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AN ANALYSIS  
of  
RESIDENTIAL MARKET POTENTIAL

For  
The Downtown Montgomery Study Area

The City of Montgomery  
Montgomery County, Alabama

October, 2021

Conducted by  
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Residential Market Analysis Across the Urban-to-Rural Transect

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The Downtown Montgomery Study Area  
The City of Montgomery, Montgomery County, Alabama  
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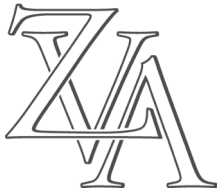
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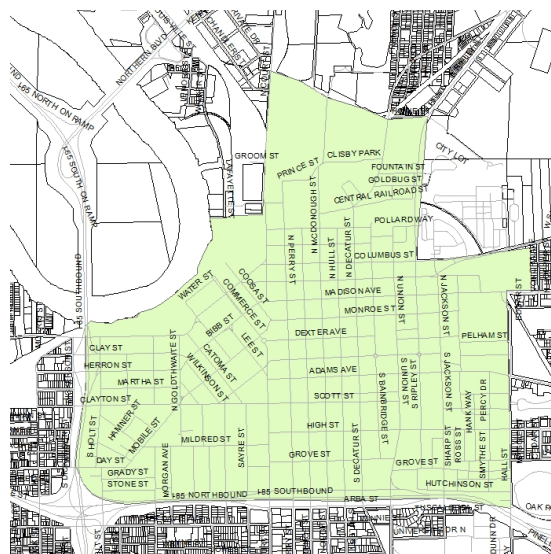
## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL The Downtown Montgomery Study Area The City of Montgomery, Montgomery County, Alabama

October, 2021

### INTRODUCTION

The purpose of this study is to determine the market potential and optimum market position for newly-introduced rental and for-sale housing units—created both through adaptive re-use of existing non-residential buildings as well as through new construction—that could be developed over the next five years within the Downtown Montgomery Study Area.

The Study Areas boundaries follow the Alabama River, West Railroad Street, North Court Street, a rail line, North Ripley Street, and Columbus Street in the north; Hall Street in the east; Interstate 85 in the south; and Interstate 65 in the west. The Study Area includes the Central Business District, the Warehouse District, Old Alabama Town, Columbus Square, the phased redevelopment of the Trenholm Court public housing property which was shuttered in 2011, the Capital District, a section of the Centennial Hill neighborhood, and several historic districts, including Cottage Hill.



The optimum market position for new housing units in the Downtown Study Area has been derived from the housing preferences, financial capacities, and lifestyle characteristics of the households with the potential to move within or to the Downtown Montgomery Study Area; the Study Area's location, visibility and physical attributes; the rental and for-sale housing market context in the Downtown market area; and Zimmerman/Volk Associates' extensive experience with urban development and redevelopment.

The extent and characteristics of the potential market for new and existing housing units in the Downtown Study Area were determined using Zimmerman/Volk Associates' proprietary target market methodology. This methodology was developed in response to the challenges that are inherent in the application of conventional supply/demand analysis to urban development and redevelopment. Supply/demand analysis ignores the potential impact of newly-introduced housing supply on settlement patterns, which can be substantial when housing choices in the market are increased with new housing types that match the housing preferences and economic capabilities of the draw area households.

In contrast to conventional supply/demand analysis, which is typically limited by supply-side dynamics and baseline demographic projections, target market analysis determines the depth and breadth of the potential market derived from the housing preferences and socio-economic characteristics of households in the defined draw areas. Because it considers not only basic demographic characteristics, such as income qualification and age, but also less frequently analyzed attributes such as lifestage, mobility rates, lifestyle patterns and household compatibility issues, the target market methodology is particularly effective in defining a realistic housing potential for urban development and redevelopment where often no directly-comparable properties exist.

In brief, using the target market methodology, Zimmerman/Volk Associates examined the following:

- Where the potential renters and buyers of new and existing housing units in the Downtown Study Area are likely to move from (the draw areas);
- How many households have the potential to move within and to the Downtown Study Area each year over the next five years (depth and breadth of the market);
- What their housing preferences are in aggregate, and what their range of affordability is (rental or ownership, multi-family or single-family; income qualifications);
- Who they are and what they are like (the target markets);
- What their current housing alternatives are (relevant rental and for-sale development in the Downtown market area);
- What are the rents and prices of new affordable and market-rate units that could be developed within the Downtown Study Area that correspond to target household financial capabilities (optimum market position); and
- How quickly the new units will lease or sell (absorption forecasts).

## OVERVIEW OF THE DOWNTOWN MONTGOMERY STUDY AREA

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The City of Montgomery is the capital of Alabama, and its second largest city. Montgomery is well-located approximately 90 miles south of Birmingham, 150 miles north of Mobile and the Gulf Coast, and 160 miles southwest of Atlanta. The city is traversed by two interstates, I-85, which links Atlanta and Montgomery, and I-65, which connects Montgomery to Birmingham and points north and Mobile and the Gulf Coast to the south.

Major government and cultural institutions are located in Downtown Montgomery and add to the Downtown's vitality. Downtown continues to be the center for state, county, and city government, and the Alabama State Capitol, which overlooks the Downtown, is listed on the National Register of Historic Places.

Several important sites in Downtown memorialize the racial history of both the city and the country, and include the National Memorial for Peace and Justice, the Legacy Museum, the Civil Rights Memorial and Center, the Freedom Rides Museum, the Rosa L. Parks Library and Museum, and the Dexter Avenue King Memorial Baptist Church.

Other Downtown attractions include Riverwalk Stadium, home to the Montgomery Biscuits, a Class AA minor league baseball team; the Davis Theater for the Performing Arts, built in 1930 as the Paramount Theatre and restored in 1983 by Troy University, accommodates a variety of musical and dramatic productions; the Montgomery Performing Arts Center, a state-of-the-art facility hosting first-run Broadway shows as well as a variety of concerts, opera, dance, and other performances; and the Montgomery Convention Center and the adjacent Renaissance Montgomery Hotel and Spa. Multiple hotels, restaurants and eateries, and small shops populate the Downtown adding to its attractiveness to current and future residents.

Several parks are also located throughout the Downtown, the most significant being Riverfront Park, on the banks of the Alabama River, where an amphitheater, the Harriett II riverboat, and the Union Station train shed are located and where large community events and festivals are held, attended by thousands of people.



Based on past demographic trends, Claritas, Inc., the national provider of Census-based demographic data, estimates that the Downtown Study Area's 2021 population of 3,295 is 286 persons more than in 2010, an increase of approximately 9.5 percent, reversing the trend of population loss that occurred between the 2000 and 2010 Censuses, when the Downtown's population had fallen by 1,129 people.

As of the 2010 Census, there were an estimated 895 households in the Study Area, rising to an estimated 1,070 households in 2021, an increase of 175 households, or more than 19 percent. As with population, this gain begins to reverse the nearly 36 percent, 495-household loss that occurred between 2000 and 2010.

The number of persons per household has a direct impact on the type of housing needed, with smaller households typically requiring fewer bedrooms and less square footage than larger households.

- Just under 75 percent of all households in the Downtown Study Area in 2021 contain just one or two persons (compared to 61.7 percent in the City of Montgomery, and 61.6 percent county-wide).
- 11.4 percent contain three persons in the Study Area (much lower than the city's share of 30.4 percent and slightly lower than the county's share of 17.1 percent).
- The remaining 13.7 percent contain four or more persons (higher than the city's share of 7.9 percent, but lower than the county's share of 21.3 percent).

The composition of those households can also influence housing decisions, affecting the type of housing required. Households with children often prefer single-family detached units located in a good school district; whereas the older and younger households without children that represent the bulk of the potential market for downtown and urban neighborhoods are more likely to select smaller units, often in multi-family buildings.

- Just 4.2 percent of the Downtown Study Area's households could be characterized as traditional families, *e.g.*, married couples with children under age 18 in 2021 (compared to 16.4 percent in the city and 17.1 percent county-wide).



- Non-traditional families with children, *e.g.*, single persons or unmarried couples with children under 18 represent 22.8 percent of the Study Area's households, (higher than the 17.7 percent of the city's households and the county's 16.9 percent).
- The remaining 73 percent of the Downtown's households do not have children under 18 and include non-traditional family households without children as well as childless married couples (65.9 percent in the city, 66 percent in the county).

The Downtown Study Area is significantly less affluent than the city as a whole. Median household income in the city is currently estimated at \$24,600, compared to \$51,300 in the city and \$53,500 in the county. About 50.6 percent of the households living in the city have annual incomes of \$25,000 or less, whereas 16.7 percent have incomes above \$75,000 per year (compared to 27 percent under \$25,000 and 34 percent above \$75,000 in the city, and 26 percent and 36 percent, respectively, in the county).

The Downtown Study Area's population is predominantly African American.

- Approximately 79.8 percent are African American, compared to 62.3 percent in the city and just over 59.8 percent county-wide.
- Approximately 18.3 percent of the study area's residents are white, below the city's 29.9 percent and the county's 32.7 percent.
- The Asian population is currently 0.3 percent of the total, lower than the 3.7 percent in the city and nearly 3.5 percent in the county.
- The remaining 1.6 percent identify as some other race or multi-racial, lower than the 4.1 percent in the city and the 3.9 percent share county-wide.

Approximately 2.1 percent of the population is Hispanic/Latino, compared to 3.9 percent of the city's population and the county's share of 3.6 percent.

More than 21 percent of the dwelling units in the Downtown have been developed since 2010, considerably higher than the 4.3 percent across the City of Montgomery and the 6.3 percent in the county. The Study Area's housing stock is currently estimated at 1,520 dwelling units.

- 31.7 percent are single-family detached houses (68.8 percent in the city, 69.7 percent in the county).
- 2.2 percent are single-family attached houses—townhouses or rowhouses (3.1 percent city-wide and 2.8 percent county-wide).
- 1.8 percent are units in two-unit buildings (duplexes or doubles), comparable to the city's share of 1.9 percent and the county's share of 1.7 percent.
- 24.2 percent are located in buildings of three to 19 units, higher than the City of Montgomery's share of 18.6 percent and Montgomery County's share of 17.1 percent.
- Forty percent are located in buildings of 20 or more units, significantly higher than five percent city-wide and 4.6 percent in the county.

Based on Census and Claritas estimates, in 2021, 29.6 percent of the Study Area's 1,520 housing units are unoccupied. Of the 1,070 *occupied* units, 78 percent are rented and 22 percent are owner-occupied, a much lower share of homeowners compared to the city's ownership rate of just under 59 percent and the county's even higher homeownership rate of 61.7 percent. The median value of owner-occupied dwelling units in the Study Area is currently estimated at \$83,850, approximately \$52,150 lower than the city's median of \$136,000 and \$61,150 lower than the county median of \$145,000.

The Downtown Montgomery Study Area has a considerably higher percentage of vehicle-free households than the city or the county.

- 30.1 percent of the Study Area's households do not own a vehicle (8.5 percent in the city, eight percent in the county).
- 45.4 percent own only one vehicle (37.9 percent city-wide and 36.1 percent county-wide).
- 24.5 percent own two or more vehicles (substantially lower than the 53.6 percent rate in the City of Montgomery and the 55.9 percent rate in Montgomery County).

The primary means of commutation for workers aged 16 and older in the Downtown is still the private vehicle; however, car-pooling is the second-highest means of getting to work.

- 73.7 percent drive alone to work (less than the 84.5 percent in the city and 85 percent in the county).
- 14.1 percent car-pool (considerably higher than the 8.8 percent in the city and 8.6 percent in the county).
- 6.7 percent walk to work (compared to just 1.8 percent city-wide and 1.6 percent county-wide).
- 2.2 percent take public transportation (0.6 percent in both the city and the county).
- The remaining 3.3 percent either work at home, bike to work, or have other means of getting to work (4.3 percent in the city and 4.2 percent in the county).

The share of Downtown Montgomery's residents aged 25 or older with a Bachelor's Degree stands at nearly 18.3 percent, compared to the city-wide share of 31.3 percent and the even higher county share of 31.5 percent.

In 2021, over just under 44 percent of Downtown Montgomery employment was concentrated in white-collar jobs, 27 percent in blue-collar occupations, and the remaining 29.1 percent in service (and farm) employment. (City-wide, white-collar jobs comprise 59.4 percent of all employment, blue-collar 22.6 percent, and service and farm occupations 18 percent comparable to the county at 60.3 percent white collar, 22.3 blue-collar, and 17.4 percent service and farm.)

The number of employed civilians 16 years of age and older by worker class stood at 842 persons, with a majority (58.2 percent) working for for-profit private employers. Persons currently not in the labor force form a clear majority of 65 percent in the Study Area.

By occupation, in 2021, transportation/moving jobs employ the largest number of workers in the Study Area, closely followed by production work (80 jobs), food preparation/service jobs (79 employees), and management (78 jobs).

DATA SOURCES: Table 01: Claritas, Inc.; U.S. Census Bureau;  
Zimmerman/Volk Associates, Inc.

#### AVERAGE ANNUAL MARKET POTENTIAL FOR THE CITY OF MONTGOMERY

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An analysis of migration, mobility and geo-demographic characteristics of households currently living within defined draw areas is integral to the determination of the depth and breadth of the potential market for new housing units within the City of Montgomery and the Downtown Study Area.

An understanding of these mobility trends, as well as the socio-economic and lifestyle characteristics of households currently living within defined draw areas, is the first step in the analysis. The draw areas are derived primarily through household migration analysis (using the latest taxpayer data provided by the Internal Revenue Service). To refine the draw area for the city, the IRS migration data have been supplemented by population migration and mobility data for the City of Montgomery from the most recent American Community Survey.

*Where are the potential renters and buyers of new and existing housing units in the City of Montgomery likely to move from?*

The most recent City of Montgomery migration and mobility data—from taxpayer records compiled by the Internal Revenue Service from 2013 through 2017 and from the 2019 American Community Survey one-year estimates for the city—shows that the draw areas for new and existing housing units in the city include the following:

- The local draw area, covering households moving within the City of Montgomery.
- The county draw area, covering households with the potential to move to the City of Montgomery from the balance of Montgomery County.
- The regional draw area, covering households with the potential to move to the City of Montgomery from Elmore or Autauga Counties, Alabama.
- The national draw area, covering households with the potential to move to the City of Montgomery from all other U.S. cities and counties.

As determined by the migration and mobility analyses, then, the distribution of the draw areas as a percentage of the annual potential market for new and existing housing units in the City of Montgomery is shown on the table following this page.

## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Downtown Montgomery Study Area  
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October, 2021

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Annual Average Market Potential by Draw Area  
*City of Montgomery, Montgomery County, Alabama*

|                      |              |
|----------------------|--------------|
| City of Montgomery:  | 70.2%        |
| Montgomery County:   | 3.2%         |
| Regional Draw Area:  | 4.7%         |
| Balance of the U.S.: | <u>21.9%</u> |
| Total:               | 100.0%       |

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

As determined by the target market methodology, which accounts for household mobility within the City of Montgomery, as well as mobility patterns for households currently living in all other counties, an annual average of 16,220 households represent the potential market for new and existing housing units within the city each year over the next five years.

## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

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## AVERAGE ANNUAL MARKET POTENTIAL FOR THE DOWNTOWN MONTGOMERY STUDY AREA \_\_\_\_\_

*Where are the potential renters and buyers of new and existing housing units  
 in the Downtown Study Area likely to move from?*

The target market methodology identifies those households with a preference for living in downtowns and other urban neighborhoods. After discounting for those segments of the city's potential market that have preferences for suburban and/or rural locations, the distribution of draw area market potential for new and existing units within the Downtown Montgomery Study Area each year over the next five years is as follows:

Annual Average Market Potential by Draw Area  
 DOWNTOWN MONTGOMERY STUDY AREA  
*City of Montgomery, Montgomery County, Alabama*

|                      |              |
|----------------------|--------------|
| City of Montgomery:  | 65.3%        |
| Montgomery County:   | 0.9%         |
| Regional Draw Area:  | 0.7%         |
| Balance of the U.S.: | <u>33.1%</u> |
| Total:               | 100.0%       |

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

Based on this analysis, which accounts for household mobility within the City of Montgomery and the Downtown Study Area, as well as migration and mobility patterns for households currently living in all other cities and counties, an annual average of 4,110 younger singles and couples, empty nesters and retirees, and traditional and non-traditional families of all incomes represent the potential market for new and existing housing units within the Downtown each year over the next five years.

*What are their housing preferences in aggregate?*

The housing preferences of the draw area households—derived from their tenure (rental/ownership) propensities—are outlined on the following table (*see also* Table 2 *following the text*):

Average Annual Potential Market  
 New and Existing Housing Units  
 DOWNTOWN MONTGOMERY STUDY AREA  
*City of Montgomery, Montgomery County, Alabama*

| HOUSING TYPE  | NUMBER OF HOUSEHOLDS | PERCENT OF TOTAL |
|---|----------------------|------------------|
| Multi-family for-rent<br>(lofts/apartments, leaseholder)  | 2,300                | 56.0%            |
| Multi-family for-sale<br>(lofts/apartments, condo/co-op ownership)                              | 308                  | 7.5%             |
| Single-family attached for-sale<br>(townhouses/live-work, fee-simple/<br>condominium ownership) | 387                  | 9.4%             |
| Single-family detached for-sale<br>(houses, fee-simple ownership)                               | <u>1,115</u>         | <u>27.1%</u>     |
| Total   | 4,110                | 100.0%           |

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

Nationally, market propensities for higher-density urban housing has continued to increase over the past decade. In Downtown Montgomery, 56 percent of the 4,110 target households of all incomes comprise the market for new and existing rental dwelling units. An increasing percentage are renters by choice; many, however, would prefer to own but cannot afford the type of housing they want in neighborhoods where they would consider living. Since the Great Recession, and exacerbated by the pandemic, younger people in particular have been challenged by the difficulties of finding work that pays well; some have the additional burden of significant education debt, and many lack an adequate down payment.

The remaining 44 percent of the market (1,810 households of all incomes) would choose ownership housing. Approximately 61.6 percent of the ownership market would choose for-sale single-family detached houses, 21.4 percent single-family attached units (rowhouses/



townhouses/duplexes), and the remaining 17 percent multi-family units (condominium/co-operative apartments).

*What is their range of affordability by housing type?*

The 4,110 households that represent the potential market for new and existing housing units in the Downtown Montgomery Study Area have been segmented by income, based on the Montgomery, AL MSA HUD median family income (AMI), which, for fiscal year 2021 is \$67,600 for a family of four. The combined tenure and housing type preferences and financial capabilities of the 4,110 target households are shown on the following table (*see again* Table 2):

Tenure/Housing Type Propensities by Income  
 Annual Average Market Potential For New and Existing Housing Units  
 DOWNTOWN MONTGOMERY STUDY AREA  
*City of Montgomery, Montgomery County, Alabama*

| HOUSING TYPE   | ..... HOUSEHOLDS ..... |              |
|--|------------------------|--------------|
|  | NUMBER                 | PERCENT      |
| Multi-family for-rent<br>(lofts/apartments, leaseholder)                         | <u>2,300</u>           | <u>56.0%</u> |
| < 30% AMI  | 456                    | 11.1%        |
| 30% to 60% AMI   | 408                    | 9.9%         |
| 60% to 80% AMI   | 242                    | 5.9%         |
| 80% to 100% AMI  | 220                    | 5.4%         |
| > 100% AMI   | 974                    | 23.7%        |
| Multi-family for-sale<br>(lofts/apartments, condo/co-op ownership)               | <u>308</u>             | <u>7.5%</u>  |
| < 30% AMI  | 48                     | 1.2%         |
| 30% to 60% AMI   | 45                     | 1.1%         |
| 60% to 80% AMI   | 27                     | 0.7%         |
| 80% to 100% AMI  | 25                     | 0.6%         |
| > 100% AMI   | 163                    | 4.0%         |
| Single-family attached for-sale<br>(townhouses, rowhouses, fee-simple ownership) | <u>387</u>             | <u>9.4%</u>  |
| < 30% AMI  | 65                     | 1.6%         |
| 30% to 60% AMI   | 57                     | 1.4%         |
| 60% to 80% AMI   | 36                     | 0.9%         |
| 80% to 100% AMI  | 31                     | 0.8%         |
| > 100% AMI   | 198                    | 4.8%         |

*continued on the following page . . .*

## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Downtown Montgomery Study Area  
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| HOUSING TYPE  | .....HOUSEHOLDS..... |              |
|---|----------------------|--------------|
|   | NUMBER               | PERCENT      |
| Single-family detached for-sale<br>(houses, fee-simple ownership) | <u>1,115</u>         | <u>27.1%</u> |
| < 30% AMI   | 152                  | 3.7%         |
| 30% to 60% AMI  | 149                  | 3.6%         |
| 60% to 80% AMI  | 104                  | 2.5%         |
| 80% to 100% AMI   | 97                   | 2.4%         |
| > 100% AMI  | 613                  | 14.9%        |
| Total   | 4,110                | 100.0%       |

NOTE: For fiscal year 2021, the Montgomery, AL MSA HUD Median Family Income for a family of four is \$67,600.

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

Summarizing the income ranges of the 4,110 households that represent the annual potential market for new and existing housing units in the Downtown Study Area, 17.5 percent (721 households) have incomes at 30 percent or less than the AMI; 16 percent (659 households) have incomes between 30 and 60 percent AMI; 10 percent (409 households) have incomes between 60 and 80 percent AMI; 9.1 percent (373 households) have incomes between 80 and 100 percent AMI; and 47.4 percent (1,948 households) have incomes at or above 100 percent AMI.

## TARGET MARKET ANALYSIS

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*Who are the households that represent the potential market  
for new and existing units in the Downtown Study Area?*

More than a decade later, the aftermath of the housing crash continues to reverberate throughout the housing market, evidenced by significant changes in market preferences from single-use subdivisions in exurban locations to mixed-use, walkable development, particularly in downtowns and in-town neighborhoods. The preference for urban living evidenced by both younger and older one- and two-person households has been a primary force in downtown redevelopment across the country, and continues despite popular press articles to the contrary that cite anecdotal pandemic-induced moves out of cities. Although this trend was notable at the onset of the pandemic, significant numbers of households who had left their neighborhoods have now returned, and as the coronavirus becomes more controlled, urban occupancies are beginning to resume pre-pandemic levels.

As determined by the target market analysis, the general market segments, by lifestage, that represent the potential market for new and existing housing units in the Downtown Montgomery Study Area are as follows (*see also* Table 3 *following the text*):

- Younger singles and childless couples (56.2 percent);
- Empty nesters and retirees (29.9 percent); and
- Traditional and non-traditional family households (13.9 percent).

—YOUNGER SINGLES AND COUPLES—

The significant majority of the market for new and existing housing units in the Downtown Montgomery Study Area includes younger singles and couples of all incomes, who are predominantly one- and two-person households. Approximately 37.7 percent of the younger singles and couples that comprise the target markets for the Downtown Study Area have incomes that fall below 60 percent of AMI (at or below \$28,430 for a single-person household and at or below \$32,480 for a two-person household). If they are employed, these households work in part-time or lower-paying jobs, including entry-level retail, such as store clerks, and service occupations, such as waiters and waitresses; many of the unemployed are students.

Slightly more than 10.6 percent of the households in this market segment have incomes that fall within the 60-to-80 percent income band (approximately \$28,430 to \$37,900 for a single-person household and \$32,480 to \$43,300 for a two-person household). These include young artists and artisans, recent college graduates just beginning their careers, lower-level medical personnel, and general office workers who have full-time entry-level employment.

The remaining 51.7 percent of the younger singles and couples have incomes that are above 80 percent of the AMI (from \$37,900 at 80 percent AMI to \$47,400 or more at 100 percent AMI for a single-person household, and from \$43,300 at 80 percent AMI to \$54,100 or more at 100 percent AMI for a two-person household). These younger households are mid- and upper-level office workers; college and hospital affiliates; and an increasing percentage are engaged in a variety of entrepreneurial ventures.

Just under two thirds of the younger singles and couples would be moving to the Downtown Study Area from elsewhere in the city; less than one percent would be moving from Elmore or Autauga Counties; and the remaining third would be moving from elsewhere in the U.S.

—EMPTY NESTERS AND RETIREES—

At slightly below 30 percent of the annual potential market for new and existing housing units in the Study Area, older households (empty nesters and retirees, also predominantly one- and two-person households) represent the second largest share of the market. A significant number of these target households are retired, although many are still engaged in full-time work.

In this general market segment, an estimated 25.9 percent have incomes at or below 60 percent of AMI—with a significant number of older singles and couples struggling on fixed incomes, mostly from social security and many of whom are living in substandard housing—as well as households with more moderate incomes. (This is a range of \$14,250 or less at or below at 30 percent AMI to \$28,430 at 60 percent AMI for a single-person household and \$17,420 or less at or below 30 percent AMI to \$32,480 at 60 percent AMI for a two-person household.)

Another 8.3 percent of the older target households have incomes between 60 and 80 percent of the area median. (Approximately \$28,430 to \$37,900 for a single-person household and \$32,480 to \$43,300 for a two-person household.) These households will often move to dwelling units that require less upkeep and maintenance expense, but if given appropriate housing options, would choose to remain in their current neighborhoods.

Older households with incomes above 80 percent of AMI comprise nearly two-thirds of the target empty nester and retiree market segment (annual incomes ranging from \$37,900 at 80 percent AMI to \$47,400 at 100 percent AMI and up for a single-person household, and from \$43,400 at 80 percent AMI to \$54,100 and up at 100 percent AMI for a two-person household). These older singles and couples are enthusiastic participants in community life, and many are still actively involved in well-paying careers in the medical, legal, and financial professions as well as academia.

Over 62 percent of the empty nesters and retirees would be moving from elsewhere in the city; 2.8 percent would be moving from a location in Montgomery County outside the city limits; another 1.6 percent would be moving from Elmore or Autauga Counties; and the remaining third would be moving from elsewhere in the U.S., primarily other counties/parishes in the South.

—TRADITIONAL AND NON-TRADITIONAL FAMILIES—

Traditional and non-traditional families represent just under 14 percent of the market for new and existing dwelling units in the Downtown Montgomery Study Area. Non-traditional families have become an increasingly larger proportion of all U.S. households, and encompass a wide range of family households, from a single, separated, widowed or divorced mother or father with one or more children, to an adult taking care of younger siblings, or a grandparent responsible for grandchildren, to an unrelated couple of the same gender with children. The “traditional family household” of a married couple with young children, which once comprised the majority of American households, has now fallen to 22 percent nationally (15 percent in the City of Montgomery and less than three percent in the Downtown Study Area). Family households that represent the Downtown housing market typically contain three to five persons.

Approximately a third of the family households that comprise the annual potential market for the Study Area have incomes below 60 percent of AMI and are typically spending more than 40 percent of their incomes on housing costs. Many of these households are single-parent families struggling to make ends meet. (General income ranges at 60 percent AMI are at or below \$36,530 for a three-person household and at or below \$43,840 for a five-person household.)

Another 10.9 percent of the family-oriented households have incomes that fall within the 60-to-80 percent income band. A significant number of the heads of household in these family groups are manufacturing and blue-collar workers; the remainder have lower-level office jobs. (At 60 to 80 percent AMI, incomes for three-person households range between \$36,530 and \$48,700, and incomes for five-person households range between \$43,840 and \$58,450.)

The remaining 55.8 percent of the traditional and non-traditional families have incomes above 80 percent of AMI. These households are, in large part, dual-income households, with medical careers, academic positions, middle- to upper-middle management jobs, and professionals in the financial and legal sectors. (At 80 to 100 percent AMI, incomes for three-person households range between \$48,700 and \$60,900 or more, and incomes for five-person households range between \$58,450 and \$73,100 and up.)

Just over 68 percent of these households are already living in the City of Montgomery and the rest would be moving to the Downtown from elsewhere in the U.S.

NOTE: APPENDIX THREE, TARGET MARKET DESCRIPTIONS, contains detailed descriptions of each of these target market groups and is provided in a separate document. The METHODOLOGY, APPENDICES ONE AND TWO, TARGET MARKET TABLES document describes how the target market groups for the Downtown Montgomery Study Area have been determined.

## THE MARKET CONTEXT

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### *What are their current housing alternatives?*

Summary supply-side information for the Downtown Montgomery Study Area (covering multi-family rental and for-sale properties) is provided in tabular form following the text: Table 4, Summary of Selected Rental Properties, and Table 5, Summary of Selected For-Sale Multi-Family and Single-Family Attached Resale Listings.

Redfin's Walk Score has been included with each property listing. Although Walk Score measures only distance, and metrics such as intersection density and block lengths to grade the walkability of a specific address or neighborhood, it has grown in importance as a value criterion. Walk Scores above 90 indicate a "Walker's Paradise," where daily errands do not require a vehicle. Walk Scores between 70 and 90 are considered to be very walkable, where most errands can be accomplished on foot, and Walk Scores between 50 and 69 are regarded as somewhat walkable, where some errands can be accomplished on foot. Walk Scores below 50 indicate that most or almost all errands require a vehicle.

The impact on housing values of walkability as calculated by Walk Score only begins to be measurable when Walk Scores reach 70 or above. None of the properties in Downtown currently have Walk Scores over 70. The Castle in Cloverdale, a small 1930s property in the nearby Old Cloverdale neighborhood, has a Walk Score of 70, and only two others have Walk Scores over 60: Midtown Row on East Fairview Avenue, and 48 Midtown, on Boulter Street outside of Downtown.

—MULTI-FAMILY RENTAL PROPERTIES—

In September 2021, Zimmerman/Volk Associates compiled data from a variety of sources on 11 selected market-rate rental properties totaling more than 800 apartments located in Downtown and in the nearby Forest Park and Old Cloverdale neighborhoods. (See Table 4 following the text.)

Two additional properties provide affordable housing in Downtown. Columbus Square is the phased mixed-income redevelopment of the Trenholm Court public housing property, which was shuttered in 2011. This property provides one-, two- and three-bedroom apartments with affordable rents starting at under \$600 per month. Currently, 160 apartments have been built and occupied, and another 80 are expected to come on line. The 98-unit, 11-story King Williams Apartments, a renovation of the historic Jefferson Davis hotel, provides affordable housing for seniors and people with disabilities.

Most of the rental properties provide a range of community amenities, typically fitness centers, clubhouses or residents' lounges, and business centers, and some have pools.

Base rent, unit sizes and rents per square foot for the 11 rental properties included in the survey are summarized on the following pages.

Only one property, Midtown Row, located on East Fairview Avenue in Old Cloverdale, leases studio apartments. The property contains a total of 35 units, and the 484-square-foot studios rent for \$775 to \$825 per month (between \$1.60 and \$1.70 per square foot).

—One-Bedroom Units (10 properties)—

- Rents for one-bedroom, one-bathroom apartments range from \$500 per month at Griffin Village Apartments on Jackson Ferry Road to \$1,518 per month at The Heights on Maxwell Boulevard.
- One-bedroom units range in size from 582 square feet at The 40 Point Building on First Alabama Plaza to 950 square feet at The Castle in Cloverdale on Felder Avenue.



- One-bedroom rents per square foot range between \$0.69 at Country Club Estates, an affordable seniors apartment property on North Country Club Drive, to \$1.83 at The Heights.

—*Two-Bedroom Units (9 properties)*—

- Rents for two-bedroom, one-, one-and-a-half-, or two-bathroom apartments range from \$600 per month for a two-bedroom, one-and-a-half-bath apartment at Griffin Village Apartments, to \$1,903 per month for a two-bedroom, two-bath apartment at The Heights.
- Two-bedroom units range in size from 944 square feet for a two-bedroom, two-bath unit at Country Club Estates, to 1,260 square feet at The Gatsby at Midtown on Gatsby Drive (two bedrooms, two baths).
- Two-bedroom rents per square foot fall between \$0.55 at Griffin Village Apartments and \$1.69 at The Heights.

—*Three-Bedroom Units (3 properties)*—

- Three-bedroom apartment rents start at \$1,125 per month for three bedrooms and two baths at The Gatsby at Midtown and reach \$1,645 for a three-bedroom, two-bath apartment at Midtown Row.
- Three-bedroom apartments contain between 1,412 square feet at 48 Midtown on Boulter Street to 1,760 square feet for a townhouse at The Gatsby at Midtown.
- Three-bedroom rents per square foot range between \$0.73 for a townhouse at The Gatsby at Midtown, and \$1.15 for a flat at 48 Midtown.

—MULTI-FAMILY FOR-SALE PROPERTIES—

Table 5 summarizes the limited number of resale listings of existing condominium and townhouse units that were on the market in September, 2021 in and near the Downtown Montgomery Study Area. Three of the four surveyed properties closest to Downtown have Walk Scores of 60 and over.

Resale listings of the few available units started at \$169,900 for a 1,001-square-foot one-bedroom, one-bath condominium at the Montgomery Fair Building on Monroe Street in Downtown Montgomery (\$170 per square foot). The 14 lofts in this former department store are being converted from rental apartments.

In the heart of historic Old Cloverdale, at the A&P Lofts on Graham Street, a 960-square-foot one-bedroom, one-and-a-half-bath condominium, one of 32 units in the property, was listed at \$170,000 (\$177 per square foot). Other lofts at the property sold recently for \$159,000 for one bedroom and one-and-a-half baths and \$249,900 for two bedrooms and two baths.

At the Westminster/McGehee Estates Townhomes in the McGehee/Allendale neighborhood, a resale townhouse on Canterbury Court was listed at \$129,000 for an 1,800-square-foot, three-bedroom, two-and-a-half-bath unit (\$72 per square foot), and two other three-bedroom townhouses on Old Farm Road were priced at \$139,900 and \$175,000 for 1,799 and 2,314 square feet respectively (\$78 and \$76 per square foot).

In the Montgomery Country Club Area, at Rosemont Place townhouse, a 3,520-square-foot four-bedroom, four-and-a-half-bath unit, was listed at \$334,900 (\$95 per square foot).

OPTIMUM MARKET POSITION: DOWNTOWN MONTGOMERY STUDY AREA \_\_\_\_\_

*What are the rents and prices that correspond to target household financial capabilities?*

In general, households with annual incomes at or below 60 percent AMI do not qualify for new construction except for units financed using low-income housing tax credits. If incomes are below 30 percent AMI, households typically qualify for public housing units and Section Eight vouchers. Rents are usually limited to no more than 30 percent of annual income. At 30 percent AMI, household incomes are less than \$14,250 for a single-person household to less than \$21,960 for a three-person household, and less than \$31,040 for a five-person household.

Households with incomes between 60 and 80 percent of the AMI comprise the market for new workforce (or affordable) housing units that could be developed in the Downtown Study Area. These households have incomes ranging between \$28,430 and \$37,900 for a single-person household to \$43,840 and \$58,450 for a five-person household.

The rents and price points for the market-rate component of new housing units are derived from the financial capabilities of those target households with annual incomes at or above 80 percent AMI, which ranges from \$37,900 and up for a single-person household to \$48,700 and up for a three-person household. (Typical household sizes for market-rate units in downtown locations range between one and three persons per household, with a predominance of one- and two-person households.)

Because this is a downtown study area, the highest density housing types—multi-family rental and multi-family and single-family attached for-sale units—are most appropriate for new development.

The analysis is focusing on those 1,916 households with incomes at or above 60 percent AMI, covering the incomes required to rent or purchase workforce (affordable) and market-rate housing units in the Downtown Montgomery Study Area. The combined housing preferences by tenure and by income of those target households are shown on the table following this page (*reference again* Table 2).

## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Downtown Montgomery Study Area  
 The City of Montgomery, Montgomery County, Alabama  
 October, 2021

Tenure/Housing Type Propensities by Income  
 Annual Average Market Potential For New and Existing Housing Units  
 Households with Incomes Above 60% AMI  
 DOWNTOWN MONTGOMERY STUDY AREA  
*City of Montgomery, Montgomery County, Alabama*

| HOUSING TYPE   | ..... HOUSEHOLDS ..... |              |
|--|------------------------|--------------|
|  | NUMBER                 | PERCENT      |
| Multi-family for-rent<br>(lofts/apartments, leaseholder)           | <u>1,436</u>           | <u>75.0%</u> |
| 60% to 80% AMI   | 242                    | 12.6%        |
| 80% to 100% AMI  | 220                    | 11.5%        |
| > 100% AMI   | 974                    | 50.9%        |
| Multi-family for-sale<br>(lofts/apartments, condo/co-op ownership) | <u>215</u>             | <u>11.2%</u> |
| 60% to 80% AMI   | 27                     | 1.4%         |
| 80% to 100% AMI  | 25                     | 1.3%         |
| > 100% AMI   | 163                    | 8.5%         |
| Single-family attached for-sale<br>(townhouses/duplexes)           | <u>265</u>             | <u>13.8%</u> |
| 60% to 80% AMI   | 36                     | 1.9%         |
| 80% to 100% AMI  | 31                     | 1.6%         |
| > 100% AMI   | 198                    | 10.3%        |
| Total  | 1,916                  | 100.0%       |

NOTE: For fiscal year 2021, the Montgomery, AL MSA Median Family Income for a family of four is \$67,600.

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

*—Rental Multi-Family Distribution by Rent Range—*

The number of households able to afford the specified rent ranges detailed on the following table was determined by calculating a monthly rental payment—excluding utilities and ranging between 25 and 30 percent of annual gross income. (Although it is quite possible that many households will pay up to 40 percent of their annual gross incomes in rent, HUD recommends that a tenant pay no more than 30 percent of gross income for rent *including* utilities.)

An annual average of 1,436 households with incomes above 60 percent of the AMI represent the target markets for newly-constructed market-rate and workforce (affordable) rental housing units in the Downtown Montgomery Study Area (*as shown on Table 6 following the text*). The distribution by supportable rent ranges are summarized on the table following this page.

## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Downtown Montgomery Study Area  
 The City of Montgomery, Montgomery County, Alabama  
 October, 2021

Target Groups For New Multi-Family For Rent  
 Households with Incomes Above 60% AMI  
 DOWNTOWN MONTGOMERY STUDY AREA  
*City of Montgomery, Montgomery County, Alabama*

| MONTHLY<br>RENT RANGE | HOUSEHOLDS<br>PER YEAR | PERCENTAGE  |
|-----------------------|------------------------|-------------|
| \$500–\$750           | 253                    | 17.6%       |
| \$750–\$1,000         | 309                    | 21.5%       |
| \$1,000–\$1,250       | 254                    | 17.7%       |
| \$1,250–\$1,500       | 202                    | 14.1%       |
| \$1,500–\$1,750       | 161                    | 11.2%       |
| \$1,750–\$2,000       | 135                    | 9.4%        |
| \$2,000–\$2,250       | 79                     | 5.5%        |
| \$2,250–\$2,500       | 31                     | 2.2%        |
| Over \$2,500          | <u>12</u>              | <u>0.8%</u> |
| Total:                | 1,436                  | 100.0%      |

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

- The largest group of target renters are younger singles and couples, at more than 69 percent of the market potential for workforce (affordable) and market-rate rental units in the Downtown Montgomery Study Area. Just over one percent have careers that provide them with the financial capacity to afford rents above \$2,000 per month. Approximately 32.1 percent of this market segment can support rents between \$1,250 and \$2,000 per month. A majority of the younger households—60.9 percent—comprise the market for units with rents between \$500 and \$1,250 per month.
- Empty nesters and retirees represent just under 20 percent of the market potential for workforce (affordable) and market-rate rental units in the Downtown Study Area. More than eight percent of the wealthiest empty nesters and retirees have the incomes and assets that enable them to afford rents at or above \$2,000 per month. Over 38 percent of this market segment are able to support rents between \$1,250 and \$2,000 per month. Again, a majority, 53.5 percent, make up the market for units with rents between \$500 and \$1,250 per month.
- At just under 11 percent, traditional and non-traditional families are the smallest market for workforce (affordable) and market-rate rental units in the Downtown Study Area. Nearly 11 percent of the family market can afford rents above \$2,000 per month. A plurality, 44.9 percent, have the ability to pay rents between \$1,250 and \$2,000 per

month, and the remaining 37.2 percent require rents between \$500 and \$1,250 per month.

—*For-Sale Multi-Family Distribution by Price Range*—

An annual average of 215 households represent the target markets for newly-constructed workforce (affordable) and market-rate for-sale multi-family housing units within the Downtown Montgomery Study Area (*as shown on Table 7 following the text*). Supportable price points have been determined by assuming a down payment of 10 percent, an interest rate of 3.5 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 30 percent of gross income for each of the 215 annual households that represent the annual potential for-sale multi-family market, yielding the distribution shown on the following table:

Target Groups For New Multi-Family For Sale  
 Households with Incomes Above 60% AMI Per Year  
 DOWNTOWN MONTGOMERY STUDY AREA  
*City of Montgomery, Montgomery County, Alabama*

| PRICE RANGE         | HOUSEHOLDS PER YEAR | PERCENTAGE  |
|---------------------|---------------------|-------------|
| \$150,000–\$200,000 | 35                  | 16.3%       |
| \$200,000–\$250,000 | 40                  | 18.6%       |
| \$250,000–\$300,000 | 45                  | 20.9%       |
| \$300,000–\$350,000 | 34                  | 15.8%       |
| \$350,000–\$400,000 | 30                  | 14.0%       |
| \$400,000–\$450,000 | 14                  | 6.5%        |
| \$450,000–\$500,000 | 8                   | 3.7%        |
| \$500,000–\$550,000 | 6                   | 2.8%        |
| \$550,000 and up    | <u>3</u>            | <u>1.4%</u> |
| Total:              | 215                 | 100.0%      |

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

- Younger singles and couples represent a majority—56.3 percent—of the annual market for new for-sale multi-family units (condominiums) within the Downtown Study Area. Over 36 percent of the younger households would be in the market for new units priced between \$300,000 and \$450,000. The remaining 63.6 percent can only afford new condominiums with base prices between \$150,000 and \$300,000.

- Empty nesters and retirees represent almost 35 percent of the annual market for new condominiums within the Downtown Montgomery Study Area. Just under 23 percent of these empty nesters and retirees have the income and assets to purchase new units priced over \$450,000. Another 34.7 percent would be in the market for new condominiums with base prices between \$300,000 and \$450,000. The remaining 42.7 percent could afford new condominiums priced between \$150,000 and \$300,000.
- Traditional and non-traditional families are the smallest market segment at just 8.8 percent of the annual market for new condominiums in the Downtown Study Area. Just over 42 percent are able to purchase new units priced between \$300,000 and \$450,000. A majority, the remaining 57.9 percent of family households, would be in the market for new condominiums with base prices between \$150,000 and \$300,000.

—*For-Sale Single-Family Attached Distribution by Price Range*—

An annual average of 265 households represent the target markets for newly-constructed workforce (affordable) and market-rate for-sale single-family attached housing units within the Downtown Montgomery Study Area (*as shown on Table 8 following the text*). As with the condominiums, supportable price points have been determined by assuming a down payment of 10 percent, an interest rate of 3.5 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 30 percent of gross income for each of the 265 annual households that represent the annual potential for-sale single-family attached market, yielding the distribution shown on the table following this page.

The Downtown Montgomery Study Area  
 The City of Montgomery, Montgomery County, Alabama  
 October, 2021

Target Groups For New Single-Family Attached For Sale  
 Households with Incomes Above 60% AMI Per Year  
 DOWNTOWN MONTGOMERY STUDY AREA  
*City of Montgomery, Montgomery County, Alabama*

| PRICE RANGE         | HOUSEHOLDS PER YEAR | PERCENTAGE  |
|---------------------|---------------------|-------------|
| \$150,000–\$200,000 | 59                  | 22.3%       |
| \$200,000–\$250,000 | 61                  | 23.0%       |
| \$250,000–\$300,000 | 56                  | 21.1%       |
| \$300,000–\$350,000 | 33                  | 12.5%       |
| \$350,000–\$400,000 | 26                  | 9.8%        |
| \$400,000–\$450,000 | 14                  | 5.3%        |
| \$450,000–\$500,000 | 6                   | 2.3%        |
| \$500,000–\$550,000 | 5                   | 1.9%        |
| \$550,000 and up    | <u>5</u>            | <u>1.9%</u> |
| Total:              | 265                 | 100.0%      |

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

- Younger singles and couples represent a plurality—49.1 percent—of the annual market for new for-sale single-family attached units (townhouses) within the Downtown Study Area. Just over 19 percent of the younger households would be in the market for new units priced between \$300,000 and \$450,000. The significant majority—80.8 percent—can only afford new townhouses with base prices between \$150,000 and \$300,000.
- Empty nesters and retirees represent 34.3 percent of the annual market for new townhouses within the Downtown Montgomery Study Area. Over 14 percent of the empty nesters and retirees have the income and assets to purchase new units priced over \$450,000. Another 37.4 percent would be in the market for new condominiums with base prices between \$300,000 and \$450,000. The remaining 48.4 percent could afford new condominiums priced between \$150,000 and \$300,000.
- Traditional and non-traditional families are the smallest market segment at just 16.6 percent of the annual market for new condominiums in the Downtown Study Area. Only 2.3 percent of the family households have the financial resources to purchase new townhouses priced over \$450,000. Just under 32 percent are able to purchase new units priced between \$300,000 and \$450,000. The remaining 61.4 percent of the family households would be in the market for new townhouses with base prices between \$150,000 and \$300,000.



—OPTIMUM MARKET POSITION: DOWNTOWN MONTGOMERY STUDY AREA—

*What are the rents, prices, unit sizes, and unit configurations  
 that match target household preferences?*

As detailed in the preceding section, an annual average of 1,916 target households—1,436 potential renters, 215 potential condominium purchasers, and 265 potential townhouse buyers—comprise the annual potential market for new workforce (affordable) and market-rate rental and ownership housing units in the Downtown Montgomery Study Area each year over the next five years.

Realization of the full potential market of mixed-use development in the Downtown Study Area will depend on building a variety of unit and housing types covering a broad range of both workforce (affordable) and market-rate rent and price points. The target households will continue to have strong preferences for walkable downtown neighborhoods with a variety of attractive destinations. The increased number of residents living in additional housing units will make the Study Area even more attractive to retailers and employers.

Based on the target households’ financial capabilities and housing preferences, the optimum market position for new workforce (affordable) and market-rate rental and for-sale housing units within the Downtown Montgomery Study Area is summarized on the following table. (*See also Table 9 following the text.*)

Optimum Market Position  
 DOWNTOWN MONTGOMERY STUDY AREA  
 City of Montgomery, Montgomery County, Alabama

| PERCENT MIX  | UNIT CONFIGURATION | BASE RENT/PRICE  | UNIT SIZE       | BASE RENT/PRICE PER SQ. FT. |
|--|--------------------|------------------|-----------------|-----------------------------|
| MULTI-FAMILY FOR-RENT                                    |                    |                  |                 |                             |
| . . . . . Workforce/Affordable (60 to 80% AMI) . . . . . |                    |                  |                 |                             |
| 50%  | Studio/1ba         | \$600 to \$650   | 550 to 600 sf   | \$1.08 to \$1.09            |
| 35%  | 1br/1ba            | \$700 to \$850   | 700 to 875 sf   | \$0.97 to \$1.00            |
| 15%  | 2br/1ba            | \$900 to \$1,050 | 925 to 1,100 sf | \$0.95 to \$0.97            |

*continued on the following page . . .*

## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Downtown Montgomery Study Area  
 The City of Montgomery, Montgomery County, Alabama  
 October, 2021

... continued from the preceding page

| PERCENT MIX  | UNIT CONFIGURATION | BASE RENT/PRICE           | UNIT SIZE            | BASE RENT/PRICE PER SQ. FT. |
|--|--------------------|---------------------------|----------------------|-----------------------------|
| MULTI-FAMILY FOR-RENT                                    |                    |                           |                      |                             |
| . . . . . Market-Rate (80% AMI and up) . . . . .         |                    |                           |                      |                             |
| 35%  | Studio/1ba         | \$950 to<br>\$1,100       | 550 to<br>650 sf     | \$1.69 to<br>\$1.73         |
| 25%  | 1br/1ba            | \$1,150 to<br>\$1,250     | 700 to<br>850 sf     | \$1.47 to<br>\$1.64         |
| 10%  | 2br/1ba            | \$1,300 to<br>\$1,650     | 900 to<br>1,050 sf   | \$1.44 to<br>\$1.57         |
| 20%  | 2br/2ba            | \$1,750 to<br>\$1,850     | 1,150 to<br>1,300 sf | \$1.42 to<br>\$1.52         |
| 10%  | 3br/2ba            | \$1,950 to<br>\$2,100     | 1,350 to<br>1,550 sf | \$1.35 to<br>\$1.44         |
| MULTI-FAMILY FOR-SALE                                    |                    |                           |                      |                             |
| . . . . . Workforce/Affordable (60 to 80% AMI) . . . . . |                    |                           |                      |                             |
| 60%  | 1br/1ba            | \$135,000 to<br>\$145,000 | 750 to<br>800 sf     | \$180 to<br>\$181           |
| 40%  | 2br/1ba            | \$150,000 to<br>\$165,000 | 875 to<br>975 sf     | \$169 to<br>\$171           |
| . . . . . Market-Rate (80% AMI and up) . . . . .         |                    |                           |                      |                             |
| 35%  | 1br/1ba            | \$200,000 to<br>\$215,000 | 850 to<br>950 sf     | \$226 to<br>\$235           |
| 30%  | 1br/1.5ba/den      | \$225,000 to<br>\$240,000 | 1,000 to<br>1,100 sf | \$218 to<br>\$225           |
| 35%  | 2br/2ba            | \$255,000 to<br>\$280,000 | 1,200 to<br>1,400 sf | \$200 to<br>\$213           |
| SINGLE-FAMILY ATTACHED FOR-SALE                          |                    |                           |                      |                             |
| . . . . . Workforce/Affordable (60 to 80% AMI) . . . . . |                    |                           |                      |                             |
| 55%  | 2br/1.5ba          | \$175,000 to<br>\$185,000 | 1,000 to<br>1,100 sf | \$168 to<br>\$175           |
| 45%  | 3br/1.5ba          | \$195,000 to<br>\$200,000 | 1,250 to<br>1,350 sf | \$148 to<br>\$156           |
| . . . . . Market-Rate (80% AMI and up) . . . . .         |                    |                           |                      |                             |
| 50%  | 2br/2.5ba          | \$290,000 to<br>\$315,000 | 1,350 to<br>1,500 sf | \$210 to<br>\$215           |
| 50%  | 3br/2.5ba          | \$325,000 to<br>\$365,000 | 1,600 to<br>1,850 sf | \$197 to<br>\$203           |

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Downtown Montgomery Study Area  
 The City of Montgomery, Montgomery County, Alabama  
 October, 2021

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Based on the mix of unit types, sizes, and rents/prices outlined above, the weighted average rents and prices for each of the housing types are shown on the following table:

Weighted Average Base Rents/Prices and Size Ranges  
 DOWNTOWN MONTGOMERY STUDY AREA  
*City of Montgomery, Montgomery County, Alabama*

| HOUSING<br>TYPE                 | WEIGHTED AVERAGE<br>BASE RENTS/PRICES | WEIGHTED AVERAGE<br>UNIT SIZE | WEIGHTED AVERAGE<br>BASE RENTS/PRICES<br>PER SQ. FT. |
|---------------------------------|---------------------------------------|-------------------------------|--|
| MULTI-FAMILY FOR-RENT           |                                       |                               |  |
| Workforce/Affordable            | \$730                                 | 715 sf                        | \$1.02 psf   |
| Market-Rate                     | \$1,369                               | 891 sf                        | \$1.54 psf   |
| MULTI-FAMILY FOR-SALE           |                                       |                               |  |
| Workforce/Affordable            | \$147,000                             | 835 sf                        | \$176 psf  |
| Market-Rate                     | \$236,000                             | 1,085 sf                      | \$218 psf  |
| SINGLE-FAMILY ATTACHED FOR-SALE |                                       |                               |  |
| Workforce/Affordable            | \$187,875                             | 1,163 sf                      | \$162 psf  |
| Market-Rate                     | \$314,643                             | 1,511 sf                      | \$208 psf  |

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

The proposed rents and prices are in year 2021 dollars and are exclusive of location or floor premiums and consumer-added options or upgrades. Location will have a significant impact on values, bringing as much as a 10 percent premium on new properties located in the most walkable, amenity-laden areas.

The ratio between the target market potential for workforce/affordable and market-rate rental units is approximately 17 percent workforce/affordable and 83 percent market-rate. The ratio between the target market potential for workforce/affordable and market-rate for-sale units (condominiums and rowhouses/townhouses) is approximately 13 percent workforce and 87 percent market-rate.

It is likely that many of the potential buyers of the workforce/affordable units will require assistance with the down payment, which for this study has been calculated at 10 percent of the purchase price (or ranging between \$13,500 and \$20,000 based on the study recommendations).

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 MARKET CAPTURE: DOWNTOWN MONTGOMERY STUDY AREA
 

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*How fast will the units lease or sell?*

Based on 33 years' experience using the target market methodology in 47 states, Zimmerman/Volk Associates has developed and refined a capture rate methodology scaled to study area size and context. Zimmerman/Volk Associates has determined that, for a study area the size of Downtown Montgomery, a capture rate of between 10 and 15 percent of the annual average number of potential renters, and between five and 10 percent of the annual average number of potential condominium and rowhouse/townhouse buyers is supportable each year over the next five years, assuming the production of appropriately-positioned new housing.

Based on these capture rates, annual average absorption of new workforce/affordable and market-rate units in the Downtown Montgomery Study Area is forecast as shown on the following table (*see again Table 8 following the text*):

Annual Forecast Absorption  
 DOWNTOWN MONTGOMERY STUDY AREA  
 City of Montgomery, Montgomery County, Alabama

|                                 | ANNUAL<br>UNITS ABSORBED | CAPTURE<br>RATES |
|---------------------------------|--------------------------|------------------|
| MULTI-FAMILY FOR-RENT           |                          |                  |
| Total                           | <u>143</u> – <u>215</u>  | 10 – 15%         |
| 60% to 80% AMI                  | <u>24</u> – <u>36</u>    |                  |
| >80% AMI                        | 119 – 179                |                  |
| MULTI-FAMILY FOR-SALE           |                          |                  |
| Total                           | <u>10</u> – <u>22</u>    | 5 – 10%          |
| 60% to 80% AMI                  | <u>1</u> – <u>3</u>      |                  |
| >80% AMI                        | 9 – 19                   |                  |
| SINGLE-FAMILY ATTACHED FOR-SALE |                          |                  |
| Total                           | <u>13</u> – <u>27</u>    | 5 – 10%          |
| 60% to 80% AMI                  | <u>2</u> – <u>4</u>      |                  |
| >80% AMI                        | 11 – 23                  |                  |

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

If new development could achieve these capture rates, between 166 and 264 new units per year could be leased or sold in the Study Area over a five-year timeframe, or a five-year total of 830 to 1,320 new rental and for-sale workforce/affordable and market-rate housing units.

New housing units, configured according to target market preferences, can not only attract new households to the Downtown Study Area and to the City of Montgomery, but can also provide appropriate alternatives to households that, due to a change in household composition or economic status, might otherwise have moved out of the city.

The capture rates of the annual potential market used here fall within the target market methodology's parameters of feasibility.

NOTE: The target market capture rates of the potential purchaser or renter pool are a unique and highly-refined measure of feasibility. Target market capture rates are not equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site.

Because the prospective market for a property or study area is more precisely defined using the residential target market methodology, a substantially smaller number of households are qualified; as a result, target market capture rates are higher than the more grossly-derived penetration rates. The resulting higher capture rates remain within the range of feasibility.

## DOWNTOWN MONTGOMERY STUDY AREA BUILDING TYPES \_\_\_\_\_

### —MULTI-FAMILY BUILDINGS—

- Courtyard Apartment Building: In new construction, an urban-scale, pedestrian-oriented equivalent to conventional garden apartments. An urban courtyard building is at minimum three, and typically four or more stories, often combined with non-residential uses on the ground floor, or with a ground floor configured for later conversion from residential to retail use. The building should be built to the sidewalk edge and when the ground-floor serves a permanent residential use it should be elevated significantly above grade to provide privacy and a sense of security. Parking is either below grade, at grade behind or in a parking courtyard, or in an integral structure.
- Liner Building: An apartment building with apartments and/or lofts lining two to four sides of a multi-story parking structure or open parking lot. Units are typically served from a single-loaded corridor that often includes access to parking. Ground floors typically include a traditional apartment lobby and can also include maisonette apartments, retail or some combination of the two.
- Loft Apartment Building: Either adaptive re-use of older warehouse or manufacturing buildings or a new-construction building type inspired by those buildings. The new-construction version is usually elevator-served with double-loaded corridors.
- Mansion Apartment Building: A two- to three-story flexible-use structure with a street façade resembling a large detached or attached house (hence, “mansion”). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. Because of the small number of units, mansion buildings are particularly well-suited to condominium development since meeting pre-sales financing requirements is less challenging. The mansion building can also accommodate a variety of uses—from apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood.

Parking behind the mansion buildings can be either alley-loaded, or front-loaded served by shared drives. The form of the parking can be in open lots, in garages with units above, or integral to the building.

Mansion buildings should be strictly regulated in form, but flexible in use. However, flexibility in use is somewhat constrained by the handicapped accessibility regulations in both the Fair Housing Act and the Americans with Disabilities Act.

- Mixed-Use Building: A pedestrian-oriented building, either attached or free-standing, with apartments and/or offices over flexible ground floor uses that can range from retail to office to residential.
- Podium Building: An apartment building construction type with three to five stories of stick-frame residential units (lofts or apartments) built over one or two levels of above-grade structured parking, usually constructed with reinforced concrete. With a well-conceived street pattern, a podium building can include ground-level non-residential uses lining one or more sides of the parking deck.

—SINGLE-FAMILY ATTACHED BUILDINGS—

- Townhouse: Similar in form to conventional subdivision townhouses except that the garage—whether attached, tucked under or detached—is located to the rear of the unit and accessed from a rear lane, alley or auto court. The garages, either detached or loosely linked, *e.g.*, with a breezeway or pergola along with a side-yard garden wall, serves to create a private rear yard.

Unlike conventional subdivision townhouses, townhouses in urban neighborhoods conform to the pattern of streets, typically with shallow front-yard setbacks. The first floor is elevated above sidewalk level to provide privacy and a sense of security.

- Duplex: A two-unit building with the garages—either attached or detached—located to the rear of the lot and accessed from a rear lane, alley or auto court. Duplexes in urban neighborhoods conform to the pattern of streets, typically with shallow front-yard setbacks. They work particularly well in corner locations with each unit facing a different street. Like end-unit townhouses, duplexes are particularly well-suited to accommodating ground-floor master bedroom suites, matching the preferences of the older couples who make up just over a quarter of the potential market for attached single-family (townhouse/duplex) units.

—Miscellaneous Types—

- Accessory Unit: A secondary dwelling unit associated with a principal residence on a single lot. An accessory unit is typically located over the detached garage of a townhouse or detached house. Utilities for accessory units are not typically metered separately. Also known as “garage apartment,” “ancillary apartment,” “accessory apartment,” “granny flat,” “outbuilding” or “casita” when detached, and “backbuilding” when attached to the principal residence., these units can often expand affordability in a neighborhood.





Key Demographic Data  
Downtown Study Area, City of Montgomery, Montgomery County  
2021 Estimates

|  | <u>Downtown<br/>Study Area</u> | <u>City of<br/>Montgomery</u> | <u>Montgomery<br/>County</u> |
|--|--------------------------------|-------------------------------|------------------------------|
| Population                             | 3,295                          | 199,795                       | 225,990                      |
| Households                             | 1,070                          | 78,965                        | 88,700                       |
| Housing Units                          | 1,520                          | 92,350                        | 103,285                      |
| 1&2 pp households                      | 74.9%                          | 61.7%                         | 61.6%                        |
| 3 pp households                        | 11.4%                          | 30.4%                         | 17.1%                        |
| 4+ pp households                       | 13.7%                          | 7.9%                          | 21.3%                        |
| Married couples w/ children            | 4.2%                           | 16.4%                         | 17.1%                        |
| Single persons w/ children             | 22.8%                          | 17.7%                         | 16.9%                        |
| Households without children            | 73.0%                          | 65.9%                         | 66.0%                        |
| Median household income                | \$24,600                       | \$51,300                      | \$53,500                     |
| Households below \$25,000              | 50.6%                          | 26.8%                         | 25.9%                        |
| Households Above \$75,000              | 16.7%                          | 34.2%                         | 35.9%                        |
| White                                  | 18.3%                          | 29.9%                         | 32.7%                        |
| African American                       | 79.8%                          | 62.3%                         | 59.9%                        |
| Asian                                  | 0.3%                           | 3.7%                          | 3.5%                         |
| Other                                  | 1.6%                           | 4.1%                          | 3.9%                         |
| Hispanic/Latino                        | 2.1%                           | 3.9%                          | 3.6%                         |
| Single-family attached units           | 2.2%                           | 3.1%                          | 2.8%                         |
| Single-family detached units           | 31.7%                          | 68.8%                         | 69.7%                        |
| Units in 2-unit bldgs.                 | 1.8%                           | 1.9%                          | 1.7%                         |
| Units in 3- to 19-unit bldgs.          | 24.2%                          | 18.6%                         | 17.1%                        |
| Units in 20+-unit bldgs.               | 40.0%                          | 5.1%                          | 4.6%                         |
| Mobile home or trailer                 | 0.1%                           | 2.5%                          | 4.1%                         |
| Vacant units                           | 29.6%                          | 14.5%                         | 14.1%                        |
| Renter-occupied units                  | 78.1%                          | 41.1%                         | 38.3%                        |
| Owner-occupied units                   | 21.9%                          | 58.9%                         | 61.7%                        |
| Units new since 2010                   | 21.4%                          | 4.3%                          | 6.3%                         |
| Median housing value                   | \$83,850                       | \$136,000                     | \$145,000                    |
| No vehicle ownership                   | 30.1%                          | 8.5%                          | 8.0%                         |
| Own 1 vehicle                          | 45.4%                          | 37.9%                         | 36.1%                        |
| Own 2 or more vehicles                 | 24.5%                          | 53.6%                         | 55.9%                        |
| Drive alone to work                    | 73.7%                          | 84.5%                         | 85.0%                        |
| Car-pool                               | 14.1%                          | 8.8%                          | 8.6%                         |
| Take public transportation to work     | 2.2%                           | 0.6%                          | 0.6%                         |
| Walk to work                           | 6.7%                           | 1.8%                          | 1.6%                         |
| Other                                  | 3.3%                           | 4.3%                          | 4.2%                         |
| White-collar employment                | 43.9%                          | 59.4%                         | 60.3%                        |
| Blue-collar employment                 | 27.0%                          | 22.6%                         | 22.3%                        |
| Service/ farm employment               | 29.1%                          | 18.0%                         | 17.4%                        |
| Population 25+ with bachelor's degrees | 18.3%                          | 31.3%                         | 31.5%                        |

SOURCES: U.S. Bureau of Census; Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

Employment Information  
Downtown Study Area, City of Montgomery, Montgomery County  
**2021 Estimates**

|  | <u>Downtown<br/>Study Area</u> | <u>City of<br/>Montgomery</u> | <u>Montgomery<br/>County</u> |
|--|--------------------------------|-------------------------------|------------------------------|
| <b>Population 16+</b>                    | <b>2,718</b>                   | <b>159,184</b>                | <b>183,238</b>               |
| <b>By Employment Status</b>              | <b>2,718</b>                   | <b>159,184</b>                | <b>183,238</b>               |
| In Armed Forces                          | 68                             | 1,534                         | 1,626                        |
| Employed Civilians                       | 842                            | 87,307                        | 99,830                       |
| Unemployed Civilians                     | 39                             | 6,023                         | 8,547                        |
| Not in Labor Force                       | 1,769                          | 64,320                        | 73,235                       |
| <br>                                     |                                |                               |                              |
| <b>Employed Civilian By Worker Class</b> | <b>842</b>                     | <b>87,307</b>                 | <b>99,830</b>                |
| For-Profit Private                       | 490                            | 55,313                        | 62,581                       |
| Non-Profit Private                       | 72                             | 6,735                         | 7,570                        |
| Local Government                         | 75                             | 5,436                         | 6,395                        |
| State Government                         | 86                             | 9,189                         | 10,647                       |
| Federal Government                       | 68                             | 4,159                         | 4,666                        |
| Self-Employed                            | 51                             | 6,460                         | 7,956                        |
| Unpaid Family                            | 0                              | 15                            | 15                           |
| <br>                                     |                                |                               |                              |
| <b>Employed Civilian By Occupation</b>   | <b>842</b>                     | <b>87,307</b>                 | <b>99,830</b>                |
| Architect/Engineer                       | 5                              | 1,361                         | 1,563                        |
| Arts/Entertainment/Sports                | 14                             | 1,064                         | 1,367                        |
| Building Grounds Maintenance             | 59                             | 3,842                         | 4,188                        |
| Business/Financial                       | 57                             | 4,015                         | 4,613                        |
| Community/Social Services                | 6                              | 2,311                         | 2,569                        |
| Computer/Mathematical                    | 6                              | 2,329                         | 2,806                        |
| Construction/Extraction                  | 23                             | 2,128                         | 2,420                        |
| Education/Training/Library               | 35                             | 5,955                         | 6,960                        |
| Farming/Fishing/Forestry                 | 0                              | 51                            | 89                           |
| Food Preparation/Serviing                | 79                             | 4,976                         | 5,396                        |
| Health Practitioner/Technician           | 37                             | 4,489                         | 5,242                        |
| Healthcare Support                       | 48                             | 2,227                         | 2,352                        |
| Maintenance Repair                       | 14                             | 2,201                         | 2,667                        |
| Legal                                    | 30                             | 1,214                         | 1,433                        |
| Life/Physical/Social Sciences            | 9                              | 550                           | 581                          |
| Management                               | 78                             | 8,436                         | 10,199                       |
| Office/Administrative Support            | 55                             | 11,766                        | 13,352                       |
| Production                               | 80                             | 8,196                         | 9,086                        |
| Protective Services                      | 40                             | 2,565                         | 2,907                        |
| Sales/Related                            | 38                             | 8,343                         | 9,517                        |
| Personal Care/Services                   | 19                             | 2,092                         | 2,409                        |
| Transportation/Moving                    | 110                            | 7,196                         | 8,114                        |

SOURCES: U.S. Bureau of Census; Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

Table 2

**Average Annual Market Potential For New And Existing Housing Units**  
 Distribution Of Annual Average Number Of Draw Area Households With The Potential  
 To Move Within/To The Downtown Montgomery Study Area Each Year Over The Next Five Years  
 Based On Housing Preferences And Income Levels  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*

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*City of Montgomery; Montgomery County;  
 Regional Draw Area; Balance of U.S.  
 Draw Areas*

Annual Number Of Households  
 With The Potential To Rent/Purchase Within  
 The City of Montgomery 16,220

Annual Number Of Households  
 With The Potential To Rent/Purchase Within The  
 Downtown Montgomery Study Area 4,110

**Annual Market Potential**

|   | <i>Below<br/>30% AMI</i> | <i>30% to<br/>60% AMI</i> | <i>60% to<br/>80% AMI</i> | <i>80% to<br/>100% AMI</i> | <i>Above<br/>100% AMI</i> | <i>Total</i>  |
|---|--------------------------|---------------------------|---------------------------|----------------------------|---------------------------|---------------|
| <i>Multi-Family For-Rent:</i>               | 456                      | 408                       | 242                       | 220                        | 974                       | <b>2,300</b>  |
| <i>Multi-Family For-Sale:</i>               | 48                       | 45                        | 27                        | 25                         | 163                       | <b>308</b>    |
| <i>Single-Family<br/>Attached For-Sale:</i> | 65                       | 57                        | 36                        | 31                         | 198                       | <b>387</b>    |
| <i>Single-Family<br/>Detached For-Sale:</i> | 152                      | 149                       | 104                       | 97                         | 613                       | <b>1,115</b>  |
| <i>Total:</i>                               | <b>721</b>               | <b>659</b>                | <b>409</b>                | <b>373</b>                 | <b>1,948</b>              | <b>4,110</b>  |
| <i>Percent:</i>                             | <b>17.5%</b>             | <b>16.0%</b>              | <b>10.0%</b>              | <b>9.1%</b>                | <b>47.4%</b>              | <b>100.0%</b> |

Note: For fiscal year 2021, the Montgomery, AL MSA Median Family Income for a family of four is \$67,600.

SOURCE: Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

Table 3

### Average Annual Market Potential By Lifestage And Income

Derived From Purchase And Rental Propensities Of Draw Area Households With The Potential To Move Within/To The Downtown Montgomery Study Area Each Year Over The Next Five Years Based On Housing Preferences And Income Levels

### *Downtown Montgomery Study Area*

*City of Montgomery, Montgomery County, Alabama*

|   | Total         | <i>Below<br/>30% AMI</i> | <i>30% to<br/>60% AMI</i> | <i>60% to<br/>80% AMI</i> | <i>80% to<br/>100% AMI</i> | <i>Above<br/>100% AMI</i> |
|---|---------------|--------------------------|---------------------------|---------------------------|----------------------------|---------------------------|
| Number of Households:                             | <b>4,110</b>  | <b>721</b>               | <b>659</b>                | <b>409</b>                | <b>373</b>                 | <b>1,948</b>              |
| <b>Empty Nesters &amp; Retirees</b>               | 29.9%         | 21.6%                    | 24.6%                     | 24.9%                     | 24.9%                      | 36.6%                     |
| <b>Traditional &amp; Non-Traditional Families</b> | 13.9%         | 16.2%                    | 11.1%                     | 15.2%                     | 13.9%                      | 13.7%                     |
| <b>Younger Singles &amp; Couples</b>              | 56.2%         | 62.2%                    | 64.3%                     | 59.9%                     | 61.2%                      | 49.7%                     |
|   | <b>100.0%</b> | <b>100.0%</b>            | <b>100.0%</b>             | <b>100.0%</b>             | <b>100.0%</b>              | <b>100.0%</b>             |

Note: For fiscal year 2021, the Montgomery, AL MSA Median Family Income for a family of four is \$67,700.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Summary Of Selected Rental Properties**  
*Downtown Montgomery Market Area, Montgomery County, Alabama*  
**September, 2021**

| <u>Property (Date Opened)</u><br><u>Address/Walk Score</u>  | <u>Number</u><br><u>of Units</u> | <u>Unit</u><br><u>Type</u>                            | <u>Reported</u><br><u>Base Rent</u>                         | <u>Reported</u><br><u>Unit Size</u>       | <u>Rent per</u><br><u>Sq. Ft.</u>                                 | <u>Additional Information</u>   |
|---|----------------------------------|---|---|---|---|---|
| <i>... Downtown ...</i>   |                                  |   |   |   |   |   |
| <b>Griffin Village Apts</b><br><b>(1986)</b><br>1741-1745 Jackson Ferry Road<br>1 Walk Score                  | <b>36</b>                        | ... Apartments ...<br>1br/1ba<br>2br/1.5ba<br>2br/2ba | \$500 to<br>\$550<br>\$600 to<br>\$650<br>\$625 to<br>\$650 | 700 to<br>768<br>1,100<br>1,100           | \$0.71 to<br>\$0.72<br>\$0.55 to<br>\$0.59<br>\$0.57 to<br>\$0.59 | <b>100% occupancy</b><br>Playground, and<br>laundry facilities.   |
| <b>Courtyard Citiflats</b><br><b>(1964)</b><br>555 South McDonough Street<br>51 Walk Score                    | <b>60</b>                        | ... Apartments ...<br>1br/1ba                         | \$650 to<br>\$750   | 650 to<br>800                             | \$0.94 to<br>\$1.00   | <b>n/a</b><br>Swimming pool,<br>laundry facilities,<br>grill, and courtyard.                            |
| <b>The 40 Four Building</b><br><b>(2015)</b><br>44 First Alabama Plaza<br>Foshee Residential<br>59 Walk Score | <b>144</b>                       | ... Apartments ...<br>1br/1ba                         | \$870 to<br>\$1,335   | 582 to<br>828                             | \$1.49 to<br>\$1.61   | <b>97% occupancy</b><br>Fitness center,<br>table tennis court,<br>and tanning center.                   |
| <b>79C Apartments</b><br><b>(2015)</b><br>79 Commerce Street<br>Partners Realty<br>55 Walk Score              | <b>54</b>                        | ... Apartments ...<br>1br/1ba<br>2br/2ba              | \$1,125 to<br>\$1,275<br>n/a                                | 739 to<br>798<br>1,103                    | \$1.52 to<br>\$1.60<br>n/a  | <b>100% occupancy</b><br>Air conditioning,<br>and video patrol.   |
| <b>The Bell Lofts</b><br><b>(2019)</b><br>207 Montgomery Street<br>Foshee Residential<br>60 Walk Score        | <b>88</b>                        | ... Apartments ...<br>1br/1ba<br>2br/1ba<br>2br/2ba   | \$1,137 to<br>\$1,252<br>\$1,467<br>\$1,190 to<br>\$1,617   | 746 to<br>871<br>1,034<br>963 to<br>1,034 | \$1.44 to<br>\$1.52<br>\$1.42<br>\$1.24 to<br>\$1.56              | <b>99% occupancy</b><br>Fitness center,<br>clubhouse,<br>gameroom, and<br>controlled center.            |
| <b>The Heights</b><br><b>(2015)</b><br>605 Maxwell Boulevard<br>Waypoint Residential<br>42 Walk Score         | <b>164</b>                       | ... Apartments ...<br>1br/1ba<br>2br/2ba              | \$1,240 to<br>\$1,518<br>\$1,554 to<br>\$1,903              | 830<br>1,128                              | \$1.49 to<br>\$1.83<br>\$1.38 to<br>\$1.69                        | <b>99% occupancy</b><br>Pool, sundeck,<br>fitness center,<br>business center, and<br>BBQ & picnic area. |

**Summary Of Selected Rental Properties**  
*Downtown Montgomery Market Area, Montgomery County, Alabama*  
**September, 2021**

| <u>Property (Date Opened)</u><br><u>Address/Walk Score</u>   | <u>Number</u><br><u>of Units</u> | <u>Unit</u><br><u>Type</u>  | <u>Reported</u><br><u>Base Rent</u>  | <u>Reported</u><br><u>Unit Size</u>      | <u>Rent per</u><br><u>Sq. Ft.</u>  | <u>Additional Information</u>   |
|--|----------------------------------|---|--|--|--|---|
| <i>... Forest Park ...</i>   |                                  |   |  |  |  |   |
| <b>Country Club Estates</b><br><b>(2021)</b><br>2075 North Country Club Drive<br>Gulf Coast Housing Partnership<br>39 Walk Score | <b>62</b>                        | <i>... Senior Apartments ...</i><br>1br/1ba<br>2br/2ba                                  | \$518 to<br>\$645<br>\$621 to<br>\$773   | 746<br>944                               | \$0.69 to<br>\$0.86<br>\$0.66 to<br>\$0.82   | <b>n/a</b><br><i>Fitness center,<br/>business center, lounge,<br/>grill, laundry facility,<br/>and controlled access.</i> |
| <b>The Gatsby at Midtown</b><br><b>(1982)</b><br>1 Gatsby Drive<br>S & S Property Management<br>46 Walk Score                    | <b>118</b>                       | <i>... Apartments ...</i><br>2br/2ba<br>3br/2ba<br><i>... Townhouses ...</i><br>3br/2ba | \$1,000<br>\$1,125<br>\$1,285  | 1,260<br>1,560<br>1,760                  | \$0.79<br>\$0.89<br>\$0.73   | <b>97% occupancy</b><br><i>Swimming pool,<br/>fitness center, tennis<br/>court, playground,<br/>and picnic area.</i>      |
| <i>... Old Cloverdale ...</i>  |                                  |   |  |  |  |   |
| <b>Midtown Row</b><br><b>(2020)</b><br>1109 East Fairview Avenue<br>Colonial Commercial Realty<br>63 Walk Score                  | <b>35</b>                        | <i>... Apartments ...</i><br>Studio/1ba<br>1br/1ba<br>2br/2ba<br>3br/2ba                | \$775 to<br>\$825<br>\$1,100 to<br>\$1,195<br>\$1,300 to<br>\$1,425<br>\$1,585 to<br>\$1,645 | 484<br>797<br>1,157 to<br>1,193<br>1,443 | \$1.60 to<br>\$1.70<br>\$1.38 to<br>\$1.50<br>\$1.12 to<br>\$1.19<br>\$1.10 to<br>\$1.14 | <b>n/a</b><br><i>Controlled access.</i>   |
| <b>The Castle in Cloverdale</b><br><b>(1930s)</b><br>902 Felder Avenue<br>70 Walk Score  | <b>7</b>                         | <i>... Apartments ...</i><br>1br/1ba<br>2br/2ba   | \$900<br>\$1,330   | 950<br>1,125                             | \$0.95<br>\$1.18   | <b>71% occupancy</b><br><i>Storage units.</i>   |
| <b>48 Midtown</b><br><b>(2015)</b><br>2727 Boultier Street<br>Colonial Commercial Realty<br>67 Walk Score                        | <b>48</b>                        | <i>... Apartments ...</i><br>1br/1ba<br>2br/2ba<br>3br/2ba                              | \$1,050 to<br>\$1,150<br>\$1,300 to<br>\$1,395<br>\$1,495 to<br>\$1,625                      | 813<br>1,086 to<br>1,111<br>1,412        | \$1.29 to<br>\$1.41<br>\$1.20 to<br>\$1.26<br>\$1.06 to<br>\$1.15                        | <b>100% occupancy</b><br><i>Picnic area,<br/>and grill.</i>   |

Table 5

**Summary of Selected For-Sale Multi-Family  
and Single-Family Attached Resale Listings**  
*Montgomery Market Area, Montgomery County, Alabama*  
**September, 2021**

| <u>Property (Year Built)</u><br><u>Address/Walk Score</u>                   | <u>Building</u><br><u>Type</u> | <u>Unit</u><br><u>Type</u> | <u>Asking Price</u> | <u>Unit Size</u> | <u>Asking Price</u><br><u>Per Sq. Ft.</u> |
|---|--------------------------------|----------------------------|---------------------|------------------|---|
| <i>... Downtown ...</i>   |                                |                            |                     |                  |   |
| <b>Montgomery Fair Building (1900)</b><br>28 Monroe Street<br>60 Walk Score | CO<br>Unit 401                 | 1br / 1ba                  | \$169,900           | 1,001            | \$170                                     |
| <i>... Old Cloverdale ...</i>   |                                |                            |                     |                  |   |
| <b>A&amp;P Lofts (2007)</b><br>1615 Graham Street<br>61 Walk Score          | CO<br>Unit 203                 | 1br / 1.5ba                | \$170,000           | 960              | \$177                                     |
| <i>... McGehee/Allendale ...</i>  |                                |                            |                     |                  |   |
| <b>Westminster/McGehee<br/>Estates Townhomes (1975)</b><br>61 Walk Score    | TH                             |                            |                     |                  |   |
| <i>Canterbury Court</i>   |                                | 3br / 2.5ba                | \$129,000           | 1,800            | \$72                                      |
| <i>2926 Old Farm Road</i>   |                                | 3br / 2.5ba                | \$139,900           | 1,799            | \$78                                      |
| <i>2988 Old Farm Road</i>   |                                | 3br / 2.5ba                | \$175,000           | 2,314            | \$76                                      |
| <i>... Montgomery Country Club Area ...</i>                                 |                                |                            |                     |                  |   |
| <b>Rosemont Place</b><br>17 Walk Score                                      | TH                             |                            |                     |                  |   |
| <i>2201 Rosemont Terrace</i>  |                                | 4br / 4.5ba                | \$334,900           | 3,520            | \$95                                      |

**Target Groups For Multi-Family For Rent**  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*

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. . . . . *Number of Households* . . . . .

| <b>Empty Nesters<br/>&amp; Retirees**</b> | <i>60% to<br/>80% AMI†</i> | <i>80% to<br/>100% AMI†</i> | <i>Above<br/>100% AMI†</i> | <i>Total</i> | <i>Percent<br/>Of Total</i> |
|---|----------------------------|-----------------------------|----------------------------|--------------|-----------------------------|
| The One Percenters                        | 0                          | 0                           | 3                          | 3            | 0.2%                        |
| Old Money                                 | 0                          | 0                           | 2                          | 2            | 0.1%                        |
| Affluent Empty Nesters                    | 0                          | 0                           | 2                          | 2            | 0.1%                        |
| Small-Town Patriarchs                     | 0                          | 0                           | 9                          | 9            | 0.6%                        |
| The Social Register                       | 0                          | 0                           | 1                          | 1            | 0.1%                        |
| Suburban Establishment                    | 0                          | 0                           | 7                          | 7            | 0.5%                        |
| New Empty Nesters                         | 1                          | 1                           | 5                          | 7            | 0.5%                        |
| Urban Establishment                       | 1                          | 1                           | 19                         | 21           | 1.5%                        |
| Pillars of the Community                  | 0                          | 0                           | 4                          | 4            | 0.3%                        |
| Second City Establishment                 | 1                          | 1                           | 4                          | 6            | 0.4%                        |
| Mainstream Empty Nesters                  | 3                          | 3                           | 21                         | 27           | 1.9%                        |
| Middle-American Retirees                  | 5                          | 5                           | 30                         | 40           | 2.8%                        |
| Multi-Ethnic Empty Nesters                | 1                          | 1                           | 3                          | 5            | 0.3%                        |
| Cosmopolitan Couples                      | 3                          | 2                           | 18                         | 23           | 1.6%                        |
| Blue-Collar Retirees                      | 4                          | 4                           | 19                         | 27           | 1.9%                        |
| Middle-Class Move-Downs                   | 1                          | 1                           | 4                          | 6            | 0.4%                        |
| Hometown Seniors                          | 5                          | 5                           | 14                         | 24           | 1.7%                        |
| Second City Seniors                       | 16                         | 13                          | 43                         | 72           | 5.0%                        |
| Subtotal:                                 | 41                         | 37                          | 208                        | 286          | 19.9%                       |

† For fiscal year 2021, the Montgomery, AL MSA Median Family Income for is \$67,700.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.



**Target Groups For Multi-Family For Rent**  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*

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| <b>Traditional &amp;<br/>Non-Traditional Families††</b> | <i>..... Number of Households .....</i> |                             |                            | <i>Total</i> | <i>Percent<br/>Of Total</i> |
|---|---|-----------------------------|----------------------------|--------------|-----------------------------|
|   | <i>60% to<br/>80% AMI†</i>              | <i>80% to<br/>100% AMI†</i> | <i>Above<br/>100% AMI†</i> |              |                             |
| Corporate Establishment                                 | 0                                       | 0                           | 1                          | 1            | 0.1%                        |
| Nouveau Money   | 0                                       | 0                           | 1                          | 1            | 0.1%                        |
| e-Type Families   | 0                                       | 0                           | 2                          | 2            | 0.1%                        |
| Button-Down Families                                    | 0                                       | 0                           | 3                          | 3            | 0.2%                        |
| Unibox Transferees                                      | 0                                       | 1                           | 4                          | 5            | 0.3%                        |
| Fiber-Optic Families                                    | 0                                       | 0                           | 1                          | 1            | 0.1%                        |
| Late-Nest Suburbanites                                  | 1                                       | 1                           | 10                         | 12           | 0.8%                        |
| Full-Nest Suburbanites                                  | 1                                       | 1                           | 4                          | 6            | 0.4%                        |
| Kids 'r' Us   | 1                                       | 1                           | 6                          | 8            | 0.6%                        |
| Multi-Ethnic Families                                   | 2                                       | 2                           | 9                          | 13           | 0.9%                        |
| Uptown Families   | 4                                       | 4                           | 18                         | 26           | 1.8%                        |
| Multi-Cultural Families                                 | 0                                       | 0                           | 2                          | 2            | 0.1%                        |
| In-Town Families  | 6                                       | 4                           | 13                         | 23           | 1.6%                        |
| Inner-City Families                                     | 1                                       | 1                           | 1                          | 3            | 0.2%                        |
| Single-Parent Families                                  | 1                                       | 1                           | 3                          | 5            | 0.3%                        |
| New American Strivers                                   | 13                                      | 8                           | 24                         | 45           | 3.1%                        |
| Subtotal:   | 30                                      | 24                          | 102                        | 156          | 10.9%                       |

† For fiscal year 2021, the Montgomery, AL MSA Median Family Income for is \$67,700.

† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Target Groups For Multi-Family For Rent**  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*

| <b>Younger<br/>Singles &amp; Couples**</b> | <i>..... Number of Households .....</i> |                             |                            | <i>Total</i>  | <i>Percent<br/>Of Total</i> |
|--|---|-----------------------------|----------------------------|---------------|-----------------------------|
|  | <i>60% to<br/>80% AMI†</i>              | <i>80% to<br/>100% AMI†</i> | <i>Above<br/>100% AMI†</i> |               |                             |
| New Power Couples                          | 0                                       | 0                           | 5                          | 5             | 0.3%                        |
| New Bohemians                              | 5                                       | 5                           | 51                         | 61            | 4.2%                        |
| Cosmopolitan Elite                         | 0                                       | 0                           | 5                          | 5             | 0.3%                        |
| The VIPs                                   | 7                                       | 8                           | 66                         | 81            | 5.6%                        |
| Fast-Track Professionals                   | 10                                      | 11                          | 92                         | 113           | 7.9%                        |
| Suburban Achievers                         | 4                                       | 4                           | 17                         | 25            | 1.7%                        |
| Suburban Strivers                          | 19                                      | 18                          | 75                         | 112           | 7.8%                        |
| Small-City Singles                         | 16                                      | 15                          | 53                         | 84            | 5.8%                        |
| Second-City Strivers                       | 29                                      | 27                          | 87                         | 143           | 10.0%                       |
| Twentysomethings                           | 30                                      | 28                          | 96                         | 154           | 10.7%                       |
| Downtown Couples                           | 3                                       | 3                           | 10                         | 16            | 1.1%                        |
| Downtown Proud                             | 8                                       | 8                           | 29                         | 45            | 3.1%                        |
| Multi-Ethnic Singles                       | 40                                      | 32                          | 78                         | 150           | 10.4%                       |
| Subtotal:                                  | 171                                     | 159                         | 664                        | 994           | 69.2%                       |
| <b>Total Households:</b>                   | <b>242</b>                              | <b>220</b>                  | <b>974</b>                 | <b>1,436</b>  | <b>100.0%</b>               |
| <b>Percent of Total:</b>                   | <b>16.9%</b>                            | <b>15.3%</b>                | <b>67.8%</b>               | <b>100.0%</b> |                             |

† For fiscal year 2021, the Montgomery, AL MSA Median Family Income for is \$67,700.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

**Target Groups For Multi-Family For Sale**  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*

. . . . . *Number of Households* . . . . .

| <b>Empty Nesters<br/>&amp; Retirees**</b> | <i>60% to<br/>80% AMI†</i> | <i>80% to<br/>100% AMI†</i> | <i>Above<br/>100% AMI†</i> | <i>Total</i> | <i>Percent<br/>of Total</i> |
|---|----------------------------|-----------------------------|----------------------------|--------------|-----------------------------|
| The One Percenters                        | 0                          | 0                           | 1                          | 1            | 0.5%                        |
| Old Money                                 | 0                          | 0                           | 2                          | 2            | 0.9%                        |
| Affluent Empty Nesters                    | 0                          | 0                           | 5                          | 5            | 2.3%                        |
| Small-Town Patriarchs                     | 0                          | 0                           | 8                          | 8            | 3.7%                        |
| The Social Register                       | 0                          | 0                           | 1                          | 1            | 0.5%                        |
| Suburban Establishment                    | 0                          | 0                           | 2                          | 2            | 0.9%                        |
| New Empty Nesters                         | 0                          | 0                           | 6                          | 6            | 2.8%                        |
| Urban Establishment                       | 0                          | 0                           | 5                          | 5            | 2.3%                        |
| Pillars of the Community                  | 1                          | 1                           | 6                          | 8            | 3.7%                        |
| Second City Establishment                 | 0                          | 0                           | 2                          | 2            | 0.9%                        |
| Mainstream Empty Nesters                  | 1                          | 1                           | 3                          | 5            | 2.3%                        |
| Middle-American Retirees                  | 1                          | 1                           | 7                          | 9            | 4.2%                        |
| Multi-Ethnic Empty Nesters                | 0                          | 0                           | 2                          | 2            | 0.9%                        |
| Cosmopolitan Couples                      | 0                          | 0                           | 2                          | 2            | 0.9%                        |
| Blue-Collar Retirees                      | 1                          | 1                           | 2                          | 4            | 1.9%                        |
| Middle-Class Move-Downs                   | 0                          | 0                           | 2                          | 2            | 0.9%                        |
| Hometown Seniors                          | 1                          | 1                           | 1                          | 3            | 1.4%                        |
| Second City Seniors                       | 2                          | 1                           | 5                          | 8            | 3.7%                        |
| Subtotal:                                 | 7                          | 6                           | 62                         | 75           | 34.9%                       |

† For fiscal year 2021, the Montgomery, AL MSA Median Family Income for is \$67,700.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

**Target Groups For Multi-Family For Sale**  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*

. . . . . *Number of Households* . . . . .

| <b>Traditional &amp;<br/>Non-Traditional Families††</b> | <i>60% to<br/>80% AMI†</i> | <i>80% to<br/>100% AMI†</i> | <i>Above<br/>100% AMI†</i> | <i>Total</i>  | <i>Percent<br/>of Total</i> |
|---|----------------------------|-----------------------------|----------------------------|---------------|-----------------------------|
| Unibox Transferees                                      | 0                          | 0                           | 1                          | 1             | 0.5%                        |
| Late-Nest Suburbanites                                  | 0                          | 0                           | 3                          | 3             | 1.4%                        |
| Full-Nest Suburbanites                                  | 0                          | 0                           | 2                          | 2             | 0.9%                        |
| Kids 'r' Us   | 0                          | 0                           | 1                          | 1             | 0.5%                        |
| Multi-Ethnic Families                                   | 0                          | 0                           | 2                          | 2             | 0.9%                        |
| Uptown Families   | 1                          | 1                           | 1                          | 3             | 1.4%                        |
| In-Town Families  | 0                          | 0                           | 1                          | 1             | 0.5%                        |
| Inner-City Families                                     | 0                          | 0                           | 1                          | 1             | 0.5%                        |
| Single-Parent Families                                  | 0                          | 0                           | 1                          | 1             | 0.5%                        |
| New American Strivers                                   | 1                          | 1                           | 2                          | 4             | 1.9%                        |
| Subtotal:   | 2                          | 2                           | 15                         | 19            | 8.8%                        |
| <br>  |                            |                             |                            |               |                             |
| <b>Younger<br/>Singles &amp; Couples**</b>              |                            |                             |                            |               |                             |
| New Power Couples                                       | 0                          | 0                           | 3                          | 3             | 1.4%                        |
| New Bohemians   | 1                          | 1                           | 9                          | 11            | 5.1%                        |
| Cosmopolitan Elite                                      | 0                          | 0                           | 2                          | 2             | 0.9%                        |
| The VIPs  | 1                          | 1                           | 13                         | 15            | 7.0%                        |
| Fast-Track Professionals                                | 1                          | 1                           | 8                          | 10            | 4.7%                        |
| Suburban Achievers                                      | 0                          | 0                           | 2                          | 2             | 0.9%                        |
| Suburban Strivers                                       | 2                          | 2                           | 10                         | 14            | 6.5%                        |
| Small-City Singles                                      | 6                          | 5                           | 17                         | 28            | 13.0%                       |
| Second-City Strivers                                    | 2                          | 2                           | 7                          | 11            | 5.1%                        |
| Twentysomethings  | 2                          | 2                           | 6                          | 10            | 4.7%                        |
| Downtown Couples  | 0                          | 0                           | 2                          | 2             | 0.9%                        |
| Downtown Proud  | 1                          | 1                           | 2                          | 4             | 1.9%                        |
| Multi-Ethnic Singles                                    | 2                          | 2                           | 5                          | 9             | 4.2%                        |
| Subtotal:   | 18                         | 17                          | 86                         | 121           | 56.3%                       |
| <b>Total Households:</b>                                | <b>27</b>                  | <b>25</b>                   | <b>163</b>                 | <b>215</b>    | <b>100.0%</b>               |
| <b>Percent of Total:</b>                                | <b>12.6%</b>               | <b>11.6%</b>                | <b>75.8%</b>               | <b>100.0%</b> |                             |

† For fiscal year 2021, the Montgomery, AL MSA Median Family Income for is \$67,700.

†† Predominantly three -to five-person households.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Target Groups For Single-Family Attached For Sale  
Downtown Montgomery Study Area**

*City of Montgomery, Montgomery County, Alabama*

. . . . . *Number of Households* . . . . .

| <b>Empty Nesters<br/>&amp; Retirees**</b> | <i>60% to<br/>80% AMI†</i> | <i>80% to<br/>100% AMI†</i> | <i>Above<br/>100% AMI†</i> | <i>Total</i> | <i>Percent<br/>of Total</i> |
|---|----------------------------|-----------------------------|----------------------------|--------------|-----------------------------|
| The One Percenters                        | 0                          | 0                           | 2                          | 2            | 0.8%                        |
| Old Money                                 | 0                          | 0                           | 2                          | 2            | 0.8%                        |
| Affluent Empty Nesters                    | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| Small-Town Patriarchs                     | 0                          | 0                           | 8                          | 8            | 3.0%                        |
| The Social Register                       | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| Suburban Establishment                    | 0                          | 0                           | 6                          | 6            | 2.3%                        |
| New Empty Nesters                         | 0                          | 0                           | 3                          | 3            | 1.1%                        |
| Urban Establishment                       | 0                          | 0                           | 4                          | 4            | 1.5%                        |
| Pillars of the Community                  | 0                          | 0                           | 2                          | 2            | 0.8%                        |
| Second City Establishment                 | 0                          | 0                           | 5                          | 5            | 1.9%                        |
| Mainstream Empty Nesters                  | 1                          | 1                           | 11                         | 13           | 4.9%                        |
| Middle-American Retirees                  | 2                          | 2                           | 11                         | 15           | 5.7%                        |
| Multi-Ethnic Empty Nesters                | 0                          | 0                           | 4                          | 4            | 1.5%                        |
| Cosmopolitan Couples                      | 0                          | 0                           | 2                          | 2            | 0.8%                        |
| Blue-Collar Retirees                      | 1                          | 1                           | 6                          | 8            | 3.0%                        |
| Middle-Class Move-Downs                   | 0                          | 0                           | 2                          | 2            | 0.8%                        |
| Hometown Seniors                          | 1                          | 1                           | 4                          | 6            | 2.3%                        |
| Second City Seniors                       | 2                          | 1                           | 4                          | 7            | 2.6%                        |
| <b>Subtotal:</b>                          | <b>7</b>                   | <b>6</b>                    | <b>78</b>                  | <b>91</b>    | <b>34.3%</b>                |

† For fiscal year 2021, the Montgomery, AL MSA Median Family Income for is \$67,700.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Target Groups For Single-Family Attached For Sale  
Downtown Montgomery Study Area**

*City of Montgomery, Montgomery County, Alabama*

. . . . . *Number of Households* . . . . .

| <b>Traditional &amp;<br/>Non-Traditional Families††</b> | <i>60% to<br/>80% AMI†</i> | <i>80% to<br/>100% AMI†</i> | <i>Above<br/>100% AMI†</i> | <i>Total</i> | <i>Percent<br/>of Total</i> |
|---|----------------------------|-----------------------------|----------------------------|--------------|-----------------------------|
| Corporate Establishment                                 | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| Nouveau Money   | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| e-Type Families   | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| Button-Down Families                                    | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| Unibox Transferees                                      | 0                          | 0                           | 3                          | 3            | 1.1%                        |
| Fiber-Optic Families                                    | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| Late-Nest Suburbanites                                  | 1                          | 1                           | 2                          | 4            | 1.5%                        |
| Full-Nest Suburbanites                                  | 0                          | 0                           | 3                          | 3            | 1.1%                        |
| Kids 'r' Us   | 0                          | 0                           | 3                          | 3            | 1.1%                        |
| Multi-Ethnic Families                                   | 1                          | 1                           | 1                          | 3            | 1.1%                        |
| Uptown Families   | 1                          | 1                           | 7                          | 9            | 3.4%                        |
| Multi-Cultural Families                                 | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| In-Town Families  | 1                          | 1                           | 2                          | 4            | 1.5%                        |
| Inner-City Families                                     | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| Single-Parent Families                                  | 0                          | 0                           | 1                          | 1            | 0.4%                        |
| New American Strivers                                   | 2                          | 1                           | 4                          | 7            | 2.6%                        |
| Subtotal:   | 6                          | 5                           | 33                         | 44           | 16.6%                       |

† For fiscal year 2021, the Montgomery, AL MSA Median Family Income for is \$67,700.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Target Groups For Single-Family Attached For Sale**  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*

. . . . . *Number of Households* . . . . .

| <b>Younger<br/>Singles &amp; Couples**</b> | <i>60% to<br/>80% AMI†</i> | <i>80% to<br/>100% AMI†</i> | <i>Above<br/>100% AMI†</i> | <i>Total</i>  | <i>Percent<br/>of Total</i> |
|--|----------------------------|-----------------------------|----------------------------|---------------|-----------------------------|
| New Power Couples                          | 0                          | 0                           | 2                          | 2             | 0.8%                        |
| New Bohemians                              | 0                          | 0                           | 4                          | 4             | 1.5%                        |
| Cosmopolitan Elite                         | 0                          | 0                           | 3                          | 3             | 1.1%                        |
| The VIPs                                   | 2                          | 2                           | 13                         | 17            | 6.4%                        |
| Fast-Track Professionals                   | 1                          | 1                           | 4                          | 6             | 2.3%                        |
| Suburban Achievers                         | 1                          | 1                           | 6                          | 8             | 3.0%                        |
| Suburban Strivers                          | 4                          | 4                           | 17                         | 25            | 9.4%                        |
| Small-City Singles                         | 4                          | 3                           | 12                         | 19            | 7.2%                        |
| Second-City Strivers                       | 3                          | 2                           | 8                          | 13            | 4.9%                        |
| Twentysomethings                           | 2                          | 2                           | 5                          | 9             | 3.4%                        |
| Downtown Couples                           | 0                          | 0                           | 2                          | 2             | 0.8%                        |
| Downtown Proud                             | 1                          | 1                           | 3                          | 5             | 1.9%                        |
| Multi-Ethnic Singles                       | 5                          | 4                           | 8                          | 17            | 6.4%                        |
| Subtotal:                                  | 23                         | 20                          | 87                         | 130           | 49.1%                       |
| <b>Total Households:</b>                   | <b>36</b>                  | <b>31</b>                   | <b>198</b>                 | <b>265</b>    | <b>100.0%</b>               |
| <b>Percent of Total:</b>                   | <b>13.6%</b>               | <b>11.7%</b>                | <b>74.7%</b>               | <b>100.0%</b> |                             |

† For fiscal year 2021, the Montgomery, AL MSA Median Family Income for is \$67,700.

\*\* Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;  
Zimmerman/Volk Associates, Inc.

**Optimum Market Position: New Workforce/Affordable and Market-Rate Units**  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*  
**October, 2021**

| <u>Number of Households</u> | <u>Housing Type</u><br><i>Households by Income</i>      | <u>Percent Mix</u> | <u>Base Rent/Price Range*</u> | <u>Base Unit Size Range</u> | <u>Base Rent/Price Per Sq. Ft.*</u> | <u>Annual Market Capture</u> |
|-----------------------------|---|--------------------|-------------------------------|-----------------------------|-------------------------------------|------------------------------|
| <b>1,436</b>                | <b>Multi-Family For Rent</b>                            |                    |                               |                             |                                     | <b>143 to 215</b>            |
| <b>242</b>                  | Households With Incomes Between 60% and 80% AMI         |                    |                               |                             |                                     | 24 36                        |
| <b>1,194</b>                | Households With Incomes at 80% and up                   |                    |                               |                             |                                     | 119 179                      |
|                             | <i>..... Workforce/Affordable (60% to 80% AMI).....</i> |                    |                               |                             |                                     |                              |
|                             | Studio/1ba  | 50%                | \$600 to \$650                | 550 to 600                  | \$1.08 to \$1.09                    |                              |
|                             | 1br/1ba   | 35%                | \$700 to \$850                | 700 to 875                  | \$0.97 to \$1.00                    |                              |
|                             | 2br/1ba   | 15%                | \$900 to \$1,050              | 925 to 1,100                | \$0.95 to \$0.97                    |                              |
|                             | Weighted Averages:                                      |                    | \$730                         | 715                         | \$1.02                              |                              |
|                             | <i>..... Market-Rate (80% and up).....</i>              |                    |                               |                             |                                     |                              |
|                             | Studio/1ba  | 35%                | \$950 to \$1,100              | 550 to 650                  | \$1.69 to \$1.73                    |                              |
|                             | 1br/1ba   | 25%                | \$1,150 to \$1,250            | 700 to 850                  | \$1.47 to \$1.64                    |                              |
|                             | 2br/1ba   | 10%                | \$1,300 to \$1,650            | 900 to 1,050                | \$1.44 to \$1.57                    |                              |
|                             | 2br/2ba   | 20%                | \$1,750 to \$1,850            | 1,150 to 1,300              | \$1.42 to \$1.52                    |                              |
|                             | 3br/2ba   | 10%                | \$1,950 to \$2,100            | 1,350 to 1,550              | \$1.35 to \$1.44                    |                              |
|                             | Weighted Averages:                                      |                    | \$1,369                       | 891                         | \$1.54                              |                              |

NOTE: For fiscal year 2021, the Montgomery, AL MSA Median Family Income for a family of four is \$67,700.

NOTE: Base rents/prices in year 2021 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.



**Optimum Market Position: New Workforce and Market-Rate Units**  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*  
**October, 2021**

| <u>Number of Households</u> | <u>Housing Type</u><br><i>Households by Income</i>      | <u>Percent Mix</u> | <u>Base Rent/Price Range*</u> | <u>Base Unit Size Range</u> | <u>Base Rent/Price Per Sq. Ft.*</u> | <u>Annual Market Capture</u> |
|-----------------------------|---|--------------------|-------------------------------|-----------------------------|-------------------------------------|------------------------------|
| <b>215</b>                  | <b>Multi-Family For-Sale</b>                            |                    |                               |                             |                                     | <b>10 to 22</b>              |
| <b>27</b>                   | Households With Incomes Between 60% and 80% AMI         |                    |                               |                             |                                     | <b>1</b> <b>3</b>            |
| <b>188</b>                  | Households With Incomes Above 80% AMI                   |                    |                               |                             |                                     | <b>9</b> <b>19</b>           |
|                             | <i>..... Workforce/Affordable (60% to 80% AMI).....</i> |                    |                               |                             |                                     |                              |
|                             | 1br / 1ba   | 60%                | \$135,000 to \$145,000        | 750 to 800                  | \$180 to \$181                      |                              |
|                             | 2br / 1ba   | 40%                | \$150,000 to \$165,000        | 875 to 975                  | \$169 to \$171                      |                              |
|                             | Weighted Averages:                                      |                    | \$147,000                     | 835                         | \$176                               |                              |
|                             | <i>..... Market-Rate (80% and up).....</i>              |                    |                               |                             |                                     |                              |
|                             | 1br / 1ba   | 35%                | \$200,000 to \$215,000        | 850 to 950                  | \$226 to \$235                      |                              |
|                             | 1br / 1.5ba / den                                       | 30%                | \$225,000 to \$240,000        | 1,000 to 1,100              | \$218 to \$225                      |                              |
|                             | 2br / 2ba   | 35%                | \$255,000 to \$280,000        | 1,200 to 1,400              | \$200 to \$213                      |                              |
|                             | Weighted Averages:                                      |                    | \$236,000                     | 1,085                       | \$218                               |                              |

NOTE: For fiscal year 2021, the Montgomery, AL MSA Median Family Income for a family of four is \$67,700.

NOTE: Base rents / prices in year 2021 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

**Optimum Market Position: New Workforce and Market-Rate Units**  
**Downtown Montgomery Study Area**  
*City of Montgomery, Montgomery County, Alabama*  
**October, 2021**

| <u>Number of Households</u> | <u>Housing Type</u><br><i>Households by Income</i>      | <u>Percent Mix</u> | <u>Base Rent/Price Range*</u> | <u>Base Unit Size Range</u> | <u>Base Rent/Price Per Sq. Ft.*</u> | <u>Annual Market Capture</u> |
|-----------------------------|---|--------------------|-------------------------------|-----------------------------|-------------------------------------|------------------------------|
| <b>265</b>                  | <b>Single-Family Attached For-Sale</b>                  |                    |                               |                             |                                     | <b>13 to 27</b>              |
| <b>36</b>                   | Households With Incomes Between 60% and 80% AMI         |                    |                               |                             |                                     | 2 4                          |
| <b>229</b>                  | Households With Incomes Above 80% AMI                   |                    |                               |                             |                                     | 11 23                        |
|                             | <i>..... Workforce/Affordable (60% to 80% AMI).....</i> |                    |                               |                             |                                     |                              |
|                             | 2br / 1.5ba   | 55%                | \$175,000 to \$185,000        | 1,000 to 1,100              | \$168 to \$175                      |                              |
|                             | 3br / 1.5ba   | 45%                | \$195,000 to \$200,000        | 1,250 to 1,350              | \$148 to \$156                      |                              |
|                             | Weighted Averages:                                      |                    | \$187,875                     | 1,163                       | \$162                               |                              |
|                             | <i>..... Market-Rate (80% and up).....</i>              |                    |                               |                             |                                     |                              |
|                             | 2br / 2.5ba   | 50%                | \$290,000 to \$315,000        | 1,350 to 1,500              | \$210 to \$215                      |                              |
|                             | 3br / 2.5ba   | 50%                | \$325,000 to \$365,000        | 1,600 to 1,850              | \$197 to \$203                      |                              |
|                             | Weighted Averages:                                      |                    | \$314,643                     | 1,511                       | \$208                               |                              |

NOTE: For fiscal year 2021, the Montgomery, AL MSA Median Family Income for a family of four is \$67,700.

NOTE: Base rents/prices in year 2021 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.



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Residential Market Analysis Across the Urban-to-Rural Transect

### ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the proprietary residential target market methodology™ employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.





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