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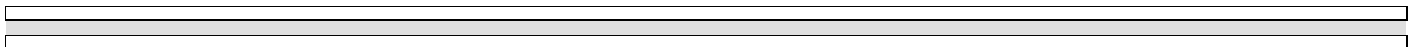
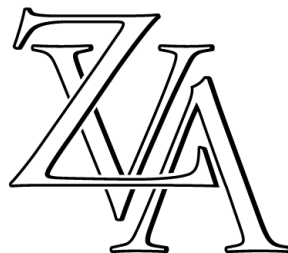
# An Analysis of Residential Market Potential

The Downtown Mobile Study Area  
City of Mobile, Mobile County, Alabama

May, 2018

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

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## STUDY CONTENTS

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An Analysis of Residential Market Potential: The Downtown Mobile Study Area	1
Executive Summary	1
Introduction	4
City-Wide Average Annual Market Potential	6
Average Annual Market Potential for the Downtown Study Area	8
Target Market Analysis	11
The Current Context	14
Optimum Market Position	18
—Optimum Market Position: The Downtown Study Area—	25
—Market Capture—	27
—Building Amenities—	29
Study Area Building and Unit Types	30
Supporting Tables	37
Table 1: Average Annual Market Potential	
Table 2: Average Annual Market Potential By Lifestage And Housing Type	
Table 3: Summary Of Selected Rental Properties	
Table 4: Summary Of Selected For-Sale Multi-Family and Single-Family Attached and Detached Developments	
Table 5: Target Groups For New Multi-Family For-Rent	
Table 6: Target Groups For New Multi-Family For-Sale	
Table 7: Target Groups For New Single-Family Attached For Sale	
Table 8: Target Groups For New Urban Single-Family Detached For Sale	
Table 9: Optimum Market Position	
Assumptions and Limitations	
Copyright	





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Residential Market Analysis Across the Urban-to-Rural Transect

## AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

### The Downtown Mobile Study Area *City of Mobile, Mobile County, Alabama*

May, 2018

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#### EXECUTIVE SUMMARY

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This analysis has found that, from the market perspective, the Downtown Mobile Study Area could support between 205 to 266 new rental and for-sale housing units each year over the next five years. The housing mix of 205 to 266 units would include 155 to 186 new rental lofts and apartments; 18 to 28 new for-sale lofts and mansion condominiums; 21 to 34 new rowhouses and duplexes; and 11 to 18 new cottages/bungalows and urban houses.

The 155 to 186 new rental lofts and apartments that could be absorbed each year in the Downtown include the following:

- 90 to 108 microlofts, studio, and mezzanine lofts ranging in size between 400 and 1,000 square feet, with proposed base rents ranging between \$625 and \$1,500 per month (\$1.50 to \$1.56 per square foot).
  - The weighted average rent of the lofts is \$1,075, for an average unit size of 705 square feet, an average of \$1.52 per square foot.
  - 65 to 78 studio, one-, and two-bedroom apartments ranging in size between 550 and 1,100 square feet, with proposed base rents ranging between \$925 and \$1,800 (\$1.64 to \$1.68 per square foot).
  - The weighted average rent of the apartments is \$1,314, for an average unit size of 793 square feet, an average of \$1.66 per square foot.
  - Absorption has been forecast at a 10 to 12 percent capture of the annual potential multi-family for-rent market.
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The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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The 18 to 28 new for-sale lofts and mansion condominiums that could be absorbed each year include the following:

- 12 to 18 one- and two-bedroom for-sale lofts ranging in size between 750 and 1,100 square feet, with proposed base prices ranging between \$140,000 and \$200,000 (\$182 to \$187 per square foot).
- The weighted average price of the for-sale lofts is \$165,500, for an average unit size of 900 square feet, an average of \$184 per square foot.
- Six to 10 two-bedroom for-sale mansion condominiums ranging in size between 1,150 and 1,500 square feet, with proposed base prices ranging between \$225,000 and \$285,000 (\$190 to \$196 per square foot).
- The weighted average price of the for-sale mansion condominiums is \$247,500, for an average unit size of 1,288 square feet, an average of \$192 per square foot.
- Absorption has been forecast at a five to eight percent capture of the annual potential multi-family for-sale market.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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The 21 to 34 new for-sale rowhouses and duplexes that could be absorbed each year include the following:

- 11 to 18 two- and three-bedroom for-sale rowhouses ranging in size between 950 and 1,350 square feet, with proposed base prices ranging between \$175,000 and \$245,000 (\$181 to \$184 per square foot).
- The weighted average price of the for-sale rowhouses is \$214,000, for an average unit size of 1,170 square feet, an average of \$183 per square foot.
- 10 to 16 two- and three-bedroom for-sale duplexes ranging in size between 1,300 and 1,600 square feet, with proposed base prices ranging between \$250,000 and \$300,000 (\$188 to \$192 per square foot).
- The weighted average price of the for-sale duplexes is \$278,750, for an average unit size of 1,473 square feet, an average of \$189 per square foot.
- Absorption has been forecast at a five to eight percent capture of the annual potential single-family attached for-sale market.

The 11 to 18 new for-sale cottages/bungalows and urban single-family detached houses that could be absorbed each year include the following:

- Six to 10 two- and three-bedroom for-sale cottages/bungalows ranging in size between 1,000 and 1,550 square feet, with proposed base prices ranging between \$185,000 and \$280,000 (\$181 to \$185 per square foot).
- The weighted average price of the for-sale cottages/bungalows is \$242,750, for an average unit size of 1,333 square feet, an average of \$182 per square foot.
- Five to eight two- and three-bedroom for-sale urban houses ranging in size between 1,600 and 1,950 square feet, with proposed base prices ranging between \$295,000 and \$350,000 (\$179 to \$184 per square foot).
- The weighted average price of the for-sale urban houses is \$326,250, for an average unit size of 1,803 square feet, an average of \$181 per square foot.
- Absorption has been forecast at a five to eight percent capture of the annual potential single-family detached for-sale market.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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## INTRODUCTION

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The purpose of this study is to determine the market potential and optimum market position for newly-introduced rental and for-sale housing units that could be developed within the Downtown Mobile Study Area, City of Mobile, Alabama. The optimum market position has been derived from: the housing preferences, financial capacities, and lifestyle characteristics of the target households; 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. For the purposes of this analysis, the boundaries of the Downtown Study Area in general include the area contained within the Hank Aaron Loop, which follows Beauregard Street in the north, Water Street in the east, Canal Street in the south, and Broad Street in the west. The study area encompasses the Central Business District, the Business Improvement District, the DeTonti Square and Church Street East Historic Districts, the Lower Dauphin Street Commercial District, and the Cathedral Square Arts District.

The extent and characteristics of the potential market for new housing units that could be developed within the Study Area were identified 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 projection, 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.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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Based on the target market methodology, then, this study determined:

- Where the potential purchasers of new dwelling units that could be developed within the Downtown Study Area currently live (the draw areas);
- How many households have the potential to move to the Study Area each year (depth and breadth of the market);
- What are their housing preferences in aggregate (rental or ownership, multi-family or single-family);
- Who are they and what they are like (the target markets);
- What are their current housing alternatives (the Downtown Mobile market context);
- What are the rents and prices of new units that could be developed within the Downtown Study Area that correspond to target household financial capabilities (optimum market position); and
- How quickly they will rent or purchase the new units (absorption forecasts).

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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#### CITY-WIDE AVERAGE ANNUAL MARKET POTENTIAL

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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 Mobile 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 Mobile from the 2015 and 2016 American Community Surveys.

The most recent Mobile County migration and mobility data—from taxpayer records compiled by the Internal Revenue Service from 2011 through 2015 and from the 2016 American Community Survey for the City of Mobile—shows that the draw areas for new and existing housing units in the city and the Study Area include the following:

- The local draw area, covering households who live within the Mobile city limits.
- The county draw area, covering households with the potential to move to the City of Mobile from the balance of Mobile County.
- The regional draw area, covering households with the potential to move to the City of Mobile from Baldwin County.
- The national draw area, covering households with the potential to move to the City of Mobile from all other U.S. cities and counties, particularly those in Alabama and the South.

As derived from the migration, mobility and target market analyses, the draw area distribution of market potential (those households with the potential to move within or to Mobile each year over the next five years) is as shown on the table following this page:



The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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

City of Mobile (Local Draw Area):	57.7%
Balance of Mobile County (County Draw Area):	21.6%
Baldwin County, AL (Regional Draw Area):	2.6%
Balance of US (National Draw Area):	<u>18.1%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

As determined by the target market methodology, which accounts for household mobility within the City of Mobile, as well as migration and mobility patterns for households currently living in all other cities and counties, an annual average of 14,290 households represent the potential market for new and existing housing units within the city each year over the next five years.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

#### AVERAGE ANNUAL MARKET POTENTIAL FOR THE DOWNTOWN STUDY AREA

The target market methodology identifies those households that prefer living in downtowns and walkable urban neighborhoods. After eliminating those segments of the potential market that have preferences for new or existing housing in more suburban neighborhoods and focusing on those households with incomes above \$50,000 per year (those who can afford new and existing market-rate dwelling units), the distribution of draw area market potential for new housing units in the Study Area is summarized on the following table:

Average Annual Market Potential by Draw Area	
Households With Annual Incomes Above \$50,000	
THE DOWNTOWN MOBILE STUDY AREA	
<i>City of Mobile, Mobile County, Alabama</i>	
City of Mobile (Primary Draw Area):	55.4%
Balance of Mobile County (Local Draw Area):	11.7%
Baldwin County, AL (Regional Draw Area):	1.2%
Balance of US (National Draw Area):	<u>31.7%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Based on the target market analysis, then, an annual average of 3,250 younger singles and couples, empty nesters and retirees, and compact families with annual incomes at or above \$50,000 represent the annual potential market for new and existing market-rate housing units of every kind within the Study Area each year over the next five years (*see Table 1 following the text*).

The tenure (rental or ownership) preferences of these 3,250 draw area households who represent the annual potential market for new housing units in the Study Area indicate that approximately 47.7 percent of these households (or 1,550 households) comprise the potential market for new rental units and the remaining 52.3 percent (1,700 households) comprise the market for new for-sale (ownership) housing units.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

The combined tenure and housing type propensities of the target 3,250 renter and owner households are outlined on the following table (*see again* Table 1 *following the text*):

Tenure/Housing Type Propensities  
 Average Annual Market Potential for New Housing Units  
 Households With Annual Incomes Above \$50,000  
 THE DOWNTOWN MOBILE STUDY AREA  
*City of Mobile, Mobile County, Alabama*

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	1,550	47.7%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	350	10.8%
Single-family attached for-sale (townhouses/live-work, fee-simple/ condominium ownership)	430	13.2%
Single-family detached for-sale (houses, fee-simple ownership)	<u>920</u>	<u>28.3%</u>
Total	3,250	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Excluding households with preferences for single-family houses in suburban or rural neighborhoods, an annual average market potential of 2,550 households currently living in the defined draw areas represent the pool of potential renters and purchasers of new housing within the Downtown Mobile Study Area each year over the next five years (*see again* Table 1).

Based on the tenure and housing preferences of those 2,550 draw area households, the distribution of rental multi-family, for-sale multi-family, for-sale single-family attached, and urban single-family detached housing types is shown on the table following this page:

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

Average Annual Market Potential For New Housing Units  
 Households With Annual Incomes Above \$50,000  
 THE DOWNTOWN MOBILE STUDY AREA  
*City of Mobile, Mobile County, Alabama*

HOUSING TYPE	..... HOUSEHOLDS .....	
	NUMBER	PERCENT
Multi-family for-rent (lofts/apartments, leaseholder)	1,550	60.8%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	350	13.7%
Single-family attached for-sale (townhouses/live-work, fee-simple/ condominium ownership)	430	16.9%
Single-family detached for-sale (houses, fee-simple ownership)	<u>220</u>	<u>8.6%</u>
Total	2,550	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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## TARGET MARKET ANALYSIS

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The aftermath of the housing crash has seen a measurable shift in market preferences from home ownership to rental dwelling units, particularly among younger households, yielding a higher share of consumer preference for multi-family rentals even among relatively affluent consumers than would have been typical a decade ago. At the same time, there has been a significant shift in neighborhood preferences from single-use subdivisions toward mixed-use, walkable, transit-oriented neighborhoods.

This shift has been driven by the convergence of the preferences of the two largest generations in the history of America: the Baby Boomers (currently estimated at 74 million), born between 1946 and 1964, and the estimated 88 million Millennials, who were born from 1977 to 1996 and, in 2010, surpassed the Boomers in population. The convergence of two generations of this size—simultaneously reaching a point when urban housing matches their lifestage—is unprecedented.

In addition to their shared preference for urban living, the Boomers and Millennials are changing housing markets in multiple ways. In contrast to the traditional family (married couples with children) that comprised the typical post-war American household, Boomers and Millennials are households of predominantly singles and couples. As a result, the 21st century home-buying market now contains more than 63 percent one- and two-person households, and the 37 percent of homebuyers that could be categorized as family households are equally likely to be non-traditional as traditional families. A major consequence of this evolution is that urban mixed-use development, particularly in close proximity to transit, is now the preference for many more households than when families and suburban single-use preferences dominated the housing market.

As determined by the target market analysis, and reflecting national trends, the annual potential market—represented by lifestage—for new rental and ownership housing units in the Downtown Mobile Study Area is characterized by lifestage as shown on the table following this page (*see also Table 2 following the text*):

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

Annual Market Potential By Lifestage And Housing Type  
 Households With Annual Incomes Above \$50,000  
 THE DOWNTOWN MOBILE STUDY AREA  
*City of Mobile, Mobile County, Alabama*

HOUSEHOLD TYPE	PERCENT OF TOTAL	... MULTI-FAMILY ...		... SINGLE-FAMILY ...	
		FOR-RENT	FOR-SALE	ATTACHED	DETACHED
Empty-Nesters & Retirees	23%	15%	34%	35%	36%
Traditional & Non-Traditional Families	18%	13%	13%	23%	52%
Younger Singles & Couples	<u>59%</u>	<u>72%</u>	<u>53%</u>	<u>42%</u>	<u>12%</u>
Total	100%	100%	100%	100%	100%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Younger singles and couples represent 59 percent of the market for new dwelling units in the Downtown Study Area. The younger market includes a variety of white-collar professionals, young entrepreneurs, artists, and knowledge workers, as well as entry-level office employees, waiters and waitresses, and other retail workers—*New Power Couples, New Bohemians, Cosmopolitan Elite, The VIPs, Fast-Track Professionals, Suburban Achievers, Small-City Singles, and Twentysomethings*. These younger singles and couples prefer to live in downtowns and urban neighborhoods for their diversity, and for the availability of employment, entertainment, and cultural opportunities within walking distance of their residences. Among the other principal factors in the largest share of the market held by younger singles and couples are:

- Their higher mobility rates—young people tend to move much more frequently than older people;
- Their strong preference for rental apartments, in part because they have not saved sufficient funds for a down payment and in part because the collapse of the housing market during the Great Recession has made many of them skeptical about the value of owning versus renting; and
- The continued reduced mobility of empty nesters and retirees.

Two-thirds of the younger singles and couples that represent the market for new housing units in the Study Area would be moving from elsewhere in the city; approximately 3.6 percent would be moving from the balance of Mobile County; and approximately 29 percent would be moving from elsewhere in the United States.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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At 23 percent of the annual potential market for new housing units in the Study Area, older households (empty nesters and retirees) represent the second largest share of the market. Most of these households have adult children who no longer live in the family home; many are enthusiastic participants in community life and are still actively involved in well-paying careers in the banking, legal and medical professions. These target groups range from the wealthiest households—*Small-Town Patriarchs*, the *One Percenters*, *Old Money*, and the *Social Register* to the well-to-do *Pillars of the Community*, *New Empty Nesters*, *Affluent Empty Nesters*, *Urban Establishment*, *Second City Establishment* and *Suburban Establishment* to the financially-comfortable *Traditional Couples*, *Multi-Ethnic Empty Nesters*, *Cosmopolitan Couples*, *RV Retirees*, *Blue-Collar Retirees*, *Country Couples*, *Mainstream Empty Nesters*, and *Middle-American Retirees*.

Nearly 44 percent of the empty nesters and retirees would be moving from elsewhere within the City of Mobile; 20.7 percent would be moving from the balance of Mobile County; just under four percent live in Baldwin County; and the remaining 31.5 percent would be moving from elsewhere in the South and the rest of the U.S.

Family-oriented households represent 18 percent of the market for new dwelling units in the Downtown Mobile Study Area. Households with children are now increasingly diverse and in many urban areas are largely non-traditional families. Heads of these households have banking careers and upper-middle management jobs, or are professionals in the medical and legal sectors. These households include *e-Type Families*, *Unibox Transferees*, *Fiber-Optic Families*, *Late-Nest Suburbanites*, *Full-Nest Suburbanites*, *Uptown Families*, and *Multi-Cultural* and *Multi-Ethnic Families*.

Over 42 percent of the family households are already living in the City of Mobile, 18.6 percent live in the balance of Mobile County, and the remaining 39 percent would be moving from elsewhere in the U.S.

APPENDIX TWO, TARGET MARKET DESCRIPTIONS, contains detailed descriptions of each of these target market groups and is provided in a separate document. The METHODOLOGY document describes how the target market groups for the Study Area are determined.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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## THE CURRENT CONTEXT

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Summary supply-side information for the Downtown Mobile market area (covering multi-family rental properties, and for-sale condominiums, townhouses and single-family detached units) is provided in tabular form following the text: Table 3, Summary of Selected Rental Properties, City of Mobile, Mobile County, Alabama and Table 4, Summary of Selected For-Sale Multi-Family and Single-Family Attached and Detached Developments, City of Mobile, Mobile County, Alabama.

In February 2018, Zimmerman/Volk Associates compiled data from a variety of sources, including telephone interviews and individual property and rental websites, on 28 selected rental properties, representing nearly 5,500 rental apartments in the City of Mobile. (*See Table 3 following the text.*)

Walk Score, a number between 0 and 100 denoting the walkability of a specific address or neighborhood, has grown in importance as a value criterion. Walk Scores above 90 indicate a “Walker’s Paradise,” where daily errands do not require a car. 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 an automobile.

The only properties in the survey with Walk scores above 75 are located in the Downtown/Midtown area of Mobile: Temple Lodge Lofts, a new property in Downtown that has not yet opened, scored 78, the highest score in the survey; the Tower on Ryan Park in Downtown and the Bel Air Apartments in Midtown both scored 76; and Marine Street Lofts and St. Charles Place, both located just outside the CBD rated a 75. Staples-Pake, in a new residential development in Downtown score 74.

### *—Multi-Family Rental Properties—*

Table 3 provides detailed information on the 28 surveyed rental properties and is summarized below.

### *—Studios (4 properties)—*

- Rents for studios range between \$550 per month at the Tower on Ryan Park on St. Michael Street and \$800 per month at the Broad Street Loft, a recently-developed property located on South Broad Street.



The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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- Studios contain between 440 square feet at the Tower on Ryan Park and 650 square feet at St. Charles Place on Government Street.
- The studio rent per square foot ranges between \$1.04 at St. Charles Place and \$1.43 at the new Staples-Pake development on North Royal Street.

—*One-Bedroom Units (24 properties)*—

- Rents for one-bedroom flats range from \$450 per month at the Palmier Apartments on Westwood Street to \$1,205 per month at Timber Ridge Apartments on Wall Street. The one-bathroom lofts at the Temple Lodge lofts run from \$1,350 to \$2,095 per month.
- One-bedroom flats range in size from 500 square feet at Manchester Park Apartments on Spring Hill Avenue to 1,035 square feet at Marine Street Lofts on Government Street. The Temple Lodge Lofts contain between 850 and 1,150 square feet.
- One-bedroom rents per square foot range between \$0.59 at Washington Plaza Apartments at 410 South Washington Avenue to \$1.29 at the Broad Street Lofts. Rents per square foot range between \$1.59 and \$1.82.

—*Two-Bedroom Units (26 properties)*—

- Rents for two-bedroom, one- or two-bathroom units range from \$495 per month at the Palmier Apartments, to \$1,600 per month at the Marine Street Lofts. Two-bedroom/one- to two-bath townhouses lease for \$640 per month at the Hamptons at Pine Bend on Montlimar Drive to \$749 per month at Midtown Oaks Townhouses on Dauphinewood Drive.
- Two-bedroom flats range in size from 700 square feet at Manchester Park Apartments, to 1,830 square feet at Marine Street Lofts. Two-bedroom townhouses contain between 750 square feet of living space at Edgewood Villas Apartments on Neshota Drive to 1,300 square feet at Midtown Oaks Townhouses.
- Two-bedroom rents per square foot for flats fall between \$0.56 at South Bay Apartments on South Washington Avenue and \$1.41 at Broad Street Lofts. The

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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rents per square for two-bedroom townhouses ranges between \$0.57 at Midtown Oaks Townhouses and \$0.97 at Edgewood Villas.

—*Three-Bedroom Units (17 properties)*—

- Rents for three-bedroom flats range between \$645 per month at Azalea Pointe Apartments on Azalea Road and \$1,850 per month at Legacy Oaks at Springhill Apartments on Du Rhu Drive. Three-bedroom townhouses start at \$745 per month at Edgewood Villas and lease for as much as \$860 per month at Estates at Lafayette Square on Downtowner Boulevard.
- Three-bedroom flats contain between 980 square feet at Azalea Pointe Apartments, and 1,756 square feet at Legacy Oaks at Springhill. Three-bedroom townhouses range in size from 850 square feet of living space at Edgewood Villas to 1,371 square feet at Estates at Lafayette Square.
- Three-bedroom rents per square foot for flats fall between \$0.60 and \$1.18 at Timber Ridge Apartments on Wall Street. Rents per square foot of three-bedroom townhouses range between \$0.61 at Midtown Oaks Townhomes to \$0.94 at Edgewood Villas.

Most of the rental properties are in initial lease-up or at functional full occupancy (less than five percent vacancy rate); just five properties are below 95 percent occupancy. Nearly all of the properties provide a range of community amenities, typically fitness centers, clubhouses or residents' lounges, and business centers.

—*Multi-Family and Single Family Attached and Detached For-Sale Properties*—

Table 4 provides pricing and unit sizes and configuration information for several for-sale listings as of February 2018. Resale condominiums are currently available in five properties in the Central Business District and two in Midtown. Asking prices of these units on the resale market in the Central Business District range from \$144,900 for a 1,000-square-foot, one-bedroom/one-bath condominium (\$145 per square foot) at the Mattress Factory on Dauphine Street to \$299,900 for a two-bedroom/two-bath unit containing 1,312 square feet of living space (\$229 per square foot) at St. Francis Place on St. Francis Street. Resale condominium prices in Midtown are currently lower, with just two units on the market priced at \$70,000 and \$99,500 at Windsor-Warwick (\$106 and

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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\$156 per square foot) and one unit on the market at Summerville Court with an asking price of \$89,900 for 900 square feet of living space (\$100 per square foot).

West of Downtown Mobile, several resale townhouses are on the market, ranging in price from \$56,900 for a 600-square-foot one-bedroom (\$95 per square foot) at 5608 Cottage Hill Road to \$149,900 for an 1,828-square-foot four-bedroom/two-and-a-half bath townhouse (\$82 per square foot) at Stone Ridge on Grant Street. There are also a limited number of detached resale listings available west of Downtown, with asking prices ranging from \$155,711 for a three-bedroom/two-bath house on the market at the Gardens of Cottage Hill (\$98 per square foot) to \$249,900 for a four-bedroom/three-and-a-half bath house containing more than 3,200 square feet of living space (\$78 per square foot).

Six properties in west Mobile are marketing new construction single-family houses. A newly-constructed house is currently available at Colonial Terrace priced at \$119,900 for three bedrooms and two baths in 1,200 square feet (\$100 per square foot). Three new houses are available at Rebecca Hill priced between \$126,900 and \$149,900 for three- and four-bedroom/two-bath models containing just over 1,300 to more than 1,500 square feet of living space (\$96 to \$97 per square foot). A new 1,492-square-foot three-bedroom/two-bath house in Franklin Estates is listed for \$154,950 (\$104 per square foot).

More expensive new houses are on the market in Longleaf Gates, The Legacy at Saybrook, and Snowden Place, with base prices at Longleaf Gates ranging from \$184,000 for a 1,736-square-foot four-bedroom house to \$385,000 for a 4,258-square-foot house with six bedrooms and three-and-a-half baths. The prices per square foot here fall between \$90 and \$106. At The Legacy at Saybrook, prices start at \$247,505 for four bedrooms and two baths occupying 2,169 square feet (\$114 per square foot) to \$280,790 for five bedrooms and two-and-a-half baths containing more than 2,800 square feet of living space (\$99 per square foot). Finally, two new detached houses are on the market at Snowden Place priced at \$329,900. One contains four bedrooms and three baths, and the other has three bedrooms and two baths.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

## OPTIMUM MARKET POSITION

As noted above under AVERAGE ANNUAL MARKET POTENTIAL FOR THE DOWNTOWN STUDY AREA, the market-entry price points for new rental and ownership housing units that could be developed within the Study Area are derived from the income and financial capabilities of those 2,550 targeted draw area households with annual incomes at or above \$50,000.

### —Multi-Family For-Rent Distribution by Rent Range—

An annual average of 1,550 households with incomes at or above \$50,000 per year represent the target markets for newly-constructed rental housing units within the Downtown Study Area (*as shown on Table 5 following the text*). Supportable rent ranges have been established at 25 to 30 percent of the gross incomes of the 1,550 annual households, yielding the distribution shown on the following table:

New Multi-Family For-Rent  
 Distribution by Rent Range  
 Households With Annual Incomes Above \$50,000  
 THE DOWNTOWN MOBILE STUDY AREA  
*City of Mobile, Mobile County, Alabama*

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$750–\$1,000	275	17.7%
\$1,000–\$1,250	490	31.6%
\$1,250–\$1,500	480	31.0%
\$1,500–\$1,750	180	11.6%
\$1,750–\$2,000	75	4.8%
\$2,000 and up	<u>50</u>	<u>3.3%</u>
Total:	1,550	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

- The largest group of target renters are younger singles and couples, at nearly 72 percent of the market for new rental units within the Downtown Study Area. Just over three percent have careers that provide them with the financial capacity to afford rents at or above \$1,750 per month, primarily *New Power Couples* and *New Bohemians*. Thirty-nine percent of the younger singles and couples represent the market for units with rents between \$1,250 and \$1,750 per month—*Cosmopolitan Elite*, *The VIPs*, and the *Fast-Track Professionals*. The

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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remaining 57.8 percent would be able to support rents between \$750 and \$1,250 per month—primarily the *Suburban Achievers*, *Small-City Singles*, and *Twentysomethings*.

- Empty nesters and retirees represent 14.8 percent of the market for new rental units within the Study Area. Over 26 percent of the targeted empty nester and retiree market—*Small-Town Patriarchs* and *Urban Establishment*—have the income and assets that enable them to support rents above \$1,750 per month. Nearly 48 percent are able to support rents between \$1,250 and \$1,750 per month—*Suburban Establishment*, *Pillars of the Community*, *New Empty Nesters*, *Traditional Couples*, *Second-City Establishment*, *RV Retirees*, *Multi-Ethnic Empty Nesters*, *Cosmopolitan Couples*, and *Mainstream Retirees*. The remaining 26 percent represent the market for new units with rents between \$750 and \$1,250 per month, predominantly *Middle-American Retirees* and *Country Couples*.
- Traditional and non-traditional families make up the remaining 13.2 percent of the market for new rental units within the Study Area. Just under 15 percent of the family market can afford rents above \$1,750 per month (*Fiber-Optic Families*, *e-Type Families*, and *Unibox Transferees*), and more than 56 percent can support rents between \$1,250 and \$1,750 per month (*Late-Nest Suburbanites*, *Full-Nest Suburbanites*, *Multi-Cultural Families*, and *Multi-Ethnic Families*). The remaining 29 percent represent the market for new units with rents between \$750 and \$1,250 per month, predominantly *Uptown Families*.

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

An annual average of 350 households with incomes above \$50,000 per year represent the target markets for newly-constructed for-sale multi-family housing units within the Downtown Study Area (as shown on Table 6 following the text). Supportable price points have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 25 percent of gross income for each of the 350 annual households that represent the annual potential for-sale multi-family market, yielding the distribution shown on the table following this page:

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

New Multi-Family For-Sale  
 Distribution by Price Range  
 Households With Annual Incomes Above \$50,000  
 THE DOWNTOWN MOBILE STUDY AREA  
*City of Mobile, Mobile County, Alabama*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$200,000	65	18.6%
\$200,000–\$250,000	145	41.4%
\$250,000–\$300,000	70	20.0%
\$300,000–\$350,000	40	11.4%
\$350,000–\$400,000	20	5.7%
\$400,000 and up	<u>10</u>	<u>2.9%</u>
Total:	350	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

- Younger singles and couples comprise just under 53 percent of the market for new for-sale multi-family units (condominiums) within the Downtown Study Area. A quarter of the younger singles and couples, *New Power Couples*, *New Bohemians*, *Cosmopolitan Elite*, and some of the *VIPs* would be in the market for new condominiums with base prices between \$250,000 and \$350,000. The remaining three-quarters would be in the market for new units priced between \$150,000 and \$250,000 (the somewhat less affluent of the *The VIPs*, *Fast-Track Professionals*, *Suburban Achievers*, and the *Small City Singles* and *Twentysomethings*).
- Empty nesters and retirees represent 34.3 percent of the market for new condominiums within the Downtown Study Area. One quarter of the empty nesters and retirees could afford new units priced over \$350,000, primarily *Small-Town Patriarchs*, *Affluent Empty Nesters*, *Urban Establishment* and *Suburban Establishment*. Another 37.5 percent would be in the market for new condominiums with base prices between \$250,000 and \$350,000, including *Pillars of the Community*, *New Empty Nesters*, *Traditional Couples*, *Second-City Establishment*, and *Cosmopolitan Couples*. The remaining 37.5 percent could only afford new condominiums priced between \$150,000 and \$250,000—*Mainstream Empty Nesters*, *Middle-American Retirees*, and *Country Couples*.
- Traditional and non-traditional families are the smallest market segment at 12.9 percent of the market for new condominiums in the Downtown Study Area. The clear majority—nearly 56 percent—could afford new units priced between \$150,000 and \$250,000—*Full-*

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

*Nest Suburbanites* and *Uptown Families*. The remaining 44.4 percent of the family households would be in the market for new condominiums with base prices between \$250,000 and \$350,000, *Unibox Transferees* and *Late-Nest Suburbanites*.

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

An annual average of 430 households with incomes above \$50,000 per year represent the target markets for newly-constructed single-family attached housing units (rowhouses/townhouses) within the Downtown Study Area (*as shown on Table 7 following the text*). As with the for-sale condominiums, supportable price points for the rowhouses and townhouses have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 25 percent of gross income for each of the 430 households that represent the annual potential rowhouse/townhouse market, yielding the distribution shown on the following table:

New Single-Family Attached For Sale  
 Distribution by Price Range  
 Households With Annual Incomes Above \$50,000  
 THE DOWNTOWN MOBILE STUDY AREA  
*City of Mobile, Mobile County, Alabama*

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$200,000	50	11.6%
\$200,000–\$250,000	165	38.4%
\$250,000–\$300,000	120	27.9%
\$300,000–\$350,000	55	12.8%
\$350,000–\$400,000	30	7.0%
\$400,000 and up	<u>10</u>	<u>2.3%</u>
Total:	430	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

- At a nearly 42 percent share, the largest group of target buyers of rowhouses/townhouses in the Downtown Study Area is again younger singles and couples. The majority—over 58 percent—represent the market for new rowhouses/townhouses with base prices between \$150,000 and \$250,000, *Fast-Track Professionals*, *Suburban Achievers*, *Small-City Singles*, and *Twentysomethings*. Thirty-six percent of the targeted younger singles and couples market—*The VIPs* and *Cosmopolitan Elite*—have the income and assets that enable them to purchase new rowhouses/townhouses with base prices between \$250,000 and \$350,000. The

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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remaining 5.6 percent are able to purchase new units priced above \$350,000—the *New Bohemians* and *New Power Couples*.

- The next largest group of target buyers of rowhouses/townhouses are the empty nesters and retirees, at nearly 35 percent of the market for new for-sale single-family attached units within the Downtown Study Area. Just over 13 percent of the empty nesters and retirees represent the market for rowhouses/townhouses with base prices above \$350,000, including *Small-Town Patriarchs*, *Urban Establishment*, and *Suburban Establishment*. Another 46.7 percent—*Pillars of the Community*, *New Empty Nesters*, *Traditional Couples*, *Second-City Establishment*, *Multi-Ethnic Empty Nesters*, and *Cosmopolitan Couples*—could afford to purchase rowhouses/townhouses with base prices ranging between \$250,000 and \$350,000. The remaining 40 percent are able to purchase units priced between \$150,000 and \$250,000—primarily the *Mainstream Empty Nesters*, *Middle-American Retirees*, *RV Retirees*, and *Country Couples*.
- Traditional and non-traditional families represent just over 23 percent of the market for new rowhouses/townhouses within the Study Area. Ten percent of the targeted traditional and non-traditional families market—primarily *Fiber-Optic Families*—have the income and assets that enable them to purchase new rowhouses/townhouses with base prices above \$350,000. Forty percent of the family market can afford base prices of new rowhouses/townhouses between \$250,000 and \$350,000 (*Unibox Transferees*, *Late-Nest Suburbanites*, and *Full-Nest Suburbanites*); and the remaining 50 percent can support base prices between \$150,000 and \$250,000 (*Multi-Ethnic Families* and *Uptown Families*).



The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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

An annual average of 220 households with incomes above \$50,000 per year represent the target markets for newly-constructed single-family detached housing units (urban houses) within the Downtown Study Area (*as shown on Table 8 following the text*). As with the other for-sale housing types, supportable price points for the single-family houses have been determined by assuming a down payment of 10 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 25 percent of annual gross income for each of the 220 households that represent the annual potential single-family market, yielding the distribution shown on the following table:

New Single-Family Detached For Sale Distribution by Price Range Households With Annual Incomes Above \$50,000 THE DOWNTOWN MOBILE STUDY AREA <i>City of Mobile, Mobile County, Alabama</i>		
PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$200,000–\$250,000	30	13.6%
\$250,000–\$300,000	50	22.8%
\$300,000–\$350,000	40	18.2%
\$350,000–\$400,000	30	13.6%
\$400,000–\$450,000	30	13.6%
\$450,000 and up	<u>40</u>	<u>18.2%</u>
Total:	220	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

- Empty nesters and retirees comprise the largest market—45.5 percent—for new single-family detached urban houses within the Downtown Study Area. Sixty percent of the targeted empty nesters and retirees market, among the wealthiest households in the city—*The One Percenters, Small-Town Patriarchs, Old Money, the Social Register, and New Empty Nesters*—have the income and assets that enable them to purchase new urban detached houses with base prices of \$400,000 and up. Approximately 30 percent are able to purchase new houses priced between \$300,000 and \$400,000—*Suburban Establishment* and the more affluent of the *Second-City Establishment* households. The remaining 10 percent represent the market for new houses with base prices between \$200,000 and \$300,000, the remaining *Second-City Establishment* households.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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- Traditional and non-traditional families make up the second largest market for new urban single-family houses within the Downtown Study Area with a 36.4 percent share. Approximately 12.5 percent of the most affluent traditional and non-traditional families market—*e-Type Families* and *Unibox Transferees*—have the income and assets that enable them to purchase new detached houses with base prices above \$400,000. Another 37.5 percent of the family market can afford base prices of new houses between \$300,000 and \$400,000 (*Late-Nest Suburbanite* and *Full-Nest Suburbanites*); the remaining 50 percent can support base prices between \$200,000 and \$300,000 (*Multi-Ethnic Families* and *Uptown Families*).
- The smallest and least affluent group of target buyers of new urban single-family houses are younger singles and couples at 18.2 percent of the potential market for new for-sale detached houses within the Downtown Study Area. The clear majority—75 percent—are only able to afford new houses priced between \$200,000 and \$300,000—*Fast-Track Professionals*, *Suburban Achievers*, and some of the *VIPs*. The remaining 25 percent could support base prices between \$300,000 and \$400,000—the rest of the *VIPs*.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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—OPTIMUM MARKET POSITION: THE DOWNTOWN STUDY AREA—

There are several factors that contribute to the desirability of living in the Downtown Study Area:

- Downtown is a significant employment center;
- The range of cultural institutions located Downtown, including the Saenger Theatre, the Alabama Contemporary Arts Center, the Mobile Symphony Orchestra, the Mobile Opera, and the Mobile Ballet productions;
- The major attractions located Downtown, including the Gulf Coast Exploreum Science Center and IMAX Theater, the Mobile Carnival Museum, the History Museum and Welcome Center, the new GulfQuest National Maritime Museum of the Gulf of Mexico, and several downtown parks, including the Mardi Gras Park, which opened in November 2016 on the site of the old Mobile County Courthouse, Bienville and Cathedral Squares, Spanish Plaza, Washington Square in the Church Street East neighborhood, and the Cooper Riverside Park on the Mobile River; and
- The historic neighborhoods such as DeTonti Square and Church Street East, and Oakleigh, another historic neighborhood, located just west of the Hank Aaron Loop.

As detailed in ANNUAL MARKET POTENTIAL FOR THE DOWNTOWN STUDY AREA, an average of 1,550 potential renters, 350 potential condominium purchasers, 430 potential rowhouse/townhouse purchasers, and 220 potential purchasers of urban detached houses, all with incomes of \$50,000 or more per year, comprise the annual potential market for new rental and ownership housing units in the Downtown Study Area over the next five years. The optimum market position for new housing in the Study Area has therefore been developed based on a variety of factors, including but not limited to:

- The tenure and housing preferences, financial capabilities, and lifestyles of the target households;
- The physical and locational characteristics of the Study Area; and
- Current market area residential market dynamics.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

Based on these factors, the optimum market position for new rental and for-sale housing within the Downtown Study Area is summarized on the table following this page (*see also Table 9 following the text for greater detail*):

Optimum Market Position  
 Households With Incomes Above \$50,000  
 THE DOWNTOWN MOBILE STUDY AREA  
*City of Mobile, Mobile County, Alabama*

HOUSING TYPE	UNIT RENT/PRICE RANGE	UNIT SIZE RANGE	BASE RENT/PRICE PER SQ. FT.
MULTI-FAMILY FOR-RENT—60.8%			
Lofts	\$625 to \$1,500	400 to 1,000 sf	\$1.50 to \$1.56
Apartments	\$925 to \$1,800	550 to 1,100 sf	\$1.64 to \$1.68
MULTI-FAMILY FOR-SALE—13.7%			
Lofts	\$140,000 to \$200,000	750 to 1,100 sf	\$182 to \$187
Mansion Condominiums	\$225,000 to \$285,000	1,150 to 1,500 sf	\$190 to \$196
SINGLE-FAMILY ATTACHED FOR-SALE—16.9%			
Rowhouses	\$175,000 to \$245,000	950 to 1,350 sf	\$181 to \$184
Townhouses	\$250,000 to \$300,000	1,300 to 1,600 sf	\$188 to \$192
SINGLE-FAMILY DETACHED FOR-SALE—8.6%			
Cottages/Bungalows	\$185,000 to \$280,000	1,000 to 1,550 sf	\$181 to \$185
Urban Houses	\$295,000 to \$350,000	1,600 to 1,950 sf	\$179 to \$184

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Based on the mix of unit types, sizes, and rents/prices outlined in the optimum market position, the weighted average rents and prices for each of the housing types are shown on the table following this page:

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

Weighted Average Base Rents/Prices and Size Ranges  
 Households With Incomes Above \$50,000  
 THE DOWNTOWN MOBILE STUDY AREA  
*City of Mobile, Mobile County, Alabama*

HOUSING TYPE	WEIGHTED AVERAGE BASE RENTS/PRICES	WEIGHTED AVERAGE UNIT SIZE	WEIGHTED AVERAGE BASE RENTS/PRICES PER SQ. FT.
MULTI-FAMILY FOR-RENT			
Lofts	\$1,075	705 sf	\$1.52 psf
Apartments	\$1,314	793 sf	\$1.66 psf
MULTI-FAMILY FOR-SALE			
Lofts	\$165,500	900 sf	\$184 psf
Mansion Condominiums	\$247,500	1,288 sf	\$192 psf
SINGLE-FAMILY ATTACHED FOR-SALE			
Rowhouses	\$214,000	1,170 sf	\$183 psf
Townhouses	\$278,750	1,473 sf	\$189 psf
SINGLE-FAMILY DETACHED FOR-SALE			
Cottages/Bungalows	\$242,750	1,333 sf	\$182 psf
Urban Houses	\$326,250	1,803 sf	\$181 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

The proposed prices are in year 2018 dollars and are exclusive of location or floor premiums and consumer-added options or upgrades.

—MARKET CAPTURE—

Based on 30 years' experience employing the target market methodology in urban locations at every scale in 47 states, and given current economic conditions, Zimmerman/Volk Associates has determined that a capture of between 10 to 12 percent of the annual potential market for new multi-family for-rent, and five to eight percent of the annual potential market for new multi-family for-sale, and single-family attached and detached for-sale units could be achievable in the Study Area.

Annual average absorption over the next five years within the Downtown Study Area is forecast as shown on the table following this page (see again Table 9 *for greater detail*):

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

Annual Forecast Absorption  
 Households With Incomes Above \$50,000  
 THE DOWNTOWN MOBILE STUDY AREA  
*City of Mobile, Mobile County, Alabama*

HOUSING TYPE	NUMBER OF HOUSEHOLDS	ANNUAL UNITS ABSORBED	CAPTURE RATES
Multi-family for-rent	1,550	155 - 186	10 – 12%
Multi-family for-sale	350	18 - 28	5 – 10%
Single-family attached for-sale	430	21 - 34	5 – 10%
Single-family detached for-sale	<u>220</u>	<u>11 - 18</u>	5 – 10%
Total	2,550	205 - 266 units	

SOURCE: Zimmerman/Volk Associates, Inc., 2018.

Based on these capture rates, the Downtown Study Area should be able to absorb between 205 and 266 new rental and for-sale housing units per year each year over the next five years.

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

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.

—BUILDING AMENITIES—

New buildings in the Study Area should include 21st century urban amenities, with a technology focus, including an emphasis on “the internet of things” enabling remote access to HVAC, appliances, lighting and security. Particularly important would be features designed to help residents control energy usage and utility costs, such as:

- Internet-enabled thermostat;
- Energy-Star HVAC and appliances;
- Internet-enabled lighting and outlets;
- USB charging outlets in the kitchen and master bedroom; and
- Built-in LED lighting.

To meet the expectations of potential residents, all units should be wired for cable television and high-speed internet or, if practical, be served by a building-wide Wi-Fi system. As much closet and storage space as possible should be provided in each unit.

Amenities in larger buildings could include a small fitness center with treadmills, bikes, Stairmasters, and free weights; a small business center; outdoor and indoor community gathering spaces, *e.g.*— Wi-Fi café, bar and kitchen. The kitchen could be designed as a demonstration chef’s kitchen with adjoining dining area that could be leased for dinner parties, or used by local chefs. Outdoor spaces should include a fire pit or other focal gathering points.

The Downtown Mobile Study Area  
*The City of Mobile, Mobile County, Alabama*

May, 2018

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Other community amenities that are not very expensive to provide but are highly attractive to the target markets include storage units, secure bicycle storage with bicycle repair and maintenance room, or “velo room,” including a repair stand, standard bike tools and air pumps, and recycling bins in the mail room. Because dogs have now become the equivalent of urban children, consideration should be given to including a dog washing station.

#### STUDY AREA BUILDING AND UNIT TYPES

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Building and unit types most appropriate for the Downtown Study Area include:

##### —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 when the ground-floor serves a 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.
- 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.

—MULTI-FAMILY UNIT TYPES—

- Microlofts: Several cities across the country are changing minimum unit size requirements as part of a strategy to attract young knowledge workers with contemporary yet affordable units. Millennial knowledge workers have responded positively to efficiency units as small as 220 square feet, often leasing out new micro loft projects within a matter of days.
- Mezzanine lofts: Lofts with an additional half level, the mezzanine, that typically occur only on the uppermost full floor of a multi-family building. The main double-height space—with at least 16-foot ceilings—should have large, two-story windows. The kitchen and often a half bath are on the main level, at least one full bath is located on the mezzanine.
- Lofts: Unit interiors typically have high ceilings, are fully finished and partitioned into individual rooms. Units may also contain architectural elements reminiscent of hard lofts, such as exposed ceiling beams and ductwork, concrete floors and industrial finishes, particularly if the building is an adaptive re-use of an existing industrial structure.
- Apartments: More conventionally-finished single-level units, typically with completely-partitioned rooms.—trim, interior doors, kitchens and baths are often fitted out with higher-end finishes and fixtures than in lofts.

—SINGLE-FAMILY ATTACHED—

- Rowhouses: Similar in form to a conventional suburban townhouse except that the garage—either attached or detached—is located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban rowhouses/townhouses conform to the pattern of streets, typically with shallow front-yard setbacks. To provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk. The rowhouse, as distinct from the townhouse, typically has a uniform front façade and cornice height.
- Duplexes: Two-unit townhouses with the garages—either attached or detached—located to the rear of the units. Like the rowhouses, urban duplexes conform to the pattern of streets, typically with shallow front-yard setbacks. In a corner location, duplex units can each front a different street.

—SINGLE-FAMILY DETACHED—

- Cottages: Relatively small one- or one-and-a-half-story single-family detached houses on small lots with rear-loaded parking accessed from a rear lane, alley or auto court.
- Bungalows: Small one- or one-and-a-half-story single-family detached houses on small lots with rear-loaded parking accessed from a rear lane, alley or auto court. As distinct from the cottage, a bungalow always includes a large porch, usually spanning the full width of the front façade.
- Urban House: A one-and-a-half- or two-story single-family detached house sited relatively close to the street. Can be disposed on a narrow lot as a sideyard house, with one side wall of the unit having no setback from the lot line. (An equivalent alternative has conventional sideyard setbacks, but combines adjoining sideyards through use easements.) Parking can be in attached or detached garages or open, and located at the rear of the lot well back from the front façade. Parking must be accessed from a rear lane, alley or auto court on lots narrower than 50 feet.



Table 1

**Average Annual Market Potential**

Annual Average Number Of Draw Area Households With The Potential To Move To The Downtown Study Area Each Year Over The Next Five Years  
Households With Annual Incomes Above \$50,000

***The Downtown Mobile Study Area***

*City of Mobile, Mobile County, Alabama*

*City of Mobile; Balance of Mobile County;  
Baldwin County, Alabama; and Balance of the United States  
Draw Areas*

Annual Target Market Households  
With The Potential To Rent/Purchase In the  
City of Mobile, Mobile County, Alabama 14,290

Annual Target Market Households  
With The Potential To Rent/Purchase In  
The Downtown Mobile Study Area 3,250

**Annual Market Potential--All Housing Types**

	<i>Multi- ..... Family .....</i>		<i>Single- ..... Family .....</i>		<u>Total</u>
	<u><i>For-Rent</i></u>	<u><i>For-Sale</i></u>	<u><i>.. Attached .. All Ranges</i></u>	<u><i>.. Detached .. All Ranges</i></u>	
Total Households:	1,550	350	430	920	3,250
{Mix Distribution}:	47.7%	10.8%	13.2%	28.3%	100.0%

**Annual Market Potential--Higher-Density Housing Types**

	<i>Multi- ..... Family .....</i>		<i>Single- ..... Family .....</i>		<u>Total</u>
	<u><i>For-Rent</i></u>	<u><i>For-Sale</i></u>	<u><i>.. Attached .. All Ranges</i></u>	<u><i>.. Detached .. Urban</i></u>	
Total Households:	1,550	350	430	220	2,550
{Mix Distribution}:	60.8%	13.7%	16.9%	8.6%	100.0%

NOTE: Reference Appendix One, Tables 1 Through 11.

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

Table 2

**Average Annual Market Potential By Lifestage And Housing Type**  
 Annual Average Number Of Draw Area Households With The Potential  
 To Move To The Downtown Study Area Each Year Over The Next Five Years  
 Households With Annual Incomes Above \$50,000  
***The Downtown Mobile Study Area***  
*City of Mobile, Mobile County, Alabama*

Number of Households:	Total	Multi- ..... Family .....		Single- ..... Family .....	
		For-Rent	For-Sale	.. Attached .. All Ranges	.. Detached .. Urban
	2,550	1,550	350	430	220
<b>Empty Nesters &amp; Retirees</b>	23%	15%	34%	35%	36%
<b>Traditional &amp; Non-Traditional Families</b>	18%	13%	13%	23%	52%
<b>Younger Singles &amp; Couples</b>	59%	72%	53%	42%	12%
	100%	100%	100%	100%	100%

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

### Summary Of Selected Rental Properties

The City of Mobile, Mobile County, Alabama

February, 2018

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
<i>..... Downtown &amp; Midtown .....</i>						
<b>Palmier Apartments</b> <b>(1942)</b> 400 Westwood St 70 Walk score	<b>95</b>	1br/1ba 2br/1ba	\$450 \$495	600 750	\$0.75 \$0.66	<b>90% occupancy</b> Laundry facilities and courtesy patrol.
<b>Washington Plaza Apts</b> <b>(1976)</b> 410 S Washington Ave 55 Walk score	<b>80</b>	1br/1ba 2br/1ba	\$455 \$535	768 900	\$0.59 \$0.59	<b>100% occupancy</b> Laundry facilities and playground.
<b>South Bay Apartments</b> <b>(1981;2012)</b> 600 S Washington Ave 51 Walk score	<b>224</b>	1br/1ba 2br/1ba	\$461 \$532	750 950	\$0.61 \$0.56	<b>100% occupancy</b> Two pools, playground and laundry facilities.
<b>Manchester Park Apts</b> <b>(1972)</b> 1621 Spring Hill Ave 66 Walk score	<b>138</b>	1br/1ba 2br/1.5ba 3br/2ba	\$540 to \$610 \$620 to \$950 \$980	500 to 529 700 to 937 1,055	\$1.08 to \$1.15 \$0.89 to \$1.01 \$0.93	<b>93% occupancy</b> Pool, courtyard, picnic area, coffee bar and laundry facilities.
<b>Summerville Court Apts</b> <b>(1939)</b> 214 Upham St 43 Walk score	<b>88</b>	1br/1ba 2br/1ba	\$550 to \$750 \$800	765 900	\$0.72 to \$0.98 \$0.89	<b>n/a</b> Pool, fitness center, clubhouse, laundry facilities and controlled access.
<b>Tower on Ryan Park</b> <b>{1950}</b> 758 St. Michael St 76 Walk score	<b>146</b>	Studio/1ba 1br/1ba 1br/2ba 2br/2ba	\$550 to \$600 \$725 \$901 \$999	440 660 900 1,143 to 1,463	\$1.25 to \$1.36 \$1.10 \$1.00 \$0.68 to \$0.87	<b>98% occupancy</b> Fitness center, lounge, business center, clubhouse, coffee bar, laundry facilities, rooftop terrace and controlled access.

SOURCE: Walkscore.com;  
Zimmerman/Volk Associates, Inc.

**Summary Of Selected Rental Properties**

*The City of Mobile, Mobile County, Alabama*

**February, 2018**

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>	
<i>..... Downtown &amp; Midtown (continued).....</i>							
<b>Bel Air Apartments</b> <b>(1967)</b> 505 Bel Air Blvd 76 Walk score	<b>201</b>	1br/1ba 2br/1ba 2br/1.5ba 2br/2ba	\$553 to \$570 \$609 to \$613 \$616 \$653 to \$753	650 to 712 908 to 986 838 986 to 1,303	\$0.80 to \$0.85 \$0.62 to \$0.67 \$0.74 \$0.58 to \$0.66	<b>96% occupancy</b> Two pools, fitness center, lounge, coffee bar, laundry facilities, BBQ & picnic area, putting green, dog run and controlled access.	
<b>St. Charles Place</b> <b>(1922)</b> 963 Government Street 75 Walk score	<b>35</b>	Studio/1ba 1br/1ba	\$675 \$780	650 700 to 750	\$1.04 \$1.04 to \$1.11	<b>91% occupancy</b> Laundry facilities, controlled access and courtesy patrol.	
<b>Midtown Oaks Townhomes</b> <b>(1948)</b> 2500 Dauphinewood Dr 65 Walk score	<b>168</b>	<i>..... Townhomes.....</i>		2br/1ba 2br/2ba 3br/1ba	\$689 to \$799 \$734 to \$749 \$789	1,200 to 1,300 1,250 1,300	<b>98% occupancy</b> Pool, fitness center, laundry facility, and picnic area.
<b>Village at Midtown</b> <b>(2012)</b> 320 Stanton Rd 33 Walk score	<b>324</b>	1br/1ba 2br/2ba 3br/2ba	\$746 \$878 to \$937 \$977 to \$1,012	971 1,168 1,436	\$0.77 \$0.75 to \$0.80 \$0.68 to \$0.70	<b>98% occupancy</b> Pool, lounge, putting green, clubhouse, fitness center, media center and controlled access.	
<b>Staples-Pake</b> <b>(2017)</b> 100 N Royal St 74 Walk score	<b>20</b>	<i>..... Apartments/Lofts.....</i>		Studio/1ba 1br/1ba 2br/2ba	\$775 \$975 \$1,400	542 to 706 762 to 1,029 1,138	<b>In Lease-up.</b> Key card access, secure entryway, \$1.10 to \$1.43 \$0.95 to \$1.28 \$1.23
<b>Broad Street Lofts</b> <b>(1910; 2017)</b> 304 S Broad St 63 Walk score	<b>28</b>	<i>..... Lofts.....</i>		Studio/1ba 1br/1ba 2br/1ba 2br/2ba	\$800 \$925 to \$990 \$1,325 \$1,400	603 715 to 854 1,042 994	<b>In Lease-up.</b> Courtyard and secured access. \$1.33 \$1.16 to \$1.29 \$1.27 \$1.41

SOURCE: Walkscore.com;  
Zimmerman/Volk Associates, Inc.

**Summary Of Selected Rental Properties***The City of Mobile, Mobile County, Alabama***February, 2018**

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
<i>..... Downtown &amp; Midtown (continued).....</i>						
<b>Marine Street Lofts</b> <b>(1958; 2015)</b> 951 Government Street 75 Walk score	<b>48</b>	<i>..... Lofts.....</i>				<b>100% occupancy</b> Fitness center, rooftop terrace and controlled access.
		1br/1ba	\$800 to \$1,150	810 to 1,035	\$0.99 to \$1.11	
		2br/2ba	\$1,200 to \$1,600	1,470 to 1,830	\$0.82 to \$0.87	
<b>Temple Lodge Lofts (TBD)</b> 558 St. Francis St 78 Walk score	<b>10</b>	<i>..... Lofts.....</i>				<b>n/a</b> Fitness center, rooftop terrace and controlled access.
		Loft/1ba	\$1,350 to \$2,095	850 to 1,150	\$1.59 to \$1.82	
<i>..... West of Mobile.....</i>						
<b>Autumn Woods Apts</b> <b>(1974)</b> 101 Foreman Rd 56 Walk score	<b>225</b>	<i>..... Townhomes.....</i>				<b>n/a</b> Pool, clubhouse, deck, fitness center, tennis court, picnic area, laundry facilities and courtesy patrol.
		1br/1ba	\$529	610	\$0.87	
		2br/2ba	\$689 to \$699	870	\$0.79 to \$0.80	
		3br/2ba	\$784 to \$794	1,060	\$0.74 to \$0.75	
<b>Hamptons at Pine Bend</b> <b>(1977)</b> 1030 Montlimar Dr 31 Walk score	<b>452</b>	<i>..... Townhomes.....</i>				<b>96% occupancy</b> Three pools, tennis courts, fitness center, business center playground, dog park and controlled access.
		1br/1ba	\$540 to \$570	695 to 750	\$0.76 to \$0.78	
		2br/1ba	\$640 to \$665	1,008 to 1,014	\$0.63 to \$0.66	
		2br/1.5ba	\$725	1,041	\$0.70	
		2br/2ba	\$690 to \$695	1,006 to 1,008	\$0.69	
		3br/2ba	\$815	1,300	\$0.63	
<b>Azalea Pointe Apts</b> <b>(1973)</b> 651 Azalea Rd 34 Walk score	<b>208</b>	<i>..... Townhomes.....</i>				<b>100% occupancy</b> Splash pad, clubhouse, playground, laundry facilities and picnic area.
		2br/1ba	\$543	760	\$0.71	
		3br/1.5ba	\$645	980	\$0.66	

**Summary Of Selected Rental Properties**

*The City of Mobile, Mobile County, Alabama*

**February, 2018**

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
<i>..... West of Mobile (continued).....</i>						
<b>Estates at Lafayette Square</b> <b>(1971)</b> <i>900 Downtowner Blvd</i> 68 Walk score	<b>675</b>	<i>..... Townhomes.....</i>				<b>98% occupancy</b> <i>Five pools, fitness center, tennis courts, business center, conference room, dog park, playground, picnic area and controlled access.</i>
		1br/1ba	\$565 to	688 to	\$0.73 to	
			\$585	806	\$0.82	
		1br/1ba w/study	\$615	920	\$0.67	
		3br/1.5ba	\$805	1,284	\$0.63	
		3br/2.5ba	\$860	1,371	\$0.63	
		<i>..... Apartments.....</i>				
		2br/1ba	\$645 to	945 to	\$0.66 to	
			\$650	983	\$0.68	
		2br/1.5ba	\$750	1,130	\$0.66	
		2br/2ba	\$700 to	1,045	\$0.67 to	
			\$805		\$0.77	
		2br/2.5ba	\$765	1,276	\$0.60	
<b>Timber Ridge Apts</b> <b>(2000)</b> <i>6700 Wall St</i> 27 Walk score	<b>320</b>	1br/1ba	\$618 to	866	\$0.71 to	<b>98% occupancy</b> <i>Two pools, sundeck, grilling area, tennis court, clubhouse, fitness center, laundry facilities and night patrol.</i>
			\$1,205		\$1.39	
		2br/1ba	\$704 to	1,035	\$0.68 to	
			\$1,355		\$1.31	
		2br/2ba	n/a	1,197	n/a	
		3br/2ba	\$860 to	1,427	\$0.60 to	
			\$1,684		\$1.18	
<b>Four Seasons Apartments</b> <i>133 East Dr</i> 62 Walk score	<b>72</b>	1br/1ba	n/a	713	n/a	<b>89% occupancy</b> <i>Pool, sundeck, tennis court and laundry facility.</i>
		2br/1ba	\$649 to	930	\$0.70 to	
			\$699		\$0.75	
<b>Lenox Gates</b> <b>(1993)</b> <i>1500 Hillcrest Rd</i> 53 Walk score	<b>228</b>	1br/1ba	\$677 to	810	\$0.84 to	<b>100% occupancy</b> <i>Pool with fountain, fitness center, tennis court, laundry facility and controlled access.</i>
			\$972		\$1.20	
		1br/1ba w/garden	\$916 to	853	\$1.07 to	
			\$1,049		\$1.23	
		2br/1ba	\$766 to	980	\$0.78 to	
			\$1,016		\$1.04	
		2br/1ba w/garden	\$878 to	1,032	\$0.85 to	
			\$1,071		\$1.04	
		2br/2ba	\$718 to	1,124	\$0.64 to	
			\$945		\$0.84	
		2br/2ba w/garden	\$803 to	1,160	\$0.69 to	
			\$988		\$0.85	
		3br/2ba	\$1,018 to	1,387	\$0.73 to	
			\$1,298		\$0.94	

SOURCE: Walkscore.com;  
Zimmerman/Volk Associates, Inc.



**Summary Of Selected Rental Properties***The City of Mobile, Mobile County, Alabama***February, 2018**

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>		<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
<i>..... West of Mobile (continued).....</i>							
<b>Arlington Park</b> <b>(2002)</b> 7070 Grelot Rd 15 Walk score	<b>252</b>	1br/1ba	\$725 to		863 to	\$0.84 to	<b>97% occupancy</b> Pool, fitness center, game room, wifi café, pet park, movie theater and sunroom.
			\$902		917	\$0.98	
		2br/2ba	\$853 to		1,250	\$0.68 to	
			\$905			\$0.72	
		3br/2ba	\$1,140 to		1,324	\$0.86 to	
			\$1,189			\$0.90	
<b>Woodside Apartment Homes</b> <b>(2012)</b> 5089 Government Blvd 16 Walk score	<b>240</b>	1br/1ba	\$750		686	\$1.09	<b>99% occupancy</b> Pool, sundeck, clubhouse, pet park, fitness center, and business center.
		2br/2ba	\$825		935	\$0.88	
		3br/2ba	\$975 to		1,205 to	\$0.79 to	
			\$1,000		1,269	\$0.81	
<b>Cypress Cove</b> <b>(2009)</b> 2175 Schillinger Rd 39 Walk score	<b>404</b>	1br/1ba	\$759 to		630 to	\$0.99 to	<b>97% occupancy</b> Pool, cabana, clubhouse, fitness center, business center, playground, pet park, BBQ and picnic area, courtyard, tanning salon, recreation room and controlled access.
			\$949		957	\$1.20	
		2br/2ba	\$1,049 to		1,212 to	\$0.87 to	
			\$1,124		1,220	\$0.92	
		3br/2ba	\$1,289 to		1,420 to	\$0.91 to	
			\$1,344		1,220	\$1.10	
<b>Regency Gates</b> <b>(1995)</b> 5700 Grelot Rd 20 Walk score	<b>216</b>	1br/1ba	\$823 to		817 to	\$0.96 to	<b>95% occupancy</b> Pool, tennis court, fitness center and laundry facility.
			\$829		860	\$1.01	
		2br/1ba	\$763 to		987 to	\$0.77 to	
			\$871		1,039	\$0.84	
		2br/2ba	\$838 to		1,138 to	\$0.74 to	
			\$903		1,160	\$0.78	
		3br/2ba	\$989 to		1,387	\$0.71 to	
			\$1,382			\$1.00	
<b>The Crossings at</b> <b>Cottage Hill</b> <b>(2012)</b> 5799 Southland Dr 9 Walk score	<b>182</b>	1br/1ba	\$860 to		651 to	\$1.13 to	<b>95% occupancy</b> Pool, clubhouse, fitness center, lounge, cyber café, picnic areas and landscaped grounds.
			\$890		789	\$1.32	
		2br/2ba	\$1,065 to		1,157	\$0.92 to	
			\$1,105			\$0.96	
		3br/2ba	\$1,300		1,384	\$0.94	

SOURCE: Walkscore.com;  
Zimmerman/Volk Associates, Inc.

**Summary Of Selected Rental Properties**

*The City of Mobile, Mobile County, Alabama*

**February, 2018**

<u>Property (Date Opened)</u> <u>Address</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
<i>..... West of Mobile (continued).....</i>						
<b>The Charleston</b> <b>(2010)</b>	<b>384</b>	1br/1ba	\$900	888	\$1.01	<b>98% occupancy</b> <i>Pool, clubhouse, tennis, business &amp; fitness centers playground, dog park, and controlled access.</i>
2889 Sollie Rd		2br/2ba	\$1,020	1,128	\$0.90	
12 Walk score		3br/2ba	\$1,250	1,396	\$0.90	
<b>Legacy Oaks at Springhill</b> <b>(2007)</b>	<b>138</b>	1br/1ba	\$1,150	930	\$1.24	<b>94% occupancy</b> <i>Pool, spa, library, clubhouse, fitness center, business center and controlled access.</i>
150 Du Rhu Dr		2br/2ba	\$1,400	1,312	to \$0.88 to	
52 Walk score				1,588	\$1.07	
		3br/2ba	\$1,850	1,701	to \$1.05 to	
				1,756	\$1.09	
<i>..... South of Mobile.....</i>						
<b>Edgewood Villas Apts</b> <b>(1953)</b>	<b>103</b>	<i>..... Townhomes.....</i>				<b>98% occupancy</b>
1601 Neshota Dr		2br/1ba	\$725	750	\$0.97	<i>Pool, sundeck, playground and basketball court.</i>
14 Walk score		3br/1ba	\$745	to 850	\$0.88 to	
			\$795		\$0.94	

**Summary Of Selected For-Sale Multi-Family  
And Single-Family Attached And Detached Developments**

*The City of Mobile, Mobile County, Alabama*

**February, 2018**

<u>Development (Date Opened)</u> <u>Developer/Builder/Address</u>	<u>Unit Type</u>	<u>Base Price Range</u>	<u>Unit Size Range</u>	<u>Base Price Per Sq. Ft.</u>	<u>Total Units</u>	<u>Walk Score</u>
<b>.... Central Business District ....</b>						
<b>.... Resale Listings ....</b>						
<b>Mattress Factory (2008)</b> 412 Dauphin St					<b>24</b>	<b>74</b>
	.... Condominiums ....					
	1br/1ba	\$144,900	1,000	\$145		
	1br/1ba	\$159,900	1,097	\$146		
	1br/1ba	\$199,900	n/a	n/a		
	1br/1ba	\$213,000	1,092	\$195		
<b>St. Louis Lofts (2008)</b> 308 St. Louis St					<b>21</b>	<b>72</b>
	.... Condominiums ....					
	2br/2ba	\$145,500	1,356	\$107		
	2br/2ba	\$179,000	1,657	\$108		
<b>O'Gwynn (2008)</b> 204 Conti St					<b>10</b>	<b>64</b>
	.... Condominiums ....					
	1br/2ba	\$174,900	1,134	\$154		
	2br/2ba	\$235,000	n/a	n/a		
<b>Carriage Works (2008)</b> 701-709 Dauphin St					<b>11</b>	<b>75</b>
	.... Condominiums ....					
	2br/2ba	\$265,000	1,336	\$198		
	2br/2ba	\$285,000	1,463	\$195		
	.... Townhouses ....					
	2br/2.5ba	\$299,000	1,510	\$198		
	2br/2.5ba	\$299,000	1,510	\$198		
<b>St. Francis Place (1908)</b> 753 St. Francis St					<b>30</b>	<b>76</b>
	.... Condominiums ....					
	2br/2ba	\$299,900	1,312	\$229		
<b>.... Midtown ....</b>						
<b>.... Resale Listings ....</b>						
<b>Windsor-Warwick (1930)</b> 1600-1602 Government St					<b>28</b>	<b>65</b>
	.... Condominiums ....					
	1br/1ba	\$70,000	449	\$156		
	2br/1ba	\$99,500	942	\$106		
<b>Summerville Court (1939)</b> 214 Upham Street					<b>80</b>	<b>43</b>
	.... Condominiums ....					
	2br/1ba	\$89,900	900	\$100		

SOURCE: Multiple Listing Service;  
Walkscore.com;  
Zimmerman/Volk Associates, Inc.

**Summary Of Selected For-Sale Multi-Family  
And Single-Family Attached And Detached Developments**  
*The City of Mobile, Mobile County, Alabama*  
**February, 2018**

<u>Development (Date Opened)</u> <u>Developer/Builder/Address</u>	<u>Unit Type</u>	<u>Base Price Range</u>	<u>Unit Size Range</u>	<u>Base Price Per Sq. Ft.</u>	<u>Total Units</u>	<u>Walk Score</u>
<i>.... West of Mobile ....</i>						
<i>.... Resale Listings ....</i>						
<b>5608 Cottage Hill Road (1985)</b>	<i>.... Townhouses ....</i>					<b>31</b>
	1br/1ba	\$56,900	600	\$95		
	2br/2ba	\$79,900	n/a	n/a		
<b>Stone Ridge (1974)</b>	<i>.... Townhouses ....</i>					<b>78</b>
2901 Grant St	4br/2.5ba	\$120,000	1,828	\$66		
	2br/2.5ba	\$127,500	1,582	\$81		
	3br/2.5ba	\$149,900	1,697	\$88		
	3br/2.5ba	\$149,900	1,697	\$88		
	4br/2.5ba	\$149,900	1,828	\$82		
<b>Willowbrook Townhomes (1987)</b>	<i>.... Townhouses ....</i>					<b>39</b>
270 Hillcrest Rd	3br/2ba	\$124,500	1,392	\$89		
	3br/3ba	\$126,900	1,600	\$79		
<b>The Gardens of Cottage Hill (2007)</b>	<i>.... Single-Family Houses ....</i>					<b>29</b>
Rosebud Drive	3br/2ba	\$155,711	1,595	\$98		
	3br/2ba	\$171,000	1,812	\$94		
	3br/2ba	\$179,900	1,705	\$106		
	4br/2ba	\$199,900	2,200	\$91		
<b>Kings Branch Estates (2009)</b>	<i>.... Single-Family Houses ....</i>					<b>175</b>
	3br/2ba	\$195,225	2,205	\$89		<b>9</b>
<b>Magnolia Grove - The Legends (2010)</b>	<i>.... Single-Family Houses ....</i>					<b>53</b>
	4br/3.5ba	\$249,900	3,204	\$78		<b>2</b>
<i>.... West of Mobile (continued) ....</i>						
<i>.... New Construction Listings ....</i>						
<b>Colonial Terrace (2017)</b>	<i>.... Single-Family Houses ....</i>					<b>78</b>
	3br/2ba	\$119,900	1,200	\$100		
<b>Rebecca Hill (2017)</b>	<i>.... Single-Family Houses ....</i>					<b>24</b>
Rebecca Drive	3br/2ba	\$126,900	1,316	\$96		
	4br/2ba	\$149,900	1,539	\$97		
	3br/2ba	\$149,900	1,547	\$97		

SOURCE: Multiple Listing Service;  
Walkscore.com;  
Zimmerman/Volk Associates, Inc.

**Summary Of Selected For-Sale Multi-Family  
And Single-Family Attached And Detached Developments**  
*The City of Mobile, Mobile County, Alabama*  
**February, 2018**

<u>Development (Date Opened)</u> <u>Developer/Builder/Address</u>	<u>Unit Type</u>	<u>Base Price Range</u>	<u>Unit Size Range</u>	<u>Base Price Per Sq. Ft.</u>	<u>Total Units</u>	<u>Walk Score</u>	
<i>.... West of Mobile (continued) . . . .</i>							
<i>.... New Construction Listings (continued) . . . . .</i>							
<b>Franklin Estates (2018)</b>	<i>.... Single-Family Houses . . . . .</i>					<b>36</b>	<b>4</b>
	3br/2ba	\$154,950	1,492	\$104			
<b>Longleaf Gates (2018)</b>	<i>.... Single-Family Houses . . . . .</i>					<b>52</b>	<b>9</b>
<i>Torrey Drive</i>	4br/2ba	\$184,000	n/a	n/a			
	4br/2ba	\$184,000	1,736	\$106			
	3br/2ba	\$204,000	1,979	\$103			
	3br/2ba	\$204,000	1,979	\$103			
	3br/2ba	\$204,000	1,979	\$103			
	3br/2ba	\$204,000	1,979	\$103			
	6br/3.5ba	\$385,000	4,258	\$90			
<b>Saybrook - The Legacy (2018)</b>	<i>.... Single-Family Houses . . . . .</i>					<b>273</b>	<b>0</b>
<i>Pierson Drive</i>	4br/2ba	\$247,505	2,169	\$114			
	4br/3ba	\$251,205	2,265	\$111			
	4br/3ba	\$260,070	2,508	\$104			
	4br/3.5ba	\$269,900	3,134	\$86			
	4br/3ba	\$275,250	2,814	\$98			
	5br/2.5ba	\$280,790	2,831	\$99			
<b>Snowden Place (2017)</b>	<i>.... Single-Family Houses . . . . .</i>					<b>52</b>	<b>55</b>
<i>Snowden Plac</i>	3br/2ba	\$329,900	2,200	\$150			
	4br/3ba	\$329,900	n/a	n/a			

SOURCE: Multiple Listing Service;  
Walkscore.com;  
Zimmerman/Volk Associates, Inc.

**Target Groups For New Multi-Family For-Rent**  
Households With Annual Incomes Over \$50,000  
***The Downtown Mobile Study Area***  
*The City of Mobile, Mobile County, Alabama*

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<b>Empty Nesters &amp; Retirees*</b>	<i>Number of Households</i>	<i>Share of Households</i>
Small-Town Patriarchs	5	0.3%
Urban Establishment	25	1.6%
Suburban Establishment	15	1.0%
Pillars of the Community	10	0.6%
New Empty Nesters	5	0.3%
Traditional Couples	5	0.3%
Second-City Establishment	10	0.6%
RV Retirees	5	0.3%
Multi-Ethnic Empty Nesters	5	0.3%
Cosmopolitan Couples	30	1.9%
Mainstream Empty Nesters	50	3.2%
Middle-American Retirees	40	2.6%
Country Couples	25	1.6%
Subtotal:	230	14.8%
<b>Traditional &amp; Non-Traditional Families†</b>		
Fiber-Optic Families	5	0.3%
e-Type Families	5	0.3%
Unibox Transferees	20	1.3%
Late-Nest Suburbanites	45	2.9%
Full-Nest Suburbanites	30	1.9%
Multi-Cultural Families	5	0.3%
Multi-Ethnic Families	20	1.3%
Uptown Families	75	4.8%
Subtotal:	205	13.2%

\* Primarily one- and two-person households

† Primarily three- and four-person households.

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

**Target Groups For New Multi-Family For-Rent**  
Households With Annual Incomes Over \$50,000  
***The Downtown Mobile Study Area***  
*The City of Mobile, Mobile County, Alabama*

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<b>Younger Singles &amp; Couples*</b>	<i>Number of Households</i>	<i>Share of Households</i>
New Power Couples	5	0.3%
New Bohemians	95	6.1%
Cosmopolitan Elite	5	0.3%
The VIPs	230	14.8%
Fast-Track Professionals	315	20.3%
Suburban Achievers	40	2.6%
Small-City Singles	125	8.1%
Twentysomethings	300	19.4%
Subtotal:	1,115	71.9%
<b>Total Households:</b>	<b>1,550</b>	<b>100.0%</b>

\* Primarily one- and two-person households

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

Table 6

**Target Groups For New Multi-Family For-Sale**  
Households With Annual Incomes Over \$50,000  
***The Downtown Mobile Study Area***  
*The City of Mobile, Mobile County, Alabama*

<b>Empty Nesters &amp; Retirees*</b>	<i>Number of Households</i>	<i>Share of Households</i>
Small-Town Patriarchs	5	1.4%
Affluent Empty Nesters	10	2.9%
Urban Establishment	5	1.4%
Suburban Establishment	20	5.7%
Pillars of the Community	5	1.4%
New Empty Nesters	10	2.9%
Traditional Couples	10	2.9%
Second-City Establishment	15	4.3%
Cosmopolitan Couples	5	1.4%
Mainstream Empty Nesters	15	4.3%
Middle-American Retirees	15	4.3%
Country Couples	5	1.4%
Subtotal:	120	34.3%
<b>Traditional &amp; Non-Traditional Families†</b>		
Unibox Transferees	5	1.4%
Late-Nest Suburbanites	15	4.3%
Full-Nest Suburbanites	10	2.9%
Uptown Families	15	4.3%
Subtotal:	45	12.9%
<b>Younger Singles &amp; Couples*</b>		
New Power Couples	5	1.4%
New Bohemians	15	4.3%
Cosmopolitan Elite	5	1.4%
The VIPs	60	17.1%
Fast-Track Professionals	35	10.0%
Suburban Achievers	20	5.7%
Small-City Singles	25	7.1%
Twentysomethings	20	5.7%
Subtotal:	185	52.9%
<b>Total Households:</b>	<b>350</b>	<b>100.0%</b>

\* Primarily one- and two-person households

† Primarily three- and four-person households.

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



Table 7

**Target Groups For New Single-Family Attached For-Sale**  
Households With Annual Incomes Over \$50,000  
***The Downtown Mobile Study Area***  
*The City of Mobile, Mobile County, Alabama*

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<b>Empty Nesters &amp; Retirees*</b>	<i>Number of Households</i>	<i>Share of Households</i>
Small-Town Patriarchs	5	1.2%
Urban Establishment	5	1.2%
Suburban Establishment	15	3.5%
Pillars of the Community	10	2.3%
New Empty Nesters	15	3.5%
Traditional Couples	10	2.3%
Second-City Establishment	10	2.3%
Multi-Ethnic Empty Nesters	5	1.2%
Cosmopolitan Couples	5	1.2%
Mainstream Empty Nesters	30	7.0%
Middle-American Retirees	20	4.7%
RV Retirees	10	2.3%
Country Couples	10	2.3%
Subtotal:	150	34.9%
<b>Traditional &amp; Non-Traditional Families†</b>		
Fiber-Optic Families	10	2.3%
Unibox Transferees	10	2.3%
Late-Nest Suburbanites	20	4.7%
Full-Nest Suburbanites	15	3.5%
Multi-Ethnic Families	15	3.5%
Uptown Families	30	7.0%
Subtotal:	100	23.3%
<b>Younger Singles &amp; Couples*</b>		
New Power Couples	5	1.2%
New Bohemians	10	2.3%
Cosmopolitan Elite	5	1.2%
The VIPs	55	12.8%
Fast-Track Professionals	25	5.8%
Suburban Achievers	15	3.5%
Small-City Singles	50	11.6%
Twentysomethings	15	3.5%
Subtotal:	180	41.9%
<b>Total Households:</b>	<b>430</b>	<b>100.0%</b>

\* Primarily one- and two-person households

† Primarily three- and four-person households.

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

Table 8

**Target Groups For New Urban Single-Family Detached For-Sale**  
Households With Annual Incomes Over \$50,000  
***The Downtown Mobile Study Area***  
*The City of Mobile, Mobile County, Alabama*

<b>Empty Nesters &amp; Retirees*</b>	<i>Number of Households</i>	<i>Share of Households</i>
The One Percenters	5	2.3%
Small-Town Patriarchs	20	9.1%
Old Money	5	2.3%
The Social Register	5	2.3%
New Empty Nesters	15	6.8%
Suburban Establishment	25	11.4%
Second-City Establishment	25	11.4%
Subtotal:	100	45.5%
<b>Traditional &amp; Non-Traditional Families†</b>		
e-Type Families	5	2.3%
Unibox Transferees	10	4.5%
Late-Nest Suburbanites	25	11.4%
Full-Nest Suburbanites	10	4.5%
Multi-Ethnic Families	5	2.3%
Uptown Families	25	11.4%
Subtotal:	80	36.4%
<b>Younger Singles &amp; Couples*</b>		
The VIPs	25	11.4%
Fast-Track Professionals	5	2.3%
Suburban Achievers	10	4.5%
Subtotal:	40	18.2%
<b>Total Households:</b>	<b>220</b>	<b>100.0%</b>

\* Primarily one- and two-person households

† Primarily three- and four-person households.

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

**Optimum Market Position**  
**The Downtown Mobile Study Area**  
*The City of Mobile, Mobile County, Alabama*  
**March, 2018**

<u>Percent of Households Number</u>	<u>Housing Type</u>	<u>Unit Configuration</u>	<u>Unit Mix</u>	<u>Base Rent/Price Range</u>	<u>Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.</u>	<u>Annual Forecast Absorption</u>
<b><u>60.8%</u></b>	<b>Multi-Family For-Rent</b>						<b><u>155 to 186 du</u></b>
900	Lofts	Microloft/1ba	20%	\$625	400	\$1.56	90 to 108 du per year
		Studio loft/1ba	20%	\$775	500	\$1.55	
		Loft/1ba	30%	\$1,150	750	\$1.53	
		Mezzanine loft/1.5ba	30%	\$1,500	1,000	\$1.50	
		Weighted Average:		\$1,075	705	\$1.52	
650	Apartments	Studio/1ba	25%	\$925	550	\$1.68	65 to 78 du per year
		1br/1ba	30%	\$1,175	700	\$1.68	
		2br/1ba	20%	\$1,400	850	\$1.65	
		2br/2ba	25%	\$1,800	1,100	\$1.64	
		Weighted Average:		\$1,314	793	\$1.66	
<b><u>13.7%</u></b>	<b>Multi-Family For-Sale</b>						<b><u>18 to 28 du</u></b>
225	Lofts	1br/1ba	40%	\$140,000	750	\$187	12 to 18 du per year
		2br/1.5ba	30%	\$165,000	900	\$183	
		2br/2ba	30%	\$200,000	1,100	\$182	
		Weighted Average:		\$165,500	900	\$184	
125	Mansion	2br/1.5ba	25%	\$225,000	1,150	\$196	6 to 10 du per year
	Condominiums {6-unit buildings}	2br/2ba	50%	\$240,000	1,250	\$192	
		2br/2.5ba	25%	\$285,000	1,500	\$190	
		Weighted Average:		\$247,500	1,288	\$192	

NOTE: Base rents/prices are in year 2018 dollars, and do not include premiums, options or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

**Optimum Market Position**  
**The Downtown Mobile Study Area**  
*The City of Mobile, Mobile County, Alabama*  
**March, 2018**

<i>Percent of Households Number</i>	<i>Housing Type</i>	<i>Unit Configuration</i>	<i>Unit Mix</i>	<i>Base Rent/Price Range</i>	<i>Unit Size Range</i>	<i>Base Rent/Price Per Sq. Ft.</i>	<i>Annual Forecast Absorption</i>
<b>16.9%</b>	<b>Single-Family Attached For-Sale</b>						<b>21 to 34 du</b>
225	Rowhouses	2br / 1.5ba	30%	\$175,000	950	\$184	11 to 18 du per year
		2br / 2.5ba	40%	\$220,000	1,200	\$183	
		3br / 2.5ba	30%	\$245,000	1,350	\$181	
		Weighted Average:			\$214,000	1,170	
205	Duplex	2br / 2.5ba	25%	\$250,000	1,300	\$192	10 to 16 du per year
		2br / 2.5ba / den	35%	\$275,000	1,450	\$190	
		3br / 2.5ba	40%	\$300,000	1,600	\$188	
		Weighted Average:			\$278,750	1,473	
<b>8.6%</b>	<b>Single-Family Detached For-Sale</b>						<b>11 to 18 du</b>
125	Cottages/ Bungalows	2br / 1.5ba	30%	\$185,000	1,000	\$185	6 to 10 du per year
		2br / 2.5ba	35%	\$255,000	1,400	\$182	
		3br / 2.5ba	35%	\$280,000	1,550	\$181	
		Weighted Average:			\$242,750	1,333	
95	Urban Houses	2br / 2.5ba / den	25%	\$295,000	1,600	\$184	5 to 8 du per year
		3br / 2.5ba	40%	\$325,000	1,800	\$181	
		3br / 3.5ba / study	35%	\$350,000	1,950	\$179	
		Weighted Average:			\$326,250	1,803	
<b>100.0%</b>	<b>2,550 Households</b>						<b>205 to 266 du per year</b>

NOTE: Base rents/prices are in year 2018 dollars, and do not include 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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Residential Market Analysis Across the Urban-to-Rural Transect

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