



Policy Development & Research

**Analysis of the
Chattanooga, Tennessee
Housing Market
As of August 1, 2004**



ECONOMIC RESEARCH

Foreword

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration in a particular locality or the housing market area.

The factual framework for this analysis follows the guidelines developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the "as-of" date from local and national sources. As such, any findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to the August 1, 2004, as-of date of the analysis (Current date), and from the Current date to August 1, 2007, the Forecast date. The analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis, the forecast period is 36 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in the demand-supply relationship given the market's condition on the as-of date of the analysis. This analysis was prepared by Erin Reed, the Division's Field Economist in the Atlanta Regional office, based on fieldwork conducted in September 2004. Questions regarding the findings and conclusions of the analysis may be addressed to Ms. Reed at 404-331-6623, ext. 2659, and erin_k._reed@hud.gov.

Housing Market Area

The Chattanooga Housing Market Area (HMA) is coterminous with the Chattanooga Core Based Statistical Area (CBSA) as defined by the Office of Management and Budget. The HMA includes three counties in Tennessee and three counties in Georgia. For this analysis, the HMA was split into two submarkets: Hamilton County and the Remainder of the HMA. Hamilton County, located in southern Tennessee, includes Chattanooga, the largest city in the HMA. The Remainder of the HMA includes Marion and Sequatchie Counties in southern Tennessee and Catoosa, Dade, and Walker Counties in northwest Georgia.

The HMA is centrally located within a 150-mile radius of four major cities: Atlanta, Georgia; Birmingham, Alabama; Knoxville, Tennessee; and Nashville, Tennessee. Its location on the Tennessee River among hubs of commerce has enabled the Chattanooga HMA to develop into a popular area for manufacturing, warehouse, and shipping industries.

Summary

In the early 1990s, the Chattanooga HMA had strong population growth; however, that growth slowed toward the end of the decade. Since 2000, the population has increased at a faster rate than it did during the late 1990s, but at a slower rate than in the early part of that decade. Population in the HMA will exceed 500,000 during the forecast period.

Total employment grew at an average annual rate of 1.4 percent during the 1990s but slowed to an increase of only 0.4 percent annually from 2000 to the Current date. Nonfarm employment fell during 2001 and 2002 but showed improvement during the last 12 months compared with the preceding 12-month period. After reaching a high of 6.3 percent in 1992, the unemployment rate remained in the 4- to 5-percent range for much of the decade before falling to 3.5 percent in 1999. From 2000 to the Current date, unemployment continued to drop for the first 2 years; however, it rose to 3.9 percent in 2002. Currently, employment continues to grow at a rate that is slower than that of the 1990s, but unemployment has decreased to 3.6 percent.

Between 1990 and 2000, the sales and rental markets in the HMA improved as the economy of the area expanded. The Chattanooga Association of REALTORS® has reported recordbreaking home sales in recent months.

The forecast period is expected to bring a moderate pace of job growth and an increase in net in-migration. An increasing population coupled with a decrease in household size is expected to result in 7,625 new households during the forecast period. The number of units that would satisfy household growth from August 1, 2004, to August 1, 2007, after accounting for tenure shift, losses to the inventory, and excess vacancy, is 8,100. Production of 6,600 sales units and 1,500 rental units would achieve balanced market conditions for the HMA by the end of the forecast period.

Economy of the Area

Employment in the Chattanooga HMA is concentrated in three major sectors: services, retail trade, and manufacturing, which account for 33.2, 18.3, and 17.4 percent of total employment, respectively. Although manufacturing employment has declined steadily since 1990, it remains a significant job source in Chattanooga. Strong employment growth in services has compensated for the decrease in manufacturing employment. Because Chattanooga is a popular location in Tennessee for health insurance companies, much of the employment in the services industry can be attributed to the healthcare sector. Major employers in the HMA include Blue Cross Blue Shield of Tennessee, McKee Foods Corporation, the City of Chattanooga, CIGNA Healthcare, and U.S. Xpress Enterprises. Because of the large number of people these companies employ, their expansion or contraction significantly impacts the local economy. The shipping firm U.S. Xpress Enterprises recently announced the addition of 1,000 jobs to its workforce by the end of 2004.

Employment in the HMA grew from 202,267 in 1990 to 231,996 in 2000, or by an average of 2,973 jobs, or 1.4 percent, a year. From 2000 to the current 12-month period ending July 2004, employment increased at a slower 0.4-percent annual rate. The unemployment rate in the HMA reached a high of 6.3 percent in 1992 and declined throughout the remainder of the 1990s. After falling to a low of 2.9 percent in 2000, the unemployment rate increased the following 3 years. With a slight recovery in the economy during the current 12-month period, the unemployment rate decreased from 3.9 to 3.6 percent. As of August 1, 2004, the unemployment rate is well below the national average of 5.4 percent. The trends for labor force, total employment, and unemployment from 1990 to the Current date are presented in Table 1.

Total nonfarm employment grew at a rate just above total employment during the 1990s at 1.6 percent annually, indicating a net in-commutation of workers to the HMA. Nonfarm employment had setbacks from 2000 to the Current date because the recession brought employment cutbacks by local employers, particularly those in the goods-producing sector. Between 2000 and 2003, nonfarm employment decreased from 235,700 to 233,500, or by 2,200 jobs. A large percentage of this decrease is from the closing of Wheland Automotive Industries in 2002, which eliminated 1,300 jobs. For the 12 months ending July 2004, nonfarm employment averaged 234,400, a 0.5-percent improvement over the preceding 12 months, but still below the 2000 level. The trends in nonfarm employment from 1990 to the Current date are presented in Table 2.

As occurred in many areas of the country, manufacturing employment decreased significantly in the HMA during the past decade. Employment losses have been greatest in textiles, automotive parts, and food processing. Since 1990, the average annual loss rate in manufacturing employment has been 0.5 percent. This rate equals a net loss of 9,700 jobs from 1990 to August 1, 2004. Despite a continued decline in manufacturing employment, the industry sector remains a major factor in the economy in the HMA. The recent addition of a 1,200-acre industrial park in Hamilton County, with its own Interstate 75 interchange access, is expected to attract new manufacturing companies that

could slow, or reverse, the job losses in this sector. The industrial park is now ready for occupancy and is slated for smaller tracts, with the possibility of one megasite of at least 500 acres.

The services sector has been moving in the opposite direction. Service-providing employment has increased every year but one since 1990. Much of this increase can be attributed to the insurance industry in which numerous relocations and expansions have occurred, including the expansion of CIGNA Healthcare, which added 500 jobs to its workforce in 1998. During the 1990s, employment in services increased at an average annual rate of 2.0 percent and has since slowed to an average increase of 1.0 percent a year. Most of this growth has been in the subsectors of financial activities, retail trade, insurance, and professional and business services.

The 3-year forecast for the Chattanooga HMA economy is for a modest recovery. Employment in services is expected to increase, while the trend of declining employment in manufacturing is expected to slow with the addition of the new 1,200-acre industrial park. Nonfarm employment is anticipated to recover from an average annual loss to an average annual increase of 0.8 percent in the next 3 years. Total employment and nonfarm employment growth should improve during the 3-year forecast period above the growth rate of the period from 2000 to the Current date, although growth will not match the high 1990s rates. The annual growth rate for total employment will increase from 0.4 percent to 1.0 percent, and the unemployment rate will continue to decrease to 3.2 percent at the end of the forecast period.

Household Incomes

Median family income in the HMA increased at an average rate of 5.0 percent a year during the 1990s. In 1999, the median family income was \$45,100 and rose at an average annual rate of 3.0 percent a year as of the Current date. The current HUD-determined median family income in the Chattanooga HMA is \$50,900.

Population

From 1990 to 1995, the population in the HMA grew at an annual average of 4,875. During the latter half of the 1990s, net natural increase (resident births minus resident deaths) and net migration began to slow, and population growth dropped to an annual average of 3,250. The 2000 Census reported a population of 476,531. As of August 1, 2004, the estimated current population is 497,500. The population between 2000 and the Current date increased by an annual average of 4,850.

Net natural change is expected to remain steady, while net in-migration is expected to increase each year of the forecast period due to improving employment opportunities in the HMA. Average population growth of 5,125 a year is expected during the 3-year forecast period, which will put the HMA population at 512,900 in 2007.

In 1990, Hamilton County made up 66 percent of the total HMA population and currently accounts for 64 percent of the population. Due to the trend of families moving to

suburban areas and commuting to work, Hamilton County has had a slower growth in population than has the Remainder of the HMA since 1990. This trend is also reflected in the growth of new housing, which has increased at a faster rate in the Remainder of the HMA than in Hamilton County. During the 1990s, Hamilton County had an average annual population growth rate of 0.8 percent. The rate dropped slightly to 0.7 percent from 2000 to the Current date. Population increased in the Remainder of the HMA by 1.4 percent during the 1990s and at an even higher rate of 1.6 percent from 2000 to the Current date. With a modest recovery in the job market, the population growth rate is expected to increase slightly during the forecast period. Population trends for the HMA and its submarkets are presented in Table 3.

The population in downtown Chattanooga is expected to rise, partially due to the city's 21st Century Waterfront Plan—a downtown revitalization effort with the goal of making Chattanooga a more favorable place to work, live, and play. It involves many public projects, including expansion of the Tennessee Aquarium, increased parking, and a pedestrian-friendly Riverfront Parkway. Private projects include significant additions to residential sales and rental markets. These revitalization efforts are expected to increase the downtown population at a slightly faster rate than has been the trend since 2000.

Nonhousehold population accounts for only approximately 2 percent of the total HMA population, most of which live in Hamilton County. The largest single source of nonhousehold population is the dormitories at the University of Tennessee at Chattanooga, with 2,823 units at 88-percent occupancy for the fall 2004 semester. Enrollment at the university has been flat for the past few years, and the student housing office is not planning any new projects during the forecast period. During the forecast period, nonhousehold population in the HMA is expected to grow at an average annual rate similar to the historical trend of 2.0 percent, primarily from increases in prison and other group populations.

Households

From 1990 to 2000, households grew at an annual average of 2,325, or 1.3 percent, with owner households accounting for 79 percent of the change. From 2000 to the Current date, as employment growth in the HMA decreased, the average annual rate of household growth declined to 1.2 percent, with owner households accounting for 75 percent of the change. Growth in the number of households is anticipated to increase to an average of 2,525 annually, or 1.3 percent, during the forecast period. This rate of growth will result in the addition of 7,625 households and a total of 207,400 households as of August 1, 2007. Household trends for the HMA and its submarkets are presented in Table 3.

During the 1990s, Hamilton County accounted for approximately 55 percent of the increase in owner households. As migration to the Remainder of the HMA increased from 2000 to the Current date, the increase in owner households was split almost equally between Hamilton County and the Remainder of the HMA. Approximately 75 percent of the net change in renter households through the 1990s occurred in the Remainder of the HMA.

Housing Inventory

The HMA had moderate growth in housing from 1990 to 2000, when the inventory increased from 181,276 to 205,343 housing units. During this period, the housing inventory grew at an average annual rate of 1.3 percent, or 2,400 units a year. Population growth at the end of the 1990s initiated an increase in new residential construction for the area from 2000 to the Current date. As a result, the annual growth of the inventory rose to 2,975 units a year. The current housing inventory in the Chattanooga HMA is now estimated at 218,200 units. Trends from 1990 to 2000 and from 2000 to the Current date on housing inventory, tenure, and vacancy are presented in Table 4.

An average of 2,300 new housing units was permitted each year during the 1990s; of those units, 2,024 were single-family homes. A recovering economy in the past 24 months and a growing population led to an increase in permits from 2000 to the Current date, particularly during the last 3 years. The average permit activity during this time rose to 3,450 units a year, with multifamily housing becoming a larger percentage of the total. Annual permit activity from 1990 to 2004 is presented in Table 5.

The housing inventory of both single-family and multifamily units is on the rise in downtown Chattanooga as a response to increased demand. Current additions to the inventory downtown include renovations and mixed-use developments that consist of apartments, townhomes, and condominiums. According to the RiverCity Company, these current additions to the downtown footprint amount to approximately 290 recently completed units and 175 units to be finished in the coming year, with even more developments in the pipeline.

Manufactured housing accounts for 9.0 percent of the total housing inventory in the HMA, with more than half of these homes located outside Hamilton County. Only 5.0 percent of the total housing inventory in Hamilton County consists of manufactured housing, while 19 percent of housing in the Remainder of the HMA is made up of manufactured homes. From 1990 to 2000, 95 percent of the change in manufactured housing occurred in the Remainder of the HMA. From 2000 to the Current date, the number fell slightly to 93 percent. Most manufactured homes are located in this submarket because availability and cost of land are more favorable in this area.

Housing Vacancy

In 1990, the Chattanooga HMA sales market was relatively balanced, with an overall vacancy rate of 1.9 percent, while the rental market was soft, with an overall vacancy rate of 11.7 percent. The market was softer in Hamilton County, which had vacancy rates of 2.2 percent for owner units and 12.4 percent for rental units. With increased population growth and household formation in the 1990s, market conditions improved slightly by 2000 for the HMA as a whole, resulting in vacancy rates of 1.8 percent in sales units and 9.0 percent in rental units. The rental market in Hamilton County improved considerably over the 1990s, reaching 8.6 percent in 2000. From 1990 to 2000, vacancy rates in the

Remainder of the HMA rose slightly, increasing marginally in the sales market and increasing by 1.0 percentage point in the rental market.

As of the Current date in the sales market, the vacancy rate has increased to 2.1 percent. The rental market is currently soft with a vacancy rate of 10.5 percent. The current rental vacancy rate in Hamilton County, which includes almost three-fourths of the available renter inventory, is 10 percent, while the Remainder of the HMA has a higher vacancy at 12 percent.

Sales Market Conditions

Recordbreaking numbers have defined sales market conditions in the Chattanooga HMA for 2003 and up to the Current date in 2004. According to the Chattanooga Association of REALTORS, the first half of 2004 brought home sales to a decade-high level. The number of homes sold in 2003 set a record, and at the end of July 2004 year-to-date sales were 500 above July 2003 year-to-date sales. The median sales price for existing single-family homes in the HMA, as reported by the National Association of REALTORS, increased 10.5 percent from the second quarter of 2003 to the second quarter of 2004. The median sales price in the HMA was \$131,800 in the second quarter of 2004.

Rental Market Conditions

The rental market in Chattanooga improved through the 1990s. During the decade, renter household growth was more than adequate to support the level of new rental construction. As a result, the rental vacancy rate decreased from 11.7 percent in 1990 to 9.0 percent in 2000. From 2000 to the Current date, multifamily permit activity continued to increase, and the affordability of homeownership increased due to low mortgage interest rates. These factors led to a soft rental market and an increase in the rental vacancy rate to 10.5 percent as of the Current date.

Several projects are underway and in the pipeline for rental housing in downtown Chattanooga that will meet increasing demand from revitalization efforts and the 21st Century Waterfront Plan. The average rent for new units located downtown ranges from \$700 to \$2,200.

Forecast Housing Demand

A growing economy, with an increasing population and decreasing household size, will require that additions be made to the housing inventory to reach balanced market conditions in the HMA. During the 3-year forecast period, an estimated 7,625 new households will form. After accounting for tenure shift, losses to the inventory, and current excess vacancy, the number of new units required to meet anticipated demand during the forecast period ending August 1, 2007 is 8,100. The estimated optimum additions to the inventory are 6,600 sales units and 1,500 rental units.

To meet the demand for sales housing, a supply of 2,200 new sales units a year will be required. Most of the sales demand during the forecast period will be for single-family

detached homes, although condominiums, particularly in the downtown area, are becoming increasingly popular.

The number of new rental units required during the forecast period to maintain an optimal demand-supply relationship is 1,500 units. New additions required to achieve a balanced market during the 3-year forecast period will increase each year as the market absorbs excess vacancies and units currently under construction. A distribution of demand by rent range and number of bedrooms for the forecast period is presented in Table 6.

Table 1
Labor Force and Total Employment
Chattanooga HMA
1990 to August 1, 2004

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Previous 12 Mos.	Current 12 Mos.
Labor Force	211,920	215,197	215,817	220,143	226,876	225,966	229,242	226,400	228,168	235,481	239,045	238,917	244,315	243,459	244,046	244,773
Total Employment	202,267	202,205	202,298	208,953	216,675	215,022	218,805	214,921	219,015	227,299	231,996	231,268	234,791	233,972	234,641	235,848
Unemployment	9,653	12,992	13,519	11,190	10,201	10,944	10,437	11,479	9,153	8,182	7,049	7,649	9,524	9,487	9,405	8,925
Rate (%)	4.6	6.0	6.3	5.1	4.5	4.8	4.6	5.1	4.0	3.5	2.9	3.2	3.9	3.9	3.9	3.6

Sources: Tennessee Department of Labor and Workforce Development
 Georgia Department of Labor

Table 2
Nonfarm Employment by Industry
Chattanooga HMA
1990 to August 1, 2004

Employment Sectors	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Previous 12 Mos.	Current 12 Mos.
Total Nonfarm	200.3	198.7	201.7	209.4	214.3	217.0	219.7	219.5	221.1	229.8	235.7	232.9	232.5	233.5	233.3	234.4
Goods-Producing	52.3	49.3	49.0	51.2	52.2	51.9	50.9	51.5	51.7	52.9	54.2	49.8	46.4	44.3	45.0	43.9
Construction & Mining	7.7	7.2	7.2	7.7	8.1	8.8	9.5	10.1	9.8	9.9	10.3	9.6	8.8	8.9	8.8	9.0
Manufacturing	44.6	42.1	41.9	43.6	44.0	43.1	41.4	41.3	41.9	42.9	43.9	40.2	37.6	35.4	36.2	34.9
Service-Providing	148.0	149.4	152.7	158.1	162.0	165.1	168.8	168.0	169.4	176.9	181.4	183.1	186.1	189.2	188.3	190.5
Transportation & Utils.	7.5	6.8	6.3	5.8	6.4	6.7	8.9	10.7	13.7	18.8	20.7	20.2	20.1	20.1	20.1	20.0
Wholesale and Retail Trade	33.4	33.4	33.8	35.9	35.5	36.5	36.8	35.9	34.7	34.8	35.0	34.7	34.6	35.0	34.8	35.5
Wholesale	10.6	10.3	10.2	10.2	9.6	9.3	9.3	9.1	8.9	8.8	8.9	8.3	8.3	8.9	8.7	9.1
Retail	22.8	23.1	23.6	25.7	25.9	27.2	27.5	26.8	25.8	26.0	26.1	26.4	26.3	26.1	26.1	26.4
Financial Activities	12.5	12.7	12.6	12.7	13.2	13.4	14.1	14.8	15.2	15.7	15.6	17.7	18.2	17.8	18.0	17.9
Prof. & Business Services	15.5	17.5	19.1	19.9	21.7	22.4	22.7	22.6	22.5	23.4	23.1	24.0	24.5	25.4	25.3	25.6
Edu. & Health Services	15.2	15.5	16.6	17.3	17.5	17.9	18.4	19.2	19.7	19.6	20.5	21.3	21.9	23.1	22.7	23.2
Leisure & Hospitality	16.9	16.5	17.2	18.8	19.0	18.7	19.1	18.7	18.5	18.8	19.2	18.2	18.6	19.2	19.0	19.6
Other Services	10.0	9.9	10.2	10.6	10.7	11.0	10.4	9.5	9.2	10.1	10.9	10.4	10.5	10.6	10.6	10.6
Government	34.1	34.1	33.9	34.4	35.1	35.5	35.3	33.6	32.8	32.4	32.9	33.9	35.1	35.1	35.1	35.2
Federal ^a	N/A	N/A	7.4	7.3	7.7	7.7	7.7	7.3	6.8	6.6	6.8	6.8	6.9	6.8	6.8	6.8
State ^a	N/A	N/A	6.9	7.0	6.9	6.9	6.7	6.6	6.6	6.4	5.9	6.1	6.3	6.3	6.3	6.3
Local ^a	N/A	N/A	19.5	20.1	20.4	20.8	20.8	19.6	19.4	19.3	20.2	21.0	21.9	22.0	22.0	22.2

^a Data are not available for government employment by sector for 1990 and 1991.

Notes: Figures are in thousands. Numbers may not add to totals due to rounding.

Data are classified by the North American Industry Classification System.

Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 3
Population and Household Trends
Chattanooga HMA
April 1, 1990 to August 1, 2004

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Population										
Chattanooga HMA	433,210	476,531	497,500	512,900	4,325	1.0	4,850	1.0	5,125	1.0
Hamilton County	285,536	307,896	317,500	324,500	2,225	0.8	2,225	0.7	2,325	0.7
Remainder of the HMA	147,674	168,635	180,000	188,400	2,100	1.4	2,625	1.6	2,800	1.6
Households										
Chattanooga HMA	166,404	189,607	199,800	207,400	2,325	1.4	2,350	1.2	2,525	1.3
Hamilton County	111,799	124,444	129,800	133,700	1,275	1.1	1,225	1.0	1,300	1.0
Remainder of the HMA	54,605	65,163	70,000	73,700	1,050	1.9	1,125	1.7	1,225	1.8

Note: Average annual changes rounded for comparison purposes.
Sources: 1990 and 2000—U.S. Census Bureau
Current and Forecast—Estimates by analyst

Table 4
Housing Inventory, Tenure, and Vacancy
Chattanooga HMA
1990 to August 1, 2004

	Chattanooga HMA			Hamilton County			Remainder of the HMA		
	1990	2000	Current	1990	2000	Current	1990	2000	Current
Total Housing Inventory	181,276	205,343	218,200	122,588	134,692	141,500	58,688	70,651	76,700
Occupied Units	166,404	189,607	199,800	111,799	124,444	129,800	54,605	65,163	70,000
Owners	113,889	132,752	141,900	71,640	82,014	86,800	42,249	50,738	55,100
%	68.4	70.0	71.0	64.1	65.9	66.9	77.4	77.9	78.7
Renters	52,515	56,855	57,900	40,159	42,430	43,000	12,356	14,425	14,900
%	31.6	30.0	29.0	35.9	34.1	33.1	22.6	22.1	21.3
Vacant Units	14,872	15,736	18,400	10,789	10,248	11,700	4,083	5,488	6,700
Available Units	9,188	8,143	9,800	7,313	5,737	6,700	1,875	2,406	3,100
For Sale	2,237	2,507	3,000	1,613	1,735	1,950	624	772	1,050
Rate (%)	1.9	1.8	2.1	2.2	2.1	2.2	1.5	1.5	1.9
For Rent	6,951	5,636	6,800	5,700	4,002	4,750	1,251	1,634	2,050
Rate (%)	11.7	9.0	10.5	12.4	8.6	10.0	9.2	10.2	12.0
Other Vacant	5,684	7,593	8,600	3,476	4,511	5,000	2,208	3,082	3,600

Sources: 1990 and 2000—U.S. Census Bureau
 Current and Forecast—Estimates by analyst

Table 5
Residential Building Permit Activity
Chattanooga HMA
1990 to 2004

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 ^a
Chattanooga HMA															
Total	1,504	1,528	1,774	1,946	2,665	2,463	2,695	2,975	2,748	2,718	2,535	3,139	3,008	4,196	2,095
Single-family	1,288	1,353	1,634	1,763	2,364	2,297	2,544	2,296	2,442	2,256	2,176	2,267	2,602	2,902	1,864
Multifamily ^b	216	175	140	183	301	166	151	679	306	462	359	872	406	1,294	231
Hamilton County															
Total	1,032	1,158	1,320	1,482	1,620	1,526	1,661	1,894	1,672	1,705	1,428	1,998	1,691	2,941	1,356
Single-family	957	1,034	1,214	1,335	1,408	1,392	1,557	1,369	1,483	1,409	1,207	1,309	1,497	1,827	1,157
Multifamily ^b	75	124	106	147	212	134	104	525	189	296	221	689	194	1,114	199
Remainder of the HMA															
Total	472	370	454	464	1,045	937	1,034	1,081	1,076	1,013	1,107	1,141	1,317	1,255	739
Single-family	331	319	420	428	956	905	987	927	959	847	969	958	1,105	1,075	707
Multifamily ^b	141	51	34	36	89	32	47	154	117	166	138	183	212	180	32

^a Permits issued from January 1, 2004, through July 31, 2004.

^b Multifamily permits include all structures with two or more units.

Sources: U.S. Census Bureau, Building Permits Survey
 Local city and county permit officials

Table 6
Estimated Qualitative Demand for New Market-Rate Rental Housing
Chattanooga HMA
August 1, 2004 to August 1, 2007

One Bedroom		Two Bedrooms		Three Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
500	325	650	675	800	500
550	275	700	550	850	400
600	250	750	500	900	375
650	225	800	425	950	350
700	200	850	350	1,000	300
750	150	900	275	1,100	250
800	125	950	225	1,200	225
900	100	1,050	175	1,300	200
1,000	75	1,150	125	1,400	175
1,100 and higher	50	1,250 and higher	100	1,500 and higher	100

Note: Distribution above is not cumulative.
Source: Estimates by analyst