



# Tennessee Statewide Tax Credit Rental Housing Survey 2013

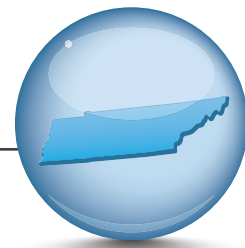
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Individual County Profiles Open as Separate Documents

# Introduction



## About Bowen National Research

Bowen National Research, a member of the National Council of Housing Market Analysts (NCHMA), is a national real estate research and consulting firm specializing in market feasibility evaluations for a variety of development alternatives. With experience in markets throughout the United States, the U.S. Virgin Islands, Canada and Puerto Rico, Bowen National Research is prepared to meet the needs of state agencies, developers, investors and syndicators. The staff at Bowen National Research has evaluated market conditions for nearly every type of real estate alternative. Each staff member has hands-on experience evaluating housing stock, analyzing market characteristics and trends, and providing realistic recommendations and conclusions.

## Statewide Research

Between April and May of 2013, Bowen National Research conducted a statewide survey of more than 340 Tax Credit rental housing properties throughout the state of Tennessee. We identified and attempted to survey rental product in each county within the state that has Tax Credit product. In the majority of the counties, we were able to survey 60% or more of the identified Tax Credit rental projects.

This survey, conducted by telephone, includes only properties that operate with Low-Income Housing Tax Credits (both 4% and 9%). Some of these projects also operate with a project-based subsidy, such as Section 8 or Rural Development 515, and/or have market-rate units. While this survey does not include all Tax Credit rental housing projects, it encompasses approximately 75% of the published Tax Credit rental housing alternatives in the state and provides a good representation of affordable Tax Credit rental housing market conditions.

The report includes aggregate occupancy and rental data, overall demographic growth trends, low-income household growth trends and general economic data. As part of our rental housing survey, we also collected details on unit mixes, rents, rent concessions, vacancies, unit sizes (square feet), amenities, program types, utilities, year built and other individual property information. Detailed project information is not provided in this report but can be obtained by contacting us directly.

The intent of this survey and the corresponding demographic and economic data is not to provide conclusions as to the strength or weakness of a particular market, but instead to provide research information to real estate professionals, government entities and others that can serve as an overview of market conditions.

# Statewide Findings

## Overall Current Occupancy

Our firm surveyed 343 rental projects comprising 32,321 Tax Credit units in the state. There were 936 vacant Tax Credit units, yielding an overall occupancy rate of 97.1%. Note that our housing data is segmented between non-subsidized Tax credit units and Tax Credit units that operate without a concurrent subsidy. The occupancy rate among the non-subsidized Tax Credit units was 96.3%, while the occupancy rate among the Tax Credit/Government-Subsidized units was 99.5%. Our occupancy data represents physical vacancies (vacant units that are currently available for rent), as opposed to economic vacancies (empty units that are not ready to rent due to maintenance or repair needs, for example).

RESEARCH HIGHLIGHTS	
Projects Surveyed	343
Affordable Units Surveyed	32,321
Statewide Occupancy	
Overall Statewide Occupancy Rate	97.1%
Tax Credit/Non-Subsidized	96.3%
Total Units	24,109
Vacant Units	896
Tax Credit/Government Subsidized	99.5%
Total Units	8,212
Vacant Units	40

Counties With Occupancy Below 90.0%	
Lauderdale	Marion
Counties with Occupancy at 100.0% (with 100+ Units)	
Blount	Haywood
Carter	Marshall
Coffee	Robertson
Dickson	Sevier
Hamblen	Williamson

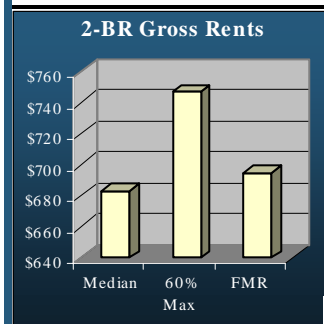
Among the 74 counties with surveyed Tax Credit product, 32 counties had overall occupancy rates of 100.0%. Only two of the counties had an occupancy rate below 90.0% (some counties' non-subsidized Tax Credit supply is below 90.0% occupied), with the lowest occupancy rate being 75.0% (Marion County). Note: A list with all counties and their respective occupancy rates is included later in this section.

## Median Tax Credit Gross Rental Rates

The overall Tax Credit median gross rents (collected rent plus estimated cost for tenant-paid utilities) for the state are \$567 for studio units, \$599 for one-bedroom units, \$683 for two-bedroom units, \$792 for three-bedroom units, and \$825 for four-bedroom units.

Median Tax Credit Gross Rental Rates	
Studio	\$567
One-Bedroom	\$599
Two-Bedroom	\$683
Three-Bedroom	\$792
Four-Bedroom	\$825

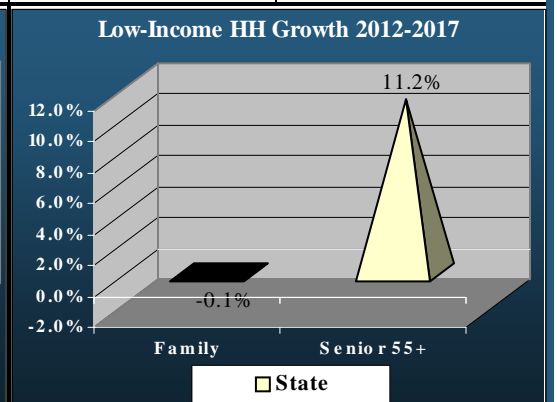
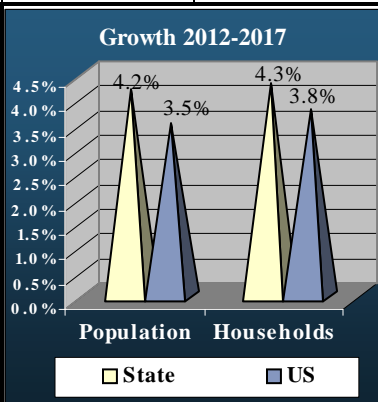
<b>Total Tax Credit Properties</b>	<b>Occupancy Rates</b>	<b>Occupancy Rate</b> 	
<b>343</b>	<b>Overall</b>		
<b>Total Tax Credit Units Surveyed</b>	<b>97.1%</b>		
	<b>Market-Rate</b>		
	<b>N/A</b>		
<b>32,321</b>	<b>Tax Credit</b>		
	<b>96.3%</b>		
	<b>Tax/Subsidized</b>		
	<b>99.5%</b>		



Unit Type	Total Tax Credit Units	Total Vacant	Gross Rent Comparisons		
			Median Tax Credit	60% Max. Allowable	Fair Market Rent
Studio	285	9	\$567	\$490-\$670	\$339-\$593
One-Bedroom	8,126	177	\$599	\$525-\$718	\$421-\$684
Two-Bedroom	14,394	436	\$683	\$631-\$862	\$570-\$819
Three-Bedroom	8,643	282	\$792	\$729-\$996	\$710-\$1,089
Four+-Bedroom	873	32	\$825	\$813-\$1,111	\$762-\$1,211

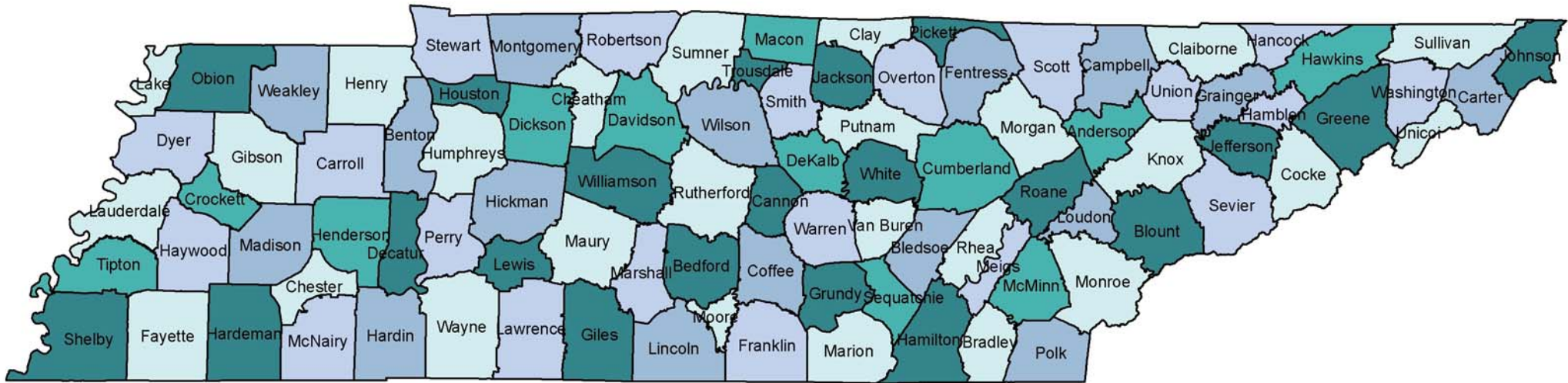
Statewide Demographics				
US Census, ESRI & Claritas Estimates	Population	Households (HH)	Family Renters \$10k-\$40k (HH)	Senior 55+ Renters \$10k-\$30k (HH)
2000 Census	5,689,260	2,232,579	-	-
2010 Census	6,346,086	2,493,539	277,664	78,090
Change 2000-2010	656,826	260,960	-	-
Percent Change 2000-2010	11.5%	11.7%	-	-
2012 Estimated	6,451,672	2,534,714	299,075	90,420
Change 2010-2012	105,586	41,175	21,411	12,330
Percent Change 2010-2012	1.7%	1.7%	7.7%	15.8%
2017 Projected	6,721,867	2,643,152	298,876	100,545
Change 2012-2017	270,195	108,438	-199	10,125
Percent Change 2012-2017	4.2%	4.3%	-0.1%	11.2%

<b>2012 State Unemployment</b>
<b>8.0%</b>
<b>Employment Change (2011-2012)</b>
<b>35,545 (1.3%)</b>
<b>Top Three Industry Sectors</b>
1. Healthcare (14.4%)
2. Retail Trade (13.5%)
3. Manufacturing (11.0%)



# Link to County Profile Pages

Electronic Users: Click on the desired county to get detailed county-specific rental housing data.



# County-by-County Comparison

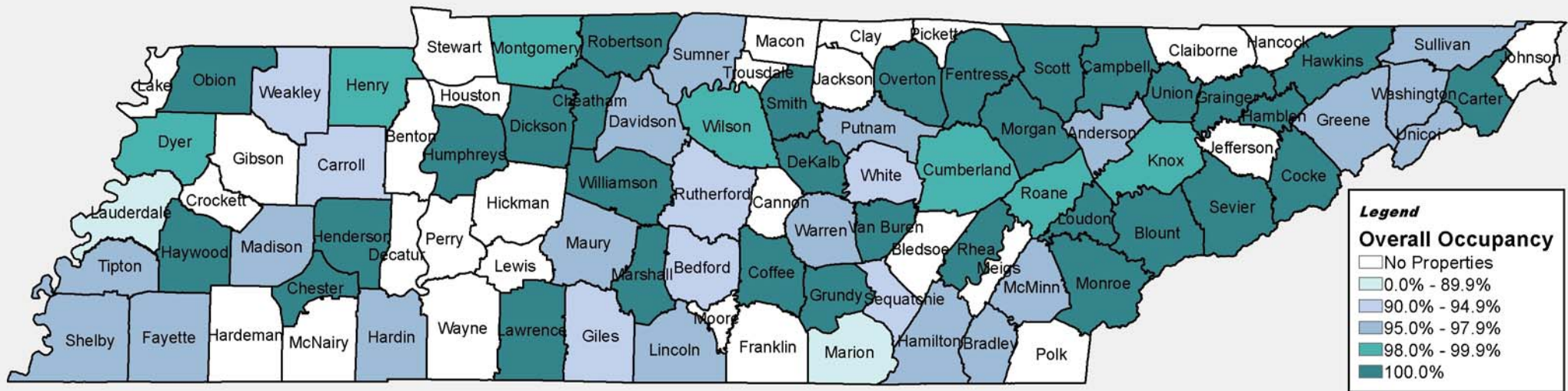
County	Surveyed Projects	Surveyed Units	Occupancy		
			Tax Credit/Non-Subsidized	Tax Credit/Government Subsidized	Overall
Anderson	4	241	93.9%	95.0%	95.0%
Bedford	3	234	94.9%	-	94.9%
Benton	-	-	-	-	-
Bledsoe	-	-	-	-	-
Blount	2	171	100.0%	100.0%	100.0%
Bradley	5	420	97.9%	100.0%	97.9%
Campbell	1	31	-	100.0%	100.0%
Cannon	-	-	-	-	-
Carroll	1	43	93.0%	-	93.0%
Carter	4	248	100.0%	100.0%	100.0%
Cheatham	1	96	100.0%	-	100.0%
Chester	1	50	100.0%	-	100.0%
Claiborne	-	-	-	-	-
Clay	-	-	-	-	-
Cocke	1	88	100.0%	-	100.0%
Coffee	2	168	100.0%	-	100.0%
Crockett	-	-	-	-	-
Cumberland	5	190	98.6%	100.0%	98.9%
Davidson	54	6,549	97.1%	99.7%	97.7%
Decatur	-	-	-	-	-
DeKalb	1	54	100.0%	-	100.0%
Dickson	4	294	100.0%	-	100.0%
Dyer	1	112	98.2%	-	98.2%
Fayette	3	95	-	95.8%	95.8%
Fentress	1	40	100.0%	-	100.0%
Franklin	-	-	-	-	-
Gibson	-	-	-	-	-
Giles	2	141	93.6%	-	93.6%
Grainger	1	64	100.0%	-	100.0%
Greene	2	122	96.7%	-	96.7%
Grundy	2	96	100.0%	-	100.0%
Hamblen	3	216	100.0%	100.0%	100.0%
Hamilton	15	1,219	97.8%	96.2%	97.2%
Hancock	-	-	-	-	-
Hardeman	-	-	-	-	-
Hardin	1	64	95.3%	-	95.3%
Hawkins	1	36	100.0%	-	100.0%
Haywood	4	180	100.0%	100.0%	100.0%
Henderson	1	40	100.0%	-	100.0%
Henry	3	200	98.7%	99.0%	99.0%
Hickman	-	-	-	-	-
Houston	-	-	-	-	-
Humphreys	1	48	100.0%	-	100.0%
Jackson	-	-	-	-	-
Jefferson	-	-	-	-	-
Johnson	-	-	-	-	-
Knox	25	2,592	97.6%	99.9%	99.0%
Lake	-	-	-	-	-
Lauderdale	3	198	84.5%	100.0%	86.4%
Lawrence	2	86	100.0%	-	100.0%

# County-by-County Comparison

County	Surveyed Projects	Surveyed Units	Occupancy		
			Tax Credit/Non-Subsidized	Tax Credit/Government Subsidized	Overall
Lewis	-	-	-	-	-
Lincoln	2	88	97.7%	-	97.7%
Loudon	1	96	100.0%	-	100.0%
Macon	-	-	-	-	-
Madison	11	1,034	97.0%	100.0%	97.7%
Marion	1	40	75.0%	-	75.0%
Marshall	4	134	100.0%	100.0%	100.0%
Maury	5	451	95.1%	-	95.1%
McMinn	3	264	100.0%	90.0%	96.6%
McNairy	-	-	-	-	-
Meigs	-	-	-	-	-
Monroe	1	47	100.0%	-	100.0%
Montgomery	10	953	98.0%	100.0%	98.2%
Moore	-	-	-	-	-
Morgan	1	32	100.0%	-	100.0%
Obion	1	50	-	100.0%	100.0%
Overton	1	41	-	100.0%	100.0%
Perry	-	-	-	-	-
Pickett	-	-	-	-	-
Polk	-	-	-	-	-
Putnam	4	241	96.7%	-	96.7%
Rhea	2	43	100.0%	-	100.0%
Roane	3	148	100.0%	92.5%	98.0%
Robertson	4	295	100.0%	100.0%	100.0%
Rutherford	11	1,128	92.5%	100.0%	93.0%
Scott	1	20	-	100.0%	100.0%
Sequatchie	1	64	-	90.6%	90.6%
Sevier	3	143	-	100.0%	100.0%
Shelby	62	8,388	93.6%	100.0%	95.5%
Smith	1	72	100.0%	-	100.0%
Stewart	-	-	-	-	-
Sullivan	11	891	97.0%	100.0%	97.9%
Sumner	9	773	97.8%	100.0%	97.8%
Tipton	3	220	96.9%	100.0%	97.3%
Trousdale	-	-	-	-	-
Unicoi	1	64	95.3%	-	95.3%
Union	1	80	100.0%	-	100.0%
Van Buren	1	32	-	100.0%	100.0%
Warren	3	214	92.1%	100.0%	95.8%
Washington	7	518	97.1%	100.0%	97.7%
Wayne	-	-	-	-	-
Weakley	2	104	94.2%	-	94.2%
White	2	98	85.4%	100.0%	92.9%
Williamson	2	200	100.0%	-	100.0%
Wilson	8	929	99.7%	-	99.7%

# Overall Tax Credit Occupancy by County

## All Tax Credit Projects

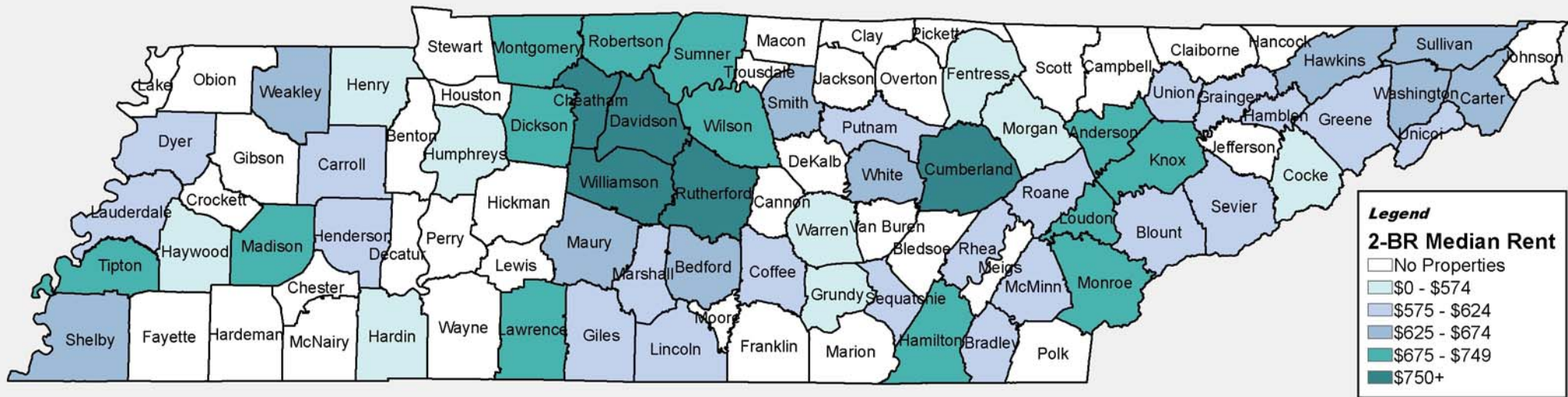






# Median Two-Bedroom Gross Rents

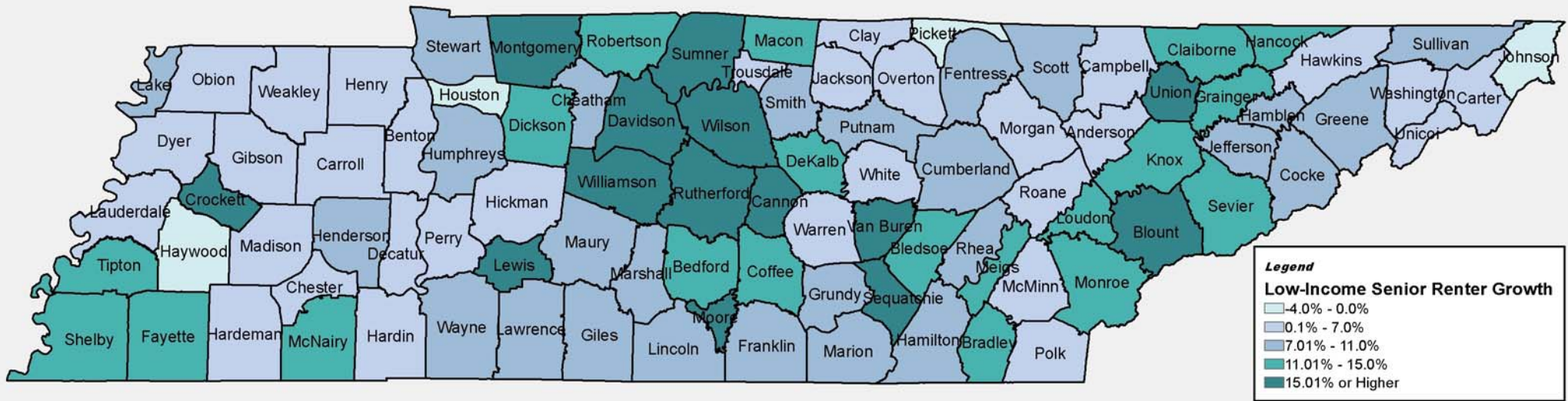
The following map illustrates the median gross two-bedroom rent of non-subsidized LIHTC units in each county.





# Low-Income Senior Renter Household Growth

2011-2016  
Incomes of \$10,000-\$30,000



# Bowen National Research



## Trusted Service

*Bowen National Research is on the Tennessee Housing Development Agency's Approved Market Analyst List*

Our firm has provided dozens of market studies for past Tax Credit applications and is very knowledgeable of THDA's market study requirements.

Given the amount of research we recently completed for this statewide rental housing survey, we are able to expedite any requests for market studies.

### Types of Studies

Bowen National Research provides overall needs assessments and site-specific market research for the following types of development:

- Low-Income Housing Tax Credit
- Market-Rate
- Government-Subsidized
- HUD MAP-Formatted
- HUD 202
- Student Housing
- Senior Facilities
- Indian Housing
- Farm Labor Housing (USDA 514/516)
- For-Sale Housing
- Retail/Office/Commercial Space
- Neighborhood Revitalization
- Housing Authority Portfolios
- City, County and Statewide Housing Needs Assessments

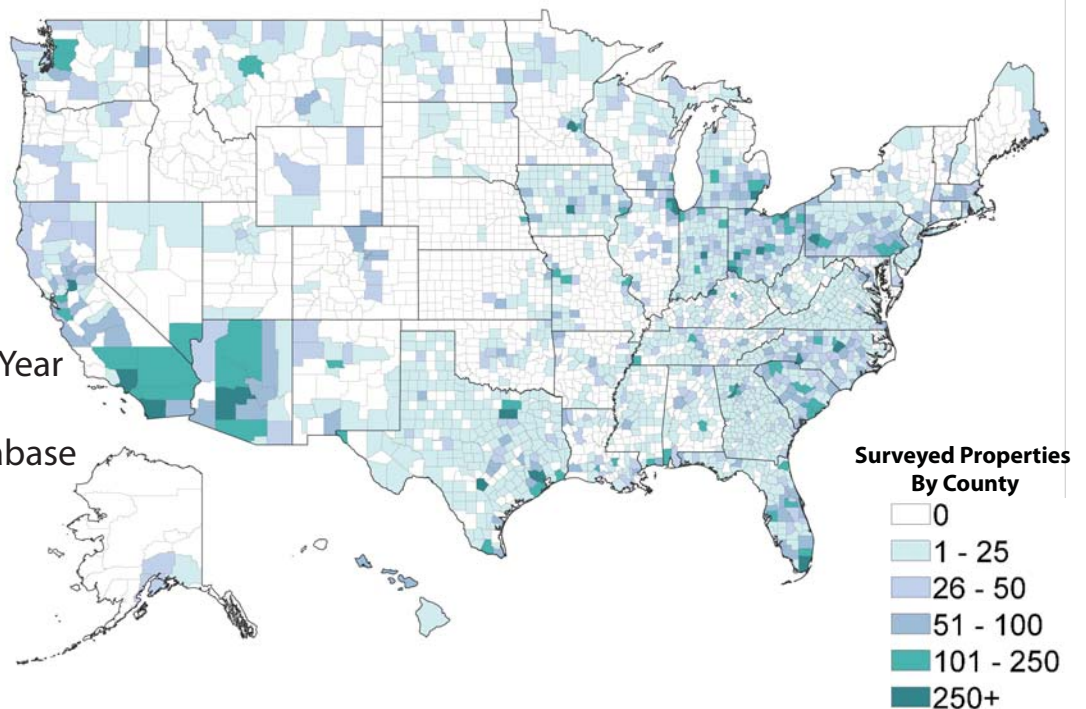
## National Experience

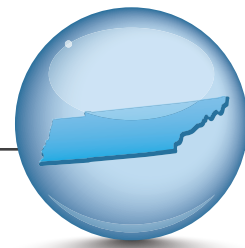
Studies completed in:

- All 50 States
- U.S. Virgin Islands
- Puerto Rico
- Canada

500 Studies Completed Each Year

65,000+ Rental Property Database





The intent of this report is to provide general housing, demographic and economic data on a county-level basis for each of the 95 counties within the state of Tennessee, as well as statewide aggregate data. This report does not draw conclusions as to the performance of the housing markets, demographic trends, or economic conditions. Instead, this report is meant to provide summary data that may serve as a baseline for developers, investors, government entities and other real estate professionals to make their own assessments of each county and the market opportunities they may present. Additional analysis is recommended prior to any definitive conclusions being drawn for any of the subject counties.

Bowen National Research makes the following additional disclaimers:

- We surveyed approximately 75% of all Tax Credit rental housing properties we were able to identify in the state. We believe this survey to be an adequate sampling of the Tax Credit rental housing stock to reveal certain characteristics and trends of such housing. We excluded all other types of rental housing from our survey.
- Some properties contained market-rate and/or government subsidized (non Tax Credit) units. These units have been excluded from all total and aggregate numbers of each county profile.
- Rental housing data was provided by property managers and leasing agents for the individual properties we surveyed between April and May 2013. Bowen National Research is not responsible for incorrect information provided by these secondary sources.
- The maximum allowable Tax Credit rents are those that were in affect as of December 1, 2012 and does not account for HERA Special and Hold Harmless rent and income restrictions, nor were these rents adjusted for being in “rural markets” as defined in section 520 of the Housing Act of 1949.
- Gross rents shown in the report represent the collected/tenant-paid rents plus the estimated value of tenant-paid utilities. It is important to note that some Tax Credit rents shown in the report may exceed maximum allowable rents under the Tax Credit program. This rent differential is due to a variety of factors including the actual utility estimates used by individual property management companies or special HUD-adjusted rents for such things as HERA and Hold Harmless areas, or areas defined as “rural” by HUD.
- Fair Market Rents are from HUD’s 2013 limits.
- The 2012 unemployment rate reported for each area is the annualized unemployment rate of that year.
- Because we were unable to contact all properties in some areas, it is likely that overall occupancy levels in some areas are different than those we reported.

Please contact Patrick Bowen at Bowen National Research for any questions or clarifications regarding the research methods used or the data presented in this report at the following:

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