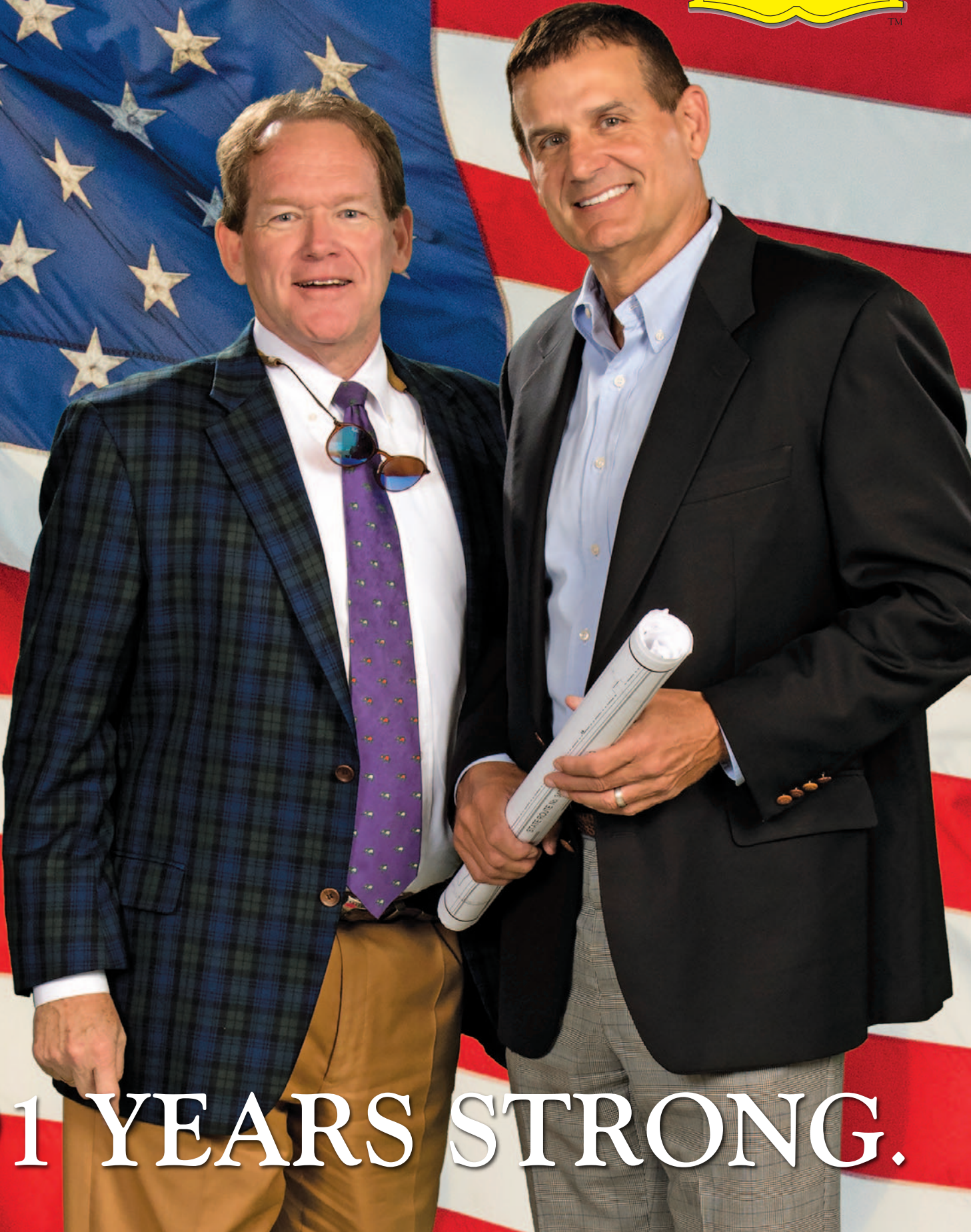




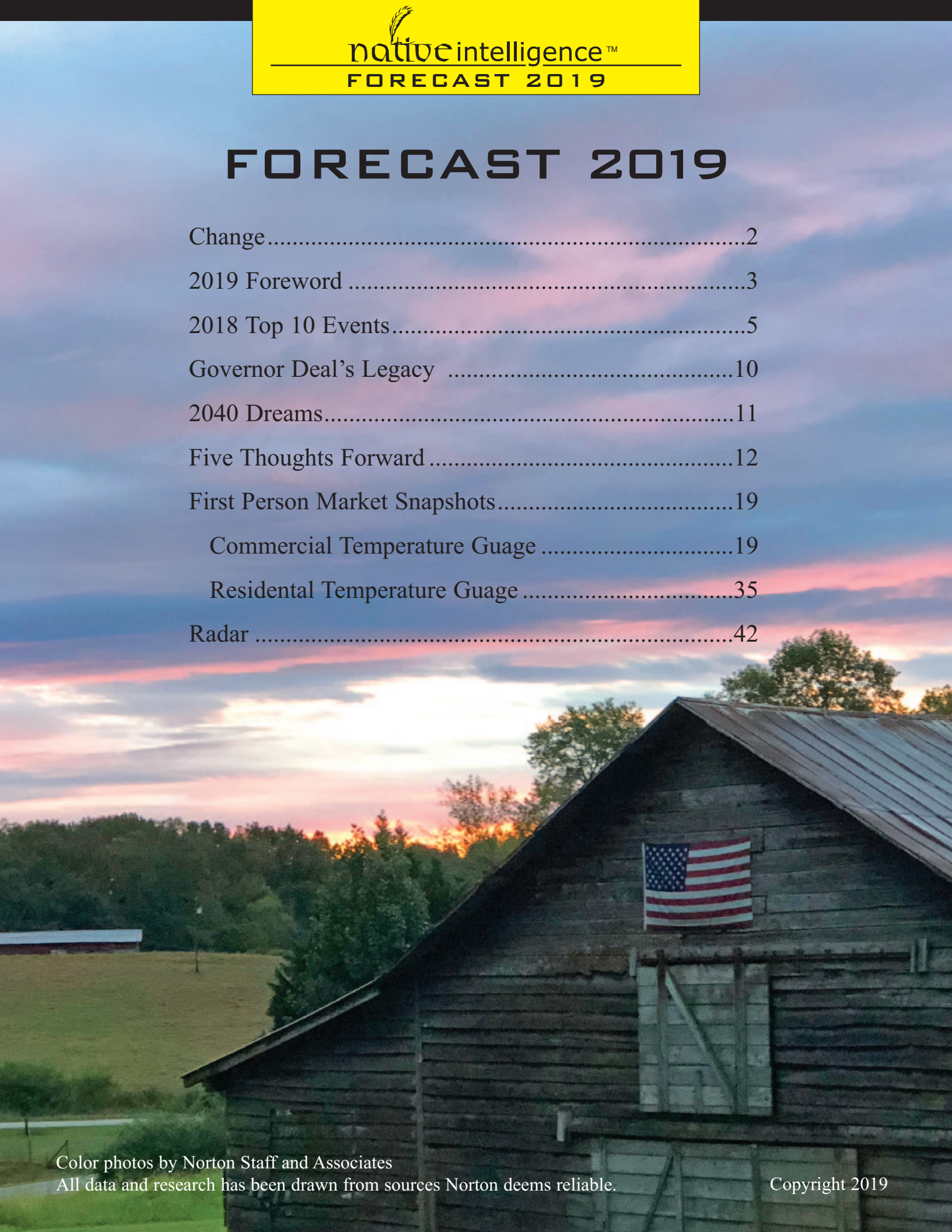
NATIVE INTELLIGENCE  
2019



91 YEARS STRONG.

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# CHANGE

“Seeing tomorrow” is the essence of Norton’s Annual Forecast. Now in its 32nd year, we are the unicorn in our focus on The North Georgia Region. **It’s Home.**

We are homebodies, our investments are home grown, and they are generational. Norton and its various operating disciplines have a country-doctor sensibility. Our managers are gentle and old fashioned. Our agents are traditionally southern but there is a nothing backward looking about us. Norton is a **futurist**, a company that knows that progress moves at light speed. To capture it, you just need to have a sharp enough vision to see it **and** a willingness to jump in after it as it rushes by.

In 1999, the four largest companies in the world sold cars, groceries and oil. Today the four largest companies sell iPhones, internet ads, data, and software. In 1999 only 41% of American’s used the internet at all. A mere 6 years later, broadband users surpassed dial-up users. Humans have the unique ability to adapt, to reason, to think and to change their circumstances with their own power. **Norton...91 years strong** has proven time after time that same ability.

Our Norton Native Intelligence™ report is not a bi-product of our firm but woven in the very DNA of our BEING. On the pages that follow, we showcase the dreams and building blocks of tomorrow. A bold change afoot in **our** mountains. No other organization- Government, Private, Industry or Public Service - covers North Georgia like we do. Through our efforts we try to stitch together the loose patchworks of counties, cities and opportunities in between.

With 300 Norton staff and associates, 19 offices and a deep commitment to making our region a better place...we stand at “READY” for any future.

Now all we have to do is catch it.



**Frank K. Norton, Jr.**  
*CEO/Chairman  
The Norton Agency*



**Robert V. Norton**  
*President  
The Norton Agency  
CEO/COO  
Norton Insurance*



# 2018-2019

Norton Native Intelligence™ is a Trend and Forecast publication now celebrating its 32rd Anniversary. The editors and research staff, like ancient hunters and gatherers collecting morsels of facts, trends and raw data in their baskets only to devour and feast upon this information bounty and interpret for our readership the mountains of statistical data. Each year our herculean task is to condense this epic harvest into digestible form. Layers and layers of facts and statistics sandwich between the bread of **Comment, Commentary and Interpretation**.

Have we ever been wrong? You betcha, but we just try and keep our **wrongs** minimized as much as we can. Our goal is to keep a watchful eye on the character, temperature and condition of our region. Our forecasts, read and studied each year, build **muscle memory** as a community.

Our findings are compiled into presentation format for our annual forecast event and in booklet form (print and electronic) for our readership. What's more, we have created a digital North Georgia Statistical Data Resource with access to Norton's powerhouse BIG DATA, 24/7. That site, NortonIntelligence.com has all our latest reports and currency of data. WE invite you to explore and download whenever, wherever, all the time.

**Norton Native Intelligence™** provides an outlook on the North Georgia community demographics, real estate (of course), investment, land development trends, finance, patterns of growth, consumer expectations and capital markets. We hope this expands your **perceptual map**. We let the "other guy" research the national and global economy...our focus is **local**, because we are **local**...and have been for **91** years. We are proud to be from North Georgia Pioneer stock going back **7** generations. Since Real Estate's wave is a function of how it serves its users – workers, consumers, businesses, travelers, homeowners, and housing renters – we look to human elements to find signs, trends, demographics, labor force characteristics and location preferences. Motivators discerned by observed behavior and the interpretation of real estate professionals are among the most reliable indicators of trends. We, as humans, must learn how to adapt to an ever-changing market.

The views expressed herein reflect our views of North Georgia, our views of our future, and our views on the opportunities and obstacles in front of us. We own it...the data, the interpretations and the human spirit that drives us forward.

## NATIONAL REAL ESTATE CONDITIONS (1.1.19)

There is an abnormal amount of fear and panic on the streets about the housing market. The rapid rise of 30-year interest rates from 3.25% to 5% and the potential for moving higher, has made buyers and many builders uneasy. New home sales have declined for the last four months. Norton Native Intelligence™ National Economic Advisor's predict a slight adjustment of the market after seven years of recovery. Average house prices continue to move up, but we see tempering of the arch. The Joint Center for housing at Harvard is charting a 10 year low for home affordability, despite the most robust employment over the last 50 years. Wages continue to rise at 3% per year and the trend should sustain itself at least for 3 – 5 more years.

The bright spot is that as housing pricing cools and wages continue upward, income could catch up to average home prices **expanding affordability**. The worst markets for the affordability differential are California, Seattle and Denver. Home ownership in California now hovers at 45-46% but one third of California home owners could not buy their **own** home if it were for sale today.

Projected Home Price % Appreciation Going Forward

Source	2018	2019	2020	2021	2022
HPES	+5.9	+4.2	+2.9	+2.6	+2.9
Zelman & Assoc.	+5.5	+4.5	+4.1	N/A	N/A
MBA	+5.8	+4.3	+2.9	+1.9	N/A
Freddie Mac	+5.1	+4.3	+2.9	N/A	N/A
NAR	+4.7	+2.5	+3	N/A	N/A
Fannie Mae	+5.4	+4.1	+2.2	N/A	N/A
<b>AVERAGE</b>	<b>+5.4</b>	<b>+3.9</b>	<b>+3</b>	<b>+2.3</b>	<b>+2.9</b>

■ **Expect 15 months of slight housing ADJUSTMENTS with 30-year mortgages cresting at 5.5%.**

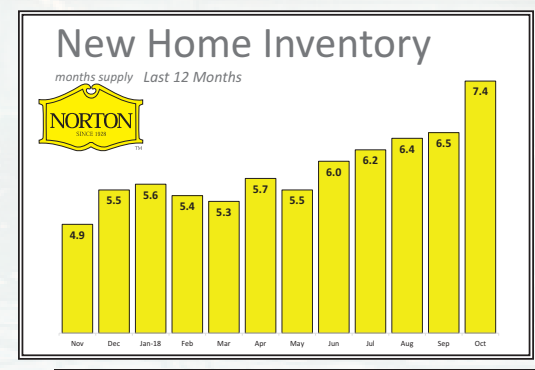
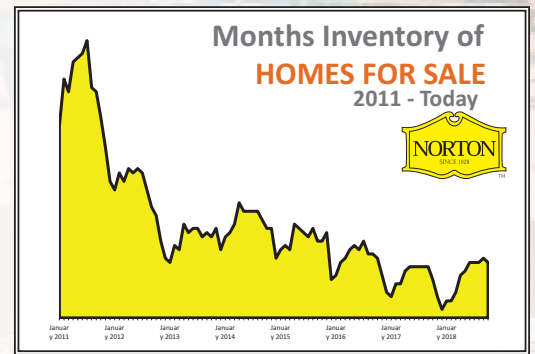
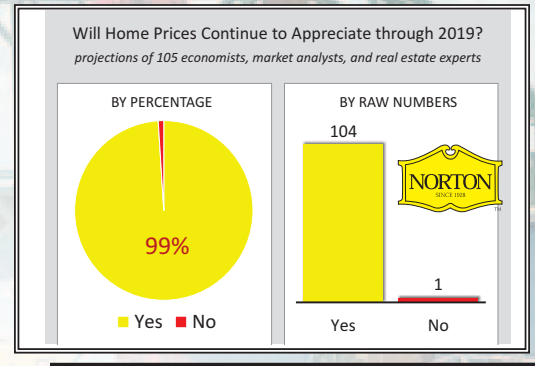
■ As the baby boom generation moves toward downsizing, they are experiencing sticker shock. New homes in the downsize target square foot range of 1,500 SF to 2,500 SF cost 40% more per square foot that the resale home downsizers are moving out of.

■ The mood for new housing in most major markets has flipped over the last five years “from bring them on” to vicious anti-growth. Towns and counties have gone “postal” on new construction, density, home size and construction materials. **Unless reversed, housing shortages and affordability will worsen.**

■ Fear of home price escalation has led to the loss of the Middle Class and created a nation of haves and have nots. BUT the fundamental cost component of home development has not changed over the last decade only the rate of escalation.

COMPONENTS	EST. 5-YR INCREASES
MATERIALS	+ 12%
LABOR	+ 20%
LAND	+ 35%
ENHANCED INFRASTRUCTURE	+ 32%
GOVERNMENT REGULATION	+ 45%

■ **Finally, the dream is not to earn more money to get a “nicer” apartment - the ultimate dream is still Home Ownership.**



# 2019 THE YEAR OF THE LIST

This year can best be called the year of the “lists.” We have compressed mountains of data, hundreds of hours of conversation and our traditional “Deep Think” brainstorming into a series of bite-size lists. We hope this also gives the reader “bite” sized segments of reading...read, put down...pick up, and read again.

## 2018 TOP 10 EVENTS

### 1. POWER SHIFT

This past November saw one of the most contentious election cycles Georgia has ever seen. Brian Kemp won by a nose and set in motion the orderly change from one administration to another. While the political party remains unchanged and the Republican majority still holds in the state legislature, there will be without question...**change**.

**Change** in priorities, **change** in style, and **change** in direction. No one really has a grasp of the depth and breath of that change, but after eight years of Deal’s quiet, “statesman like” leadership...**it is going to be different**.

Kemp is a seasoned politician and government administrator and that will serve to his advantage. The Gainesville, Hall County political machine may have lost their leader, but they stepped up toe to toe and supported Kemp, and even those who miscalculated on Casey Cagle became swift and rabid Kemp supporters.

Kemp is likely to keep many of Deal’s **Forward** Georgia platforms: judicial reform, economic business recruitment, University restructuring, port expansion, while expecting to add teacher pay increases, improve our health care delivery systems, agricultural expansion, and focus on small business.

So, our **Number One 2018** event is the change in the Governor’s office, a slow and slight turn for Georgia but one of powerful implication all the way to Clermont, Ducktown and of course, Tiger.

### 2. OPPORTUNITY ZONES

Buried deep in Trump/Congress’s 2017 tax bill is the creation of **Opportunity Zones** targeting low and undeveloped communities with 1031 tax incentives for pinpointed direct investment. The law allows for a broader definition of

the 1031 Exchanges gains, once traditional only into real property but now stocks, business sales, and real estate qualify. This means that a holder of appreciated TECH stock can sell that asset and reinvest the gain – tax deferred - into real estate, specifically in one of these zones. Opportunity zones or OZ’s are peppered across our region in Ellijay, Gainesville, Winder, Elberton, Monroe...not to mention almost half of South Georgia. Atlanta has 22 OZ’s, Georgia 260, the United States 8,600 zones.

The quality opportunity zone investment must be coupled with an equal amount of new money (we understand debt counts), deployed within 30 months and professionally managed by an Opportunity Funds Manager.

In September, Norton created its own Qualifying Opportunity Fund Division, **Norton Opportunity Fund**, bringing together sophisticated asset management, development services, accounting, compliance and strategic opportunity targets. These assets must be held 10 years (we’ve been managing properties for 90) and if held those ten years, the entire new gain on the invested money’s capital gains is **free** through a step-up basis. We believe Opportunity Zones can be a game changer in the redeveloping areas of North Georgia and Norton has built a platform to guide interested parties through that process.

### 3. BANKING

Like Big Fish swallowing up smaller fry for lunch, Georgia Bank’s appear to foster continued bank consolidation. While Georgia’s bank crisis is over, the right sizing of Georgia’s banking industry continues.

**Hamilton Bank** is bought by Ameris Bancorp, Moultrie, GA  
**Chattahoochee Bank** is bought by Entegra Financial Corp, Franklin, NC  
**Independence Bank** is bought by Pinnacle Financial Corp, Elberton, GA  
**Mountain Valley Bank** is bought by Piedmont Bancorp, Norcross, GA  
**NBG** is bought by State Bank & Trust  
**State Bank & Trust** is bought by Cadence BanCorp, Houston, TX  
**Foothills Bank** is bought by Coastal States Bank, Hilton Head, SC  
**Brand Bank** is bought by Renasant Bank, Tupelo, MS  
**Charter Bank** is bought by Central State Bank of Florida  
**First Landmark** is bought by First National Bank, Commerce, AL

Our region, with its low (2.80%) unemployment, thriving food base industry and geographic position, sitting on top of 6 million Atlantaian's, is a natural for bank expansion. But "local" and local banking is still the watch word for small business investors and local government where strong, local banks like Peach State (Gainesville) and First American (Athens) have significant stakes and a growing market share.

		<b>Bank Size</b>
Peach State Bank & Trust	Gainesville	\$202,400,000
First American Bank & Trust	Clayton, Athens, Winder	\$506,554,000
Community Bank of Pickens	Pickens	\$331,028,000
Southern Bank & Trust	Habersham	\$173,402,000
Peoples Bank	Buford	\$289,071,000

Source GA Dept. Banking

**4. OAK BRANCH – FLOWERY OAK**  
 The Flowery Branch/Oakwood housing boom is our trend number 4. Over the last 18 months, it seems these two communities have become laser focused on population growth, community services, community balance and multi-price point, multi-product line rezoning's. While Norton Native Intelligence™ challenged the communities 10 years ago to merge and become Flowery Oak or Oak Branch, **the collective** (while not merged) energy in both communities is intoxicating.

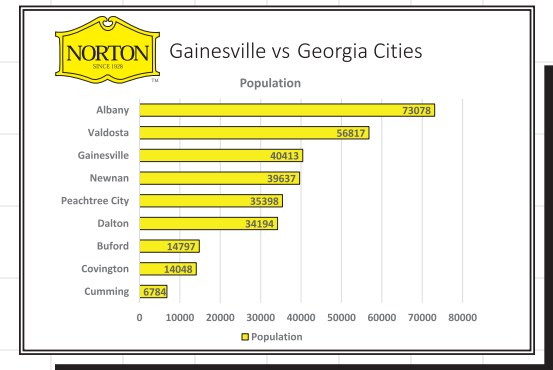
Oakwood is thoughtfully considering multi-family rentals, townhouses, and affordable homes. Far from an automatic rubber stamp- density, product mix, tenant or owner profile, and impact on Oakwood's comprehensive plan goals are all considerations as they build a rock-solid population and tax base. Once a sleepy railroad town, Flowery Branch kick-started their growth pre-recession with the annexation and master plan approval of Sterling on the Lake and its 2,000 potential homes. That gave Flowery Branch the muscle when zoning and annexing selective surrounding properties. As originally the first wide spot out of Gwinnett County, Flowery Branch has blended industrial zones and major regional retail concentrations with quality first time and moved up housing. Norton Native Intelligence™ would love the take credit for the kick start of both communities with

Norton's relocation of the Atlanta Falcons to that area (1998) but, in reality, it just opened the eyes of local leadership and gave them Atlanta/Gwinnett **cred** to the geography and proximity.

Great things are ahead as Flowery Branch becomes Hall County's second largest municipality and the housing boom for both is blueprinted.

<b>HALL COUNTY COMPARATIVE CITY SIZE (2018)</b>	
Gainesville	40,359
Flowery Branch	7,477
Oakwood	4,148
Braselton*	2,700
Buford*	2,124
Lula	2,886
Gillsville	243
Clermont	952

\*Hall portions only US Census



**5. BILLION DOLLAR BABIES**  
 The November announcement that **SK Innovation** will be building a million square foot, 2,000 employees, 1.6 billion dollars battery manufacturing plant in Commerce-yes Commerce - brings to focus Georgia's power house business recruitment and with increasing frequency, the mention of a **BILLION** plus price tag.



**SIGNIFICANT GEORGIA INVESTMENTS**

		Estimated Value	Announced
SK	Commerce	1.6 Billion	2018
Facebook/Data Center	Covington	42 Billion	2018
Switch/Data Center	Douglas Co.	42.5 Billion	2017
KIA	West Point	1.2 Billion	2006

It is one thing to toot your horn about a little ‘ole one million, ole Amazon Distribution Center, it’s another to see a manufacturing plant or computer center reach to the STARS. Actually, Commerce is clearly I-85’s new **rock star**. GE, we are reminded, took 1,099,000 SF for a distribution center in Commerce also in 2018. To put 6 billion in context, Jackson County’s entire tax base is just 2.1 billion in 2017, Commerce’s tax base is 682 million, Gainesville has a 2.3 billion tax base, Hall County has a 6.021 billion tax base and Forsyth has a 9.5 million tax base. The **X-Factor** here is that it is just **one** plant to be fed by numerous other micro-parts assembly and supplies that will inevitably relocate up and down the corridor. We note the success of Commerce’s pro-business, pro-labor, pro-tax base, pro-housing attitude as compared to the attitude of South Jackson and the associated cities of Braselton and Hoschton. Who doesn’t want a billion-dollar investment.... They don’t, if you reflect on their recent anti-industrial zoning decisions.

**Congratulations** Commerce, you are on the road to a powerful future.

## 6. JACKSON COUNTY SKIRMISHES

Jackson County has reached the boiling point for growth. Increasingly “it will be a slam dunk” rezoning efforts have hit buzz saws, seas of red shirt protesters and scared elected officials retreating back into crevices and caves trying not to be confronted, or much less defeated, in the next election cycle.

**Boy! That sure happened fast.** It wasn’t too long ago that Henry Braselton, Mayor of Braselton, fought tooth and nail for any form of new business. Henry and Braselton’s civic leadership scraped together grants for industrial sewer and water and slowly pulled the Town out of economic abyss. How soon we forget years of struggle and the memory of Henry’s powerful dream for his community. Now battle after battle, the residents (largely 20 year or shorter newcomers) fight everything, from Herculean zoning efforts and layering of government bureaucracy, water impact fees and new ordinance road blocks, all while living behind the gates of Chateau Elan. In fact, 4 out of 5 Braselton town Commissioners live in Chateau Elan. Today, this vocal group wants sit-down restaurants with no drive throughs, 24-hour medical but limited lighting and signage, professional corporate business’ without support residential for clerical or service, and they want industrial warehouses without truck traffic. **GO FIGURE!**

Unfortunately, this anti-everything attitude is creeping up across all of North Georgia. Oconee County outlawed, without any grandfather clause, all slab base construction of houses. One commissioner is quoted as saying Oconee should “never build another house under \$400,000.”

Forsyth’s long opposition of a proposed multi-family apartment zone along GA-400 was soundly defeated. They did pass ordinances and regulations that strengthen material design and construction methods to put breaks on “track” development and raise projected cost across all forms of housing.

A City of Jasper leader said, “why zone land for new houses, everyone I know already has one.”

The City of Winder defeated a much-needed DR Horton 55 and up age restricted development in favor of the “hope” of \$450 to \$500,000 homes development on the same land. But that is a totally unrealistic sales price for the area.

In a full about face, Jackson County denied a 400 acre, 4 million SF Industrial Park and shut down its industrial business engine. Jackson County had been on a roll, a progressive community with low taxes, full employment and envisioning rising tax bases.

Norton Native Intelligence™ is unsure where this direction is headed. We have for 20 years been a “lone cry in the deep forest” for Affordable Housing and multi-priced point levels of housing in every county. Sure, Oconee can create a sound tax base on \$400,000 homes but they will import their teachers, fire fighters, public sector workforce that they are pricing out with that \$400,000 target.

Our best advice these stop growth communities is to reevaluate your tax base, roll back every “potential” commercial tax

value and return it to Appalachia scrub farm land, where value means nothing. Be careful what you wish for. The good news is that the Amazon Warehouse will go to Gwinnett, Banks or Franklin which will laugh all the way to the Bank (tax bank). We lament the so distant past of 2007 – 2012 where these same counties were **starving** for a sound tax base, we saw tens of thousands of foreclosures and we saw retail sales in the cellar. It just makes you want to shake some people back to reality. **Progress is a messy business.**

**7. 21ST CENTURY EDUCATION**  
**Lanier Tech's** 21st Century Campus is strategically located on 95 acres along busy I-985/365, it is Georgia's 21st Century Beta Test for technical education. Georgia's University College System consolidation has largely eliminated the two-year college and demands for alternative learning streams by almost every employer necessitates Georgia step up its game. The new campus is 50% larger than what they vacated and there is room to double or even triple their student body. The new learning environment is a specular addition to North Georgia's education future.

**8. MEDICAL JUGGERNAUT**  
 Our predicted North Georgia hospital delivery platform "right sizing" is just in the middle of its **first** inning. Northside Hospital System shocked many Hall County Medical locals with their July acquisition of Northeast Georgia Diagnostic Clinic (47 practitioners in two locations). We find this surprise...surprising... since their Forsyth Hospital presence is growing like wild fire and they are leasing office space in the shadow on Northeast Georgia Health System's Riverplace Hospital. Besides, did anyone not read Gainesville's newspaper, The Times, and note the tens of thousands of dollars that Northside has been spending?

Norton Native Intelligence™ believes this is just a crack, a crack that will be widened with more and more services (Radiology, Quick Care, more physician group acquisitions and surgery centers if given CON approval.)

Northeast Georgia Health Systems has but acquired a number of **strategic** future sites.

- 52 acres – GA 400/US129
- 42 acres – US 316 Barrow County
- 6 acres – US 441/Habersham County
- 52 acres – Second Site Braselton
- 50 acres – Remaining undeveloped  
Riverplace Hospital

Not to mention buying Sherwood Plaza Shopping Center (Gainesville), Chestatee Hospital and shuttering it (Lumpkin) and

forming alliances with the Toccoa Clinic (Stephens) and Habersham Medical Center (Habersham).

Exciting to WATCH...but remember "it's just the first inning."

**9. DOWNTOWN FRENZY**  
 There is a frenzy about Downtown Gainesville. At the moment, a number of projects have been splashed across the front pages of the local paper but at year end, with some exceptions, the slowness of movement is concerning.

First, **Norton is hopeful.** We are the original developer of Hunt Tower (and continue to manager that landmark) and we serve as the leasing agent for the new four-story Carroll Daniel Construction Building. We were **bullish** on downtown long before downtown business was cool. Progress is always measured in small steps, entitlement, LOI's, design, feasibility studies, testing, proformas, financing, final construction documents, pre-marketing, construction estimates, all before you close, much less turn the first blade of dirt. **TIME** is always under estimated and can get away from the best of intentions.

The Carroll Daniel Building with substantial leasing by Carroll Daniel Construction is the first new professional multi-tenant office building built in over a decade. It solidly anchors the Jesse Jewell Main Street gateway to Downtown. The business itself is a windfall to the square, with their professional, high income employee base, and the company's history of community involvement. Their building alone is a shot in the arm for the Gainesville Square.

Other meaningful projects include the luxury "Parkside on the Square" Condominiums, a proposed 200 plus unit multi-story apartment retail building along Jesse Jewell, the Sauls/Milner's block (reportedly under

contract), the old County Jail's City Block – 3+ acres, the potential rehab of the 111 Green Street Building, the Jackson Retail Property for sale, a potential offering of the old Methodist Church Block and the new Regions Bank, 303 Jesse Jewell Building sold at year end to investors.

Thankfully the big financial commitments are from Gainesville City. No doubt it takes government investment to kick-start the private sector investment. Tax allocation districts, opportunity zones, new market tax credits, CVB investments, and Redevelopment Authority guarantees are just a few of the sophisticated equity and financing sources. Gainesville has jumped in with both feet supporting Parkside and Carroll Daniel with TAD (Tax Allocation District) investments, \$4.3 million for two new levels in the downtown parking deck, they purchased for \$1.6 million and soon to be demolished the old Turner, Wood & Smith Building, purchase the old jail (\$7.2 million) and then tearing it down (it had to go), and in November the City purchased for \$10.5 million the City View 6 acres hotel/office site.

This is in addition to transportation grants in order to “street scape” Gainesville’s Square over five million dollars spent on the Mid-Town Greenway and the Housing Authority’s joint venture with Walton Community reinventing the Atlanta Street Apartment. These investments are BOLD and TRANSFORMATIONAL.

**Keep your fingers crossed.**

■ The area around our Inland Ports are attractors of both exporters and importers of container base raw materials and foreign made parts. It’s this incremental value of the port’s attraction that spurred the rezoning of a 512 acres tract opposite Gateway Industrial for more warehouse/manufacturer and Gainesville City’s conversion of their land application holdings in East Hall into a 1,500-acre industrial zone.

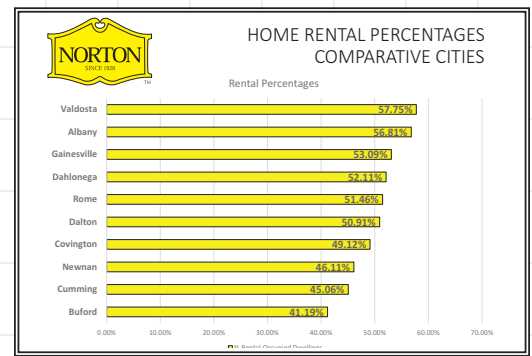
That Inland Port, at a 15-million-dollar state investment, is like money manna from heaven for all surrounding North Georgia communities.

**10. INLAND PORT**  
 On December 3 2018, in one of his final news conferences, Governor Nathan Deal flew into Lee Gilmer Airport to announce what the brokerage community dubbed as Gainesville’s worst kept secret, “Hall County and Norfolk Southern gets Georgia’s next inland port.” The 104-acre property adjacent to Gateway Industrial Park is strategic in a number of ways.

■ When it opens in 2021, it will provide Norfolk Southern a direct pipeline to the Savannah Port. Note the Inland Port in Chatsworth is served by CSX Rail and the Cordele Port has a private rail link into Savannah.

■ This initial estimate of 150,000 annual containers is just a scratch in the 4.2 million container total volume of the Savannah Port. As it grows, expect the Hall Inland Port to soar.

■ Our Port is being uniquely designed to ship, at warp speed, food products...spell that C.H.I.C.K.E.N. in refrigerated containers to hot South America and Asian markets and Kubota tractors sent abroad.



	1928	2018
Median cost of a new home	\$4,250	\$321,610
Average yearly salary	\$1,490	\$62,175
Refrigerator	\$285	\$1,200
Men's worsted wool suit	\$21.50	\$250
Rawlings baseball glove	\$3	\$120
Women's leather handbag	\$2.98	\$200
Bayer aspirin tablets	\$0.98	\$10
Tea **	\$0.75/pound	\$100/pound
Sliced ham	\$0.57/pound	\$4.5/pound
Cheese	\$0.39/pound	\$5/pound
Wrigley's Spearmint gum	\$0.39	\$2.50
First-class stamp	\$0.02	\$0.50

\*\* 40 - 50 cups of tea per pound



# GOVERNOR DEAL'S LEGACY

As the Governor's office changes, Norton Native Intelligence™ thought it appropriate to reflect on Governor Nathan Deal's eight-year legacy as it affects North Georgia. While we may not know all the behind the scenes hard work put forth by Governor Deal and members of his administration, we do know that he wisely chose to surround himself with many of the best business leaders that Georgia has to offer. With their input and Governor Deal's leadership (yes, it does take a village), the blueprints have been drawn and the foundation laid for our region's positive direction for generations. Previous Governors focused on tourism, fisheries, and parks- Deal focused on infrastructure and sustainable job creation.

From the new Highway 53 bridge across Lake Lanier to the Cleveland by-pass, the Stephens County connector, the hot lanes up I-85, the Friendship to US-211 six lanes, the new Exit 14 on I-985 and the widening of GA-400: we estimate more pavement has been laid in our region during the last 8 years than the 30 years prior. Added to that infrastructure count, a new District 9 D.O.T office, an expanded Department of Children Services Center, not to mention strategic investments for growth and future funding for dozens of others across the region, Deal understood that infrastructure investments made today will have 50 to 70-year impacts.

Perhaps of greater reach and lasting impact for North Georgia has been Deal's focus on **workforce** development. One of his administration's first actions was right sizing Georgia's University System through a controversial merger of multiple college campuses. North Georgia College and State University and Gainesville College's Gainesville and Oconee campuses became University of North Georgia which strengthened community ties, increased their business school presence in Forsyth and they have just broken ground on a new campus in Blue Ridge. The relocation and supersizing of the Lanier Tech campus to I-985 powers up the manufacturing and healthcare sectors through 21st Century technical education delivery systems. Deal, behind the scenes, was also instrumental in the creation of Northeast Georgia Medical System's new Residency Program to supply much needed physicians across all of Georgia. Education is paramount to a strong Georgia economy and Deal's focus insures that legacy.

Other economic initiatives include an Inland Port in Chatsworth and one that was announced in 2018 in Hall County at White Sulphur and I-985. This gives both Norfolk Southern and CSX rail systems direct pipelines to the Savannah Port. Deal's Industrial Development Authority Board sweetened the recruitment pot to help expand Kubota

(Jackson & Hall), establish an Amazon distribution hub in Jackson County, fill empty space in Rabun and in countless other industrial structures from Dalton to Conyers. Once again in 2018, Georgia was cited by Site Selection Magazine as the Number 1 state to do business for the sixth consecutive year. Georgia is the only State to ever achieve this distinction. To quote Site Selection Magazine... "the entire State of Georgia could be considered a zone of opportunity..."

Deal's office was also involved in the Federal Government's classification of Opportunity Zone census tracts that includes census tracts in Monroe, Hall, Barrow, Gilmer, Elbert Counties. Georgia ended up with 250 Opportunity Zones, Metro Atlanta 22, and the rest in rural communities.

But the long-term "effect" will last long after he leaves the office. Deal has, through his wide community appointments, put North Georgian's in a position of leadership, influence and power across all levels of Georgia, including Board of Regents, Ports Authority, Department of Natural Resources, Industry and Trade, Vocational Technology Board, Judicial Review Boards, Georgia World Congress Center, Real Estate Commission, just to name a few.

While he remains a soft-spoken gentleman, Deal through his stewardship, has set the pace and expectations for all of us.

**THANK YOU!**



# DREAMS FOR 2040

Do you ever ponder the future? Sit in a swing sipping lemonade and think about what North Georgia's going to be like five, ten, fifteen, twenty, thirty years hence? **You know...Dream...Dream Big.**

We posed that question to Norton's Commercial Leadership. What do you wish for in 2040? Accomplishments, Achievements, Directions of Growth for North Georgia (in no particular order). This is what they came up with.

- Rapid Transit from Hall County to the Atlanta Airport.
- GA 400 extension up to Hiawassee, Blairsville.
- Six lanes of I-985 and "hot" lanes to Metro-Atlanta along GA-400 and I-985.
- An I-85 to I-75 Northern Arc.
- Industrial Capacity Sewer along all of GA-400 and I-985, I-85 to the South Carolina State line (perhaps even dreaming crazy big, create "wireless sewer").
- Unlimited water resources including two new reservoirs, Glade Farms (Hall) and Dawson Forest (Dawson) for a thirsty North Georgia.
- Merge everything possible: Gainesville and Hall County Schools. Oakwood plus Flowery Branch, uniting Jackson County, Forsyth County (combining cities, counties and school boards). Right sizing government for an ever-growing population.
- Establish a second major airport serving Southeastern Regional commuters.
- Spread traffic and services across Lake Lanier with a Northern Lake Lanier Lake Resort and North Lake Lanier Marina.

Georgia Tech Department of Urban Planning predicts Metro Atlanta will be 12.5 million people by 2050 and stretch from Chattanooga to Macon and over to Greenville. Norton Native Intelligence™ has said in past forecasts "Our region's biggest threat is Atlanta won't move just to us but will move through us."

Our Real Challenge is to keep our soul, our heritage, our culture and our identity amidst this growth.



# FIVE THOUGHTS FORWARD

**1. LIVING WITH ZERO**  
 Housing reached **ZERO** in 2018, well not really **ZERO** but as close to **ZERO** as our real estate market has ever come, with one and two-month's supply of housing in many price points. In most markets, affordable housing is front and center to our community's prosperity. The harsh reality is that we see no sign of improvement or correction in the short nor mid-term. Our crystal ball indicates quite the opposite. Employers, chamber industry recruiters are going to face **severe** labor, **severe** housing for the labor recruited and that shortage for at least the next DECADE. The construction engine is moving at a snail pace, the lenders are impotent with their lending regulations and the government impact fee regulatory environment is on a run-away freight train.

Norton's residential group saw a 1% drop in overall residential sales year over year but had a record number of home sales over \$500,000. The issue was not one of lack of effort but one of lack of inventory...**ZERO**.

This is a real problem. While Hall has long been an importer of labor, 26.7% of Hall County workers live out of the county. The northern counties and their industries have raised hourly wages sufficient to keep their county workers in their own county vs attractive paying jobs elsewhere. (Spell that South) Yes, we are still a regional economy, but distance travel does not trump local community connectivity. A **ZERO** home (rental or purchase) housing climate is disastrous to business expansion. Fieldale imports hundreds of immigrant laborers from Stone Mountain and the shortage of quality engineers at Kubota has stretched their recruiting and employee base all the way to Canton, an hour's drive away.

MONTHS SUPPLY		
	\$0 - \$175,000	\$176,000 - \$250,000
North Georgia	1.75 MO	2.1 MO
Hall County	1.3	1.83
Gainesville	.9	1.5
Forsyth	.9	1.1
Dawson	1	2.0
Habersham	1.6	3.3
Barrow	.8	1.2
Lumpkin	1.7	2.5
White	.5	1.2
Jackson	1.3	1.5
Banks	1.0	1.5
Rabun	2.9	5.1

Source: FMLS/GAMLS

Norton has had a hard time communicating the link for qualified workforce with an adequate housing base. We don't really understand the core opposition to affordable housing growth. It perhaps is basically **FEAR** that 1,100 – 1,500 square foot homes could evolve into the next slum, the next crime powder keg. We know planners are reluctant to approve apartments for the fear of what they might look like 40 and 50 years from now. Well, Longstreet Hill's first homes were built by Norton's founder, W. L. Norton. The homes were 1,500 – 1,600 SF and LaFayette Court, a 4-sided quality apartment complex celebrated its 58th year anniversary this year. Both projects are still in strong demand with timeless quality factors. Standards of construction and regional building occupancy code enforcement is the governing force of maintaining what's built today and for what's built to last for tomorrow.

RENTAL VACANCY, DECEMBER 2018			
	Apartments Under \$1000	Apartments \$1000 – 1500 MO	Single Family
Hall	1.2%	2.6%	1.7%
Dawson	1.0	1.5	1.0
Habersham	2.3	3.7	1.8
Lumpkin	1.0	1.5	1.0
Jackson	1.1	NA	2.5
White	1.9	NA	2.5

Source: Norton Native Intelligence™

**ZERO** is a wake-up call. In an industry meeting held mid-year 2018, we surveyed a wide range of 15 industries and determined that there were over 3,200 open/unfilled jobs across all levels of salaries. Multiple-

competitive home purchase offers are now the norm. Double digit home price escalations routine and apartment rents are expected to escalate at 9% per year for the next 5 years.

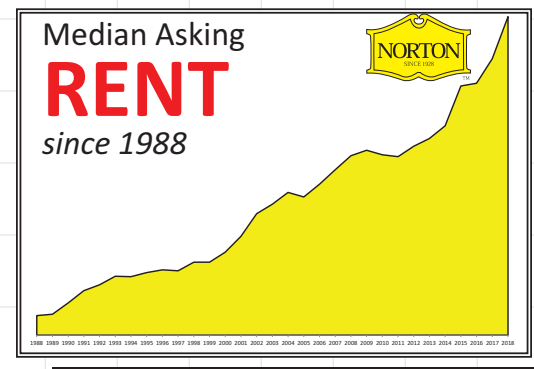
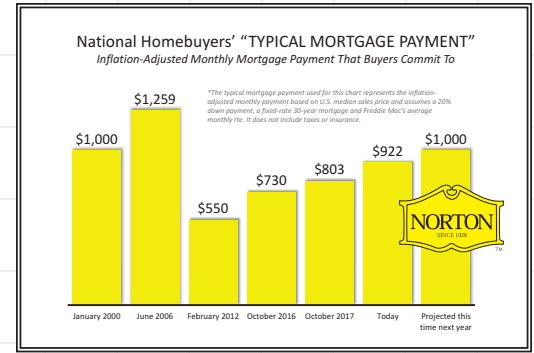
## 2. LATINO ESTABLISHMENT

We've also known as a detailed observer of the Latino market since birth. Our mother, "Betty" Isabell Marie Rodriguez De Verson is Cuban and at the age of 16, came to study at Brenau University. There she met and married our dad. Our Grandmother, Dr. Isabell Verson, became Northeast Georgia's first Spanish to English translator in the emergency room and in labor and delivery at Northeast Georgia Hospital just as the migration of the Hispanic labor force took off. (We believe that to be around 1978/79). As an observer, products of migrants ourselves (we do qualify as a minority 50% owned business), and partner in a Hispanic insurance business, Camille Viera Insurance, we have increasingly seen a new era unfold the Latino community both in business and in residential. In our analysis, we've broken down these distinct timeframes as:

Period	Timeframe
Before	Before 1978
Migration	1978 – 2008
Exodus	2008 – 2011
Settlement	2012 – 2015
Establishment	2015 –

**Before** – Prior to 1978 we can remember only a few Latino residents, besides our own family. There were also teachers at Brenau, Ed Cabell at Gainesville College, the wife of the postmaster, and various industry managers all with origins from as many countries as people. This was a typical pattern across all Georgia mid-size communities.

**Migration** – poultry companies have always struggled for labor and in the 1970's they became dependent on exile cohorts from Vietnam, Cambodia and Lao's. As this population saved their money they moved to other regions, bought businesses and pursued the American Dream...elsewhere. Then some bright labor recruiter realized that the migrant farm workers in California, largely from Mexico, held agricultural green cards and government work permits. Poultry processing was both agriculture and manufacturing and offered the migrant workers two advantages, stable year-round employment and the **highest** wages at that time for agricultural green card status. The first group followed by a second, third, fifth, eventually hundredth filling the most needed segments of the poultry industry. Norton Native Intelligence™ estimated that by 2007, the Hall County Latino market had swelled to 65,000 while the census only reflected a 2000 count of 46,892 and a 2010 count of 27800. This workforce population base is still fearful of Government (including the Census) whether they have legal status or questionable residency. At first, they



rented mostly in groups. They worked, saved money, sent money home and helped others migrate to America as well. The first five to eight years, it was male dominated, (10 to 1) all in productively age range of 16 to 55 years. The poultry industry is hard work but stable and it paid well. As more and more working women joined them, they married, had children, and moved to places of their own.

By the mid-2000's, we started to see Latino's buy homes and settle down. Yes...many were preyed upon by unscrupulous Landlords and predatory lending practices, but the Latino market is a close one and by word of mouth, they quickly learned who to deal with and who not to deal with. By 2005, the real estate industry was seeing 7 – 10% of the affordable homes stock (under \$150,000 at that time) sold to these emerging Latino families.

## Exodus & Settlement

As the recession took hold in 2008, the Latino demographics took a double whammy. By then, several Latinos had moved out of the poultry industry with many working in the construction or development industry and some grasping American entrepreneurship by creating their own businesses. They were living the dream. The real estate recession took them to their knees and many lost their homes and started an Exodus to markets with stronger employment. The second whammy was the stepped-up INS scrutiny on the Hall County Community and the opening up of an INS clearing center at the old Hall County jail. Latinos without legal status or Latinos who had purchased questionable legal papers relocated as fast as they could. This cohort was mostly male, mostly single and mostly had recent (7 years or less) American residency. They moved north to the small mountain communities like Franklin, Murphy, Seneca, Anderson, and Ellijay out of the watchful eyes of the federales. By 2012, Norton Native Intelligence™ believed that 25,000± Latinos had left the Gainesville area. Entire apartment projects went from 100% occupied with waiting lists to 22% occupied in less than nine months.

But we also call this period **settlement**, major industries such as Kubota, ZF, and Siemens saw opportunity in this work driven, income driving workforce, and began filling their second and third shifts with Latino workers. Families grew, homes were bought, existing homes had additions, grandparents were brought to this country under sponsorship, and small Latino businesses such as grocery and restaurant services **exploded**. With increased steady income and family largely surrounding them, much of the flow of income being sent back to support family in Mexico dwindled and local consumer expenditures soared.

### Latino Hall Impact 2018 Estimate

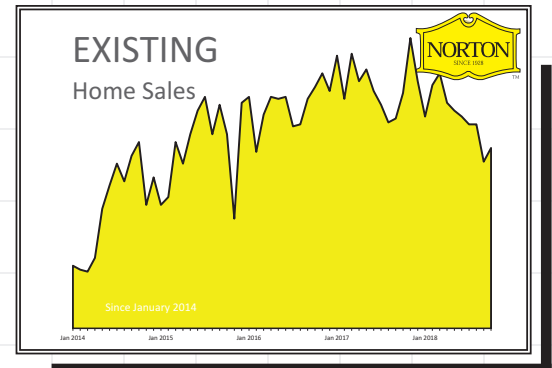
Hispanic Population	57,010
Hispanic Households	20,900
Average Household Size	3.36
Median Household Income	\$49,500

### Estimate Hispanic Purchasing Power \$1,034,550,000 2018

Consumable Breakdown		
Shelter	22.04%	\$227,801,482
Auto	20.41%	\$226,000,000
Food	15.75%	\$162,330,000
Medical	8.53%	\$88,200,200

## Establishment

Just drive down Atlanta Highway and you see it...establishment. No longer rag tag and run down, it's in a process of new and renewal. The



ownership is shifting from old Gainesville to New Latino. Bright colors, clean parking lots, bright lights, all vast improvements since 2000. Absolutely, much more needs to be done, but the corridor is no longer dominated by blight and is now dominated by Latino energy and influence. Successful energy is also stretching further out. In December, Camille Viera, a successful Latino entrepreneur, and her partners purchased and renovated the old Atmos Energy building on Washington Street/Queen City Parkway. She moved her umbrella business: tax prep, real estate, insurance (the Norton Agency is her partner), and consultation services to an energetic center that she calls "LIGHTHOUSE." This provides the Latino community light and direction in this **land of opportunity**.

We see this new era as a benchmark, the Latino community has moved out of the darkness into the mainstream. They work, become Americanized while maintaining cultural ties, investing in their own business, buying rental homes, expanding employing for friends and families and investing in their own future. For many it is dreams come true at 28.60% of Hall's population, coupled with at least 1 billion dollars in purchasing power, its time the rest of Hall take notice. The Hall County School System is now 43% Latino and the Gainesville school system is 60% Latino. Those bright young minds are changing our world.

**It's time we take notice.**



### 3. ACREAGE OPPORTUNITIES

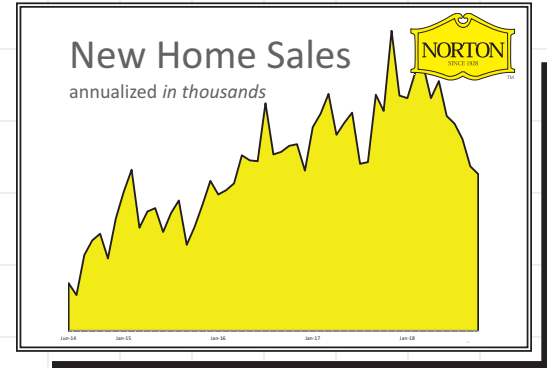
As the 2008 real estate recession reaches recovery, one market segment has lagged behind all others...

**ACREAGE.** Fundamentally acreage has always been seen as a generational asset, farms passed onto family: huge market land plays made in the great depression still provide cash streams three generations forward and huge swaths of land bought for industrial purposes, textile mills, timber and paper have now capital value as Georgia has stretched out to those far reaches.

The run up of acreage prices, 2000 through 2007 now is seen as an overheated investment frenzy, unsustainable post-recession as home development crashed and near-term flips cellared. The banking component also cratered with many a failed bank holding second, third or fourth phase of developed land without buyers in the wings.

And most of those conditions still exist. It has taken Metro Atlanta's home building industry to burn through existing vacant developed lot inventory from a high of 150,874 July 2009 to 76,358 December 2018. That's still 56,000 lots held by third party investment funds and large home builder engines (all bought at those "killer-buy" prices). Raw land buyers except for the occasional recreational buyer – (think your own 4-wheel forest) or buyers looking for wealth diversification/generational investments, are still on the sidelines. **We see opportunity in the midst of those forests.**

Holders of land (at least 60 – 75%) of those we speak to on a daily basis are ready to sell. They have clearer expectations after a 10-year drought of buyer interest and a hard dose of reality. Land buys will never ever be more reasonable. Granddaddy invested money, sweat and




tears. But grandchildren are thirsty for that condo at Disney World, in addition to their house or replenishing their own tanked retirement plan. Second generation and third generation landowners have lost the emotional connections to the Ancestral Home Place and are ready to move on.

**This is a huge opportunity.** More and more investment advisors are endorsing the diversification of some of an investor's portfolio in raw land. To preserve capital and cost of carry, they place purchased assets into conservation tax plans, timber management programs, cattle farms and hunting leases.

We think acreage is an investment ROCK STAR. Wise purchases in the direct line of population growth, beautiful rolling land, strategic assemblages all are on the radar of sophisticated investors. Under all is the land, not ready cash, but money in the bank, a land bank.

### 4. A LABOR VACUUM.

The desperate hunt for labor is in all parts of North Georgia. The down side of **FULL EMPLOYMENT** is **FULL EMPLOYMENT**, leaving hundreds of jobs open in a growing business climate. Unemployment hovers at 3% of the North Georgia workforce. Labor cannibalism is alive and well in North Georgia. Every community is now bombarded by every other community. Labor is also deeply affected by requirements for


**2018 NE Georgia Employment Statistics By County**

	Population	Unemployment	Median	Per Capita
Forsyth	227,967	2.8%	\$ 96,445	\$ 39,896
Hall	199,335	2.8%	\$ 55,622	\$ 26,283
Walton	91,600	3.3%	\$ 55,876	\$ 25,184
Barrow	79,061	3.0%	\$ 56,119	\$ 22,978
Habersham	44,567	3.2%	\$ 44,474	\$ 20,656
Lumpkin	32,873	2.8%	\$ 43,039	\$ 23,364
Pickens	31,588	3.2%	\$ 61,542	\$ 29,460
Gilmer	30,674	3.8%	\$ 46,211	\$ 23,688
White	29,453	2.6%	\$ 43,944	\$ 23,630
Stephens	25,890	3.9%	\$ 39,756	\$ 21,657
Hart	25,794	3.3%	\$ 41,216	\$ 21,668
Fannin	25,322	3.6%	\$ 43,344	\$ 24,845
Dawson	24,379	3.0%	\$ 62,284	\$ 31,954
Franklin	22,820	3.2%	\$ 39,246	\$ 19,663
Union	21,370	3.3%	\$ 35,627	\$ 17,600
Banks	18,634	2.8%	\$ 42,182	\$ 19,451
Rabun	16,602	3.7%	\$ 39,297	\$ 26,942
Towns	11,506	5.3%	\$ 41,182	\$ 22,301
Jackson	5,097	2.7%	\$ 35,820	\$ 23,403

education and certification, affected by housing shortages, housing affordability and cost of living. It is a conundrum, because even if you can find someone to work from out of state and import them, where are they going to live? And if they do find something, can they afford it? Housing prices are up 9% YOY, rents up 10-12% YOY. Wages are on a wide up-swing, poultry wages now average \$15.00 per hour with benefits, welders are at \$20/\$21.00 per hour and the new battery plant in Commerce projects a work force from \$23.00 to \$27.00 per hour. Amazon just announced a \$15.00 minimum raise across the country and one report says distribution and logistic companies will need an additional 450,000 workers over the next 3 – 5 years. Our labor is stretched and pulled by industries south (Atlanta, Gwinnett) East (Forsyth, North Fulton) and West (I-85/Jackson).

Mid-summer, Chris Braswell, Vice President, Industrial Properties with Norton Commercial hosted 15 major industrial and business employers to begin a dialog on labor and housing for labor. At that meeting, Norton did an informal survey of open job slots or projected job openings over the next 18 months. Within that small sample, we calculated over 3,500 total open job growth positions. Running that out across the region, that's probably 10,000 – 12,000 open and additional employee needs....OUCH!

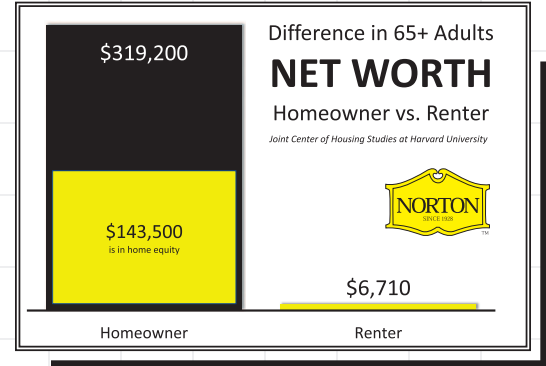
Like many of Norton Native Intelligence™ brain storms, we see a problem or challenge but aren't really seeing a quick solution...but some quick thoughts.

- Step up technical education of High School level students throughout North Georgia matching jobs with internships, hooking our children early and keeping them engaged in hometown job opportunities, like the “Work Based Learning Program” offered by the Hall County School System.
- Solve the Affordable Housing Crisis to provide quality housing in multiple price points of housing (this includes you Forsyth and Oconee).
- Explore employer sponsored housing solutions, a 21st Century Company Town concept...Live, Work, Play next to your employer.

## 5. VOTING THE LOCALS OFF THE PLANET

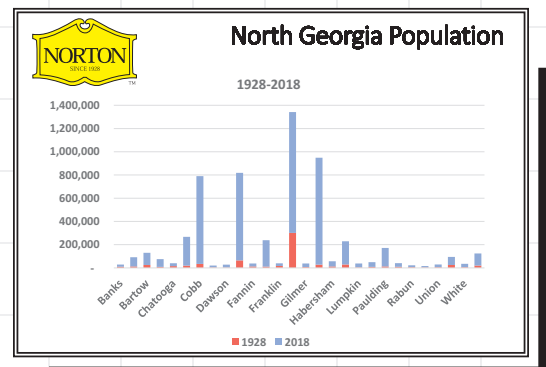
It's our nature to listen to the ground for approaching hoof beats for opportunity, for progress, and for danger, that's Native Intelligence.

An interesting, but unsettling, trend is slowly seeping into the political tenor of our region. Newcomers, those without roots in a community...be it Braselton, Buford, Flowery Branch, or Johns Creek aka Shakerag are increasingly vocal...down right bullying the



150-year-old political economic and LANDED ownership base. They are overturning the community's historical DNA in favor of a new vision, “THEIR” vision of what the region should look like, should do now, should do next.

Admittedly, we are local and our North Georgia roots run back seven generations. Our basic view is colored by years of hard scrabble Appalachia. W. L. Norton established his new business in 1928 when Gainesville was 8,154 people, Hall 29,615 people and the entire North Georgia region was 723,423 people.



With too frequent patterns, the red shirts are overwhelming the community leadership and civil servants, be it elected county, city, or their well meaning support staff. Zoning meeting have become political forums, full of political conflict and community strife. Nowhere else in government can a speaker spend three to five minutes of commentary without a single fact check or face any accountability for their statements whether

truthful, rash or trash. Emotions are at fever pitch and we see our volunteer and elected leadership lead out of those hearings with armed Marshall's at their side.

Planned, well thought out growth is **good**. Yet growth, no matter how good, in their eyes has become toxic, vicious, and vitriolic to some newcomers, who, ironically, are part of the same growth they moved to escape. It is perhaps out of fear that the next affordable home development becomes a slum 20 or 30 years away or what an apartment complex might look like in 30 or 40 years from now. **We think it happened over night**. Our industry has sold homes on individual postage stamps not homes that are part of a larger community. We don't talk about community history, legacy and connectivity, but we are focused on school test scores, price appreciation and home value.

Buyers in Jackson, Barrow, Forsyth and Hall drive south to work. Dawn to dusk residents only live in our counties to sleep, eat and weekend activities. They read and listen to Atlanta media, shop for higher-end goods in Gwinnett, DeKalb and North Fulton. They give money to United Way at work and their social network is in closed terrariums of their community pool and their children's soccer games.

Stop the growth! Alone the farm next door to our community, the rolling meadows and forests that were there when I bought. What's going to happen to the deer we see grazing?

No one realizes that the neighborhood they now live in was once the same idyllic story book farm with barns, fences, chicken houses...someone else's **LIVELIHOOD**, someone else's way of living. Small farms are dying out and the real value is the underlying asset, the dirt. Today's exit plan for the generational land owners of Northeast Georgia is development or sub-development **NOT** industrial scaled agriculture.

**Homegrown** people are losing the war and zoning by zoning, the anti's gain power. Homegrown residents...this is your wake-up call. **Become involved, become vocal, become vigilant.**

**You are close to being voted off the planet.**

“How do you square  
that circle?”

*It's just the right thing to do.*

“\$225,000 homes aren't  
affordable housing.”

*“Morph with growth or be swallowed by it.”*

“Gordian Knot  
Economy.”

“GENERATIONAL POVERTY.”

“Lead me not into temptation, can find the way myself.”

“60% of millennials interviewed said it is harder to move up  
the housing ladder than jump on it.”

“If the lion doesn't tell his  
story, the hunter will.”

“THE FACTS ARE FOR THOSE WHO LACK THE IMAGINATION TO CREATE THEIR OWN TRUTH.”

“He's a room full.”

“We may never ever again build enough  
houses to create equilibrium.”

“FOR EVERY DOLLAR ADDED TO A  
MORTGAGE YOU GET \$200.00 WORTH  
OF CONSTRUCTION.”

“AMERICA FEELS RICH.”

“Anarchy of the environment order.”

“Any further to the left and 'you fall off the edge.”

“You can talk yourself in a circle.”

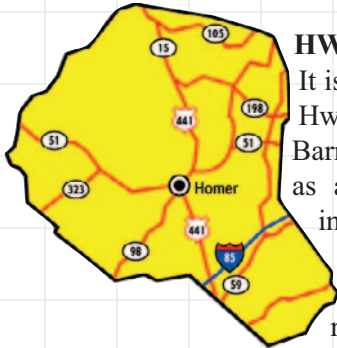
“BUSY MAKING A LIVING,  
NOT A COMMUNITY.”

“Drinking from a fire hose is no  
way to get hydration.”

# FIRST PERSON MARKET SNAPSHOTS

We cover the market with 19 locations and 315 staff and sales associates. This year we asked our Commercial Associates and Residential Partners to give their market assessments on a variety of real estate topics. We will call these “First Person Snap Shots.” Norton provides an unparalleled depth of knowledge at the local level.

## COMMERCIAL



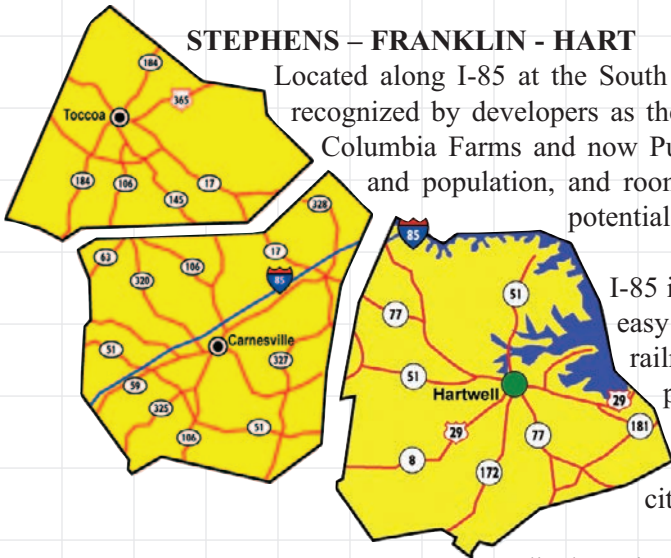
### HWY 316 Commercial

It is expected for the Hwy 316 corridor to continue to be developed, and the Hwy 11, Hwy 53, and 211 interchanges will be the natural progression for this to happen. Barrow County has 100+ acres on the North side and South side that will be developed as an Industrial area called Park 53 Industrial Development. This is Hwy 53 intersection.

This area is being promoted as a higher end big box user. During the time of development on Hwy 316, Barrow County has grown from approximately 56,000 residents to currently 79,000 +/-.



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### STEPHENS – FRANKLIN - HART

Located along I-85 at the South Carolina line, this growth friendly area is finally being recognized by developers as the place to plan for. Anchored by AutoZone, Kautex, Columbia Farms and now Purina/Nestle'. Good roads, a welcoming environment and population, and room to expand with expanding infrastructure make this potentially the next best place for the next big things!

I-85 is the primary artery with multiple state highways allowing easy access for cross-country distribution. A private short-line railroad runs between the CSX and NS lines and can transfer product/cars and has expanded significantly in the past two years. Being located about half-way between Atlanta and Greenville-Spartanburg, companies doing business in both cities see the value in working out production needs here.



**Ed Fickey**  
 Mountain Commercial  
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Medical services are on the radar with NGPG out of Gainesville merging with Toccoa Clinics and St. Mary's of Athens buying Ty Cobb Memorial bringing their doctors, and now hospitals from Anderson, SC are reaching into Georgia. This could be the next Medical Center for the region.

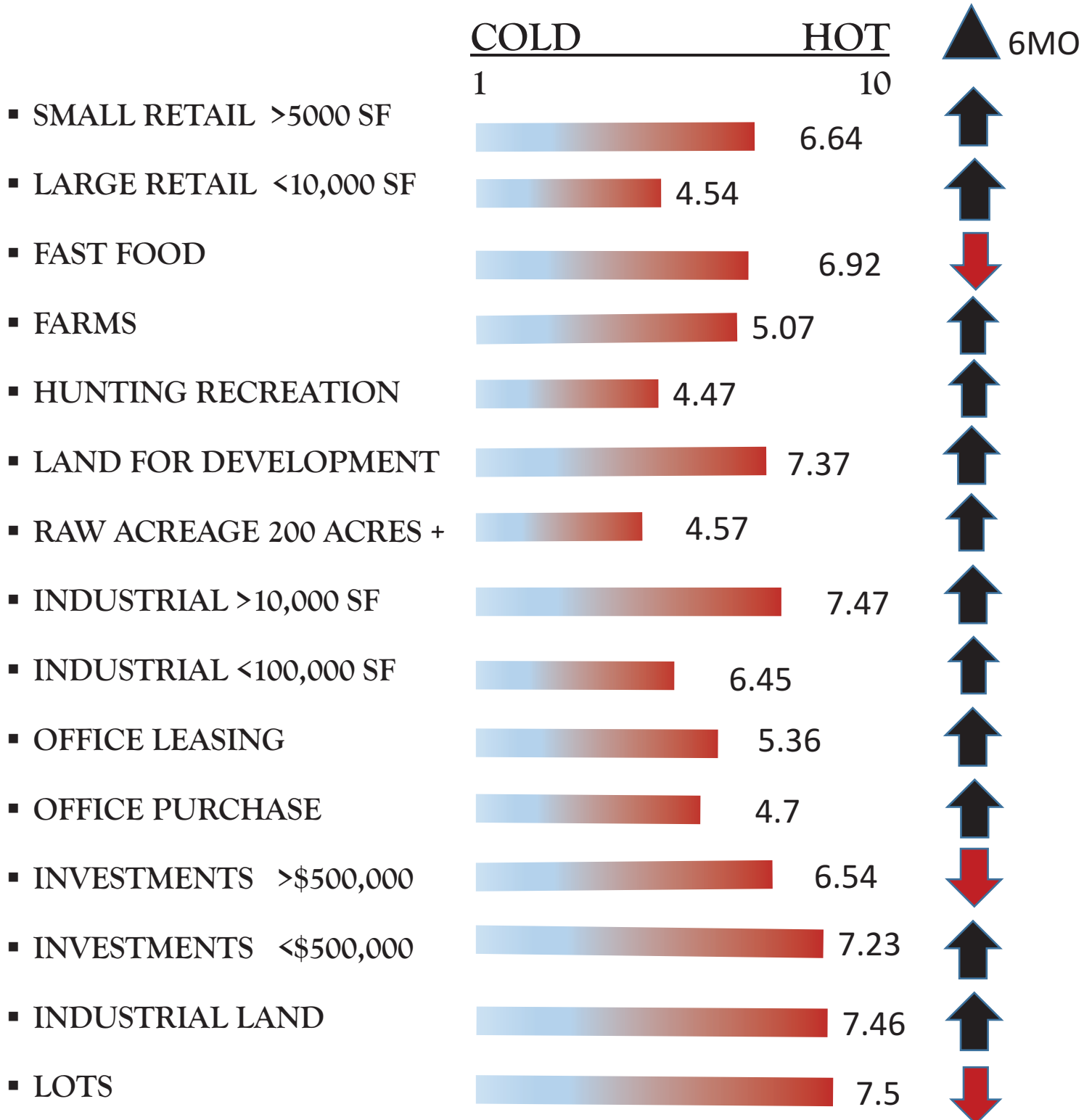
Rooftops are scarce but when those rooftops finally come, the retail will explode in the area.

# NORTON



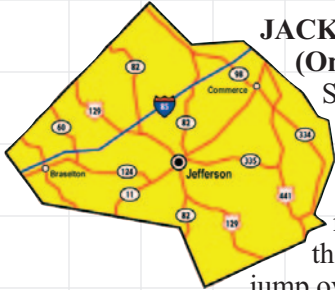
## COMMERCIAL MARKET TEMPERATURE

4th QT 2018



**JACKSON COUNTY GEORGIA 2018**

**(One County Divided into Three Sections and Beliefs)**



Section One, the Braselton Hoschton Hwy 124 corridor. This area has become the hot bed and the whipping post for the local community whom are against everything from warehouses to residential development and even some restaurants. An anti-group called “the red shirts,” about 200 people show up to every planning and zoning meeting to basically be against everything proposed. They have completely intimidated the local officials to where they create such an environment that developers are starting to jump over this area and move further up I-85 to find a friendlier environment in which to develop.

I call this group the “againstmes” and the “wantomes.” This group is against everything, but wants great schools, roads, dog parks, super nice restaurants, etc. but cannot understand that tax dollars are needed to pay for this.

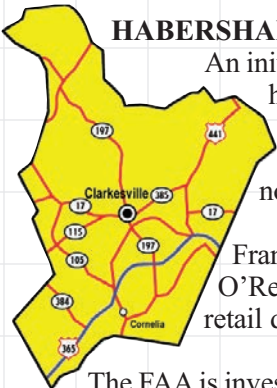
Next is the Hwy 129 corridor from Hall County to Clarke county. This area of the county seems to be a little friendlier toward commercial and industrial development. There are two new 750,000 SF plus warehouses being built now with more on the books along this highway corridor, also at the Valentine Farm and Dry Pond Industrial Park. Jackson County still does not have a Walmart although one has been proposed along 129 many times but the Old Jefferson Power at be seems to snuff Walmart out each time one is suggested.

Then there is the Commerce area or let’s say, “Across the Oconee River,” has become the wild west of development. Commerce Planning and Zoning, along with the local community, seems to be more tolerant and welcoming toward commercial development. Companies moving there such as GE, a 1 million SF, and the new announcement of the Kia/Tesla 1.6-billion-dollar plant will create 3,000 plus jobs along with new residential housing that will most likely bring along support companies, new retail, and entertainment venues. As one can see Jackson County has truly emerged as a hot bed for development but headed in three different directions.



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**HABERSHAM COMMERCIAL**



An initiative formed out of the Chamber of Commerce named Habersham Partnership for Growth has unified private industry, county government, seven cities, Board of Education and two colleges into a private/public funded economic engine. This initiative has taken the lead in developing strategies to help existing industries grow with incentives normally only offered to new industries and a major push for workforce development.

Franchise operations such as Zaxby's, Taco Bell, Your Pie, Starbucks, Popeyes, Hardees and O'Reilly's have located in Habersham County. Aldi's has announced a new store and a major retail development is in the planning stage.

The FAA is investing 24 million dollars into the Airport with a new taxiway and terminal. With this growth the Habersham Airport Industrial park is now graded with 12 pad sites with all infrastructure in place. A forty thousand square foot expansion for an existing industry is already underway. This Industrial park is now ready and poised for the growth that is flowing up Highway 365 from Hall County.

With this kind of growth, the demand for affordable housing is catching the eye of developers and builders from Metro Atlanta and Gainesville. Any vacant lots left over from the downturn have been gobbled up and building is underway. A new apartment complex with 80 units has just been completed and another has been approved for 120 units.



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## BRASELTON

It has been an eventful year for commercial activity in the Town of Braselton. Like many fast-growing communities there are challenges and opportunities. Noise, light and traffic are the topics of choice for concerned citizens. While new projects bring consumer and lifestyle choices, the steady wave of entitlement applications has residents uneasy. Wooded lots and vacant land are now being replaced new structures and parking lots. Braselton's numbers are solid. Median household income, construction starts and average sales price of homes are all tracking very well. While the average resident certainly notices the longer waits at traffic signals, the town still does not have the traffic and population to attract coveted brands and mid-box retail. Food and consumer services will continue to expand. Moe's, Arby's Starbucks & Culver's have all solidified positions; with many more concepts in the queue.

Elected officials are protective of downtown and they should be. The transformation in a few short years has pumped energy into the community. This year, downtown adjacent PUD and Condo projects were either denied or withdrawn because they did not blend with the future Braselton. The town is working hard to preserve the vision of its downtown.

The 211 Corridor has experienced absorption of retail and office space. The new 24,000 square foot Braselton Medical Center joins Creekside Village and Highpoint to establish an aesthetic colony of high class office space. Another year has passed without clarity for future gas stations and drive thrus along Old Winder Highway. Duncan Corner's retail space and out parcels have filled vacancies. The new apartment project will certainly entice more tenants and users to that submarket.

As we look forward to 2019, I expect momentum to build at the exits on I-85. Planned road improvements and existing infrastructure makes this an ideal area for new developments like the new La Quinta hotel at Village of Braselton. This will offer relief to surface streets and shift development focus away from adjacent subdivisions. The future is bright.



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## DOWNTOWN GAINESVILLE

Do you remember when nothing was going on downtown and it was a ghost town by 6:00 every day?  
I do. But that is not the reality today.

Gainesville's downtown square is the happening place to be with only one building for sale and one for lease. For the first time, condos and new retail/office space will be built and just one block from the square a large 25,000 sq. ft. office building is under construction. Space does not remain on the market long. Outside dining is now an option and with landscaping and, in some locations, with auxiliary heat it can be enjoyed year around. Lease rates are climbing to as much as \$20.00 SF. Restaurants are enjoying a booming business be it fine dining such as Luna's and Scott's to coffee shops like Inman Perk. You can even enjoy specialty brews.

Much of the Downtown area is listed in the National Register of Historic Places, which potentially provides for tax incentive opportunities. Tax Allocation District TAD, is available for funding support of infrastructure improvements and Opportunity Zone is in place - \$3,500 in state income or payroll withholding tax credit available to employers for each of five years for each new full-time job; earn up to \$17,500 per job.

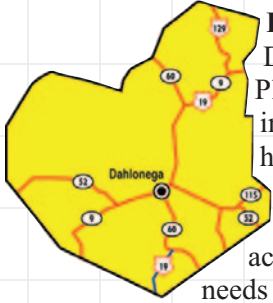
Free parking is available. What more could you ask for? Now when someone asks where to meet what you hear most often is "MEET ME DOWNTOWN!"



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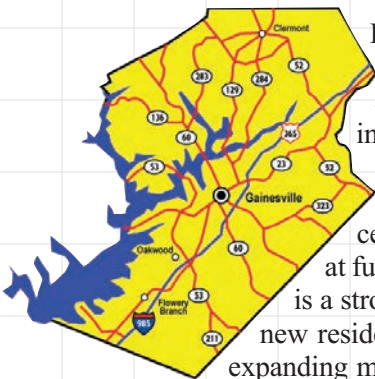


**LUMPKIN COMMERCIAL**

Dahlonega/ Lumpkin County Ga is now proud to claim the designation, “Dahlonega Plateau” as the newest viticulture area in the state of Georgia. This recognition has increased the demand for winery and wedding venue sites as well as accompanying hospitality businesses. Real estate activity is also benefiting from this designation. Dahlonega is close enough to Atlanta to benefit from this demand yet far enough away to avoid congestion and create the special retreat feel the mountains can provide. Real estate activity is nearing the prerecession levels. Commercial activity is focusing on the present needs as well as forecasting the future demands in the market.

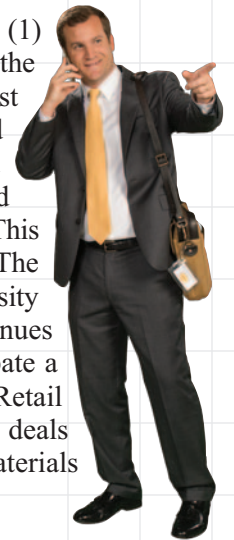


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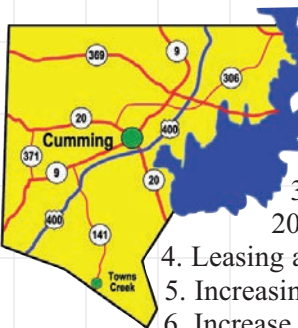


**I-985/SR385 BUSINESS**

The 985/SR365 region continues to grow. Top news stories for the area include (1) a new exit being added to I985, in part, to keep up with the traffic flow of the increasing industrial/manufacturing market; (2) Lanier Tech, the State’s fastest growing technical college, opens its new campus along SR 365; (3) the inland port announcement along SR 365 which will serve as a major rail distribution center along the east coast for goods and is scheduled to be completed by 2021 and at full build out, it will have the capacity to handle 150,000 plus containers per year. This is a strong region to do business in many sectors across the board, including Medical. The new residency program now offered by Northeast Georgia Hospital and Brenau University expanding majors in the medical field illustrates this. The Gainesville Leasing sector continues to lag behind the rest of the market with over 250,000 SF of general office space for lease. We anticipate a continued growth within the Industrial/manufacturing market as the current inventory is very low. Retail development will need to consider redeveloping dated infrastructure as very few (economic) raw land deals remain. The cost to develop will continue to climb stemmed from lack of labor, increase of building materials and the increase of local and state government policies, rules and regulations.



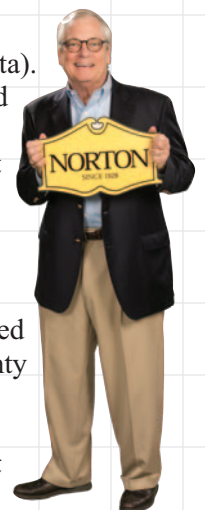
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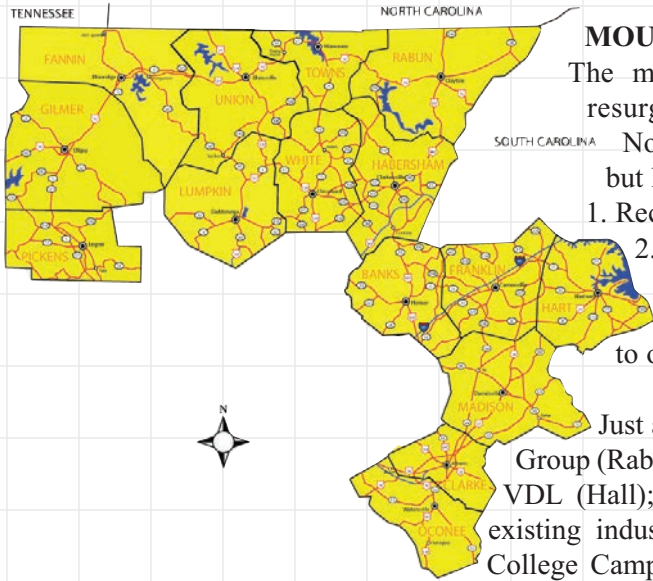
**NORTH FULTON GA 400 COMMERCIAL**

Forward look 2019 - expect the following in the North Fulton Office Market:

1. Increased focus on inter modal transportation (connecting North Fulton to Marta).
2. Office rental rates increasing 3-5% due to increased labor, materials and land prices and government regulations.
3. Increase vacancy rate of existing office buildings (Comcast and GM to put 205,000 sf back on the market by end of 2018).
4. Leasing activity in new “live work Play tech savvy” office and flex buildings to grow.
5. Increasing interest from national “shared work environment’ Companies (ie: We work).
6. Increase in public awareness of growing transportation problems.
7. South Forsyth to become more office/flex oriented as Halcyon, McGinnis Ferry interchange and increased Forsyth County heavy emphasis on attracting emerging technology companies (see updated Forsyth county Economic Development Plan).



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**MOUNTAIN INDUSTRIAL ACTIVITY**

The manufacturing and warehousing sector is seeing a resurgence across America and especially in Northeast Georgia. There are several reasons but here are three:

1. Recent changes in the U. S. Tax Code
2. Foreign manufacturing investment in the U. S. continues to be strong
3. The willingness of state and local governments to offer location inducements



Just a sampling of new company announcements: ELK Group (Rabun); SELIT (Banks); Purina (Hart); Elastron (Hall); VDL (Hall); Fox Factory Holdings (Hall) as well as many existing industry expansions. The new Lanier Technical College Campus and the Inland Port (Hall) will have far-

reaching and positive impacts. While this industrial growth and the new jobs they create is extremely positive, some resulting consequences have arisen:

**Extremely Low or Non-Existent Industrial Building Inventory**

With the economic recovery in full swing, demand for industrial space is outpacing supply and is resulting in the absorption of virtually all remaining industrial space. We recently conducted an analysis of the thirteen counties within the Northeast Georgia region for industrial buildings of at least 10,000 SF or greater that were available for lease or sale. Seven of the counties had none available with the remaining six counties having thirteen. The smallest being 10,200 SF and the largest 175,000 +/- SF.

**Low Labor Availability (Current Unemployment Rates)**

U.S.: 3.7%. | GA: 3.6%. | NE GA Region: 3.1%. | Gainesville-Hall MSA: 2.9%

Many consider these levels to be at full employment. Workforce development will become a top priority of local and state governments.

**Housing Availability of All Types**

The lack of housing is affecting all types of housing (single family, multi-family and townhomes) and all price points. We predict that the manufacturing market and job growth for Northeast Georgia will remain strong which will attract new residents to communities.

**Opportunities**

1. Many of the new plant announcements have been larger companies that are placing themselves strategically near I-85 and access to BMW, Mercedes, Volkswagen, Kia and Hyundai and have required large industrial buildings. Single tenant buildings in the 50,000 – 100,000 SF range as well as Flex-space buildings will be needed to handle smaller suppliers and the other affiliated companies.
2. Although not strictly industrial, attainable workforce housing in proximity to new plants will be needed to fill a growing need.



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**RABUN COUNTY**

**Transportation**

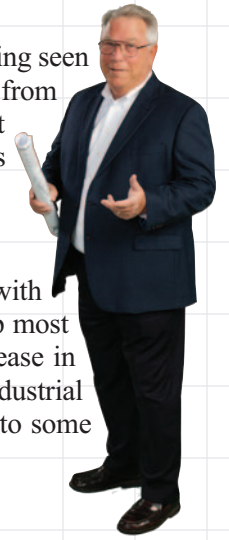
441 is being 4-laned to the N.C. line with increases in traffic already being seen from Hwy 17 and Hwy 76 going North. Truck traffic is increasing on 76 from South Carolina as well as highway 365 coming from I-85. Currently, there is not a true “truck service center” in the entire county. Rabun Gap daily car count is approaching 20,000 vpd according to the GDOT, and over 5% are trucks.

**Commercial**

The Development Authority for Rabun County leased the nearly 1 million square foot space in Rabun Gap with ELK taking 510,000 sf of the building for their own needs and Parkdale Mills and GAP Partners taking up most of the remaining space. At this point, DARC has one building – about 16,000 sf – available for sale or lease in Mountain City. Due to the topography, and infrastructure, there are limited opportunities for large industrial developments or retail growth even if the population could sustain it. Downtown revitalization is leading to some retail opportunities and a need for a fresh downtown hotel.

**Residential**

There is one lake-oriented country club and a nearby fly-in neighborhood as well as another country club open for further development away from the lakes. There are a few lake oriented developments that were victims of the recession now looking for developers. Currently, a small development targeting in town senior living is being explored with greenspace and various housing options. No new subdivisions are planned in the County, and limited development is available on the lakes, resale/tear-down is primary.

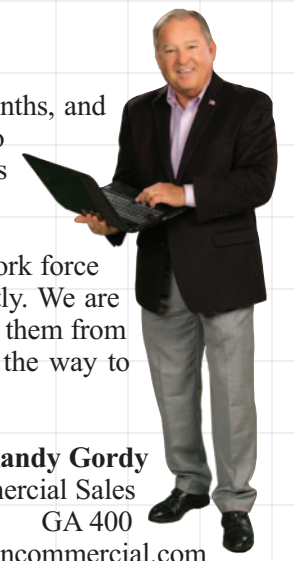


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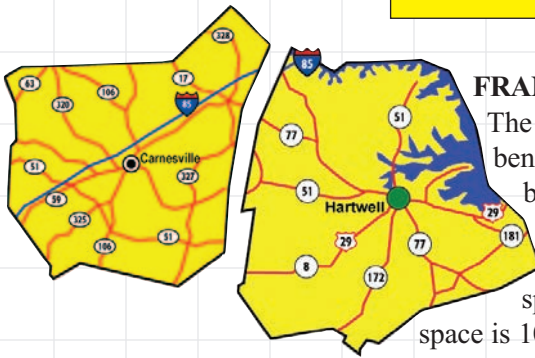
**GA 400 CORRIDOR COMMERCIAL**

The market is extremely strong, the market has added more than 300k sf of space in the last 24 months, and most of that was built to suit. The space that is available is at Atlanta pricing with very little room to negotiate. We are seeing customers looking at land to build their own buildings. I don't see this changing soon.

The market has added several thousand housing units, either single family or multi-family and the work force is still lower than demand. There are plans for more retail sites and more multi-family units currently. We are seeing a demand for new businesses that would like to start, but the current market prices are keeping them from starting up. With growth progressing at the current rate Georgia 400 will need to be expanded all the way to Dawsonville.

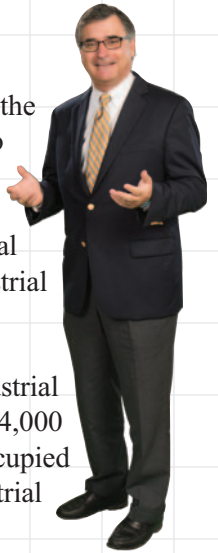


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**FRANKLIN & HART COUNTY: INDUSTRIAL SECTOR**

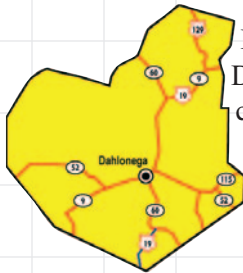
The industrial market in these two Northeast Georgia counties that have the benefit of Interstate 85 (I-85) running through both of them continues to be strong. According to the Executive Directors of the Industrial Building Authority (IBA) for each of these counties, as of December 2018, neither of these counties has any existing industrial space available. Both Franklin and Hart County’s existing industrial space is 100% occupied.



Hart County has approximately 820,000 SF of existing industrial space. A large portion of Hart County’s industrial space was consumed when Nestle Purina announced its new plant in Hartwell in October 2017 taking over 504,000 SF of space. Hart County’s industrial park near exit 177 of I-85, called Gateway Industrial Park, is fully occupied too. The primary opportunity for industrial growth in Hart County is going to have to come from new industrial buildings.

Franklin County’s biggest news in 2018 was their announcement of a new 148-acre industrial park called Central Franklin Industrial Park, located near Carnesville just east of exit 166 off I-85 on SR 106. This new industrial park is designed for ten industrial lots that could hold up to 700,000 SF of new industrial space. The Franklin County IBA is very optimistic about industrial building growth in their county with this new industrial park and the 4 exits that the county has along I-85.

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**LUMPKIN COMMERCIAL**

During 2108 tax records indicate 24 sales in commercial real estate which includes two commercial land sales. The type of usage and number related to the group are as follows:

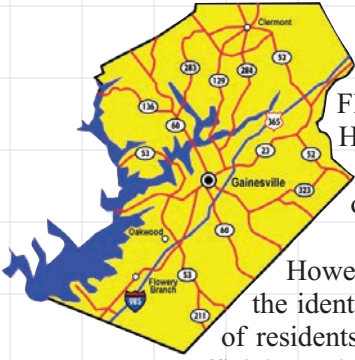
- |                                                 |                           |
|-------------------------------------------------|---------------------------|
| Medical - Hospital (1) and Medical Building (1) | Warehousing (5)           |
| Resort - 1                                      | Hotel/motel - 2           |
| Office usage - 3                                | Daycare - 1               |
| Restaurant - 1                                  | Retirement home - 1       |
|                                                 | Multi housing complex - 1 |
|                                                 | Retail - 4                |

Construction has begun on an assisted living facility situated on 6.87 acres in the city limits. The complex will offer 75 rooms for residents. Also, work is beginning just off the square in Dahlonega for a downtown hotel offering 75 rooms for guests. The three top employers located in Dahlonega are the University of North Georgia, Walmart, and the City of Dahlonega.

The University of North Georgia plays a vital role in the constructive growth and preservation of the city and county. New data shows the University had a \$620 million economic impact on Northeast Georgia during fiscal year 2017. The University has earned outstanding rankings during 2018 such as the best colleges list reported by U.S. News and World Report. For the 2017-18 school year, eight UNG students were awarded Fulbright grants setting a University record. A total of 24 million dollars in real estate traded hands in 2018.



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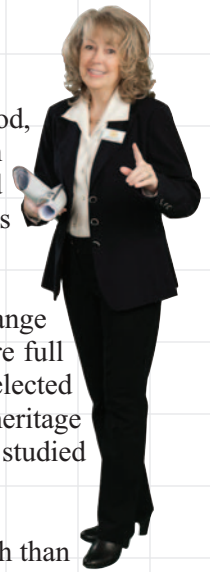


**SOUTH HALL COMMERCIAL**

Southern Hall County is growing! Recently developers have targeted Oakwood, Flowery Branch, Braselton and Buford, as well as unincorporated areas of Southern Hall County for residential projects instead of commercial or industrial. Bordered on the west by Lake Lanier and Northeast GA Medical Center’s Braselton campus on the east with easy access to both I-85 and I-985, this area is prime for growth.

However, most current residents in these South Hall areas worry that the growth will change the identity of their communities. City Halls and County Commission meeting rooms are full of residents begging that high-density residential projects be turned down. This is why elected officials need to be mindful that growth for the sake of growth is not good. Preserving the rich heritage of these areas while adding new components is tricky. Each application for adding a new project should be studied carefully before a hand is raised to vote to approve.

This is a time of change and challenge where the southern end of Hall County is seeing more residential growth than commercial. They say that commercial growth will follow the rooftops, but how can that be if land prime for commercial and industrial use is gobbled up for residential development?



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**AUTOMOTIVE RETAIL ACTIVITY – NORTH GEORGIA**

The automotive industry is always one of constant change – whether those changes affect manufacturers, dealers/franchisees, parts retailers, car wash/detailing centers, or other ancillary businesses, they all see and feel the shifts. Currently, we are experiencing an unusually hot car wash market. New store and franchisor concepts seem to be coming up from the ground at an increasingly high rate. There are many reasons as to why this surge is taking place, and we will explore just a few – first off, investors have found that the car wash business is one of very low capital intensity. While there may be a significant investment made up-front, the operational costs are low as are the levels of depreciation over time. With machine automation taking over, most car washes have only a few employees working at a single time. The second reason why we are witnessing this increase in number of car washes and the quality of stores is because consumers genuinely care about their vehicles. Often times, one’s automobile is the highest value asset owned. It is for that reason that individuals pay extra close attention to the way that they look (and operate). And, finally, with the increase in ride sharing service providers and their vehicles, these independent drivers want to keep their cars clean and pristine for their customers. The ratings and feedback that they receive from users can often have an effect on their entrepreneurial growth in the business and opportunities to achieve more.



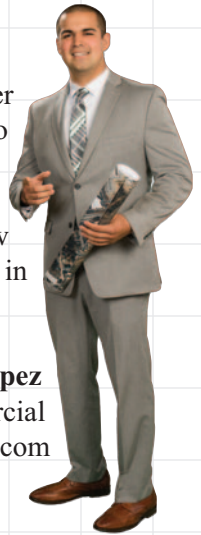
**Patrick Cisco**

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With the dealer market, we have not seen too much change across North Georgia. Those dealers who successfully navigated their way through the last recession and/or entered the market during that time, have experienced (in some cases) record sales over recent years. And, with that, we have seen very few new owner/dealers enter the market due to rising real estate prices and very little new trade market available to prospective franchisees. However, we believe that this could change over the coming years. Many owner/dealers have experienced pressure from their manufacturers to renovate and modernize their store locations. These updates can typically cost far more than they contribute to the overall value of the real estate and, in most cases, are updates that are mandated by the manufacturers. With today’s market, we are beginning to see a decline in new vehicle purchases across the country which in turn will drive down the profitability of owners. This may lead to changes in dealer ownership and/or motivation to liquidate surplus real estate that is not being utilized by the business, in order to bolster revenue.

## LATINO COMMUNITY

The Latino community is in a place it has never been before, equipped with both languages and higher education their tastes and expectations are expected to have a dramatic impact on society today. As the Latino community continues to grow, so does their presence in the real estate industry. We are now seeing second and third generations actively seeking investment opportunities and expanding their business portfolio. Having grown and learned from their families' life's experiences who sought the "American Dream," new generations have higher tastes and standards in business practice and asset acquisition. The trend is both in aggressive growth combined with a desire to see their community grow and succeed.



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## GA 400 COMMERCIAL

Have you driven along GA 400 lately? Did you know the State of GA is spending \$1B on the I285/GA 400 interchange? Did you know there are new interchanges planned for McGuiness Ferry and Browns Bridge Roads? The new road construction and new interchanges are a clear indication the northern Atlanta suburb is thriving.

Fifty years ago, our state and local leaders envisioned a new road that would connect Sandy Springs to Dahlonega and open new development opportunities. When first built, GA 400 was known as "The Road to Nowhere!" But today, when you drive into the new Avalon development or downtown Alpharetta, you'll see new cities emerging. And just a few exits north at McFarland Road, the new Halcyon Development is well underway with a new center of retail and office space, featuring a dinner theatre, new restaurants, a new Embassy Suites hotel, and 700 residential homes scheduled to begin opening this spring.

Two new public high schools just opened in Forsyth County to support this growth. One of these, The Alliance Academy, is not only providing Advanced Placement college classes, but also technical training in Aerospace, Criminal Justice, Healthcare, Hospitality and Mechatronics. Also, a new College and Career Academy in Dawson County is under construction and will offer classes that lead to degrees from Lanier Tech and The University of North Georgia. Businesses today require "New Collar Workers" and they are being trained for today's jobs right along GA 400.

As you drive into Dawson County, you see the ever-expanding Retail Mecca that started 20 years ago with the North Georgia Premium Outlet Mall. Today, there are new shopping centers with restaurants and big box retail stores virtually everywhere. Brand new residential neighborhoods are popping up one after the other. Just a few miles farther north at the end of GA 400 in Lumpkin County, Northeast Georgia Health Systems purchased property and is making long term plans for a new hospital.

The Road to Nowhere now leads Somewhere! GA 400 is booming today and will continue to provide access to development opportunities for the next fifty years.

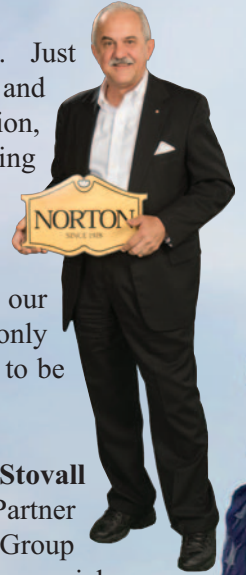


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## INVESTMENT PROPERTIES

There is no better time than now to be interested in investment properties in Northeast Georgia. Just recently, Georgia was ranked as number 1 in the nation by Site Selection for its business climate, and we've held this rank for the past six years. We are already recognizing dividends from this distinction, especially in Northeast Georgia, as that means more and more businesses and individuals are becoming interested in investing in our region.

For example, the recently announced Inland Port north of Gainesville is already starting to impact investment sales of tract land all over the region, as ancillary service companies plan their entry into our market. This new port, along with other major announcements in the region this past year will not only positively impact investment tracts, but also commercial and industrial 'roofs' currently existing or to be built in the area.



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**BARROW COMMERCIAL**

One of Barrow County’s top developers and real estate leader said, “A man with a crystal ball shouldn’t throw stones.” Barrow County is not throwing stones but is poised for future growth.

Barrow County had an increase in market values of commercial properties in 2018 to \$531 million for the 17.4 million sq. ft. industry. Sales are up. Availability of sites is very low. Market activity is on the increase. The “hot” spot is the Gateway area on Barrow 316.

Chairman Pat Graham says “I believe one the factors that will be a catalyst for commercial and industrial growth, which will positively impact Barrow County’s future, are the grade separated interchanges on Hwy 316. GDOT’s first project, Hwy 81, broke ground in the spring. The state will continue work on this transportation corridor for the next 8 - 10 years. Upon completion, Barrow County will be positioned on the most sought-after economic development corridor in the state.” The sale of Chateau Elan in January 2018 is very significant event with over 800,000 visitors per year. The portion just in Barrow County sold for \$143 million. The new owner, Wheelock Street Capital, has plans for additional resort investments valued at over \$20 million.

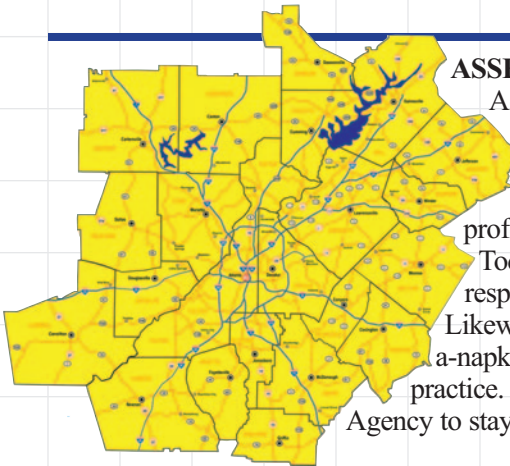
The Lanier Tech Center and Sims Academy are now seen as a “college” with programs very high-tech and graduates read for the work force. With Park 53 Industrial & Technology Complex acreage attracting new industry RFI’s brought to Barrow County by the State Economic Development efforts on the increase, Barrow has an opportunity for Commercial growth at the 316 & 53 area.



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**ASSET MANAGEMENT NORTH GEORGIA**



Across North Georgia, an increase in demand to partner with a professional asset management firm is trending. The ‘mom-and-pop’, ‘out-of-state’ and ‘family-relative-ran’ management philosophy is quickly becoming an obsolete approach to real estate management. The demand to hire a professional management company is driven by landlords, tenants and lenders. Today, landlords and tenants expect a local management team who quickly responds, diagnoses, resolves and communicates property related matters. Likewise, as lenders continue to tighten their lending requirements, the ‘back-of-a-napkin’ and sporadic property financial statements are no longer an acceptable practice. Property owners in North Georgia are partnering with firms like The Norton Agency to stay relevant in the ever-changing real estate market.

Norton Asset Management has identified these emerging North Georgia trends:

- Desire to focus on operating business: Owner-occupied properties, who have leased out portions of the building or property, are hiring professional management firms to act as a barrier between their tenants and themselves. These property and business owners wish to focus on the growth of their operating business versus the time-consuming responsibilities of being a property owner.
- An additional lease requirement for prospective tenants: When considering lease space, prospective tenants are leaning towards properties which have a professional management firm overseeing the property.
- Succession planning is becoming a greater awareness: As next generation family members establish their own careers and families in other areas of the county, there is an increased need for a local and professional management firm to oversee the property.
- Lender requirements are tightening: Institutional level, monthly financial statements are becoming a staple for lenders today. For owners who would like to shop their lending requirements to multiple banks or credit unions, hiring a 3rd party management firm which can produce accurate, timely, and legible financials across any period of time is imperative.



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## ACREAGE

### GEORGIA 400 CORRIDOR ACREAGE

The 400 Corridor continues its push north from downtown Atlanta. Forsyth County, which has been one of the fastest growing counties in Georgia, has again changed direction and is now choosing a slower growth policy. The lack of land with sewer easily accessible to Ga 400 has caused development to push north into Dawson.

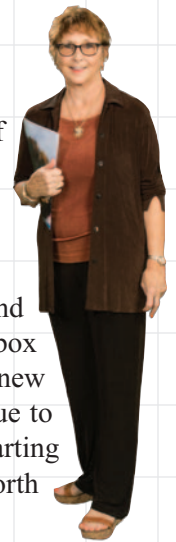
Dawson County has diligently pursued development along Ga 400 since the Mid-2000's. Etowah Sewer and Water has provided sewer along 400 which has allowed the development of the Outlet Mall, major big box development, with Home Depot and Walmart across 400 and the new Super Kroger and Publix. 300+ new apartments are under development behind Publix and a Senior Village of 52 acres has been zoned and is due to close and start development in early 2019. Growth has focused on the areas south of Hwy 53, but we are starting to see large land tracts north of 53 going under contract and expect residential and industrial to move north towards Chestatee.

There are multiple large land tracts on the market. The last 2 big land tracts were sold by Norton. The Harris Brothers of Atlanta purchased approximately 1350 acres, 900 for \$6500 per acre and 454 acres for \$8500 per acre. These properties had frontage on South Chestatee and the Chestatee River. The existing large land tracts, from 200 to 500+ acres are not selling. These tracts are family owned and the pricing has not rebounded from the lows of the 2008-2012 recession. The "bottom fishers" are still in the market but unable to pay the prices that the sellers are looking for.

The Highway 515 corridor consists of Pickens, Gilmer and Fannin. This area is impacted by the mountain topography. Pickens continues to struggle. The sewer is confined to the City of Jasper. Jasper has had an anti-residential growth stance for a decade. Our understanding is that the politics are changing and there could be a wave of residential and industrial zonings in 2019. Jasper controls the majority of the land on 515 north of Hwy 108 to Appalachian Circle. The County itself suffers from a lack of water and sewer. Long Swamp Creek is the only water source for the County, and they buy from Ball Ground to the south and Gilmer to the North

Once you leave the 515 corridor the land sales, especially large land tracts slow to a crawl. The 900+ acres owned by the original developer of Big Canoe was bought by the Property Owners Association. (Norton serves as the consultant for that transaction.) There is activity in putting large tracts under conservation easement, with two different land conservancies located in Jasper.

A 700+ acre parcel near Tate sold for \$4500 per acre and a 343 ac "gentleman's farm" with home and barns and developed fenced pasture sold for \$14,500 per acre. The large land tract sales have taken a downturn since 2017. The major land sales to timber companies and investors in 2017 has not been repeated in 2018, with no major land sales noted to date.



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**RAW ACREAGE**

The year 2018 was a very strong year with many new trends in raw acreage acquisitions. Of those trends, the most valuable by a landslide was the Floridians flocking to North Georgia with 1031 exchange money.

**2018 Trends**

- Buyers willing to pay a premium for well-maintained farm land
- Major increase in land acquisitions between \$250,000 - \$450,000
- Most premium buyers are coming from Central Florida

With the market booming in Florida and land values hitting a peak, the wealthy Floridians are cashing out, selling their land in Florida and taking that 1031 exchange money to North Georgia where they can purchase 3x the land for the same price. This has been fantastic for land owners in Georgia and has been a major procuring cause for the spike in land values all over North Georgia. A few examples of sales with 1031 exchange money are as follows:

- o 5/18 – sold 84-acre farm in Franklin County for \$475,000 to all cash buyer
- o 6/18 – sold 220-acre farm in Lamar County for \$780,000 to all cash buyer
- o 9/18 – sold 208-acre farm in Franklin County to all cash buyer (1031) for \$1.29M
- o 10/18 – sold 50-acre farm in Franklin County for \$375,000
- o 12/18 – sold 24-acre farm in White County for \$240,000
- o 12/18 – 112-acre farm in Banks County set to close 12/18 for \$450,000 cash buyer

Other Floridians looking to do 1031 exchanges decided to identify their purchase but hold off on closing until Jan & Feb 2019.

- o 12/18 – 353-acre farm in Elbert County set to close in Jan 2019 at \$1,588,500
- o 12/18 – 68-acre farm in Banks County set to close in Jan 2019 at \$655,000
- o 12/18 – 487-acre farm in Franklin County set to close in Feb 2019 at \$2,990,900

While farm land dominated in price per acre, demand and lack of inventory, recreational tracts are heading in the opposite direction with values remaining stagnant, timber values well below average and the saturation of overpriced tracts currently on the market.

- o 12/18 – sold 100-acre tract in Elbert County for \$230,000 to all cash buyer
- o 12/18 – sold 109-acre tract in Elbert County for \$170,000
- o 8/18 – sold 86-acre tract in Jasper County for \$170,000 to all cash buyer
- o 8/18 – sold 101-acre tract in Stephens County for \$315,000



Some more interesting statistics on 2018 raw land sales that have been recorded...

- o Banks County: only (2) 100+ acre tracts sold averaging \$2,304/acre
- o Elbert County: sold only (2) 100+ acre tracts in 2018 averaging \$1,916/acre
- o Franklin County: sold only one 100+ acre tract in 2018 for \$6202/acre
- o Hart County: (0) tracts 100+ acres sold in 2018
- o Madison County: (5) tracts 100+ acres sold in 2018 averaging \$3,341/acre
- o Stephens County: sold only (1) tract over 90 acres in 2018 for \$3,500/acre
- o White County: (0) tracts 100+ acres sold in 2018

**Predictions for 2019:**

- We will see more large acre farm land acquisitions in Q1 of 2019 than we saw in all of 2018 and Floridians will be fully responsible for the potential sale of over 1,500 acres in the next 60 days.
- Land values will continue to rise for the first 6-8 months in 2019. Then we will see a gradual slowdown in acquisitions during Q4 2019.

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**DEVELOPED LOTS**

Since the '08 recession, home builders have been steadily building out the huge supply of Vacant Developed Lots with no need to develop any new lots. At the lowest point in the housing market in 2009, the Metro-Atlanta area had over 150,000 vacant developed lots. Experts said it would take 30 years to build out the lot supply if the '09 housing climate persisted. Fast-forward 10 years and greater Atlanta's vacant developed lot supply has moved from 33 years to 33 Months.

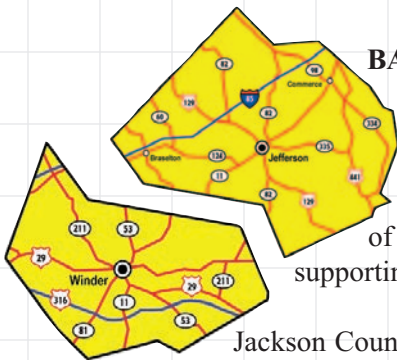
In more urbanized counties like Fulton, Gwinnett and south Forsyth most of these lots have been gobbled up and development is happening. In the entire county of Gwinnett, there is only a 17.1-month supply of VDLs compared to Hall County's 37.9-month supply. Over the last 2 years, we have seen lot inventories in semi-rural counties like Jackson, Hall and Dawson start to disappear. There are, however, plenty of VDLs to be had as you get further out from Atlanta. Move one step further out into counties like Habersham, Banks, Lumpkin, and White, you will see more and more of those vacant and failed subdivisions. For example, in Habersham County, there are still 3 subdivisions with 120+ VDLs and 15 or more subdivisions with 20+ VDLs.

Every builder today will tell you it's becoming nearly impossible to build homes for less than \$200,000 yet that's where the demand is. Large job announcements like the 2,000 jobs at SK Innovation's battery plant and FOX Holding Corp's 800 job announcement off 365 in Hall County will help absorb those remaining VDLs. We are starting to see serious interest from large national builders in places like Commerce and North Hall because that's where, a) they can find land affordable enough to develop, or b) there are developed lots available to purchase for less than replacement costs, and c) mid-level jobs are being created.



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**BARROW/JACKSON FARM AND ESTATES**



Farm and Estate sales that consist of 10 acres or more in the Jackson and Barrow counties have remained somewhat steady over the past two years. Barrow county, with 14 sales to date for 2018, was only down by one transaction year over year with a total of 232.83 acres sold with an average parcel size of 15.5 acres. While most of the sales consist of a modest size home and its supporting land, 21% would be considered Estate sales in today's market.

Jackson County, with 24 sales to date for 2018 shows an increase by 4 transactions year over year and represents over 328 acres with an average parcel size of 13.7 acres. By the same comparison for Estate listings in the marketplace, over 41% included larger homes with the largest boasting over 17,000 square feet. It is also interesting to note that most of the sales for this type of listing were located in the north eastern section of the county in the Nicholson and Commerce area.



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**RESIDENTIAL DEVELOPMENT PROPERTY**

The days of the Residential Developer, someone who takes an undeveloped, unentitled property and strategically plans it, rezones it, engineers it and then develops it into lots is dead...or is it? The lot inventory in greater Atlanta, particularly north Atlanta has evaporated. Gone are the days of buying lots for the replacement cost and now developing raw dirt for new subdivisions is justified. In 2017 through 2018, land prices and development costs continued to rise leading to the elimination of the Residential Developer. Margins got squeezed to the point where developers cannot justify the risk and homebuilders were forced to pursue the development of their own projects they will build out.

Recently we have seen national builders recruiting and hiring talent to help acquire land and take it through the entitlement process as well as physically develop lots themselves. If you are a national or regional builder right now and do not have

your own in-house development arm, you are at a serious competitive disadvantage.

From 2008 through 2016 Northeast Georgia saw essentially no new residential development. Over the last 2 years, we have seen new development ramp up starting with 2nd and 3rd phases of developments that have recovered from the recession like Mundy Mill and Sterling on the Lake and now developments from scratch, unentitled raw land. The Norton Commercial Acreage Group brokered the sale of one of the most recent new developments on Stephens Road in Oakwood. A family's 72-acre farm that was owned for more over 2 generations is now being developed into 190+ residential lots. We see this trend continue.



While there is a severe need for new housing, there is also a bit of a chill amongst the largest builders. They are scaling back at looking for tracts that can yield 200+ lots. They are looking for developments that they can build out of in less than 3 years. This may lead to a resurgence and opportunity for the traditional developer. An off-balance sheet developer for the large builder can entitle and develop land with the confidence that a large builder will commit to some of the lots up front and therefore can justify the risk of holding the second and third phases of these developments that may take more than 3 years to build out. The developer may have tight margins now, but we see the tide shifting to opportunity going forward.

2019 Housing Math	
Sale Price	\$ 310,000
Commission 6%	18,600
Construction Cost 2600 SF @ \$77 PSF	200,000
Lot Price	55,000
Interest	6,000
Cleaning and Grading	15,000
Gross Margin	\$ 15,400 4.9%

Average Estimated Timeline To Get Property From Contract To Close And Land Disturbance Permit (LDP)	
Banks	3 – 5 Months
Barrow	69 Months
Braselton (1)	12 Months +
Cherokee	9+
Dahlonega	9+
Dawson	9
Forsyth	18 Months+
Gainesville	6 Months
Gwinnett	Less than 12 Months
Habersham	6 Months
Hall (2)	9 – 12 Months
Jefferson	12 – 18 Months
Walton	6 Months
White	5 Months
Stephens, Franklin, Hart	4 Months

Notes: Army Corp puts wrinkles in time...  
Source: Norton Native Intelligence™ 2018

OPTIMUM ACREAGE, CONTRACT TO CLOSINGS, BENCHMARKS	
<input type="checkbox"/> Contract	0 to 21 days +
<input type="checkbox"/> Due Diligence	60 • 90 • 120 days+
<input type="checkbox"/> Rezoning	90 – 120 days+
<input type="checkbox"/> Engineering	90 – 160 days+
<input type="checkbox"/> Permits	30 – 180 days+
<input type="checkbox"/> Closing	15 – 30 days

**Source: Norton Native Intelligence™ 2018**

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## RESIDENTIAL

### NORTHEAST GA RESIDENTIAL

The buzz word for the last couple of years has been **inventory** or the lack of it. This year is no different as we continued to see lack of New Construction and the decrease in affordable housing throughout Northeast Georgia. Approximately 28% of all homes for sale are new construction. However, a Majority of N/C is above the affordable housing threshold. Only 15% of New Construction is Under \$250,000 and less than 3% is under \$200,000. Resales are no different with only a 4.2 months' supply across all price points. Forsyth and Cherokee county lead the way in New construction predominately above the \$400,000 mark, while South Hall and Barrow are capturing the under \$400K market.

Price Range	Months of Supply
\$0-\$149,999	2.6
\$150,000-\$249,999	2.1
\$250,000-\$399,999	4.5
\$400,000-\$749,000	8.2
\$750,000-\$999,999	26.2
\$1,000,000 & Above	21.8

\*Chart reflects New Construction and Resales as of Nov. 2018

With the Decrease of Inventory, we have continued to see an increase in average sales price of 6% year-over-year for the last 5 years for houses under \$250,000. Which translates to a house that was \$150,000 in 2013 would approximately be \$200,000 today. The trend being we are reaching or have reached the peak in most markets. There will continue to be demand for the houses under \$250K which should maintain

those price points for the next 12-18 months. However, the over \$400K could become stagnant and see a slight decrease in prices as demand stays low. The current average For Sale

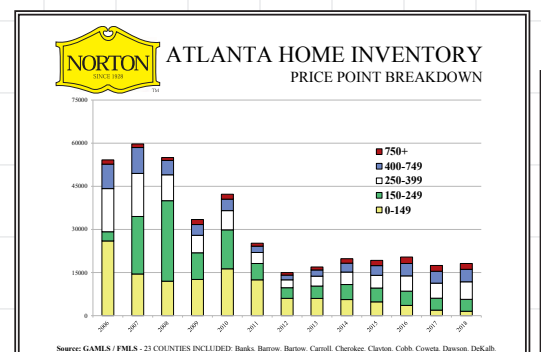
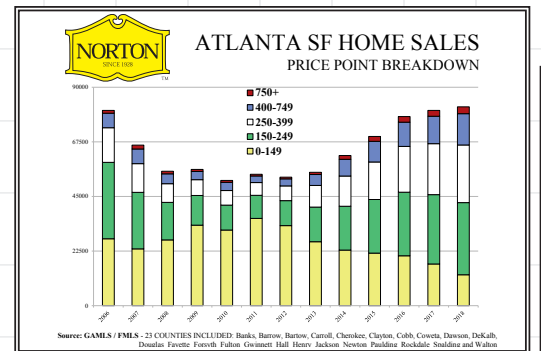
County	Average Sale Price	Average Sold Price	% Difference
Barrow	\$327,000	\$206,000	37%
Cherokee	\$447,000	\$301,000	33%
Dawson	\$505,000	\$295,000	42%
Forsyth	\$500,000	\$377,000	25%
Habersham	\$359,000	\$209,000	42%
Hall	\$450,000	\$291,000	35%
Jackson	\$324,000	\$263,000	19%
Lumpkin	\$390,000	\$221,000	43%
Pickens	\$436,000	\$208,000	53%
Rabun	\$704,000	\$404,000	43%
Stephens	\$253,000	\$177,000	30%
Towns	\$433,000	\$260,000	40%
Union	\$385,000	\$259,000	33%
White	\$232,000	\$171,000	26%

price for NEGA counties is \$434,000, while the average sold price is \$288,000. The price differential is a huge discrepancy in what's available and what is selling. The upper-end of the market will need to price correctly in order to remain competitive with-in the market.

While pricing is peaking, and inventories are decreasing in the lower side of the market, there is still **opportunity**. The Northeast GA corridor has seen tremendous job growth and an unemployment rate of 3.1% in the Georgia Mountains Region. With this growth brings a tremendous demand to the housing market. Because of this need, there will have to be a push by builders, developers, and local governments to work together to find solutions to affordable housing as well as a demand for executive housing as industries continue to relocate to the I-85, I-985, and 365 Corridors.

\*information is based on GMLS data as of Nov 2018 and includes the following counties: Barrow, Cherokee, Dawson, Forsyth, Habersham, Hall, Jackson, Lumpkin, Pickens, Rabun, Stephens, Towns, Union, & White.

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# NORTON

## RESIDENTIAL MARKET PULSE



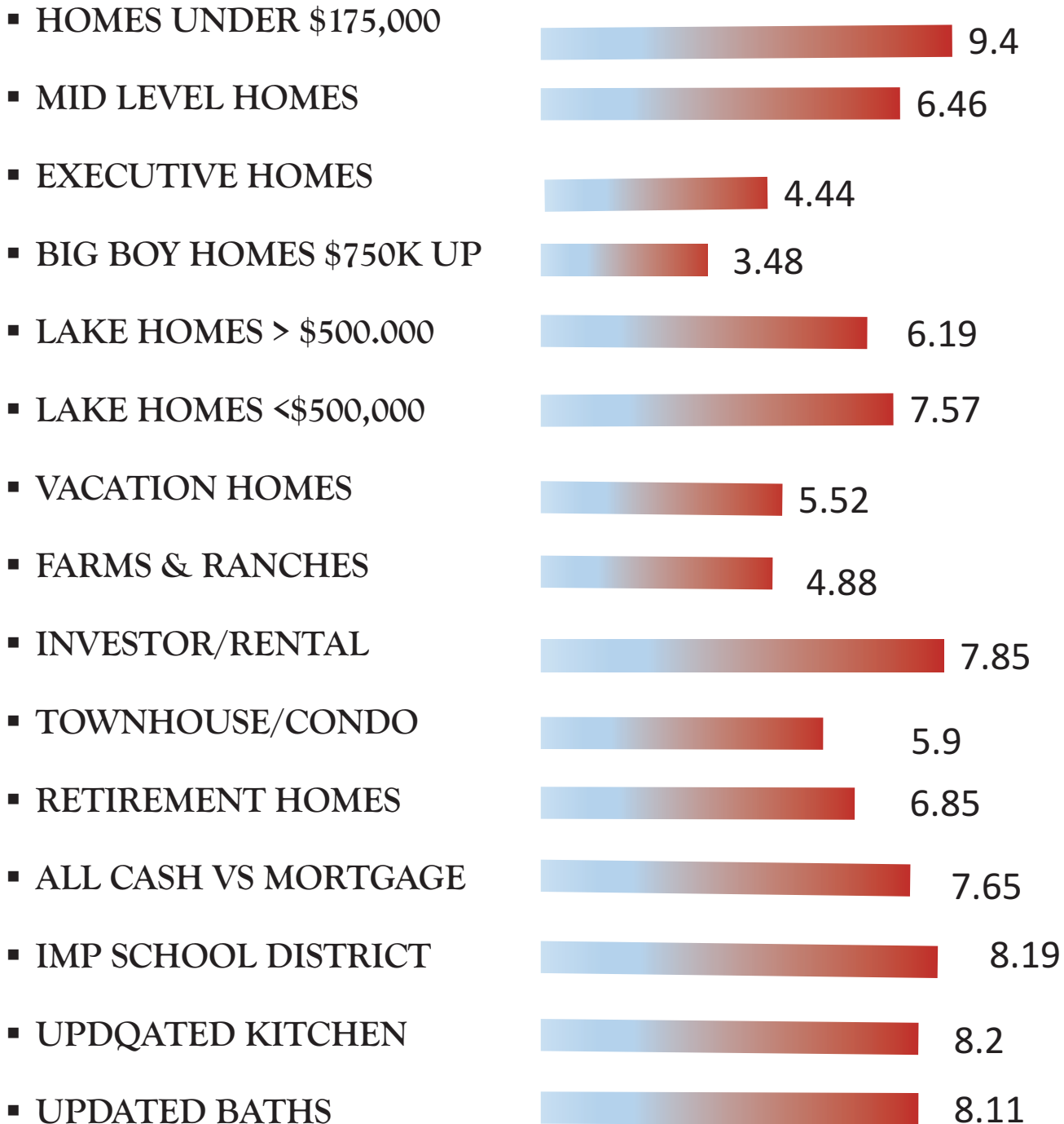
4<sup>th</sup> QT 2018

COLD

HOT

1

10



**HABERSHAM COUNTY RESIDENTIAL**

To provide an accurate snapshot of the market, it is necessary for us to provide market data for resale and new construction separately.

**RESALE**

Total # of Sales Closed: 397  
 Absorption Rate (Total Sales/Month): 35  
 Total # Active Listings: 495  
 Months Housing Supply: 4.5  
**MEDIAN SALES & LIST PRICE, DOM, SALES/LIST % RATIO**  
 Median Sales Price: \$182,500  
 Median Sales Days on Market: 22  
 Median Listings List Price: \$337,000  
 Median Listings Days on Market: 135  
 Median Sales Price as % of List Price: 97.1%  
 Median Seller Concession Percent: 2.58%

**NEW CONSTRUCTION**

**INVENTORY ANALYSIS**  
 Total # of Sales Closed: 47  
 Absorption Rate (Total Sales/Month): 3.8  
 Total # of Active Listings: 57  
 Months of Housing Supply (Total Listings/Absorption Rate): 5.23  
**MEDIAN SALES & LIST PRICE, DOM, SALES/LIST % RATIO**  
 Median Sales Price: \$195,000  
 Median Sales Days on Market: 66  
 Median Listings List Price: 217,000  
 Median Listings Days on Market: 127  
 Median Sales Price as % of List Price: 99.8%  
 Median Seller Concession Percent: 1.95%

We foresee 2019 resale and new construction market dependent upon interest rates and sufficient inventory for blue collar buyers and/or first-time home buyers. A looming question remains, where is housing for industrial growth/jobs?

**WHITE COUNTY RESIDENTIAL**

To provide an accurate snapshot of the market, it is prudent for me to provide market data for resale and new construction separately.

**RESALE INVENTORY ANALYSIS**

Total # of Sales Closed: 177  
 Absorption Rate (Total Sales/Month): 53  
 Total # of Active Listings: 247  
 Months of Housing Supply: 8.1  
**MEDIAN SALES & LIST PRICE, DOM, SALES/LIST % RATION**  
 Median Sales Price: \$250,800  
 Median Sales Days on Market: 53  
 Median Listings List Price: \$321,600  
 Median Listings Days on Market: 161  
 Median Sales Price as % of List Price: 93.54%  
 Median Seller Concession Percent: 2.0%

**NEW CONSTRUCTION INVENTORY ANALYSIS**

Total # of Sales Closed: 1  
 Absorption Rate: .33  
 Total # of Active Listings: 3  
 Months of Housing Supply: 3  
**MEDIAN SALES & LIST PRICE, DOM, SALE/LIST % RATIO**  
 Median Sales Price: \$309,000  
 Median Sales Days on Market: 14  
 Median Listings Days on Market: 73  
 Median Sales Price as % of List Price: 93.66%  
 Median Seller Concession Percent: 0.00%

Second home buyers continue to dominate White County’s residential market. The confidence in our national economy and interest rates will ring a “Hail Mary” or “Let’s Roll” attitude for 2019.

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**STARTER HOMES**

“Starter homes have been a hot commodity in 2018. Priced right, and in good condition, most homes don’t last 48 hours on the market. The average first time buyers price point has also gone up. \$250,000 and below is the new starter home price point. First time buyers are looking for low to no maintenance yards with lots of outdoor living space.”

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**GA 400 RESIDENTIAL**

Following the lead of the robust retail market, the Georgia 400 Residential corridor continues to be strong in many different markets. Big box builders have found their way to Dawson County with a push in brisk under 300k price point. The area has also seen its first 55+ community being developed just off Georgia 400 north of the North Georgia Premium Outlet Mall.

A complete lack of affordable homes under 200 has created a crisis for regular folks looking for a regular home. Local county government dealt a blow to affordable housing with the implementation of one of the highest impact fees in the surrounding area and an inability to deliver water and sewer to the residential sector. Despite those factors, the natural beauty of the area, rich with river, lake and mountain frontage ensure that the Georgia 400 market will continue to be a sought-after destination to live, raise a family or retire.



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**SOUTH HALL**

South Hall continues to dominate the market as far as sales. The close proximity to Atlanta and the airport makes it desirable to those moving into the area. Hall County still maintains a somewhat rural atmosphere, so this also contributes to the desirability.

There has been an average of 268 listings for the year through November, and the average sales price of \$243,087. Those homes selling for less than \$250,000 have highest number at 187 total sales. This gives us a ratio of list to sales price of 99.0%. We think that the South Hall market will continue to excel in numbers simply because of the location, we just need more product in the \$250,000 and less price range. This price range will continue to escalate because of the lack of choices.



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**NORTH HALL**

Inventory in the price range of 150,000 -300,000 is low in North Hall. New construction picked up slightly in 2018 with the majority of sales ranging from \$175,000 to 250,000 in the far reaches of North Hall. Executive & Lake home new construction accounted for less than 1%. With listing inventory at an historic low, 2018 sales are below 2017 sales especially for first time buyers. Executive and lake home sales are slightly lower than 2017 sales. I look for 2019 to be about the same in regard to inventory challenges.

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**GAINESVILLE RESIDENTIAL**

**Single Family Detached Homes in Gainesville**

The number of single-family home sales in Gainesville has been rising steadily since the recession and has never been higher in number or in average sales price than in 2018! 6% more homes sold here in 2018 than in 2017 (the previous record setting year). The average sales price for a home sold in Gainesville was \$285,141 in 2018, which was also 6% higher than in 2017 (the previous record setting year). Over the past 5 years: 70% of all home sales in Gainesville were under \$300,000; 25% of all home sales were between \$300,000 and \$500,000; 5% of all home sales were above \$500,000. The Norton Agency has recently assisted with people moving to this area from 32 different states and 10 different countries.



**Single Family Attached Homes (condos and townhouses) in Gainesville**

Townhouses and condominium sales in Gainesville are definitely on the upswing. Over the past 3 years the number of attached home sales has increased by 50%. Over the past 3 years the average sales price has increased by 44% and is currently \$178,846 in 2018. But, to date, there is a ceiling in attached living prices. Over the past 5 years only 3.7% of all attached home sales reported by GMLS sold for more than \$300,000, and as of this writing 20 of the 33 active listings in Gainesville are priced higher than \$300,000. 60% of the active listings are priced in a territory where very few buyers have been in the past.

**Lake Home Sales in Gainesville**

This is a part of the market in Gainesville that has always been very steady. Over the past 5 years the average number of lake homes (with private docks) that have sold in the city limits of Gainesville has been 12 per year. The lowest year of the past 5 saw 10 lake home sales, while the highest number in the last 5 years saw 14 lake home sales and that was this year, 2018.

**Housing Needs in Gainesville**

One of the greatest needs that we see in Gainesville is good housing priced between \$175,000 and \$225,000. Over the past 6 months there have been 54 homes in this price range sell and 11 others are currently under contract. That works out to a need of 10.8 homes per month. There are currently 15 homes in this price range on the market which is a supply of less than 6 weeks. Providing great options in great areas of the city would be very popular.

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**VACATION RENTALS**

You can't put a price on time well spent. The decision to purchase a vacation home, or a second home, is a decision that can bode well for your mind, body and your bank account. We all know that building wealth is easiest with the smart purchase of your primary home, but what about an additional home for the weekends or the summer? Not only does a vacation home purchase help create memories that last a lifetime, it's good for your health. A weekend trip to your vacation home helps you to decompress, relax and put your stress in the right perspective.

Buyers in our area of the Atlanta Metro often choose Lake Lanier as a destination for a second home purchase. Average purchase prices of a Lake Lanier home have increased from \$500k range in 2017 to just over \$600k in 2018 with an average of just less than three months on the market for properties in this price range. As vacation home options, we are also showing cabins in the mountains and homes on mountain lakes such as Lake Chatuge, Lake Burton, and Lake Blue Ridge. In many instances, owners of vacation homes are opting to use services such as Airbnb or VRBO to rent homes out in order to offset expenses and increase cash flow. Be sure to consult our tax advisor if you will be renting it out, as this changes how tax report of mortgages interest is reported.



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## LAKE LANIER

“The Lake Lanier real estate market had a strong performance in 2018. With a booming regional economy, Buyer demand high, a full lake, and a 3rd year of historically low inventory, 2018 favored Sellers.” Sheila Davis, Norton Agency, Lead Agent, “Lake Lanier’s Finest” Real Estate Group 375 Lake Lanier homes sold in 2018 with private docks or boat slips, up 9% from 2017. Although Buyer traffic was high, many Buyers were not able to find a home fitting their needs or price in 2018 due to historically low inventory. We are seeing buyer demand high this winter and expect a busy first quarter heading into 2019. High lake levels usually mean high sales on Lanier. We entered 2018 with lake levels at 1066, and by summer the levels were 1072 and remained high all year.



- The average sales price was \$666,698 up 5.6% over 2017.
- Lake homes under \$500,000 remain hot with a 12% increase in sales this year. We are still seeing multiple offers in some cases with homes in pristine condition, views and deep-water docks.
- Homes priced \$500,000-\$800,000 had a 9% increase in homes sold vs 2017.
- The average list to sales price ratio was 96.1%, and closer to 98% in homes under \$500,000.
- Inventory remained historically low with under 200 homes for sale for the 3rd year straight year.
- The average Days on Market was 83 compared to 97 in 2017.
- The best months in highest # of CLOSED SALES are May, July and March
- In 2018 the Average list price/SF ratio was \$215.
- Take note that MARCH is a great month to SELL! Those who list first quarter can sell quickly with less competition and enjoy the full selling season. The lake views look better, too!

**Sheila Davis**

VP/Partner

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## NORTH FULTON AREA

North Fulton still has good inventory with 819 SFD homes for sale in the area and 3020 closed sales in 2018. SFA 216 active listings with 952 closed sales in 2018. There is still a lot of activity in the area with Downtown Alpharetta expanding its downtown with new construction on the square having multi-level retail/residential retail on the ground floor shops, restaurants, and bars on street level with residential units above and many town home developments currently under construction average price low end listing is \$325,000 with 450-500K medium price range in the area. City of Roswell is building a new hotel in downtown 300 rooms with a parking deck to give visitors a place to stay in downtown Roswell which currently does not have a viable hotel for visitors. 2019 is looking good in the North Fulton Area if current trends remain stable with good mix of retail and residential development to continue well into the new year.



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“DEALS MUST HAVE REAL EQUITY AND A REAL STRATEGY.”

*“It’s good to be friends with an 800 lb. gorilla until they decide to eat you.”*

“Zoning is far from an exact science.”

“#1 motivator for a millennial buying a house is not a child...it’s a dog.”

“North Georgian’s dream is not to earn more money and get a “nicer” apartment... the American Dream of homeownership is alive in the mountains.”

“Market adjustment, not correction no recession.”

“We don’t want to be like Gwinnett” has morphed to “we don’t want to be like South Hall.”

“DO GOOD WITH YOUR WEALTH.”

“Too many high school graduates lose the perspective of having goals and then live less than paycheck to paycheck.”

*“Republicans have become democrats, democrats have become socialist and the general public grows.”*

“THE PRETTIER SOMETHING LOOKS ON A RENDERING THE LESS LIKELY ITS GOING TO BE SUCCESSFUL.”

“Real estate is local, even ten miles is different.”

*“The work we do will be for a time we won’t see.”*

“People believe that ignorance is a defense.”

“EVERY DAY IS EXTRA.” JOHN KERRY

*“The perfect storm will sink the best ships.”*

*“Delusional Reality.”*

# RADAR

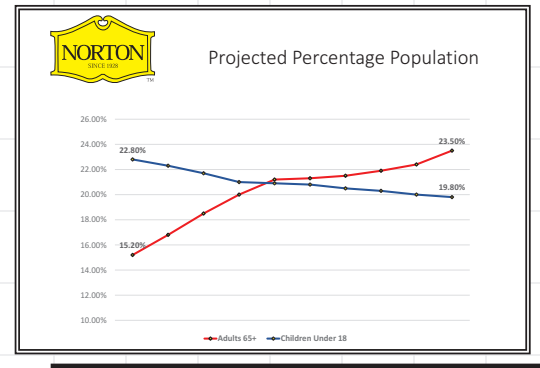
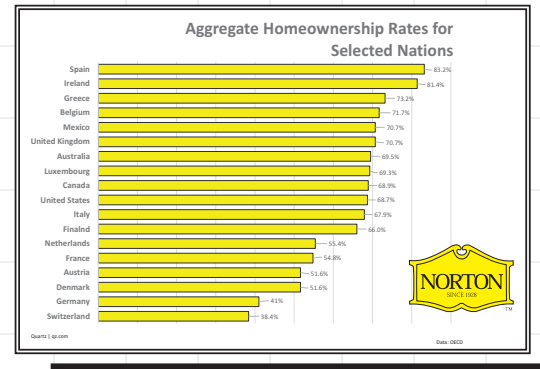
For 32 years, Norton Native Intelligence™ has conducted various interviews, conversations, surveys and have dug into stacks and stacks of collateral research to weave together a story of the current economic condition, the “State of the Union” for our region. Today, Norton through its various listings and management assignments, covers 70 counties in four states powers a national insurance platform and with operational interest from Pickens County to Anderson, SC.

RADAR is our 21st Century way to present a host of micro trends on our radar – a written Pinterest of those thoughts and ideas that have caught our eye. Some of these are bursts of brilliant new thoughts; others are perhaps “canaries’ in the mine” for potential trouble. Like it or not, we are all living in the vortex of the 24/7 news cycle. News feeds via our laptops and smart phones, the incessant news and commentary over broadcast and cable channels, and the endless chirping of social media all keep our attention spans short and our capacity for reflection shallower than it ought to be. The generally good times that the real estate industry is enjoying as indicated by our real estate professionals, may be influencing real estate’s evaluation of the issues of importance to the industry. It is worth a brief closer look at some of those factors shaping trends in real estate over the longer-term future. Our extended research now encompasses state wide business view and regional impact of this New South. Some of these thoughts are ours, others are gathered from a wider reach of study.

The U.S. consumer overwhelmingly shops at real, physical stores. For all the talk of Amazon’s domination, only 10% of the US retail sales are made over the internet. Physical stores do not need a robust internet presence. Online buzz drives foot traffic, and conversely people regularly buy items online that they first saw in stores. Retail outlets, especially in prime locations, act as brand advertisements and generate loyalty in a way that Instagram posts cannot.

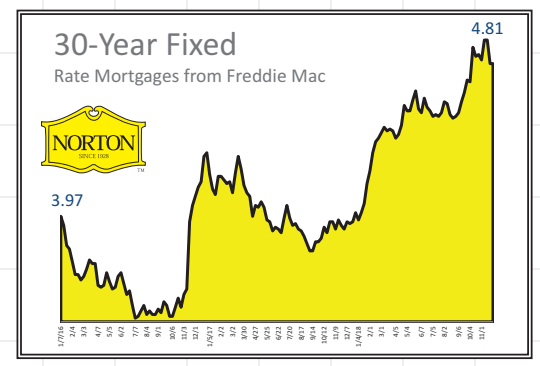
Many brands, including Henri Bendel, Payless Shoe Source, Nine West, Toys “R” Us and Brookstone, have imploded in the so-called “retail apocalypse.” But the big picture can be seen in retail rents, which have been rising steadily for the past five years – even as total retail square footage continues to expand. The latest retail bankruptcy is Mattress Firm, which tried to grow its way out of trouble. That’s a technique that tends not to work when “growth” means putting three stores on the same corner.

By the numbers: The death of shopping malls is exaggerated. They are currently 94% occupied, according to CBRE. Total offline sales and total retail stock are both going to continue to grow for the foreseeable



future. “Foreseeable,” here, means about five years or so: no one knows whether or when autonomous vehicles, say, might change the game completely.

That’s despite the fact that the U.S. has vastly more retail space per capita than any other country. According to the International Council of Shopping Centers, America has 24



square feet of shopping center space per person, compared to 17 square feet in Canada, 11 square feet in Australia and less than 5 square feet in the U.K.

**WORKER BIDDING WAR**

When President Trump threatened to go after Amazon, Jeff Bezos didn't say a word publicly. When Sen. Elizabeth Warren accused the company of anti-trust violations, it stayed mum. But not long after Sen. Bernie Sanders called out Amazon for paying its workers too little, the e-commerce giant raised its salaries. Amazon – unlike some other companies with similar size and influence – has been largely immune to public pressure. But in a super-tight labor market, with dozens of retailers vying for the same pool of warehouse workers, Amazon can't afford bad press that might push workers away.

Amazon recently announced a \$15 minimum wage for 350,000 employees, both full time and seasonal. It said workers already getting \$15 will also see a small increase. Currently, Amazon says it pays workers based on where they work, with minimums ranging from \$10 to \$14 per hour, reports the WSJ. There is an all-out bidding war for warehouse and other low-wage workers. Amazon's wage hike follows a commitment by Target to increase its minimum wage to \$15 by 2020. Walmart has raised its minimum to \$11 an hour, and Costco went to \$14 an hour in June. Warehouses and distribution centers will add 452,000 workers by next year predicts CBRE, an investment market research firm.

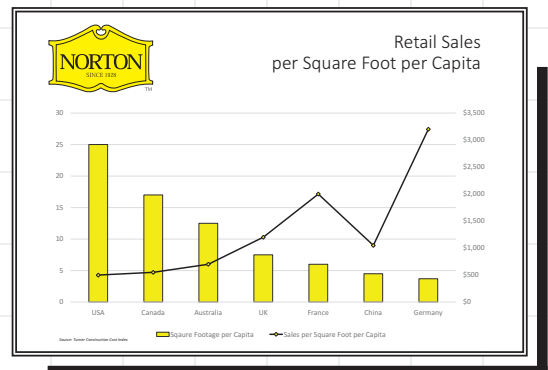
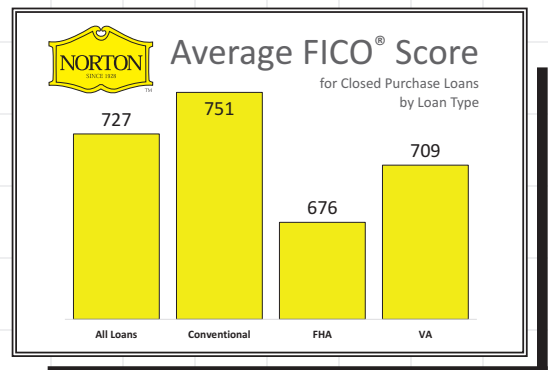
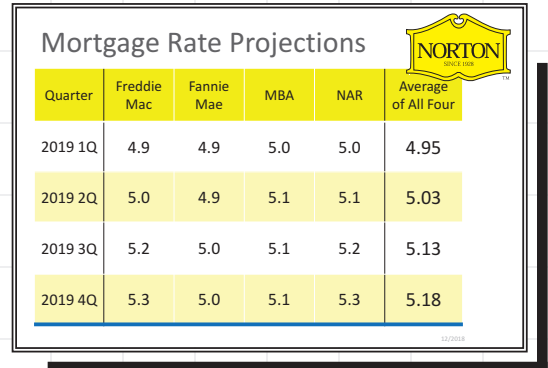
**AMERICANS STAYING PUT**

It used to be in order get ahead, less-affluent Americans would often move to a more prosperous state or city. Now, though, they are moving a lot less, and when they do, they largely end up in just another struggling area.

This trend, cited in a new report by the Brookings Institution's Hamilton Project, reverses a pattern in which income in the poorest and richest parts of the U.S. had tended to converge and tamp down inequality. Instead, the rich places in the U.S. are getting richer, and the poorest places are stuck in poverty.

Over the past several decades, companies and industries tended to move to cheaper land and labor. The invention of air conditioning made it easier to run manufacturing plants in the South, and improved roads and transportation systems allowed for expansion to the middle of the country. At the same time Americans moved toward higher wages and better jobs.

But that's no longer the case. Due to the increased home values in desirable places, the tech boom and other factors, people can't always afford to move there. Even if their hometown experiences an economic



shock like the collapse of an industry or a depression, people stay put. Meanwhile, prospering states and counties are continuing to benefit from the tech boom.

### NEW RETAIL EMBRACES THE OLD

For all the hoopla around e-commerce, physical stores continue to command some 90% of the retail pie in the U.S. – and will for at least another decade, experts predict. That has left Amazon and other online retailers preparing to set up their own physical stores, with the aim of capturing as much of the remaining pie as they can. Big chains have shuttered stores, but U.S. physical retail is alive and well.

Overall physical retail sales are up 6% year-over-year, according to Coresight Research. Last year, about 10,000 more stores opened than closed, according to the research firm IHL group. But the big players in both worlds are betting that the future of retail will be a hybrid of online and offline, pairing the perks of each model. Large Chinese retailer have been at this for years, and now Amazon is embracing the strategy too, opening its third Go store in Seattle earlier this month and planning 3,00 more by 2021.


There is a logic to the hybrid strategy. In a physical store, you can touch what you're about to buy and take it home right away. Online, you can order something delivered to your door with a single click. New retail gives you some of both: it injects tech into physical stores and gives online platforms brick and mortar homes. Shoppers transition seamlessly between both experiences. An example is the cashier-less corner store, like Amazon Go, where you grab your snacks and just walk out. Machine vision takes care of checkout.

The key advantage to brick-and-mortar stores is that they can control shoppers' experience. Cool flourishes and physical stores are leaning into this advantage, thinking carefully about cool interior design or top-notch customer service to make the schlep to the store worth it. Younger, digital-first brands moving into physical retail make sure their stores are Instagram-ready to attract millennials and Gen Z.

### RURAL MIGRATION


Rural counties – particularly in the Midwest and Northeast of the U.S. – are losing people due to higher death rates and more people moving away than moving in.

The 2020 census is likely to show the extent of this drastic trend. Barring a significant reversal in the next four years, the share of the population living in rural counties will be less than it was in 2010... Rural clout in Congress and the electoral college will be diminished.




Commercial Real Estate Forecast  
2018-2019

	VACANCY	RENT
Apartment	Rising 50 basis points	Rising Slowly 3% per year
Office	Stable	2.5% per year
Industrial	Stable	4% per year
Retail	Stable	2% per year



1928 versus 2019 Population

Counties	1928	2019	% Growth
Banks	9,703	19,533	101%
Barrow	12,401	80,165	546%
Cherokee	20,003	252,477	1167%
Clarke	25,613	126,114	392%
Dawson	3,502	24,876	610%
Fannin	12,969	25,261	95%
Forsyth	10,624	231,178	2076%
Franklin	15,902	23,057	45%
Gilmer	7,344	30,938	321%
Gwinnett	27,853	966,644	3371%
Hall	30,313	204,213	574%
Hart	15,174	26,370	74%
Jackson	21,609	66,561	208%
Lumpkin	4,927	33,488	580%
Madison	14,921	29,568	98%
Oconee	8,082	38,362	375%
Oglethorpe	12,927	15,469	20%
Pickens	9,687	31,748	298%
Rabun	6,331	16,821	166%
Stephens	11,740	25,966	121%
Towns	4,346	11,683	169%
Union	6,340	23,505	271%
Walton	21,118	93,393	342%
White	6,056	30,145	398%



Overall, non-metro areas increased in population between 2000 and 2015, but a majority of rural counties saw their populations dwindle, including 54% of rural counties in the Northeast and 68 of those in the Midwest, according to a study by Pew Research. Not all rural communities are dying. For example, Williams County and McKenzie County in North Dakota, saw the largest population increases between 2010 and 2017 due to the jobs created by the introduction of fracking.

Here's why most rural areas are losing population:

- 73% of rural counties had more people move out than move in, and the trend was again most notable in the Northeast and Midwest.
- Of the 1,969 rural counties Pew Research studied, almost 1,197 have fewer people employed today than they did in 2000.
- Not all non-metropolitan areas are losing all their young people.

“Places that have somehow brought some high-tech industries to their boundaries have not done as poorly,” according to the Brookings Institution.

With technology allowing us to be more connected than ever, many economists and demographers thought there would be a rural revival, but that hasn’t happened. One popular theory focuses on the important advantage of in-person networking. Businesses and people have been concentrating in certain metro areas, because when they can rub shoulders with each other, they can generate ideas and business contacts.

**BIRTH RATES VS DEATH RATES**

It’s long been the case that young people tend to move out of more rural areas at a rate higher than people move in. A newer trend is that there are more people dying in many rural areas than being born.

- **Aging community:** The percentage of rural citizens who are 65+ is 4% higher than the national average, which means these areas have fewer people of child-bearing age.
- **Death rates:** While death rates in metro areas for 18- to 64-year old have been declining, these working-age deaths have been on the rise in more rural areas, according to the U.S. Department of Agriculture.
- **Birth rates:** It’s not just that these fewer people of child-bearing age – people across the U.S. are having fewer children, a trend that affects rural counties too. Rural communities are no longer able to match the rate of migration with natural population increase.

**IMMIGRANTS AND MINORITIES**

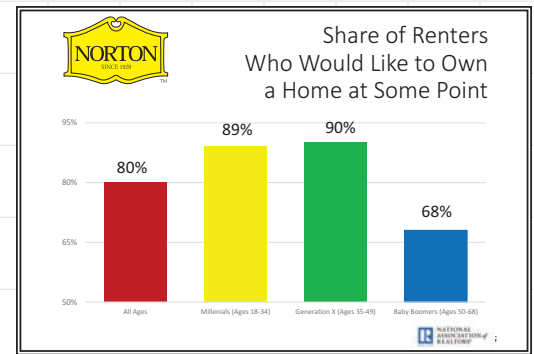
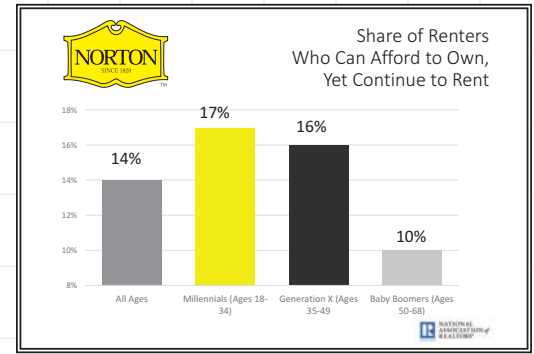
Rural areas are overwhelmingly white – only 2.3% of the population in rural counties is foreign-born, compared to nearly 15% in urban counties, according to Census data. Because of this, they continue to struggle to attract immigrants and minorities, who tend to move to urban areas. One key trend: Minorities and immigrants have already started moving out to suburban areas. And as immigrants and non-whites become an increasingly large percentage of the U.S. population, they could eventually move to rural areas as well.

**OPIOIDS**

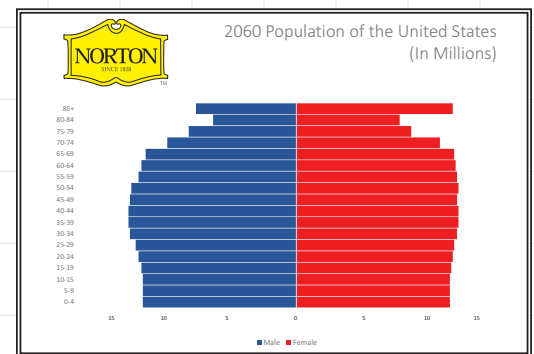
Higher death rates for 18 to 64-year old in rural counties are often attributed at least in part to the opioid epidemic, which has ravaged many rural areas in the U.S.

**HOMELESS IN AMERICA**

There is an old story about a farmer whacking his mule with a two-by-four, “because you need to get his attention.” All over the United States, the crisis of affordable housing is getting attention, and the nature of the two-by-four may differ from place to place, but it is unquestionably powerful.



In San Francisco, homeless encampments are right next to downtown New York City counted 61,947 homeless people in July 2018, with daily evidence of the housing crisis on its streets and subways. It’s not just big cities, either. Colorado, Virginia, and North Dakota have dedicated programs for homelessness in small towns and rural areas. Nationally, the number of homeless people is 554,000 according to the 2017 count of the U.S. Department of Housing and Urban



Development (HUD). The affordability crisis is not just about those without any home whatsoever, with half of all renters paying more than 30 per-cent of their income on housing. According to HUD, 12 million Americans spend more than 50 percent of their earnings on housings. For real estate, the first and most obvious point o focus in on the supply side.

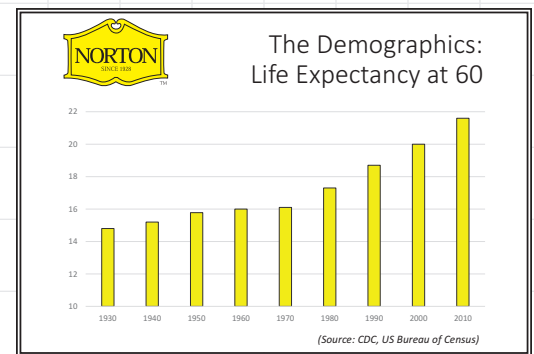
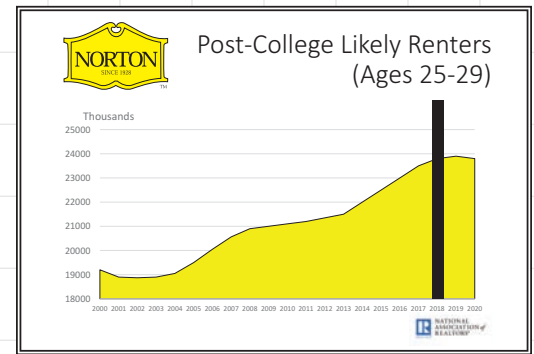
Nationally, though rising levels of unaffordability are largely a function of underproduction at all price levels except for luxury housing, both ownership and rental. National Association of Relators (NAR) data on affordability show that, since 2015, the combination of rising single-family home prices and upward pressure of mortgage rates has triggered a 15 percent decline in its affordability index. The National Association of Home Builders estimates 2018 single-family housing starts at 900,000, which is 400,000 units shy of sustained demand. A recent study by academic and industry researchers estimates a need for 4.6 million additional rental housing units by 2030 or 325,000 per year. This volume should be readily achievable, especially with the volume of capital oriented to the multi-family sector. But deliveries are skewed toward upper-end product.

### NATIONAL AGING TRENDS

- Population of U.S. adults 65+ will more than double by 2040.
- Nationally 10,000 baby boomers turn 65 every day.
- The fastest growing segment of the population is the 85 and older population.
- An increasing number of older adults are living to a point when they can no longer drive and do not have viable options to replace their need for mobility.
- 85 to 94-year-olds experienced the fastest growth nationally between 2000 and 2010. This group grew by 29.9 percent, increasing from 3.9 million to 5.1 million (U.S. Census).
- 50% of this group has a long-term disability.

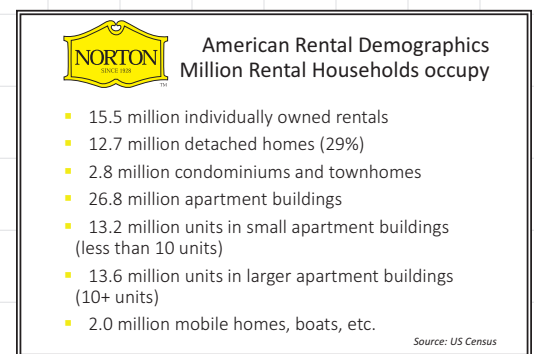
### GAINESVILLE-HALL COUNTY AGING TRENDS

- AARP named Gainesville one of the top three affordable retirement spots in the nation, citing the local tax rates, cost of living, housing costs and other quality of life issues.
- 22,461 of Hall County’s population is 65 and older in 2012 (U.S. Census).
- 20 – 30% (112,200 – 168,000) of the Hall County population will be 65+ in 2040.
- Approximately 18K (10%) of Hall County residents have disabilities today, 56K people are predicated to have disabilities by 2040.
- Approximately 55% (8,336) of Hall County Dial-A-Ride passengers are 65 and older.
- Approximately 42% (6,350) of Hall County Dial-A-Ride passengers have disabilities.



### MILLENNIALS: NO LONGER LIVING WITH THEIR PARENTS

Two big findings stand out. The proportion of millennials living with their parents has plunged, from 30% in 2016 to 16% in 2018. The proportion of millennials who own their own home has soared from 26% in 2016 to 40% in 2018. While the numbers are surely directionally accurate, it’s dangerous to read too much into the magnitude of the changes. When you start looking at the size of a change, rather than the absolute size of a number, then margins of error get magnified significantly.





**AGING**

The developed world is aging – in the coming decades, the U.S., Europe and nations across Asia will have hundreds of millions more people who are 60 and older. Much of this coming avalanche of senior citizens won't be playing pinochle at retirement homes. Instead, if technology optimists are correct that advanced economies will continue to need massive numbers of workers despite automation, hiring will continue to be tight. Because they have the most experience, older employees are going to be in huge demand and will work a decade and perhaps longer past 65.

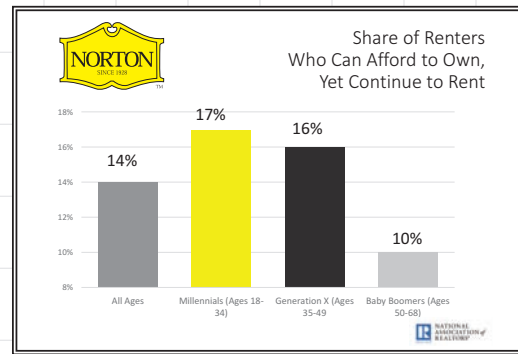
Few companies appear to have made the mental shift to accepting that they need to retain and continue to promote older workers rather than letting them go according to a recent study. Neither has public policy caught up with the aging society, which unless adjustments are made, will swamp programs like Medicare and Social Security. **Bias runs deep:** Across society and business, it's assumed that older workers are less mentally capable less agile technologically and overall less desirable for hiring and retention than someone younger. **“Our society should be ageless,”** said Paul Irving, chairman of the Milken Institute Center for the Future of Aging. **This is one of the great challenges of the 21st century** – everything will change because of this. And the society that gets it right will be the winners.

**The U.S. and other advanced countries are aging:** In a little over 15 years, U.S. retirees will outnumber people 18 and under – the first time this has happened in U.S. history. **And so is the workforce:** In just six years, people 55 and older will be 25% of the workforce, double from 12% in 1994. **They are also shrinking:** The population of most advanced countries is falling because of lower birth rates and a falloff in immigration.

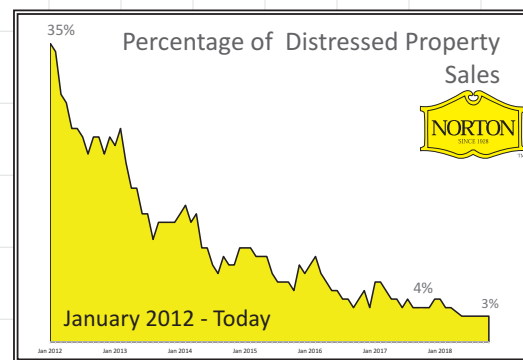
These are long-range trends: The aging of American society and the workforce will not reverse after boomers are gone – Gen Xers and millennials will continue the shift once they reach 65. Keeping older workers on the job is a potential part of the solution to the social system crisis, as they would continue paying into the social security system.

**REBUILDING**

When disaster strikes like Katrina, Hurricane Matthew or California's Camp Fire, the National assumption is that they will rebuild. Reality, however, is that it will take generations to recover from such cataclysmic event. 14 years later, thousands still live in Katrina temporary emergency trailers, (\$300,000 structures were lost or damaged), lots have been cleared of debris, but the region has not recovered. In both the Camp Fire destruction of 12,000 structures and Matthew's direct hit of Mexico Beach (1,000 homes), it may be impossible to fully rebuild and fully recover. The 2019 housing industry infrastructure just doesn't exist to rebuild that massive



Home Price Point	2018
0-199,000	3,567
206,000 – 249,000	4,414
250,000 – 450,000	9,337
451,000 – 750,000	4,043
750,000+	1,290



Year	Hall	Forsyth	Jackson
2007	251k	333k	222k
2008	226k	324k	192k
2009	201k	291k	179k
2010	180k	277k	168k
2011	158k	250k	135k
2012	158k	263k	130k
2013	192k	290k	147k
2014	221k	317k	173k
2015	234k	330k	198k
2016	251k	343k	214k
2017	272k	340k	227k

quantity of housing stock and 2019 codes have advanced so far from the codes originally in place for those homes that unless a government rollback of regulations, those housing markets can't rebuild. Setbacks, materials, building systems have all been modernized effectively, the ability to rebuilt and the cost to do so.... generations.

**TINY HOME HURDLE**

It is time for banks to start lending legitimacy to the way we live. We're a generation on the go and rarely at home. And when we are, we don't want to be cleaning 14 bedrooms and mowing a lawn.

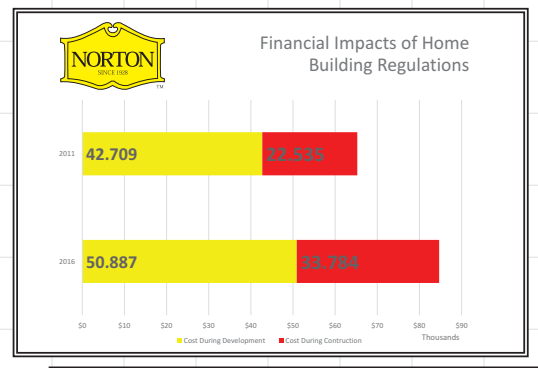
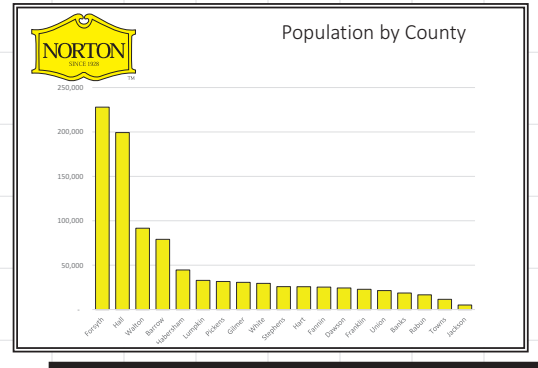
The problem is tiny homes, typically less than 500 square feet, won't appraise. There aren't enough of them out there for lenders to determine reliable appraisals based on comps. And lenders won't finance a project without an appraisal. Small homes do exist, but not many small ones. Most lenders, in fact, will only finance homes that are no smaller than 40 to 80 percent of the size of a comparable, nearby home. That means buyers can't go much smaller than 1,500 square feet for a single-family home. In order to buy, you must go bigger.

Underwriters want to see home structures that are two to four times more valuable than the land. This is to say if you have a \$200,000 lot, they want you to build a structure that costs \$400,000 to \$800,000. Here are the problems with that logic in some areas. First, there are more lions than \$200,000 lots in Seattle. Second, what millennial wants a mansion? Most of them don't buy those big houses until they have kids, and then they just end up complaining about them until they downsize.

**AUTONOMOUS AND HOUSING**

So what impact will AVs and ride-sharing have on the housing market? We think a big one. Increases in disposable income and productivity from AVs should drive overall economic growth higher, a positive for housing. A portion of the money once allocated to owning/leasing a car should also free up to owning/renting a home. Here are some of the additional housing shifts we anticipate as a result of AVs:

- **Prime real estate will be unlocked for new home construction** as parking lots, auto dealerships and gas stations become obsolete. Additional supply in historically supply constrained locations will likely dampen home price appreciation and alleviate housing shortages in many cities due to increased housing supply in good locations, there will initially be less demand for outlying locations, even though commutes will be easier.



County	1990	2018	% Change 1990-2018
Hall	4.78%	28.60%	498.33%
Forsyth	1.44%	9.60%	566.67%
Habersham	1.24%	14.90%	1101.61%
White	0.75%	3.40%	353.33%
Barrow	0.85%	11.00%	1194.12%
Gwinnett	2.40%	21.20%	783.33%
Jackson	0.53%	7.50%	1315.09%
Lumpkin	1.46%	4.90%	235.62%
Cherokee	1.17%	10.30%	780.34%
Fulton	2.06%	7.30%	254.37%
Dekalb	2.86%	8.60%	200.70%
Walton	0.88%	4.40%	400.00%

County	2012	2013	2014	2015	2016	2017	2018
Metro Atlanta	8324	13956	16270	13750	9584	19770	25585
Cobb	1251	1525	1775	1950	1690	1186	1724
Gwinnett	1242	2570	2892	3100	3667	2939	3355
Forsyth	1333	2275	2472	2650	2750	2427	2458
Hall	301	480	832	1150	895	954	1106
Cherokee	765	1201	1355	1655	1785	1723	1913
Dekalb	242	295	706	781	1047	1557	1765

- **Outlying drive-until-you-qualify housing markets will eventually reemerge** once the majority of core infill markets have repurposed their prime real estate and consumers become more accepting of commutes given the option of working, sleeping etc., while driving.

- **Urban employment should rise** as prime real estate is repurposed for housing, allowing more people to live closer to city centers. Those residing in tertiary areas will be more accepting of commutes into the urban core for job opportunities now that they can work/sleep/etc. while en route. The commute times should also be shorter when compared to traditional human drivers behind the wheel.

- **Get ready for more homes per acre** with the days of wide streets, massive driveways, and two-/three-car garages a thing of the past. Builders will be able to get significantly higher density, and consumers will be buying a home where 100% of the square footage is truly livable. We're already seeing apartment developers shifting to zero parking. Innovative master-planned communities such as Florida's new Babcock Ranch (eventually home to 50,000 residents) are already utilizing AV community shuttles, with the goal of having on-demand AVs that individual residents can use via smart-phone apps.


- **Construction costs should decline** as transportation costs plummet for moving building products from manufacturing facilities/warehouses to new home construction sites. Construction timelines should also improve for home builders as the transportation of building products becomes a 24/7 operation handled by AVs. Labor may also become more available due to mobility improvements brought about by AVs, coupled with displaced workers in other industries (energy, auto, trucking). These developments should allow for faster new home construction at a lower cost.

- **Longer-term housing turnover will likely be suppressed** as AVs enable the elderly to stay in their existing home while aging in place, maintaining independence despite losing their driving rights. Demand for assisted-living facilities could also fall as a result, especially when compared to past generations.

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Average Price Home Sold 2018

County	Resale Price	New Home Price	% Change Resale from 2017
Banks	226k	292k	-5.3%
Barrow	206k	231k	9.2%
Cherokee	312k	383k	7.4%
Dawson	327k	275k	10.4%
Forsyth	385k	415k	5.2%
Gilmer	281k	351k	20.3%
Gwinnett	283k	370k	3.5%
Habersham	n/a	n/a	n/a
Hall	283k	286k	3.9%
Jackson	249k	268k	8.8%
Lumpkin	231k	232k	11.7%
Pickens	257k	318k	4.3%
Rabun	846k	n/a	34.2%
Stephens	n/a	n/a	n/a
Towns	212k	n/a	-10.8%
Union	283k	n/a	-8.1%
Walton	242k	291k	9.9%
White	193k	181k	-5.2%



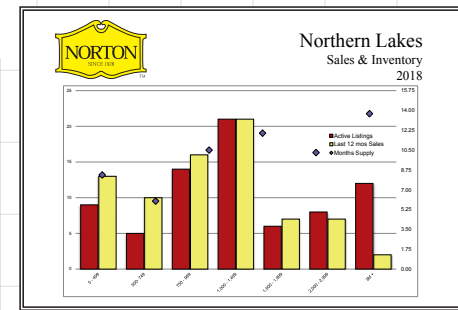
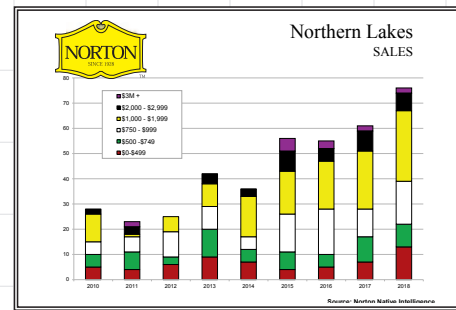
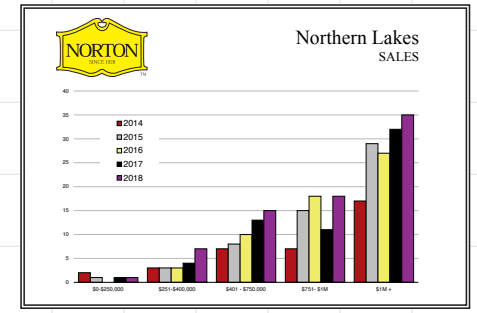
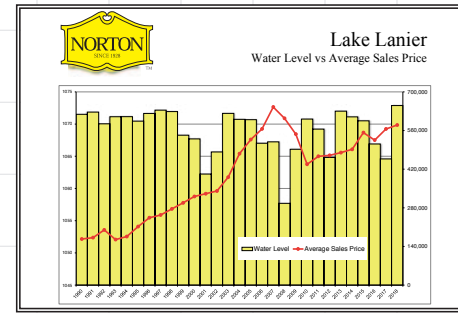
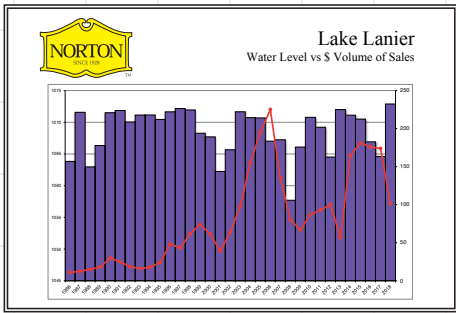
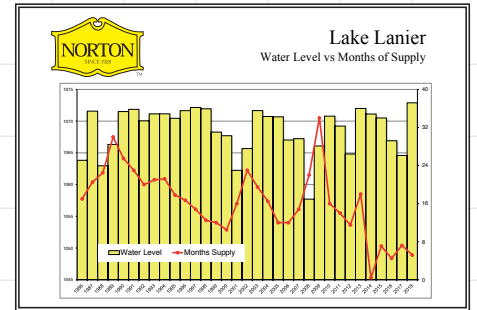
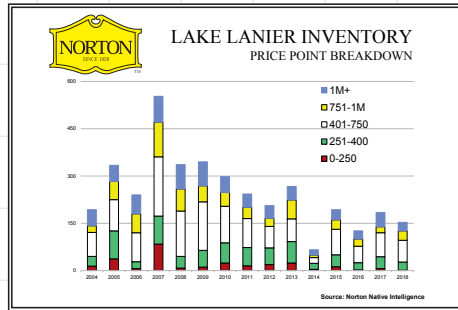
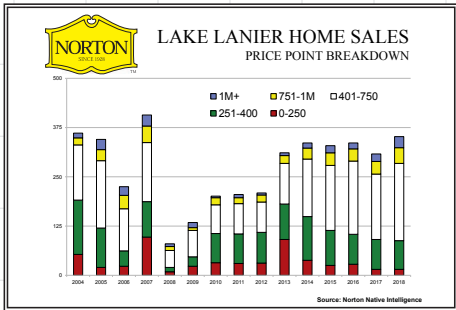
- **Longer-term housing turnover will likely be suppressed** as AVs enable the elderly to stay in their existing home while aging in place, maintaining independence despite losing their driving rights. Demand for assisted-living facilities could also fall as a result, especially when compared to past generations.

- **Bullish case for repair and remodel industry** as AVs enable more retirees to age in place. Grab bars, slip-resistant flooring, and wider doors/hallways to accommodate wheel chairs are just a few examples of remodeling projects associated with aging in place. In addition, garages previously used to store cars will increasingly be converted to functioning living space, requiring complete overhauls.

All in all, we expect the advent of AVs to benefit the overall housing market and greater economy. How it shakes out and who the industry winners/losers will remain up for debate. The above is our assessment based on what we know today, which could quickly change depending on government policies, which are hard to predict. For builders and developers not already doing so it is imperative to begin strategizing on how your business may shift as AVs gain scale.

*John Burns Consulting*

# CHARTS



### Average Single Family Home Price 2018

Area	Price	% Change from 2017
Milburn	\$854,932	3.5%
Buckhead	\$1,407,479	-4%
Doraville	\$588,444	2.4%
Sandy Springs	\$467,863	3.8%
Roswell	\$471,743	7%
Alpharetta	\$486,096	5.1%
South Forsyth	\$458,187	4.6%
North Forsyth	\$323,019	5.9%
Douglas	\$336,998	10.7%
Lumpkin	\$231,846	6.6%
Forsyth	\$384,942	11.7%
Doraville	\$285,519	7%
Ballwin	\$282,919	3.9%
Jackson	\$248,603	8.9%
Banks	\$225,984	-5.8%
Franklin	\$223,134	-8%
Hall	\$283,521	4.9%

### 10 Fastest Growing Cities in Georgia in 2018

City	2010	2018	% Growth since 2010
1. Chamblee	9751	28433	191.6%
2. Norcross	9209	16474	78.9%
3. Clarkston	7555	12702	68.1%
4. Port Wentworth	4920	7568	53.8%
5. Braselton	6107	9336	52.5%
6. Glenville	3716	5098	37.2%
7. Pooler	16683	22477	34.7%
8. Flowery Branch	5096	6801	33.5%
9. Woodstock	23227	29227	32.7%
10. Richmond Hill	8890	11706	32.4%

Source: WFS News

### Average Home Prices

	Hall	Forsyth	Jackson
2007	251k	333k	222k
2008	226k	324k	192k
2009	201k	291k	179k
2010	180k	277k	168k
2011	158k	250k	135k
2012	158k	263k	130k
2013	192k	290k	147k
2014	221k	317k	173k
2015	234k	330k	198k
2016	251k	343k	214k
2017	272k	340k	227k
2018	283k	385k	249k

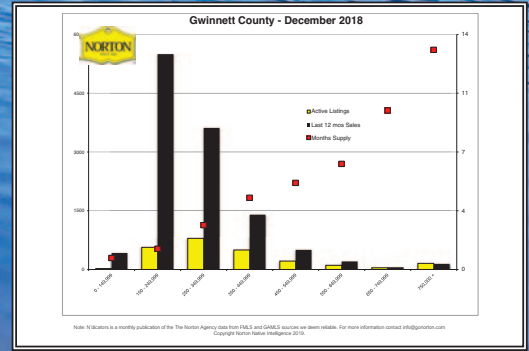
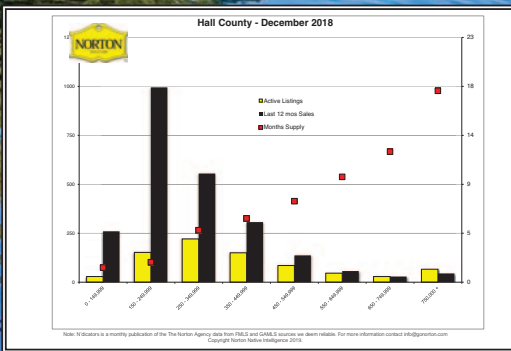
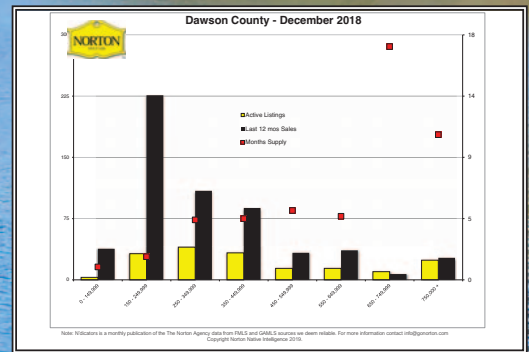
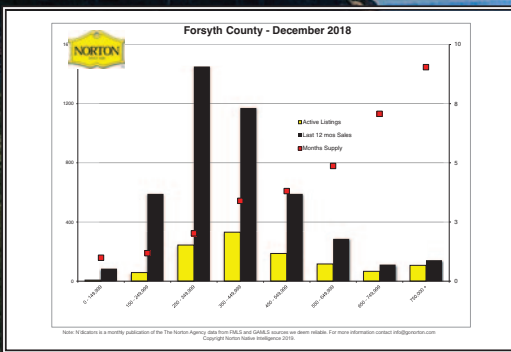
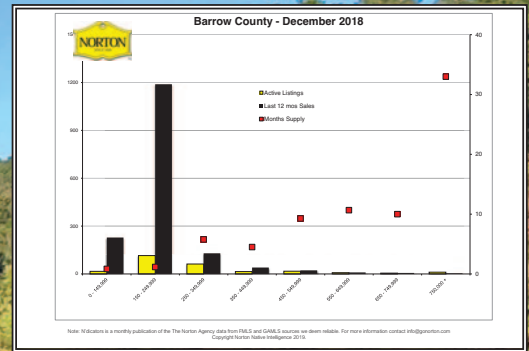
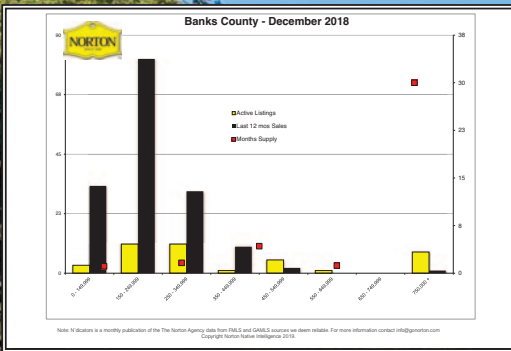
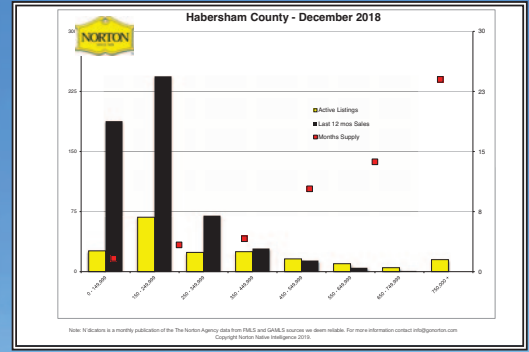
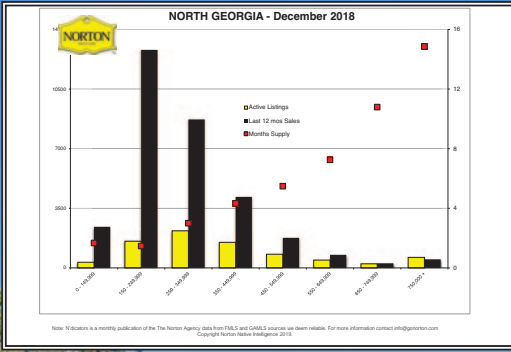
Source: WFS

### Months of Supply (12.31.18)

Area	Months
Atlanta/Metro	2.98
Barrow	2.3
Cherokee	2.2
Dawson	3.7
Forsyth	.98
Gwinnett	1.4
Hall	3.2
Jackson	4.7
Walton	6.3

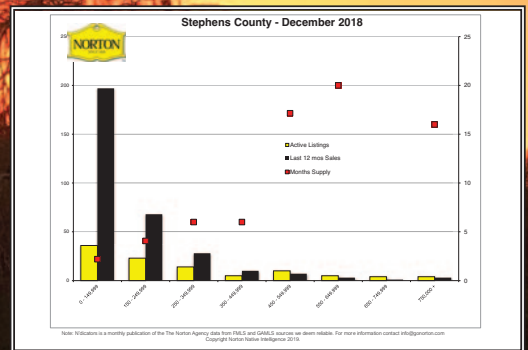
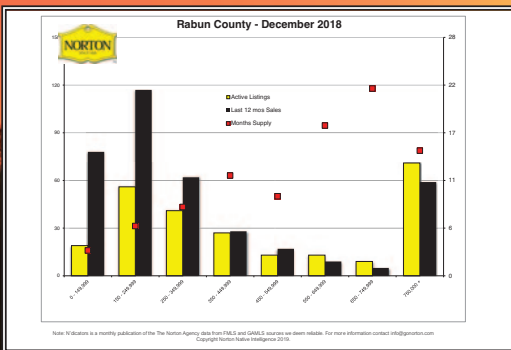
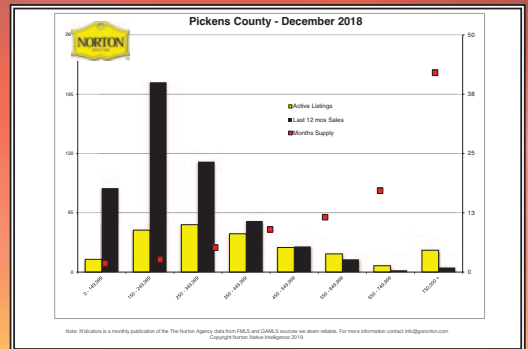
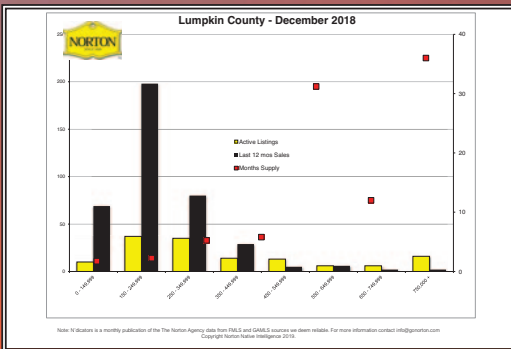
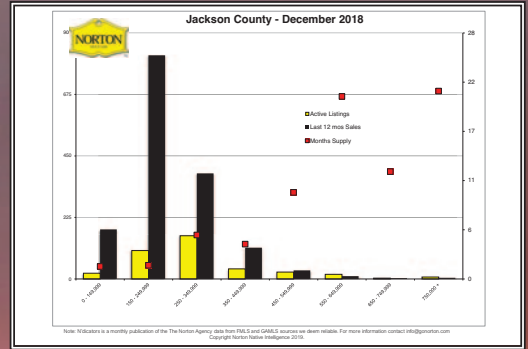
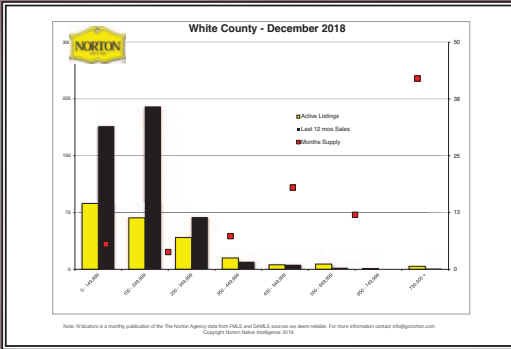
Source: WFS News

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## Executive Bookmark Reading List 2018-2019

The editors of Norton Native Intelligence™ are consummate readers in their quest for life-long learning. While the internet has expanded their reach for market intelligence and thoughtful commentary, they still read 12 local and regional newspapers weekly. They believe in “Deep Think,” new ideas, concepts, trendlines and that’s what sets Norton apart from its competitors and gets our brain juices pumping. Some of the books on our current reading list that have influenced our commentary conversations and data sets include:

<i>Never Split the Difference</i>	Chris Voss
<i>What Doesn't Kill Us</i>	Scott Carney
<i>Building a Story Brand</i>	Donald Miller
<i>Talent Magnet</i>	Mark Miller
<i>The Hyper Local Hyperfast Real Estate Agent</i>	Daniel Lesniak
<i>Garden Cities: Theory &amp; Practice of Agrarian Urbanism</i>	Andras Duany
<i>Soonish</i>	Kelly & Zach Weiner-Smith



## 2019 INFORMATION SOURCES

- Norton Native Intelligence™
- US Census
- First MLS
- GA MLS
- Metrostudy's
- Georgia State University for Economics
- Forecasting Center
- Realty Trac
- National Association of Realtors (NAR)
- University of Georgia Selig Center
- The Beasley Report
- Case-Shiller Index
- John Burns Consulting

[www.nortonintelligence.com](http://www.nortonintelligence.com)

Norton's Annual Forecast features our interpretations, thoughts and commentary on North Georgia's market conditions. Dovetailed with this effort, Norton has built a vault of back-up Regional Community data. Accessible to the public, Norton friends and especially our clients. The portal is:

**[www.nortonintelligence.com](http://www.nortonintelligence.com)**

Norton Native Intelligence™ staff has spent thousands of hours building and maintaining a robust platform of historical and current community data at your fingertips in order to educate and power our clients forward through the storm of economic business and regional change. We invite you to explore further.



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