

## Georgia Department of Community Affairs 2006 Market Study Comparison/Reconciliation Lowndes County, Georgia

### **Overview:**

Real Property Research Group conducted two (2) market studies in Lowndes County for the 2006 application cycle. Both of these communities, Heron Lake II and Paradise Estates will target family renter households.

### **Market Area Comparisons/Competing Applications:**

- Heron Lake II will be located in northern Valdosta just south of Inner Perimeter Road. Paradise Estates will be located south of downtown. The two sites are located approximately 3.5 miles from one another “as the crow flies”. Along the most direct driving route, the sites are 4.8 miles apart.
- Heron Lake II will offer one, two, and three bedroom units at 30 percent, 50 percent, 60 percent, and market rate. Paradise Estates will offer two, three, and four bedroom units at 30 percent, 50 percent, and market rate.
- The market areas for these two communities contain some overlap as both areas include central Valdosta near U.S. Highway 84 and downtown. Neither of the projects’ market areas includes the other. In other words, Paradise Estates is not in Heron Lake II’s market area and Heron Lake II is not in Paradise Estates’ market area.

### **Overall Conclusion/Recommendation**

- The two primary market areas do contain overlap; however each market area also includes significant portions of Valdosta not addressed by the other development.
- Both Paradise Estates and Heron Lake II have capture rates well below DCA thresholds.
- Given the location and market area differences, differences in income targeting and bedroom sizes, and the low capture rates for both properties, we believe sufficient demand exists to support both communities.
- If comparing the two communities with one another, Heron Lake II has a more attractive location, will offer more amenities, and has the benefit of a successful phase one. Paradise Estates has lower rents for units at similar bedroom sizes and income levels.