

DESIGN for AFFORDABILITY

November 2018

*Four housing product solutions that
are quickly implemented,
unsubsidized,
utilize existing land and materials,
and affordable for 10% - 120% AMI.*



**Urban Land
Institute**

Atlanta

Technical Assistance Panels

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Cover images provided by PadSplit and Pexel.com

1 | INTRODUCTION

ULI Atlanta's Technical Assistance Programs (TAPs) Committee members Sarah Butler and Atticus LeBlanc led a special taskforce called "Design for Affordability" involving over 30 land use professionals to evaluate innovations in planning and design that can increase housing affordability.

We know the need for housing that is affordable for more Atlantans is significant, and demand will always outpace supply. Addressing affordability in a holistic way requires looking for innovation in design, finance, construction, and product types.

The conversation about "affordable housing" is often framed in impersonal terms of AMI levels, preconceptions about transportation needs, subsidies, and numbers of units required. But housing – a home – is deeply personal. The mission of this taskforce was to recalibrate the conversation – to start a new conversation about people and architecture.

The Design for Affordability taskforce was conceived as a way to demonstrate 4 housing solutions that can be immediately implemented and scaled, to provide homes for a broad range of income levels, for different areas of the city, densities, and for both renovation and new construction.

This isn't a "one size fits all" solution, and has to be coupled with a mix of strategies and tactics the City of Atlanta is employing to mitigate displacement and provide decent, safe, and affordable housing to a broader range of residents.

The following publication provides resources and talking points for property owners, developers, and government agencies to engage in this new conversation, by thoughtfully re-considering alternative usage types to address Atlanta's affordable housing challenges, all by harnessing the power of the private sector.

Instead of **AMI levels**,

we have chefs, security guards, and ride share drivers.

Instead of **concerns about increased traffic**,

we suggest decoupling parking from home costs.

Instead of **subsidies**,

we have homeowners, private developers, and management companies with aligned incentives

Instead of **units**,

we have people who can now afford a holistic lifestyle, in addition to the architectural space of their home.

2 | MARKET: USERS AND PROVIDERS

“Affordable Housing,” if described in terms of AMI Levels, is not an accurate representation of individual situations, nor should “Affordable Housing” providers be considered as a specialty service that only certain entities (i.e. Section 8) are qualified to provide. This concept considers how to harness the power of the private sector to scale more affordable housing options, using more types of providers, for a range of users:

USERS



Single Parent



Individual



College Student



Workforce



Empty Nester



Senior



Veteran



Couple

PROVIDERS



Traditional Developer



Multi-family Developer



Government Agency



Adaptive Reuse Developer



Homeowner

2 | MARKET: HISTORICAL PRECEDENT

Our historical neighborhoods typically provided a better range of housing type and affordability scales. From the 1920s through the 1960s, single family homes and duplexes were common, along with **rooming houses** and small apartment buildings.

As urban neighborhoods were abandoned, allowable zoning density also decreased, and those zoning policies have not been updated to reflect a return to urban centers. This results in the problem of the “Missing Middle,” with more affordable housing options concentrated in very low density neighborhoods, or high density apartment towers and nothing in between. The social stigma associated with affordable housing creates opposition from these very central neighborhoods that could provide a more equitable mix of housing.

Additionally, the concept of **co-living**, which had been common for centuries and is still common in many international cities, became less popular as the dream of a single family home ownership dominated the landscape.

The four solutions proposed here can be adapted to fit a number of AMI categories, as well as the spectrum of building types, to provide a large number of units in a relatively short timeframe. In large, dense American cities, where even market-rate housing costs are prohibitive, a new generation is choosing a roommate or co-living option, both to reduce costs and to experience a more interactive community.



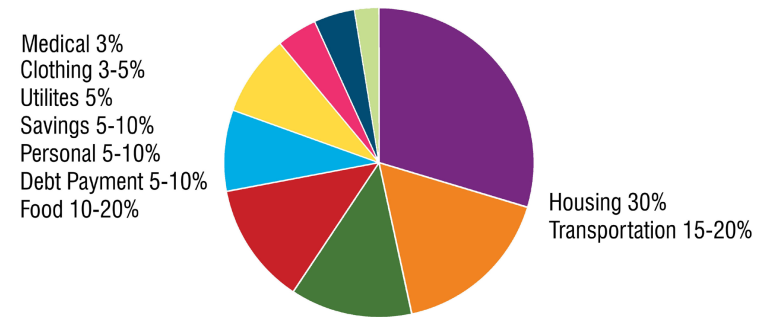
Rooming-houses and duplexes, intown Atlanta neighborhoods

2 | MARKET: HISTORICAL PRECEDENT

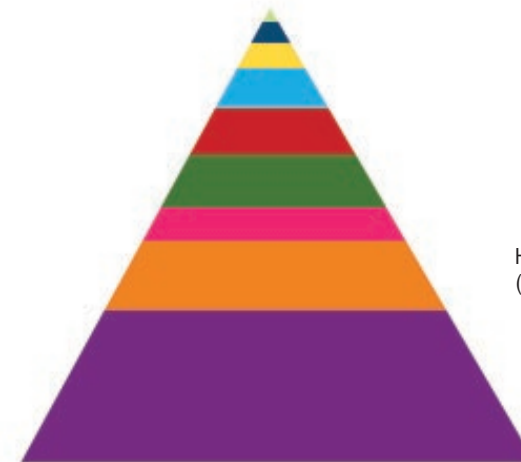
The true costs of housing on an individual basis can extend past the portion spent each month on mortgage or rent. If housing is too far from employment centers, transportation cost must be included in the housing burden cost. Additionally, a home is not complete without utilities, and should be included in the full cost of housing. When housing burden is defined in terms only of the actual home payment, it masks the true costs of housing as a percentage of a person's income.

Across all building types, allowing the conversation to steer from “housing costs” being reflective of just rent or mortgage, but also utilities, transportation, and access to services, will help re-frame why these housing solutions provide holistic affordability.

- Housing payment
- Transportation
- Utilities
- Food
- Debt Payment
- Personal (might include childcare)
- Clothing
- Medical
- Savings



*Typical representation of living costs
(30% towards housing)*



Housing Burden = 55%
(housing + transportation + utilities)

Stacked representation of housing costs
encompassing rent, utilities, and transportation as combined burden (more the 30%). It becomes clearer that the true “housing burden” limits all other personal responsibilities and goals.

3 | PRODUCTS

The four housing types reviewed in this document, which cover the range of AMI levels over the range of architectural types:

- 1 Single Family Co-Living: subdivision of single family homes into rentable bedrooms (PadSplit model)
- 2 Increasing Density on Single Family Lots
- 3 Micro-units in Multi-Family Developments
- 4 Multi-family Co-Living



3 | PRODUCTS: SINGLE FAMILY CO-LIVING

The idea of **shared living**, or the traditional rooming-house, has been re-imagined by the Atlanta company, PadSplit, Inc.

An existing single family home, ideally with 5-6 bedrooms, is rented out on a per-bedroom basis. The kitchen and common areas are shared. The home is managed by the LLC. The per-bedroom rent allows three main advantages:

- The **landlord has an above-market return**, compared to renting out the home to a single family,
- The **rent can** be re-structured to **include utilities and cable**, and can be **billed weekly** to match pay periods.
- Rates for residents are cheaper than apartments and closer to jobs and public transit.

Because utilities are included, the company is incentivized to make the home **energy efficient**. The level of finishes is comparable to the rest of the neighborhood, and thus the architecture appears no different than its neighbors. The prototype is designed so it could be built modular, as well as converted back to a single family home. This model can be used for new construction as well as rehabilitation/renovation.

TARGET AUDIENCE

Size: 5-6 bedroom home

Target Income Ranges: 10% to 60% AMI

Users:



Senior



Workforce



Individual

Providers:



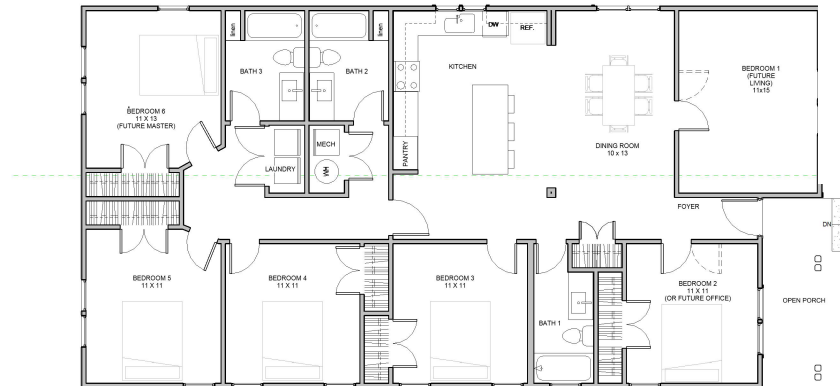
Traditional Developer



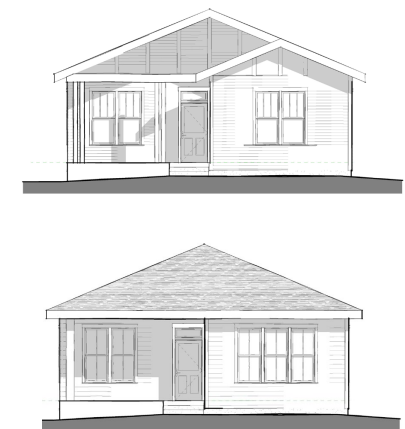
Homeowner



PadSplit, Atlanta



PadSplit Prototype

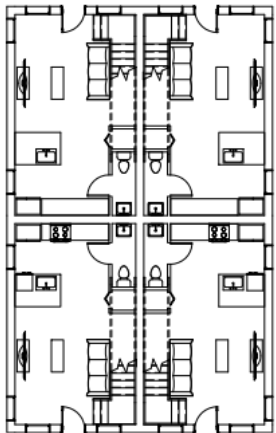


3 | PRODUCTS: INCREASING DENSITY ON SINGLE FAMILY LOTS

Whether you call it a carriage house, granny flat, or an **Accessory Dwelling Unit (ADU)**, a small, detached rental unit with a full kitchen is one way that single family homeowners traditionally accommodated aging parents or employees. Extending this idea to more single family lots could create affordable units for the city, while providing a second income for the main home.

But ADUs are not the only way to add density to a single family lot. Single family homes can be converted to **duplexes or quads** to create instant density. **Townhome developments** typically provide a greater return for developers, because there are multiple units to sell at a lower price point instead of one large home. Quad townhomes can fit on traditional single-family lots and provide higher returns for developers while creating more affordable units either as rental or fee-simple for-sale.

Currently the higher-density solutions are restricted to R-5 zoning in City of Atlanta, which is a designation concentrated in only some neighborhoods. By extending the ordinance to include more residential zoning categories, affordability could be increased in all neighborhoods across the City. *(Note: In January 2019, City of Atlanta will vote on legislation to allow ADUs in R4 and R4A zoning.)*



Quad Townhouse Prototype (TSW)



Intown Duplex



Cottage Court Concept (c. Union Studio)



Accessory Dwelling Unit

TARGET AUDIENCE

Size: ADU 750 square feet (typical in urban jurisdictions)
Duplex, quad or townhouse will vary based on the lot coverage constraints

Target Income Ranges: 60% to 120% AMI

Users:



Providers:

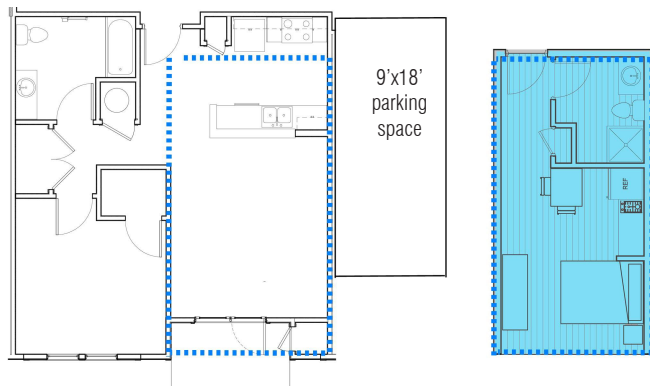


3 | PRODUCTS: MICRO-UNITS IN MULTI-FAMILY DEVELOPMENTS

Micro-units assist toward meeting affordability goals by allowing more efficient designs alongside traditional units, or as a standalone product. The increased number of units means the overall development can achieve higher rents per square foot.

Micro-units, if developed in areas close to employment or mass transit, make a compelling case for reduced parking requirements. Residents on the lower end of the AMI scale cannot, or choose not, to afford a car. The overall increased construction cost of more plumbing units, is typically more than offset by the lack of a parking deck.

Micro-units lend themselves to adaptive reuse of existing buildings, which may be able to provide common spaces due to the interesting architecture, thus creating opportunities for residents to share in communal amenities. It can allow re-utilization of buildings near residential areas (such as abandoned big-box retail). If modularized, costs can be decreased. Built-in furniture provides the benefit of a fully-furnished unit to the tenant, further increasing the affordability and maximizing space.



Concept for 12' x 24' Modular Micro-Unit (PadSplit + Praxis3 Architecture) overlaid on standard 750sf one-bedroom LIHTC unit with one 9'x18' parking space



Micro-lofts at The Arcade, Providence, RI



Interior of unit at The Harriet, Washington DC

TARGET AUDIENCE

Size: 400 square feet or less Individual bathrooms and kitchens

Target Income Ranges: 30% to 80% AMI

Users:



Senior



Workforce



Individual

Providers:



Traditional Developer



Multi-family Developer



Adaptive Reuse Developer

3 | PRODUCTS: MULTI-FAMILY CO-LIVING

A sense of community is desired by all generations, from the current cycle of graduates entering a new city's employment market in search of new friends, all the way to seniors who may still be able to provide a watchful eye over neighbor children. A **multi-family co-living** model provides a way for affordable housing to be provided at a scale the other three options cannot: for mid-density and high-density neighborhoods where there is existing multi-family housing stock.

Inclusion of utilities, furnishings, and services for large projects can leverage economies of scale to reduce living expenses for residents while increasing profitability for owners/developers, particularly when shared designs also increase density relative to high cost spaces like kitchens.

TARGET AUDIENCE

Size: Individual bedrooms and bathrooms
Shared communal kitchen and living room

Target Income Ranges: 10% to 120% AMI

Users:



Senior



Workforce



Single Parent

Providers:



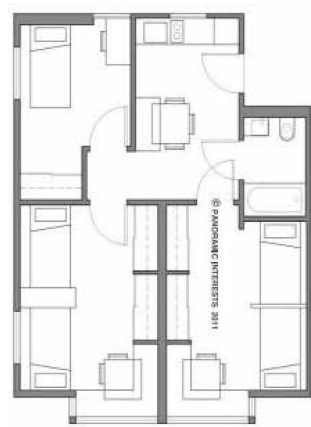
Traditional Developer



Multi-family Developer



Capital Hill Urban Co-housing, Seattle



Co-housing/micro-unit concept
Panoramic, San Francisco

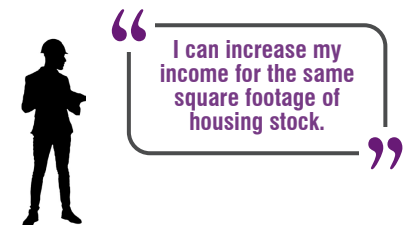
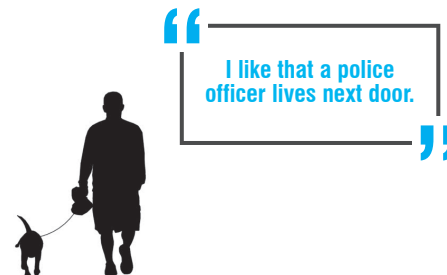
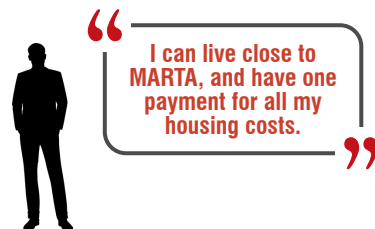


Bridge Meadows intergenerational housing



4 | ADVANTAGES & CHALLENGES: ADVANTAGES

ADVANTAGES	INDIVIDUAL SHARED LIVING	INCREASED LOT DENSITY	MICRO-UNITS	MULTI-FAMILY SHARED LIVING	NOTES
Scalable to different neighborhoods					Works for urban and suburban
Works for new build or renovation or rehabilitation					Can create new units without new construction, by adapting existing buildings/homes
Increased profitability (higher rents per sq)					Profitability drives interest from private market, which is critical to scale
Allows aging in place (mobility, accessibility)					
Suits a wide range of existing developer types					Increases the potential number of providers
Works with traditional or historical architectural styles					Buildings “fit in” with neighbors, thus lessening the stigma of affordable housing
Does not require subsidy					
Incentive for developer to provide efficient systems					Lowers risk for tenants if utility costs are included



4 | ADVANTAGES & CHALLENGES: CHALLENGES

CHALLENGES	INDIVIDUAL SHARED LIVING	INCREASED LOT DENSITY	MICRO-UNITS	MULTI-FAMILY SHARED LIVING	NOTES
Requires a management system	*		*	*	
May require changes to zoning	*	*	*	*	
Preconceived negative stigma from neighbors	*	*			
Parking regulations	*	*	*	*	Parking is removed from housing
Cumbersome permitting costs at present time		*	*		
Existing lender acceptance		*	*		

**See Section 5 for recommendations to allieviate the disadvantages*

5 | RECOMMENDATIONS: AWARENESS

Community support is critical for affordable housing development, to break down the typical excuses. Preconceptions and stereotypes are that “affordable housing” will mean an undesirable effect on property value or quality of life are used to stop the conversation.



Raising awareness of the proposed product goes hand-in-hand with challenging the stereotypes of who needs and will use affordable housing. Just as a photograph and a story allow one to get to know a real-life individual using “affordable housing,” putting methods in place to showcase success stories to the public could be helpful.

OPPORTUNITY TO EDUCATE	RECOMMENDATION
Traffic / Parking	Many who need affordable housing cannot afford a car, or will not need a car if they live near transit. Transportation can be included in rent (either through bulk ride share value programs or transit passes, both paid for up front by landlord).
Security	Multiple occupants in one home or facility mean varied work schedules allow someone's eyes to be on the house and street area at more times of the day.
Perception of Lower Property Values	Homes with more opportunities for income are more valuable for the community. Focus on individual user stories to change perception.
Lack of Demand (for alternative product)	Having the option to save money in the short term gives an individual options for different types of housing in the long term.
Undesirable Tenants and Unmanaged/mismanaged Properties	Management company/homeowner determines eligibility, not “absentee landlord.” Over 4 people creates peer pressure to keep all common areas clean and secure, and creates a sense of “onsite” management. Rating systems improves accountability.

OPPORTUNITY TO EDUCATE	RECOMMENDATION
Alleviate concerns about Oversight	Create a two-year long city-wide pilot program for rooming houses and ADU. Program could address management and tenant vetting requirements, ownership requirements, and permitting timelines.
Everyone loves a Home Tour!	Provide quarterly tours to highlight success stories and innovations of the pilot program. Seeing a success story makes it tangible.
Socially Active Advocates	Identify high profile advocates in all neighborhoods, who can answer questions from peers.
Pro-Innovation Lenders	Identify lenders who are willing to use data from other cities and programs to finance newer product types, and have the list available through housing advocacy groups. Repackage as a wellness, education and income mobility strategy.

5 | RECOMMENDATIONS: POLICY

Current zoning ordinances generally still reflect a low-density inner city, and should be updated to progressively plan for the densification that is already occurring.

Opportunities and Tools which could expand or oversee private investment, without using regulated or programmized financial incentives:



OPPORTUNITY	RECOMMENDATION
Decouple Parking From Housing Costs	Parking costs eat into the funds available for true housing costs. Suggestions include the following: <ul style="list-style-type: none"> • Removing on site parking requirement for ADU, • Have a ratio of 1 space per 4 microunits (in lieu of 1 per unit, • Allow management to offer bulk ride share passes as part of parking requirement.
Increases Types, Sizes, and Locations of Developable Property	<ul style="list-style-type: none"> • Allow ADU in zoning classes below R-5* (or jurisdictional equivalent). • Allow for cottage-court type developments in Residential Zoning categories. • Allow smaller setbacks and adjacencies (requires coordination with building codes for fire safety), which works with quad townhome-style construction as well.
Make Design Accessible	Have pre-approved floor plans available for a low cost through the city, or have fast-track process, which decreases cost associated with time in securing design professional or permitting. Encourages creativity of design professionals.
Incentivize Smaller “Developers”	Escalating property values (without allowing for more creative development) could cause undue burden on a property owner, due to property taxes. City could consider a property-tax abatement for those who are providing an affordable unit as a rental.
Redefine Terms	“Roominghouse” and “family” are two common terms that may be associated with specific uses and number of unrelated people. Atlanta’s 1929 definition of “family” was any number of people who cook together as a housekeeping unit (as opposed to limited to 6 unrelated people now), and were only changed as part of previous patterns of racial segregation methods. “Roominghouse” use could be extended to R-4 & R-5 zoning categories.
Create a Zoning Overlay District	Overlay would allow for elimination of parking requirement, if the property falls within an area that meets these 3 criteria for distance to and is adequately connected to these transportation options: <ul style="list-style-type: none"> -1 mile of fixed gateway transit, -1/2 of commercial/retail mixed use or other employment center, -1000’ to dedicated bicycle right-of-way, Could also apply new definitions or recommendations for pilot within these overlay districts to reduce any community opposition.
Jurisdictional Innovations	Regulate the requirements for ownership (i.e. owner must live in one unit, if 2 units on property), terms of leases (i.e. limit the short-term stay in ADU to require minimum 30 day rental). Require property owners to register accessory units with the city and provide lease agreements, so these two items can be monitored.

* R-5 is City of Atlanta zoning designation for two-family dwellings

PRIVATE MARKET PRODUCT POTENTIAL

This Task Force looked at US Census American Community Survey information for single family and multi-family dwellings in Atlanta (except where noted), and applied a reasonable percentage of units to these concepts to demonstrate the potential scalability of these options.



	ANNUAL PRODUCTION	10 YEAR PRODUCTION
Single Family Co-Living: assume 10% of existing single family 5 bedroom homes can be converted	898	8,976
Increasing Lot Density: in Portland, there was a tenfold increase in ADU permits after legislation changed	600	6,000
Micro-Units: assume 10% of new multi-family units could be micro-units	1,014	10,140
Multi-family Co-Living: assume 5% of units become co-housing (but double occupancy)	1,014	10,140
Total	3,526	35,256

7 | APPENDIX: CASE STUDIES / RESOURCES

1 | Studies / Resources

- City of Atlanta “Tiny House Feasibility Study,” submitted by Southface, January 6, 2017
- “Affordable Atlanta: Making the Case, Setting a Goal, and Defining Strategies to Meet the Need,” prepared by Bleakly Advisory Group for ULI Atlanta Liveable Communities Council
- “The Macro View on Micro-Units,” prepared for Urban Land Institute, May 2015 (contains economic feasibility, sample images and projects)
- www.missingmiddlehousing.org
- www.accessorydwellings.org
- “The Granny Flats are Coming,” CityLab, Mimi Kim. January 16, 2018

2 | Projects

2a | Individual CoLiving

- www.padsplit.com

2b | Increasing Density on Single Family Lots

- Backdoor Revolution Guide to ADU Development, Kol Peterson

2c | Micro-units

- The Harper, Washington, DC: multi-family micro-unit development
- Providence Arcade, Providence, RI: conversion of abandoned mall into micro-units
- Freedom Center, Portland, OR

2d | Multi-family CoLiving

- Lakeclairecohousing.org (Atlanta, GA)
- Common (NY, San Francisco, Chicago)
- Ollie (NYC, LA, Jersey City, Boston, Philadelphia)
- Bridge Meadows (not co-housing, but intentional inter-generational community)

7 | APPENDIX: SAMPLE PROFORMAS - INDIVIDUAL SHARED LIVING

PADSPLIT COMPARISON

Operating Budget Comparison of Padsplit versus Traditional Rental Model

	PADSPLIT MODEL	TRADITIONAL RENTAL PROPERTY
Market Rent #1	\$450 Monthly	\$1,600 Monthly
Market Rent #2	\$500 Monthly	
Market Rent #3	\$550 Monthly	
Market Rent #4	\$550 Monthly	
Market Rent #5	\$550 Monthly	
Market Rent #6	\$600 Monthly	
Total Monthly Revenue	\$3,200.00	\$1,600.00
AVERAGE MONTHLY OPERATING EXPENSES		
Power	\$300	-
Water	\$172	-
Cable/Internet	\$100	-
Maintenance	\$225	\$200
8% Vacancy Allowance	\$256	\$128
Management (if applicable)	\$384	\$160
Total Monthly Operating Expenses	\$1,437.00	\$488.00
Net Monthly Revenue to Owner	\$1,763.00	\$1,112.00
% Net Increase in PadSplit Model	59%	-
	PADSPLIT MODEL	TRADITIONAL RENTAL PROPERTY
Acquisition Cost	\$120,000	\$120,000
Estimated Development & Construction Cost	\$34,000	\$34,000
Home Furnishings	\$3,600	-
Total Improvements	\$3,600	-
Total Capital Investment	\$157,600	\$154,000
Annual Insurance	\$1,200	\$1,200
Annual Property Taxes	\$2,900	\$2,900
Net Revenue	\$17,056.16	\$9,244.16
Annual Net Yield	10.82%	6.0%

Note: Although we've assumed similar vacancy rates for each model, based on our field research, homes that rent single rooms around common areas also have lower long-term vacancy costs due to the fact that the homes are rarely completely empty, and therefore carry a lower risk of copper/appliance theft and vandalism, which would increase the long-term yield of the PadSplit home relative to the traditional rental property.

7 | APPENDIX: SAMPLE PROFORMAS - SINGLE FAMILY LOTS

CAPITAL BUDGET COMPARISON FOR QUAD TOWNHOME

Comparing Quad Townhome to traditional intown rebuild 50' lots

	QUAD TOWNHOME	TRADITIONAL RE-BUILD
Estimated Development & Construction Cost Per Sqft.	\$135	\$112
Square Footage	2,800	2,800
Total Improvements	\$378,000	\$313,600
Total Capital Investment	\$678,135	\$613,712
Unit 1 Sale	\$225,000	
Unit 2 Sale	\$225,000	
Unit 3 Sale	\$225,000	
Unit 4 Sale	\$225,000	
Total Sale Price	\$900,000	\$750,000
Proceeds Less Closing Costs & Commissions	\$828,000	\$690,000
Net Revenue	\$149,865.00	\$76,288.00
Net Yield	22.10%	12.4%

CAPITAL BUDGET COMPARISON FOR TOWNHOME/COTTAGE MIX 60' LOT

Comparing Quad Townhome to traditional intown rebuild 50' lots

	TOWNHOME/COTTAGE MIX	TRADITIONAL RE-BUILD
Estimated Development & Construction Cost Per Sqft.	\$135	\$112
Detached Garages	\$95	
Square Footage	2,520	2,800
Detached Garages Sqft	800	
Total Improvements	\$416,200	\$313,600
Total Capital Investment	\$716,335	\$613,712
Town 1 Sale	\$150,000	
Town 2 Sale	\$150,000	
Town 3 Sale	\$150,000	
Unit 1 Sale	\$150,000	
Unit 2 Sale	\$150,000	
Unit 3 Sale	\$150,000	
Total Sale Price	\$900,000	\$750,000
Proceeds Less Closing Costs & Commissions	\$828,000	\$690,000
Net Revenue	\$111,665.00	\$76,288.00
Net Yield	15.59%	12.4%

CAPITAL BUDGET COMPARISON FOR 4 DUPLEXES

Comparing 4 small duplex condos to traditional intown rebuild

	SMALL DUPLEX CONDOS	TRADITIONAL RE-BUILD
Estimated Development & Construction Cost Per Sqft.	\$135	\$112
Detached Surface Park	\$25	
Square Footage	7,200	2,800
Detached Surface Park Sqft	1,100	
Total Improvements	\$999,500	\$313,600
Total Capital Investment	\$1,299,635	\$613,712
Condo 1	\$215,000	
Condo 2	\$215,000	
Condo 3	\$215,000	
Condo 4	\$215,000	
Condo 5	\$215,000	
Condo 6	\$215,000	
Condo 7	\$215,000	
Condo 8	\$215,000	
Total Sales Price	\$1,720,000	\$750,000
Proceeds Less Closing Costs & Commissions	\$1,582,400	\$690,000
Net Revenue	\$282,765.00	\$76,288.00
Net Yield	21.76%	12.4%

7 | APPENDIX: SAMPLE PROFORMAS - MICROUNITS

OPERATING BUDGET COMPARISON OF MICRO-UNITS

Sample Analysis - Micro-Units versus Traditional Rental in Academy Lofts Project

	MICRO-UNIT	TRADITIONAL 1 BEDROOM RENTAL
Rate Per Sqft.	2.08 Per Sqft Per Month	1.36 Per Sqft Per Month
Average Sqft.	350	700
Rent Per Unit	728 Per Month	952 Per Month
Unit Count	35	18
Total Monthly Revenue	\$25,480	\$17,136
Average Monthly Operating Expenses		
Maintenance	\$2,275	\$1,170
8% Vacancy Allowance	\$1,019	\$685
Management (if applicable)	\$1,019	\$685
Total Monthly Operating Expenses	\$4,313	\$2,540.88
Net Monthly Revenue to Owner	\$21,166.60	\$14,595.12
% Net Increase in Micro-Units	45%	

	MICRO-UNIT	TRADITIONAL 1 BEDROOM RENTAL
Acquisition Cost (Residential Portion)	\$235,200	\$235,200
Estimated Development & Construction Cost of Residential Portion Less Tax Credit Equity	\$1,560,000	\$1,180,000
Total Improvements	\$1,795,200	\$1,415,200
Total Capital Investment	\$3,590,400	\$2,830,400
Annual Insurance	\$24,000	\$24,000
Annual Property Taxes	-	-
Net Revenue	\$229,999.20	\$151,141.44
Annual Net Yield	6.41%	5.3%

7 | APPENDIX: SAMPLE PROFORMAS - MULTI-FAMILY SHARED LIVING

OPERATING BUDGET COMPARISON OF MULTI-FAMILY CO-LIVING

Sample Analysis - Retrofit 4 Bedroom Co-Living versus 3 Bedroom Apartment

	MULTI-FAMILY CO-LIVING	TRADITIONAL RENTAL PROPERTY
Market Rent #1	\$525 Monthly	\$1,100 Monthly
Market Rent #2	\$525 Monthly	
Market Rent #3	\$525 Monthly	
Market Rent #4	\$525 Monthly	
Total Monthly Revenue	\$2,100	\$1,100
Average Monthly Operating Expenses		
Power	\$165	
Water	\$125	
Cable/Internet	\$90	
Maintenance	\$125	\$65
8% Vacancy Allowance Management (if applicable)	\$168	\$88
Total Monthly Operating Expenses	\$925	\$241
Net Monthly Revenue to Owner	\$1,175	\$859
% Net Increase in PadSplit/Co-Living Model	37%	

	MULTI-FAMILY CO-LIVING	TRADITIONAL RENTAL PROPERTY
Acquisition Cost	\$50,000	\$50,000
Estimated Development & Construction Cost	\$2,500	\$2,500
Home Furnishings	\$2,400	
Total Improvements	\$2,400	
Total Capital Investment	\$54,900	\$52,500
Annual Insurance	\$1,200	\$1,200
Annual Property Taxes	\$1,010	\$1,010
Net Revenue	\$11,889.84	\$8,097.84
Annual Net Yield	21.66%	15.4%

OPERATING BUDGET COMPARISON OF MULTI-FAMILY CO-LIVING

Sample Analysis - New Construction Using Peachstone Layout versus 2 x 1 Bedroom Units

	MULTI-FAMILY CO-LIVING	TRADITIONAL RENTAL PROPERTY
Market Rent #1	\$600 Monthly	\$1,000 Monthly
Market Rent #2	\$600 Monthly	\$1,000 Monthly
Market Rent #3	\$600 Monthly	
Market Rent #4	\$600 Monthly	
Market Rent #5	\$600 Monthly	
Total Monthly Revenue	\$2,400	\$2000
Average Monthly Operating Expenses		
Power	\$165	
Water	\$125	
Cable/Internet	\$90	
Maintenance	\$125	\$65
8% Vacancy Allowance Management (if applicable)	\$120	\$80
Total Monthly Operating Expenses	\$913	\$224.94
Net Monthly Revenue to Owner	\$1,487	\$774.94
% Net Increase in PadSplit/Co-Living Model	92%	

	MULTI-FAMILY CO-LIVING	TRADITIONAL RENTAL PROPERTY
Acquisition Cost	\$15,000	\$15,000
Estimated Development & Construction Cost	\$198,450	\$198,450
Home Furnishings	\$3,000	
Total Improvements	\$3,000	
Total Capital Investment	\$216,450	\$213,450
Annual Insurance	\$450	\$450
Annual Property Taxes	\$3,983	\$3,983
Net Revenue	\$13,411.32	\$4,863.29
Annual Net Yield	6.20%	2.3%

7 | APPENDIX: CONTRIBUTORS

1 | COMMITTEE CHAIRS

Sarah Butler	Praxis3 Architecture
Atticus LeBlanc	PadSplit, Inc.

2 | WORKING GROUPS / RESEARCH

Malory Atkinson	Shear Structural
Hal Bolton	Niles Bolton
Nathan Brown	Planner
Heather Hussey-Coker	Beltline, Inc.
John Crane	Building Insights
Dorian DeBarr	Decide Dekalb
Todd Flaman	Patterson Advisory Group
Steve Foster	Georgia Power
Josh Gately	Portman Holdings
Jonathan Gelber	Bleakly Advisory
Inga Harmon	Harmon & Harmon Realtors
Kenwin Hayes	ReUrbanis
Jack Hinrichs	Oxford Properties
Derrick Holland	Trinity Development
Will Johnston	MicroLife Institute
Rob Jordan	Collier International
Brian Keida, CPA	Crowe Horwath
Ben King	Columbia Residential
Taylor Morrison	Council for Quality Growth
Caleb Racicot	TSW

Dan Reuter	Reuter Strategy
Ade Sanusi	Integral
Monica Scott	Berkshire Hathway
Jay Silverman	Dwell Design Studios
Nicole Skeekely	Smith Dalia Architects
Ben Skidmore	Kimley Horn
Bill Sweeney	Midcity Asset Management, LLC
Darrell Thomas	Atlanta Housing
John Tirrill	swh Partners

3 | URBAN LAND INSTITUTE (ULI Atlanta)

Sarah Kirsch	Executive Director
Daphne Bond Godfrey	Director

4 | GRAPHICS / EDITING

Emily Lewis and Sarah Butler	Praxis3 Architecture
Michael Pfaff and Hayley Gibson	Dwell Design Studios

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