

ECONOMIC IMPACT ANALYSIS



Perimeter Community Improvement Districts

September 14, 2022



KB | ADVISORY GROUP

INTRODUCTION

Project Overview

The Perimeter Community Improvement Districts (CIDs) engaged KB Advisory Group to conduct an economic impact analysis that assesses data related to the economic, real estate, and demographic characteristics of the Perimeter CIDs.

The purpose of this Economic Impact Analysis is to help capture and communicate the economic value of the Perimeter CIDs to highlight the CIDs' the state of Georgia, and other partners and stakeholders.

The analysis considers the Perimeter CID's economic role from three key dimensions:

- As an economic driver for the its municipalities and counties;
- As a regional destination for retailing, working, and living; and
- As a unique employment hub nestled between two counties and three municipalities.

The following report details the research, analysis, and findings from KB Advisory Group.

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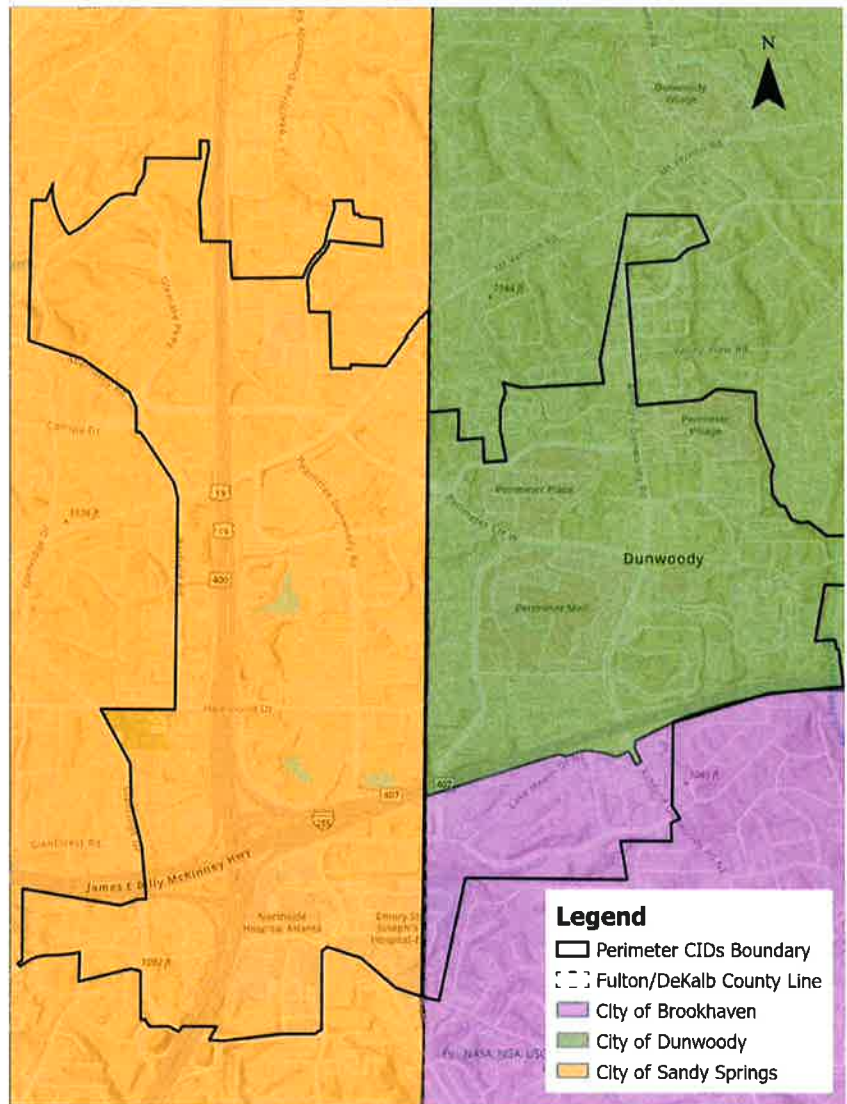
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PROJECT CONTEXT

Geographic Context

This assessment considers all activity, employment, residents, and housing units within the Perimeter Community Improvement Districts Boundary, shown on the map to the right. This includes parcels which fall inside the CIDs boundary but are not participating members of the CIDs.

The Perimeter CIDs boundary contains over 1,800 acres on the eastern edge of Fulton County and western edge of DeKalb County. The CIDs also include parts of City of Sandy Springs, City of Dunwoody, and City of Brookhaven.



EXECUTIVE SUMMARY

Demographic and Residential Profile

- The Perimeter CIDs have a population of approximately 19,000 residents in 9,800 households.
- Residents in the CIDs have a relatively high median household income of \$103,320.
- Nearly 40% of the population are considered millennials or between the ages of 25 and 40.
- Over 70% of the residents in the PCIDs have at least a traditional 4-year degree.
- Almost 75% of the occupied units within the CIDs are in large multi-family buildings, a far higher proportion than the rest of DeKalb and Fulton County.
- Residents in the Perimeter CIDs are more likely to be renter-households living in units that are over 10 years old.

Employment and Workforce

- The Perimeter CIDs host 6,793 companies with nearly 110,000 jobs.
- The number of jobs within the CIDs grew by over 3,900 since 2019, despite global economic implications as a result of the COVID-19 pandemic.
- Businesses within in the Perimeter CIDs were responsible for \$14.15 billion in total sales and \$11.51 billion in total earnings in 2021.
- The Perimeter CIDs host a variety of employment sectors.
- Health Care, Professional Services, and Finance sectors are three of the top five job creators in the CIDs.
- Health Care is the single largest employment sector within the CIDs – creating over 25,000 jobs.

EXECUTIVE SUMMARY

Real Estate Inventory

- The Perimeter CIDs' commercial real estate inventory is predominately office and multi-family space.
- Most of the growth in commercial space over the past five years is attributable to new multi-family and office buildings.
- Since 2000, office space has grown by 7.8 million square feet and multi-family apartments have grown by 8.0 million square feet.
- Office uses continue to make up the largest share of commercial real estate within the CIDs, however, the robust growth of multi-family apartments in recent years is increasing the diversity of the CID's real estate inventory.

Development Pipeline

- 23 buildings, totaling 7.5 million square feet are currently proposed or under construction within the PCIDs boundary in the next 5 years.
- Approximately 866,000 square feet are currently under construction in the CIDs with another 6.7 million square feet of projects proposed.
- The two largest land uses contributing to the development pipeline are office and multi-family.
- 44% of new developments in the pipeline are planned for office space, while 45% of new developments are planned for multi-family apartments.

DEMOGRAPHIC CHARACTERISTICS

Who Lives in the CIDs?

Residential Population

- The Perimeter CIDs have an estimated 19,000 residents.
- The CIDs have gained over 9,000 residents since 2000 (96% growth).
- Since 2000, the CIDs have been growing at higher rates than their respective counties.
 - **PCIDs-DeKalb:** 6.7x DeKalb County's Annual Growth
 - **PCIDs-Fulton:** 1.4x Fulton County's Annual Growth

Households

- The CIDs have an estimated 9,800 households.
- The number of households have increased by over 5,000 since 2000.

Population & Household Growth, 2000-2022

Population	PCIDs - DeKalb	PCIDs - Fulton	PCIDs Total
2000 Census	3,578	6,015	9,593
2010 Census	7,107	6,727	13,834
2022 Estimate	9,238	9,563	18,801
Avg. Annual Growth 2000-2022	4.4%	2.1%	3.1%
New Population 2000-2022	5,660	3,548	9,208

Households	PCIDs - DeKalb	PCIDs - Fulton	PCIDs Total
2000 Census	1,710	2,983	4,693
2010 Census	3,743	3,389	7,132
2022 Estimate	4,843	4,949	9,792
Avg. Annual Growth 2000-2022	4.8%	2.3%	3.4%
2022 Est. Average Household Size	1.86	1.87	1.87

Source: KB Advisory Group with data from Claritas

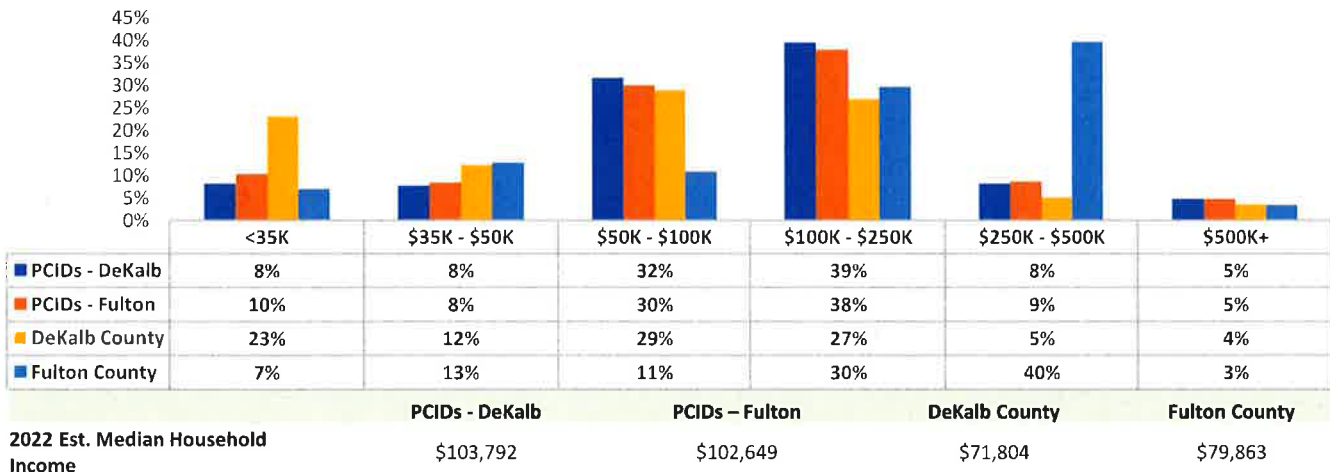
DEMOGRAPHIC CHARACTERISTICS

Household Income

Households within the Perimeter CIDs are predominately middle- to high-income households.

- The median income for the entire is CIDs is just over \$103,000, \$31,500 higher than DeKalb County and \$23,400 higher than Fulton County.
- 40% of households in both sides of the CIDs have median incomes between \$100K-\$250K annually.

Household Income Percentages



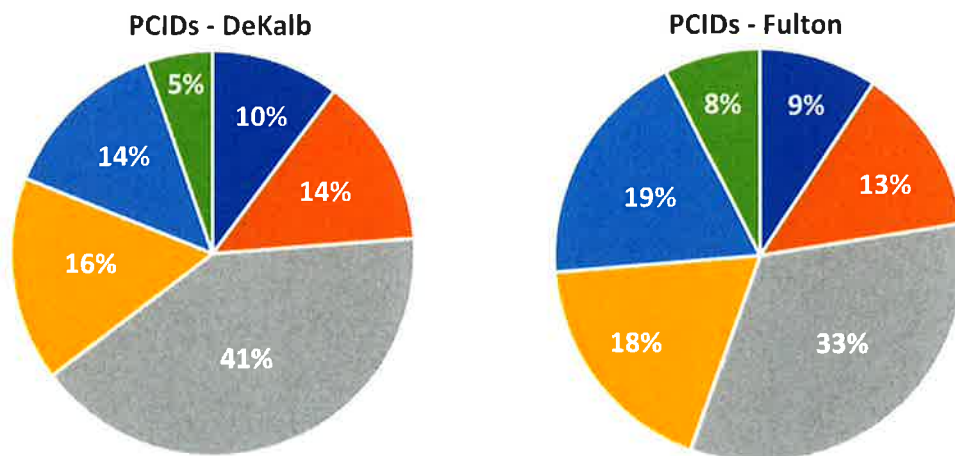
Source: KB Advisory Group with data from Claritas

DEMOGRAPHIC CHARACTERISTICS

Residents by Generation

Both halves of the CIDs are populated primarily by millennials, or those between the ages of 25 and 39.

- Collectively, 37% of residents in the CIDs are millennials, compared to 29% in DeKalb County and 27% in Fulton County.
- With slightly larger percentages of residents over the age of 40, the Fulton-side of the CIDs has a median age of 41 compared to 36 for the DeKalb-side.



■ Generation Alpha (0-8) ■ Generation Z (9-24) ■ Millennials (25-39) ■ Generation X (40-54) ■ Boomers (54-71) ■ Silent (72+)

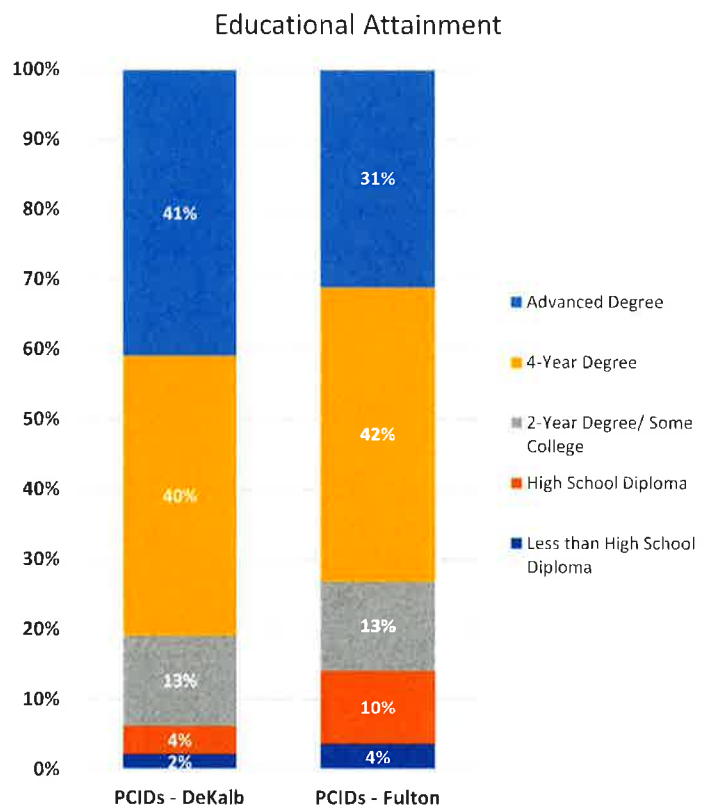
Source: KB Advisory Group with data from Claritas

DEMOGRAPHIC CHARACTERISTICS

Educational Attainment

Residents within the PCIDs have higher levels of educational attainment than both DeKalb and Fulton County.

- Over 70% of the residents in the PCIDs have at least a traditional 4-year degree.
- Within their respective populations, the DeKalb-side of the PCIDs has a higher share of those with an advanced degree.








Source: KB Advisory Group with data from Claritas

RESIDENTIAL CHARACTERISTICS

Housing Type

The most common housing type in the Perimeter CIDs are large multi-family buildings.

- Almost 75% of the occupied units within the CIDs are in this housing type, unlike the trends in the rest of DeKalb and Fulton County.
- Within the DeKalb-side of the CIDs, over 80% of the occupied units are in this housing type.
- This compares to 66% in the Fulton-side, where townhomes are a more prevalent housing choice.

Type of Housing		PCIDs – DeKalb		PCIDs – Fulton		DeKalb County		Fulton County	
	1 Unit Detached (SF)	761	14%	903	17%	189,320	55%	1,241,421	63%
	1 Unit Attached (TH)	98	2%	657	12%	24,608	7%	122,112	6%
	Small Multi-Family (2-4 Units/Bldg.)	60	1%	163	3%	17,077	5%	75,637	4%
	Lg Multi-Family (5+Units/Bldg.)	4,409	83%	3,548	66%	110,885	32%	509,232	26%
	Other	5	0.1%	143	3%	1,647	0.5%	30,550	2%
Total		5,333		5,414		343,537		1,978,952	

RESIDENTIAL CHARACTERISTICS

Residential Real Estate

Residents in the Perimeter CIDs are more likely to be renter-households living in units that are over 10 years old.

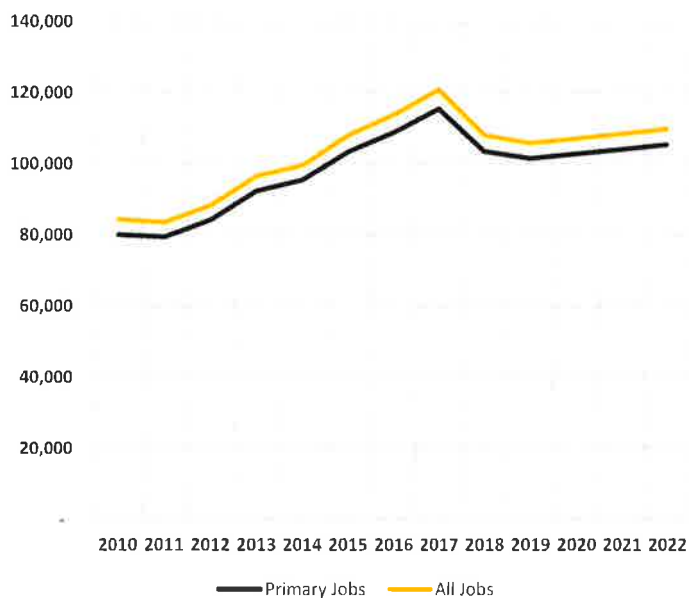
- The Fulton-side of the CIDs has comparable levels of owner- and renter-households, but almost 80% of the households on the DeKalb-side are renter-households.
- Of the owner-occupied housing units within the CIDs, the owner median value is over \$570,000.
- Less than 30% of the current housing units within the CIDs have been constructed since 2010.

Housing Tenure	PCIDs – DeKalb		PCIDs – Fulton		PCIDs Total	
% Owners	21%		48%		35%	
% Renters	79%		52%		65%	
Total Housing Units	5,333		5,414		10,747	
Total Occupied Housing Units	4,843		4,949		9,792	
Owner Median Value	\$581,210		\$570,258		\$574,818	
Age of Housing	PCIDs – DeKalb		PCIDs – Fulton		PCIDs Total	
Units Built since 2010	912	17%	1,959	36%	2,871	27%
Units Built 2000-2010	1,746	33%	609	11%	2,355	22%
Units Built 1980-2000	2,117	40%	1,750	32%	3,867	36%
Units Built pre-1980	557	10%	1,098	20%	1,655	15%
Median Age of Housing Units (Years)	17		19		18	

Source: Environics Analytics 2020

EMPLOYMENT AND WORKFORCE

Employment Growth History



The Perimeter CIDs have an estimated 105,500 Primary Jobs in 2022.

- This represents the addition of over 25,000 primary jobs since 2010, an increase of 32%.
- “Primary Jobs” is roughly equivalent to “workers”. If a person works primarily in one job and then takes a weekend shift at another job, that person has one primary job, but has two total jobs (captured under “All Jobs”).
- Non-primary jobs are typically part-time or seasonal, such as a sales associate at a retail store.

Data Notes: U.S. Census Longitudinal Employer-Household Dynamics data infrastructure tracks jobs as its primary unit instead of people. As such, the system naturally captures more than one job per person when available in the data. The dominant (or primary) job for an individual is defined as the job that earned the individual the most money. Constructed this way, the number of primary jobs should be equal to the number of workers. [The data includes] “Primary” jobs and “All” jobs so that “Non-primary” jobs can be calculated through subtraction. —U.S. Census, Data Overview LODES Version 7

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary Jobs	73,586	80,114	79,576	84,305	92,504	95,521	103,459	108,928	115,558	103,582	101,618	102,885	104,169	105,469
All Jobs	76,811	84,542	83,744	88,515	96,673	99,709	108,147	114,066	120,985	108,284	105,966	107,266	108,583	109,917

Source: KB Advisory Group with data from U.S. Census

EMPLOYMENT AND WORKFORCE

Employment Estimate by Sector

- Healthcare is the top employment sector within the Perimeter CIDs, representing over 16,000 jobs or 24% of the primary jobs in the CIDs.
 - This is the largest employment sector for the Fulton-side of the CIDs.
 - It is the fourth largest employment sector for the DeKalb-side of the CIDs, with Accommodation and Food Services representing the largest sector.
- Other sector concentrations within the PCIDs include:
 - Professional, Scientific, and Technical Services
 - Accommodation and Food Services
 - Finance and Insurance

NAICS Employment Sector	PCIDs - DeKalb		PCIDs - Fulton	
	Employment	Percent of Jobs in PCIDs	Employment	Percent of Jobs in PCIDs
11: Ag., Forestry, Fishing	12	0.01%	3	0.00%
21: Mining and Gas	24	0.02%	48	0.04%
22: Utilities	7	0.01%	0	0%
23: Construction	328	0.3%	1,083	1%
31-33: Manufacturing	724	0.7%	1,984	2%
42: Wholesale Trade	686	0.6%	2,078	2%
44-45: Retail Trade	5,485	5.0%	1,871	2%
48-49: Transp. and Warehousing	302	0.3%	2,768	3%
51: Information	1,896	1.7%	3,604	3%
52: Finance and Insurance	6,120	5.6%	7,111	6%
53: Real Estate and Rental and Leasing	1,589	1.4%	3,738	3%
54: Prof, Sci, and Tech Services	5,153	4.7%	11,187	10%
55: Mgmt. of Companies and Enterprises	47	0.04%	52	0.05%
56: Admin. and Waste Mgmt.	2,126	1.9%	3,181	3%
61: Educational Services	183	0.2%	1,464	1%
62: Health Care and Social Assistance	3,722	3.4%	22,963	21%
71: Arts, Entertainment, and Recreation	244	0.2%	449	0.41%
72: Accommodation and Food Services	8,803	8.0%	5,297	5%
81: Other Services (except Public Admin)	868	0.8%	1,477	1%
92: Public Administration	315	0.3%	83	0.08%
99: Unassigned	440	0.4%	402	0.37%
Total	39,074	36%	70,843	64%

Source: KB Advisory Group with data from Claritas

EMPLOYMENT AND WORKFORCE

Commuting Patterns

Study Area Jobs and Residents

- There are an estimated 105,469 primary jobs located in the Perimeter CIDs.
- Approximately 18,800 people live in the CIDs, of which an estimated 7,288 residents are employed.

Who Commutes In?

- An estimated 104,585 people commute into the CIDs each day for work.
- This represents 99% of people who work in the CIDs.
- Approximately 1,094 workers in the CIDs both live and work in the CIDs.

Who Commutes Out?

- An estimated 6,194 working residents (85%) in the CIDs commute out of the CIDs to jobs elsewhere in the region.



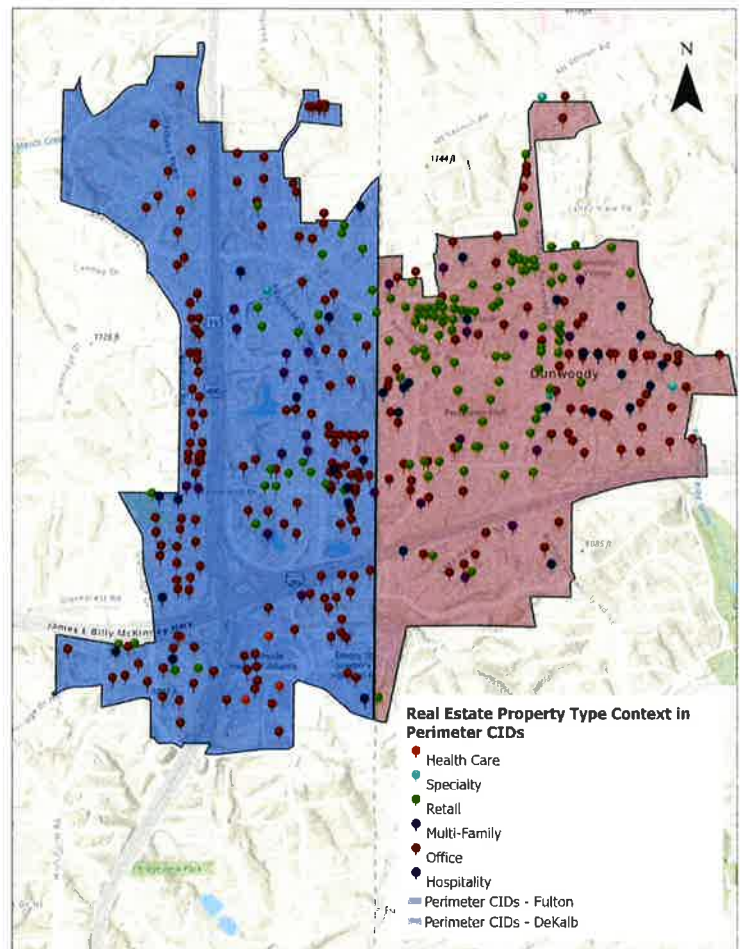
Source: KB Advisory Group with data from Claritas and the U.S. Census

COMMERCIAL REAL ESTATE

Summary

Commercial real estate within the Perimeter CIDs is predominately office and multi-family space.

- Office and multi-family have been the focus of the development activity within the CIDs.
- Most of the growth in commercial space over the past five years is attributable to new multi-family and office buildings.
- Since 2000, office space has grown by 7.8 million square feet and multi-family apartments have grown by 8.0 million square feet.
- Office uses continue to make up the largest share of commercial real estate within the CIDs, however, the robust growth of multi-family apartments in recent years is increasing the diversity of the CID's real estate inventory.



Source: KB Advisory Group with data from CoStar

COMMERCIAL REAL ESTATE

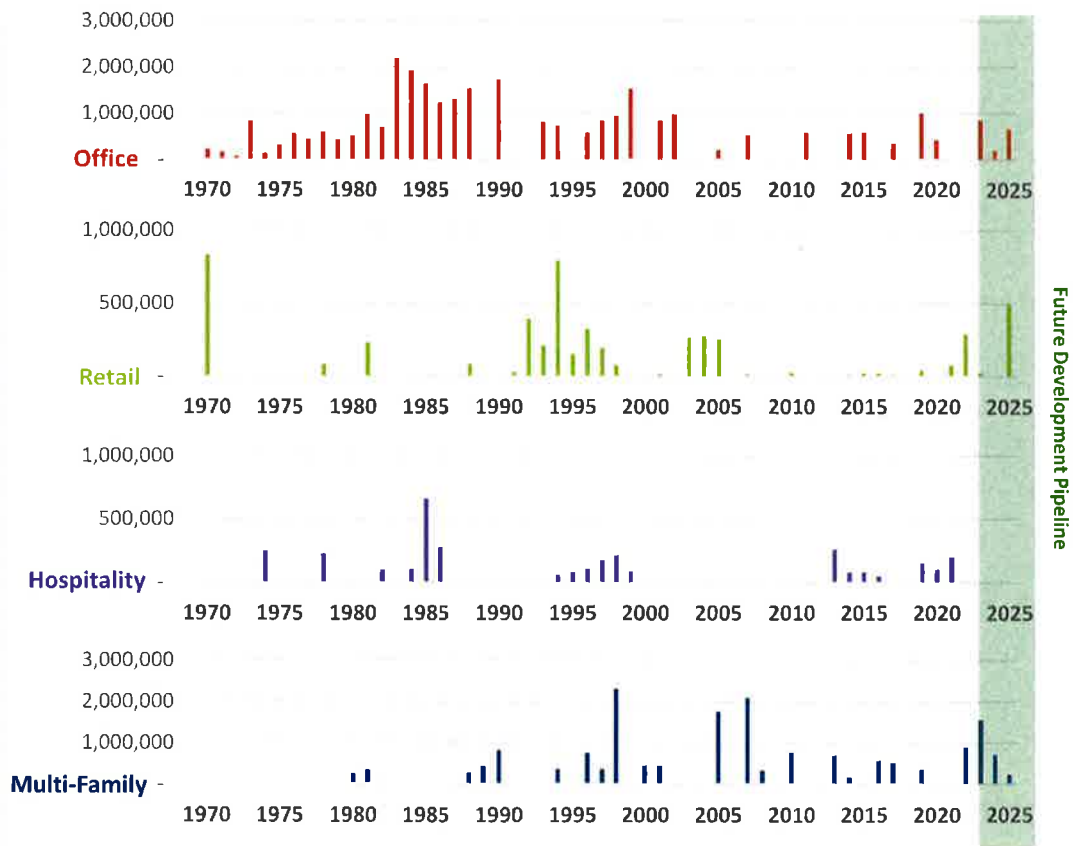
Timeline by Real Estate Class

Timeline by Class

Commercial real estate development in the Perimeter CIDs, while slowed due to the pandemic, still remains active in this area.

- Office and multi-family continues to remain the largest delivery of new commercial real estate in this area.
- The retail sector has seen a decline in new development since the mid-2000s, but there are future developments in the pipeline.
- The hospitality sector has seen moderate new development over the past few years, but there remains little future development in the current pipeline.

SF of Commercial Space Added by Year in Perimeter CIDs



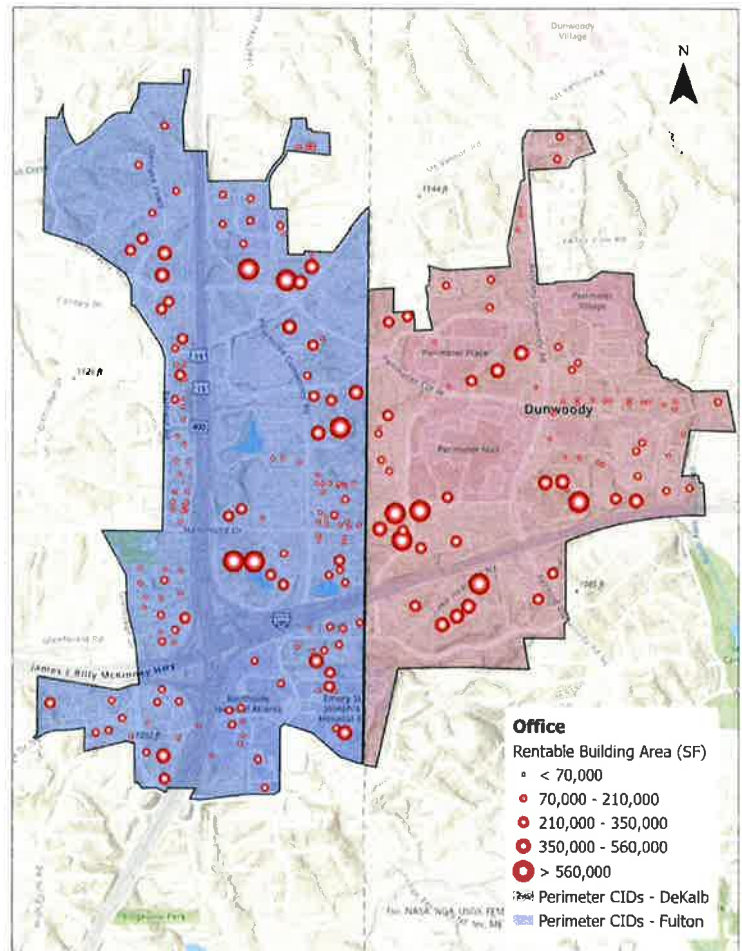
Source: KB Advisory Group with data from CoStar

COMMERCIAL REAL ESTATE

Office

In terms of square footage, over half the commercial real estate within the Perimeter CIDs is dedicated to office.

- Of the almost 50,000,000 SF of commercial real estate in the CIDs, 55% is dedicated to office space.
- Over 60% of the office square footage is located in Sandy Springs.
- On average, base office rents have grown by 20% since 2015.



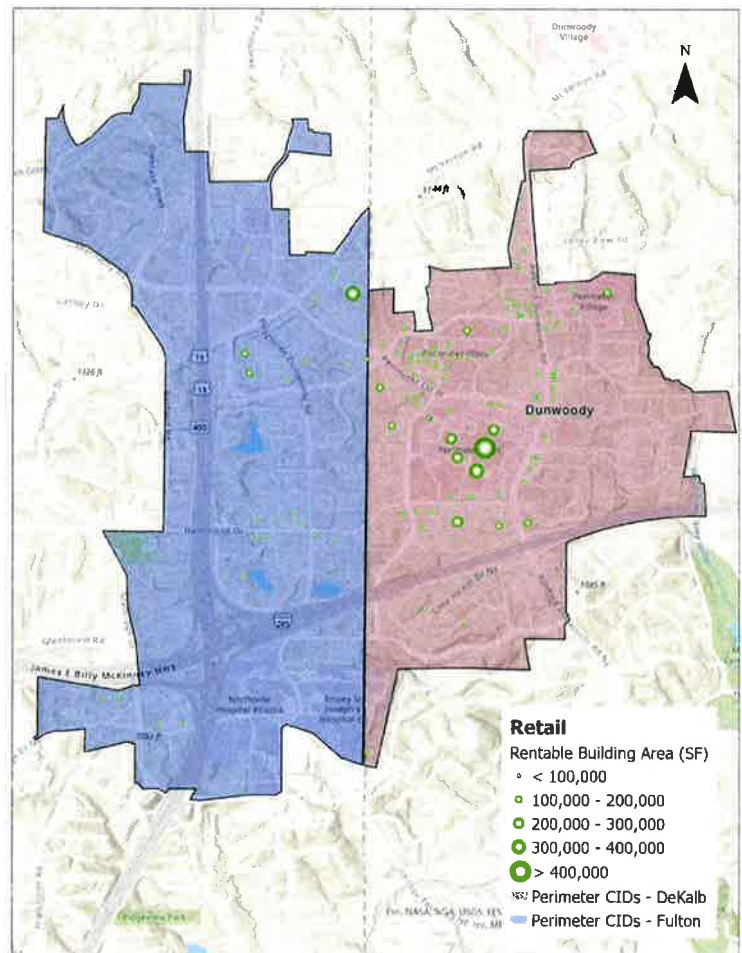
Source: KB Advisory Group with data from CoStar

COMMERCIAL REAL ESTATE

Retail

Retail within the CIDs is concentrated around Perimeter Mall .

- Over 75% of the retail square footage in the CIDs is located in Dunwoody.
- Over the past decade, there has not been an annual delivery over 100,000 SF of new retail. However, there are six projects under construction or proposed that will add over 800,000 SF.
- Retail rents on average have grown much higher than office rents since 2015, with an average increase of over 90%.



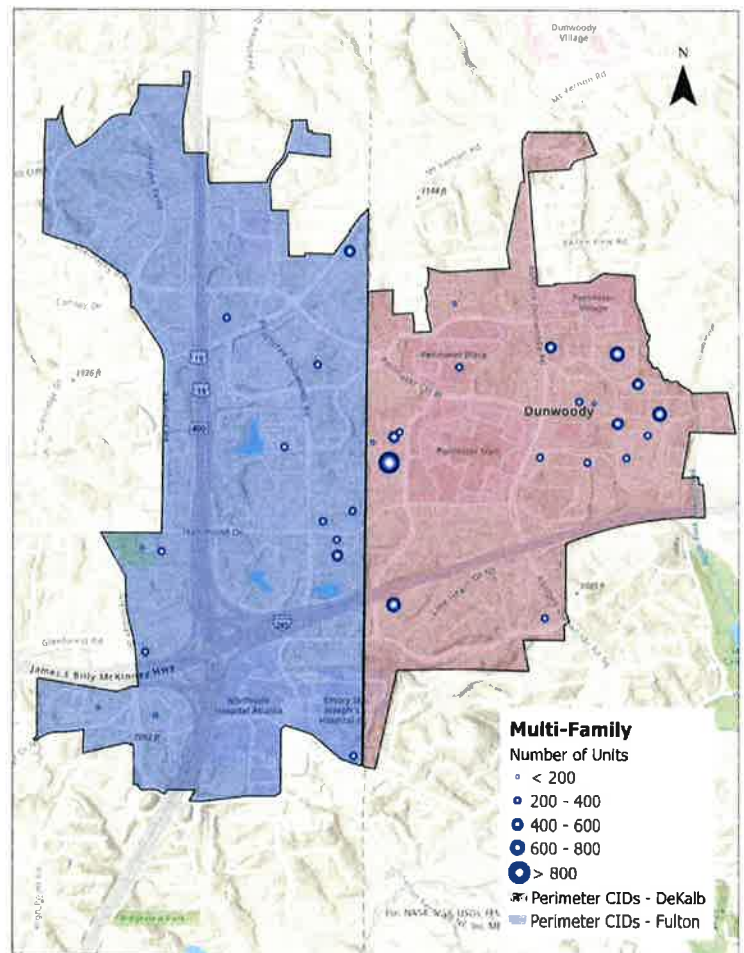
Source: KB Advisory Group with data from CoStar

COMMERCIAL REAL ESTATE

Multi-Family

Multi-family developments represent the second largest property type within the Perimeter CIDs in terms of square footage.

- There are nearly 9,500 multi-family units within the CIDs.
 - Sandy Springs has over 4,600 units
 - Dunwoody has almost 4,200 units
 - Brookhaven has 620 units
- Although the larger multi-family developments are located within the DeKalb County portion of the CIDs, both county portions have approximately 4,600-4,800 units each.
- Following a drop in effective rents during the first year of the pandemic, rents within the CIDs grew almost 25% from 2020 to 2021 and continue to rebound.



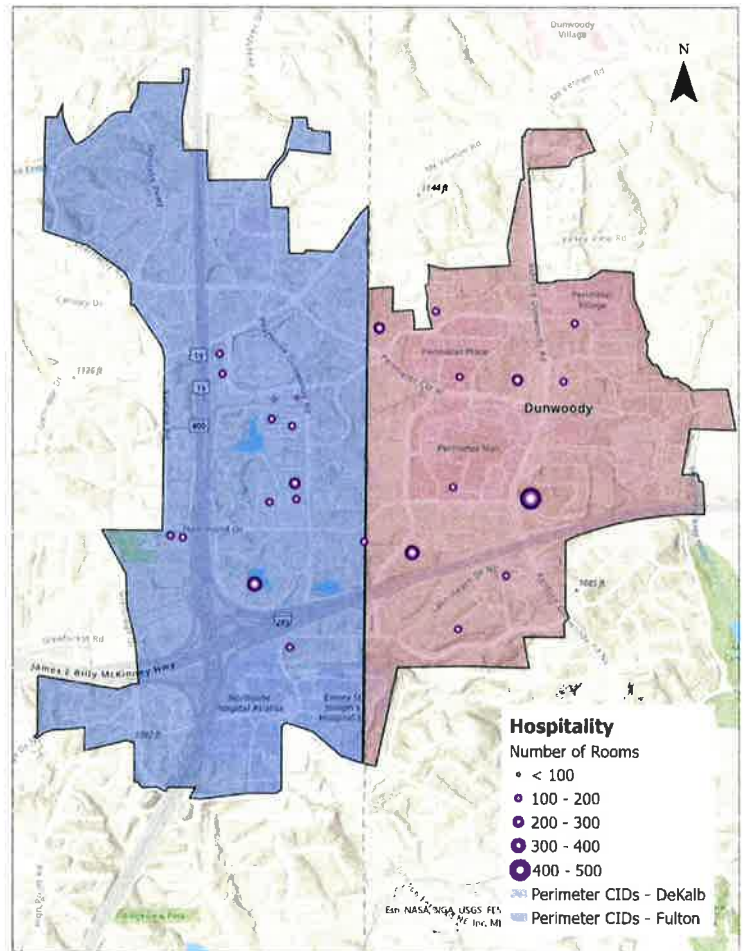
Source: KB Advisory Group with data from CoStar

COMMERCIAL REAL ESTATE

Hospitality

Within the CIDs, there are almost 6,000 hotel rooms across 27 hotels.

- Over 60% of those rooms are located in Sandy Springs.
- The hotels in Sandy Springs are more concentrated and are clustered around the highway and Peachtree Dunwoody Road.
- Dunwoody has a third of the hotel rooms in the CIDs.
- There is one hotel proposed in the CIDs.



Source: KB Advisory Group with data from CoStar

Perimeter CIDs: Economic Impact Analysis

COMMERCIAL REAL ESTATE

Development Pipeline

The detailed table below identifies disclosed future office and retail projects in the development pipeline, either by name or address.

<u>Office</u>	<u>Address</u>	<u>Building Status</u>	<u>RBA</u>	<u>Total Units</u>	<u>Est. Year Built</u>
700 Northpark	Northpark Pl	Proposed	483,656	-	2024
Abernathy 400 - Phase I - Built to Suit	Abernathy Rd	Proposed	285,000	-	2024
Abernathy 400 - Phase II - Built to Suit	Abernathy Rd	Proposed	285,000	-	2024
Altmore Tower	1400 Altmore Ave	Proposed	470,000	-	2023
Campus 244	246 Perimeter Walk	Proposed	380,000	-	2024
Campus 244 Phase II	246 Perimeter Walk	Proposed	400,000	-	2026
Glenridge Highlands Three	5550 Glenridge Conn	Proposed	199,998	-	2025
High Street Loft Office 1A	255 Hillside Pky	Under Construction	38,136	-	2024
High Street Loft Office 1B	145 Hillside Pky	Under Construction	70,871	-	2024
Lakeside Office Park Expansion	5775 Glenridge Dr	Proposed	265,488	-	2026
NorthPlace	6403 Barfield Rd	Proposed	250,000	-	2026
NorthPlace Medical	6405 Barfield Rd	Proposed	150,000	-	2026
			3,278,149		
<u>Retail</u>					
84 Perimeter	84 Perimeter Ctr E	Proposed	30,000	-	2023
AMLI Retail	1400 Lake Hearn Dr NE	Proposed	25,000	-	2024
Altmore Retail	1400 Altmore Ave	Proposed	21,000	-	2023
Buffalo Wild Wings	4300 Ashford Dunwoody Rd NE	Under Construction	7,400	-	2022
Campus 244 Retail	246 Perimeter Walk	Proposed	11,000	-	2024
High Street Atlanta - Phase I Retail	Perimeter Center Pkwy NE	Under Construction	150,000	-	2023
Park at Perimeter Center Office	49 Perimeter Ctr E	Proposed	500,000	-	2026
Park at Perimeter Center Retail	41 Perimeter Ctr E	Proposed	13,000	-	2025
Ravinia Retail	11 Ravinia Dr	Proposed	110,000	-	2023
			867,400		

Source: KB Advisory Group with data from CoStar

COMMERCIAL REAL ESTATE

Development Pipeline

The detailed table below identifies disclosed future multi-family and hospitality projects in the development pipeline, either by name or address, as well as the total amount of anticipated rentable building area to be delivered.

Multi-Family

84 Perimeter	84 Perimeter Ctr E	Proposed	280,000	225	2023
AMLI Brookhaven	1400 Lake Hearn Dr NE	Proposed	600,000	630	2024
High Street Atlanta Apartments Phase II	219 Perimeter Center Pkwy NE	Proposed	212,000	212	2025
High Street Atlanta Block 3	219 Perimeter Center Pkwy NE	Proposed	161,000	161	2026
High Street Atlanta Phase I Apartments	219 Perimeter Center Pkwy NE	Under Construction	600,000	598	2024
High Street Atlanta Phase IV	219 Perimeter Center Pkwy NE	Proposed	500,000	994	2025
High Street Phase II	219 Perimeter Center Pkwy NE	Proposed	75,000	74	2026
Northpark 100-300	Peachtree Dunwoody Rd	Proposed	350,000	350	2024
Park at Perimeter Center East Apartments	47 Perimeter Ctr E	Proposed	300,000	360	2025
Park at Perimeter Center East Senior	41 Perimeter Ctr E	Proposed	300,000	250	2024
			3,378,000	3,854	

Hospitality

element Dunwoody Campus 244	244 Perimeter Center Pkwy NE	Proposed	10,000	145	2023
			10,000		

GRAND TOTAL RBA	7,533,549
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