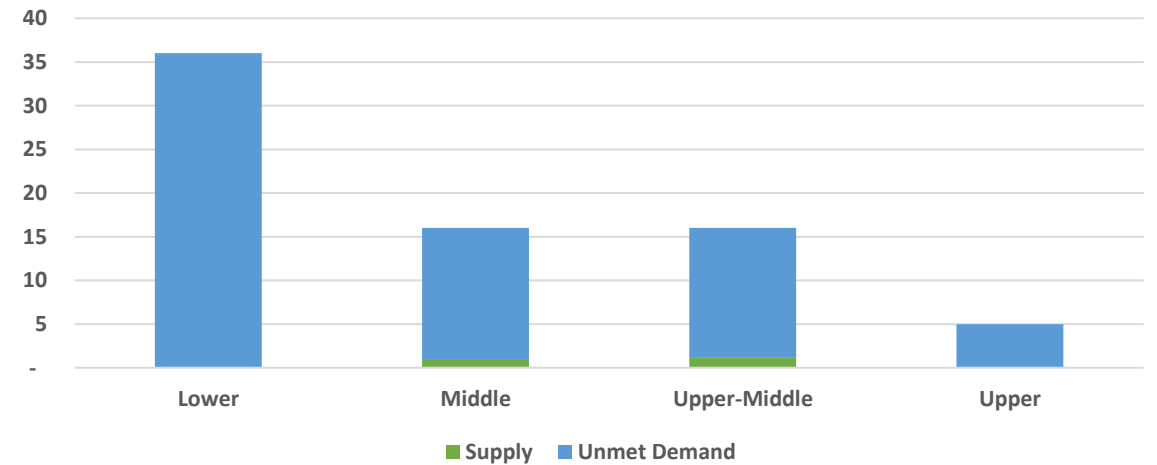
Attached Gap

Over the last five years, the housing market in Dahlonega has supplied an annual average of approximately 2 new attached units. This supply was concentrated in the middle and upper-middle portions of the market.

This level of new attached home delivery supplied approximately 3% of the overall estimated demand.

Attached	Supply	Unmet Demand	% of Demand Supplied
Lower	-	36	0%
Middle	1	15	6%
Upper-Middle	1	15	8%
Upper	-	5	0%
Total	2	71	3%

Attached Gap Analysis



Source: KB Advisory Group

Development Potential

Development Potential Analysis

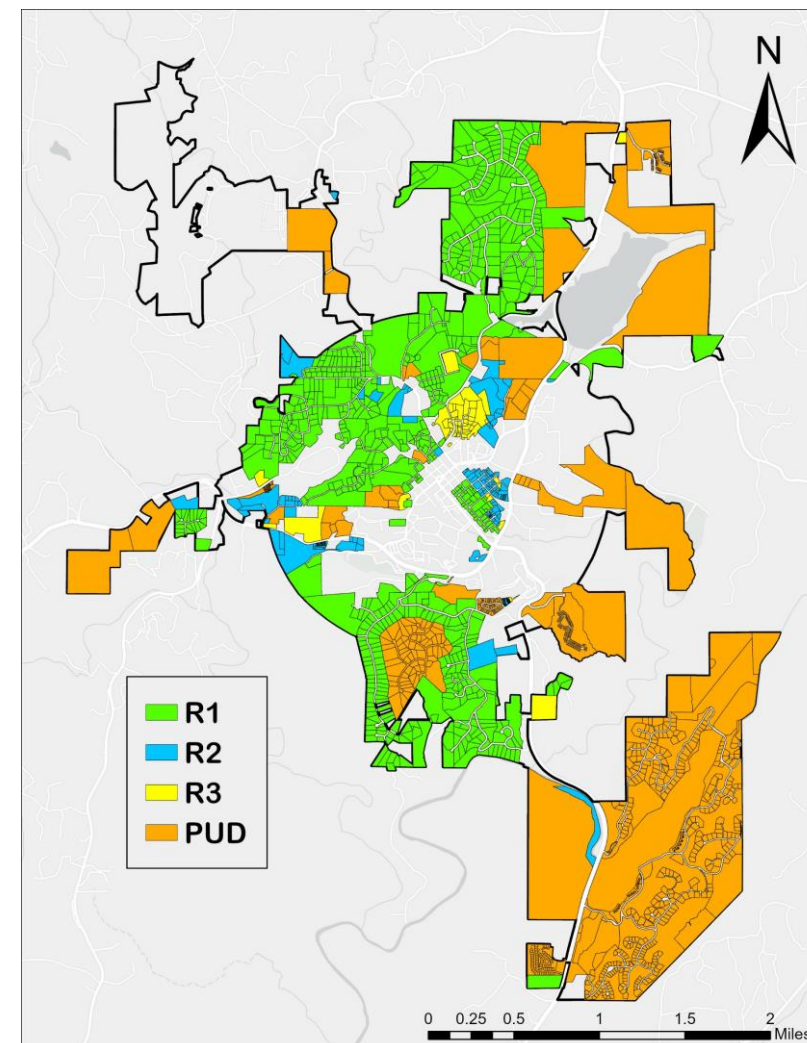
Residential Spatial Distribution

Most of Dahlonega's land that is currently zoned for residential uses has been designated as either Single-Family Residential (R1) or Planned Unit Development (PUD), with PUD comprising the largest segment of Dahlonega's residentially zoned land.

Land that is zoned for Multifamily Residential at different densities (R2 and R3), represents only around 250 acres, or 5% of the total acreage of the city of Dahlonega. While these parcels can be developed more densely, the low amount of acreage zoned for denser uses may inhibit Dahlonega in developing the housing that it requires in the future.

Zoning Code	Acres	% of Total Acres
R1	1,398	26%
R2	164	3%
R3	79	1%
R2&R3	243	5%
PUD	2,123	40%
Remaining	1,592	30%
Total	5,356	100%

Source: KB Advisory Group



Development Potential Analysis

Residential Vacant Land

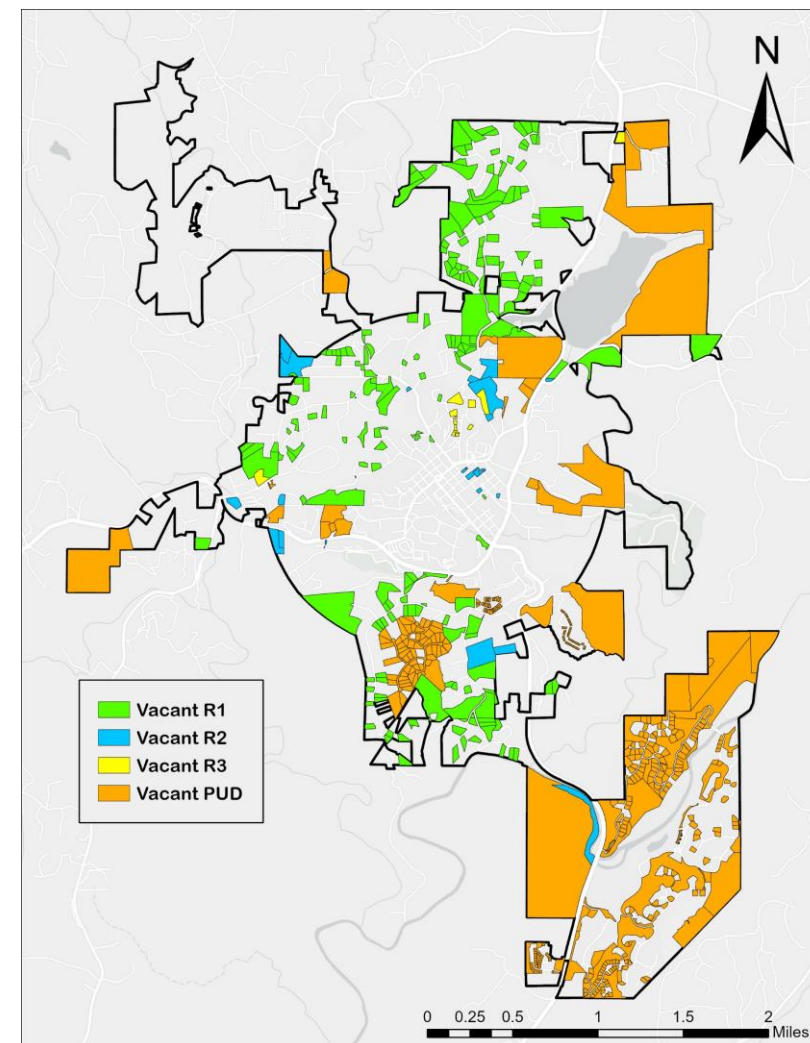
Land zoned for planned unit developments represent nearly 60% of the vacant acreage in the city of Dahlonaga. Land zoned for single-family residential makes up another quarter of the city's vacant land.

While the multifamily zoning designations, R2 and R3, represent a small share of the total vacant land, these vacant parcels represent over a third of the land zoned for multifamily.

89% of vacant land exists in residential zones and PUDs, which suggests that land availability alone is not constricting the ability to develop residential units in the city.

Zoning Code	Vacant Acres	% of Total Vacant Acres	% Vacant within Zoning District
R1	543	25%	39%
R2	71	3%	44%
R3	13	1%	17%
R2&R3	85	4%	35%
PUD	1,258	57%	59%
Remaining	318	14%	20%
Total	2,203	100%	41%

Source: KB Advisory Group



Development Potential Analysis

Residential Vacant Land and Topography

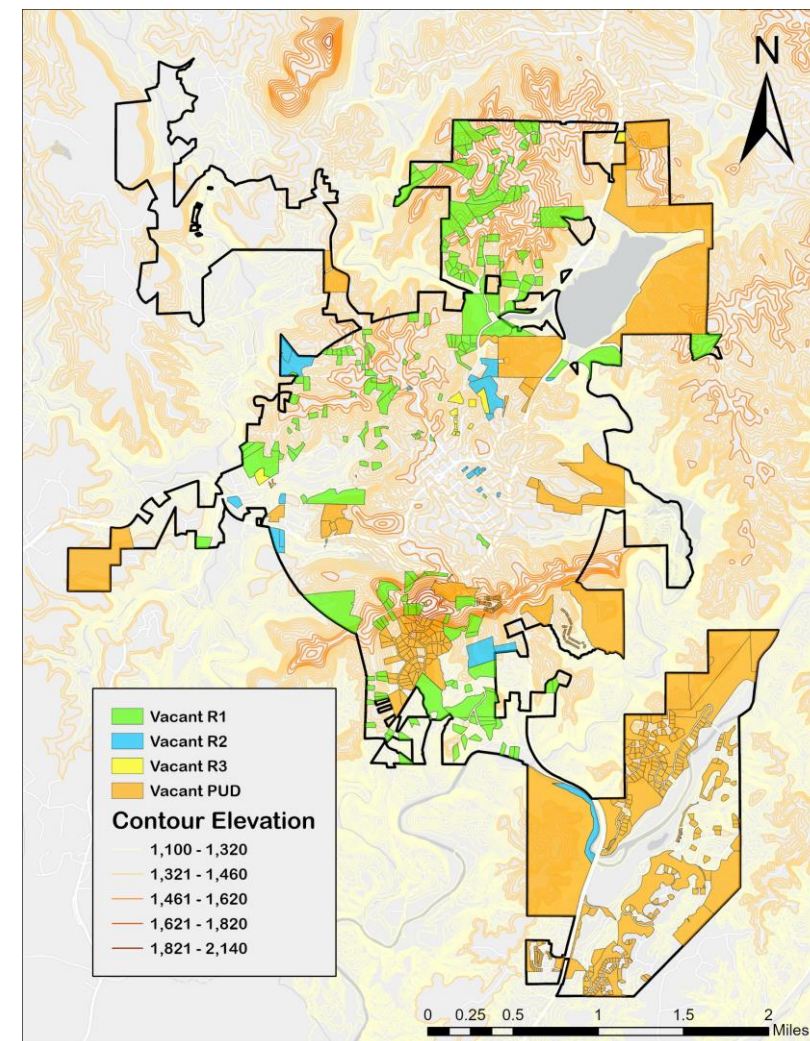
Dahlonega's location in the North Georgia mountains means that topography should always be a consideration when imagining future development patterns. Most of Dahlonega's vacant parcels have varying degrees of topographical constraint.

While developing along the ridges may make sense for single-family residential units, multifamily units should be prioritized on parcels that are flatter and require less grading to help reduce construction costs. No matter the type of residential unit being developed, site preparation will always add to the overall cost of construction and threaten affordability.

Developing the available vacant parcels at their maximum available densities could currently yield 814 single family homes, 393 R2 multifamily units and 106 R3 multifamily units.

Zoning Code	Zoning Description	Density Potential	Unit Potential
R1	Single Family Residential	Up to 1.5 Units/Acre	814
R2	Multifamily Residential	Up to 5.5 Units/Acre	393
R3	Multifamily Residential	Up to 8 Units/Acre	106

Source: KB Advisory Group



Housing Pipeline and Future Demand

5-year Demand

Considering currently under construction and proposed residential developments, the City of Dahlonega can assume full market absorption of the current pipeline in the next 5-years.

Certain price-points will dictate depth of market and absorption pace for new residential product.

	Annual Demand	5-year Demand	Under Construction	The Ridge	Summit Phase II	The Peaks	The Sherman	Mountain Music Park	Total Pipeline	Demand - Pipeline
Detached	31	155	22	38	24				84	71
Attached	73	365	19	15		60		124	218	147
Student		250					60		60	190

Source: KB Advisory Group, City of Dahlonega

Recommendations

Recommendations

Overview

Dahlonega's housing market has seen extremely limited new housing supply in recent years. Demand for housing exists across all price ranges for both for-sale and rental housing.

Policy tools and interventions to encourage the development of new housing within the city should be a major focus- this includes housing at all tiers and tenure. Fortifying existing housing and providing supportive programs for existing residents can ensure housing stability while redevelopment efforts focused on underutilized land can aid in meeting the housing needs of lower income households, those least likely to find affordable, market-rate housing options.

Finally, additional off-campus housing strategically located near UNG can satisfy upperclassmen housing demand and alleviate pressures on the housing market city-wide. Allowing more diverse housing within Dahlonega's core will both bolster Dahlonega's economy while providing in demand, walkable, lifestyle rich housing to an audience which Dahlonega is not fully capturing today.

Encourage
construction of
for-sale and
rental housing

Support
renovation and
redevelopment
of existing
housing stock

Encourage
construction of
new, off-
campus student
housing

Continue to
invest in
Downtown
Dahlonega &
incorporate
residential
density

Recommendations

Market Segmentation

As outlined throughout the study, Dahlonega has diverse audiences seeking housing within the city. Meeting this segmentation within the housing stock of the city will require a suite of tools and strategies aimed at meeting the gap in housing, namely a lack of new inventory and limited housing diversity.

	Below-Market Renters	Students	Young Professionals	Young Families	Middle-Age Families	Middle-Age Singles and Couples	Empty Nesters & Retirees
Age	All	18-25	22-34	25-35	35-55	35-55	55+
Income	<\$35,000	<\$35,000	\$35,000+	\$50,000+	\$60,000+	\$60,000+	\$70,000+ or retired
Spending constraints	Limited savings/income	Limited savings/income	College debt	<ul style="list-style-type: none"> College debt Childcare costs 	<ul style="list-style-type: none"> Saving for college 	<ul style="list-style-type: none"> Variable 	<ul style="list-style-type: none"> Saving for retirement
Household composition	<ul style="list-style-type: none"> Singles Couples Families 	<ul style="list-style-type: none"> Singles Couples Roommates 	<ul style="list-style-type: none"> Singles Couples Roommates 	<ul style="list-style-type: none"> “Pre-families” Singles and couples who just had their first child 	<ul style="list-style-type: none"> Singles and couples with 1+ children 	<ul style="list-style-type: none"> Mostly singles May have kids on part-time basis 	<ul style="list-style-type: none"> Singles and Couples
Housing Preferences							
# of Bedrooms	1+	Studio, 1	Studio, 1, or 2	2-3	3+	1, 1 w/ den, or 2	1 w/ den, 2, or 2 w/ den
Rental	Apartment	✓	✓			✓	✓
	Townhome	✓	✓	✓		✓	✓
	Single-Family Detached	✓		✓			
	Condo		✓			✓	✓
For-Sale	Townhome		✓	✓		✓	✓
	Small-Lot Detached			✓	✓	✓	✓
	Medium- to Large-Lot Detached				✓		

Recommendations

Encourage Housing Construction

Encourage
construction of
for-sale and
rental housing

Supply of new homes has not kept up with demand in at least the last five years. New housing is needed in all product types at all price points.

1. Identify priority redevelopment and greenfield sites that can attract small-scale, knowledgeable, local developers familiar with the community. Decide about using Dahlongega's economic development toolbox to help attract new housing at these locations. Small, local builders are more likely to take risks with more unconventional development and housing styles to fill "missing middle" gaps in the market.
2. Consider applying zoning policies to priority, potential housing sites which allow for a greater diversity of housing types:
 - Increase density – Currently, the highest residential density allowed is 8 units/acre. Typical new townhome developments are 12-18 units/acre.
 - Allow smaller lot sizes and setback variance where appropriate.
 - Align zoning to allow Cottage Court product.
 - Reconsider PUD zoning in favor of by-right zoning standards. Developers utilizing PUD zoning generally have higher upfront investment costs (master planning efforts, mixed-use, phased development) and may be an unattractive option for some residential developers.
3. 50% of total housing demand is in those earning less than \$50,000. Without subsidy, affordable price points to satisfy this demand with new construction is difficult.
 - Develop housing strategies utilizing city or publicly owner land to help address this gap.

Recommendations

Renovate & Redevelop Existing Housing

Support
renovation and
redevelopment
of existing
housing stock

With significant demand for for-sale and rental housing in lower income segments, those earning less than \$50,000, the market is not likely to achieve affordable pricing in new construction.

1. Incentivize the redevelopment of aging, obsolete, low-intensity student and multifamily housing. Proactively “up-zone” these sites and consider waiving development fees, fast-tracking permitting processes and paperwork, and offering density bonuses to attract new, higher-intensity housing options to these locations.
2. Utilize the Dahlongega Housing Authority, DDA, and other partners to provide development and redevelopment incentives.
 - Explore a land trade to redevelop and replace affordable housing on Thompson Circle.
 - Develop housing strategies utilizing city or publicly owner land to lower land cost basis and achieve rental rates and home prices attainable for the local workforce and lower-income residents.
3. Preserve naturally occurring affordable housing rehabilitation and renovation programs.
 - Home repair programs can help to maintain an aging housing stock.
 - A Legacy Resident Protection Program could help lower-income households maintain their homes and ensure stable housing for existing residents. Consider property tax implications and possible funding sources to cover.

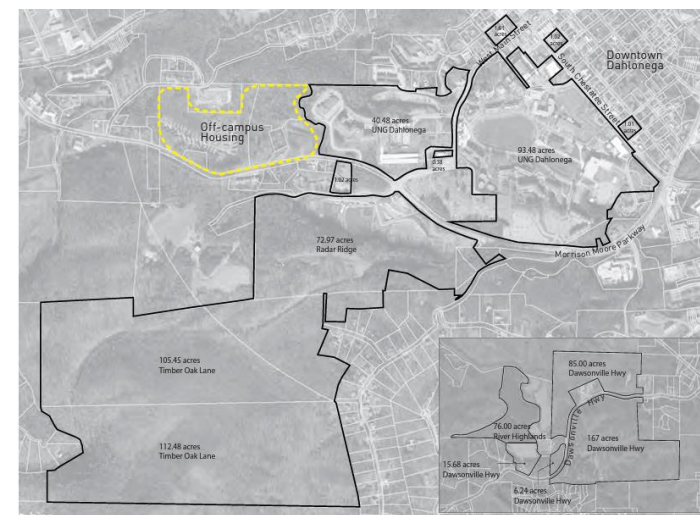
Recommendations

Provide Off-campus, Student Housing

Encourage construction of new, off-campus student housing

Meet unmet demand for off-campus, student targeted housing west of UNG's campus to alleviate students seeking housing options throughout the city, particularly in single-family neighborhoods.

1. Create zoning regulations that allow by-right multifamily and mixed use development along Morrison Moore Parkway. The area has developed as an off-campus, student housing core.
2. Concentrating future student housing more strategically can provide walkable access to campus and serve to better manage growth.
3. Plan for the post-graduate population by creating opportunities for new young professionals to live and thrive in Dahlonega. Additionally, encouraging housing oriented towards young professionals is another way to capture post-graduate demand.



Source: KB Advisory Group, Image from 2016 UNG Master Plan, Fig. 4.2

Recommendations

Prioritize Housing in Downtown Dahlonega

Continue to
Invest in
Downtown
Dahlonega &
Incorporate
Residential
Product

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

1. Create opportunity for the “renters by choice,” often young professionals and couples, whose spending power could grow Dahlonega’s economy. **Supporting professionals in developing ties to Dahlonega will encourage them to buy homes in the city in the future.**
2. Leverage the potential for synergies between multifamily development and retail development by incentivizing multifamily near priority mixed-use retail nodes, particularly downtown, outdated commercial prime for redevelopment, and key nodes in the city.
3. **Downtown Dahlonega has the potential to add higher-end housing within the Downtown core**, but an amenity-rich core is needed to justify
4. Demographic shifts and transitioning households facing limited housing supply and lack of housing diversity within Dahlonega threaten to stunt future growth and ability of current and future residents to participate in the local economy and community.



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TERMS and LIMITING CONDITIONS

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