

NATIVE INTELLIGENCE 2018



Norton is about FAMILY.

In the celebration of our 90th business year in business, we celebrate the 300 plus extended family members who, working in concert, gives us the energy, vibrancy, and creativity that propels us forward.

We are in the *people* business. We just happen to also sell insurance and real estate. Our 2018 cover is a salute to that extended family and represents their great contribution to the success and fabric of our firm.



90 YEARS STRONG.

FORECAST 2018

CHANGE

I. 1928 – The Year It All Began

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CHANGE

Change is a powerful word. Revolutions are **change**, social movements are **change** and businesses, by nature of their creativity, hard work and ingenuity are in fact **change** agents.

90 years ago the world changed for the young Norton family. A bank failure in Cleveland, Georgia foretold a national economic upheaval, like a canary in a mine for what was to come later in 1929. But enterprising young William LaFayette (W. L.) Norton took a chance and moved his family to Gainesville to start anew. Times were hard, Gainesville businesses were lean, and everyone had to pull together to make a living for his family. W.L., with his wife Eliza by his side, built the business one client at a time and one policy at a time.

Their son, Frank Norton saw opportunity in the post war environment of the 1950's, returning home after college to build his father's business in a changing and growing economy. Innovative chicken crop insurance programs, mortgages, new home construction, and developing apartment communities and neighborhood upon neighborhood became part of the firm's solid foundation and firm business reputation. Golf courses, hotels, renovated historic property conversions...block by block, Norton was building a better and stronger North Georgia. Investing alongside its partners, "making money with them **not** off them" became Frank's mantra that still lives with us today. The expansion into Residential Brokerage in this expanding community was a natural step for his wife Betty and the legendary powerful residential brokerage team that she assembled.



The 1980's saw the third generation expand the firm's reach as son Bob came on board to run/build/run/ and grow the insurance platform and later son Frank Jr. joined the firm expanding the firm's Commercial Brokerage/Management/ Investment and Acreage sectors.

Now as we reach our 90th business mark, The Norton Agency, its 80 affiliated businesses and investment units, 300 plus extended family of associates and its local, regional and national reputation are not ready to cash it in nor take rest for the weary. Rather Bob and Frank both believe that today's Norton Platform is simply a foundation to which they might build the future of the firm. A foundation on which might be a thriving sustainable business for the next 90 years.

For 90 years, it is not our ability to withstand change or embrace change, but rather our ability to twist and turn with change, seize opportunities, think cautiously and creatively power through — power up that change.

With God's help and the support of loving parents, family, friends, loyal staff and **great** client relationships, we intend to do just that...



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



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



90 YEARS
STRONG

1928 the year that was....

William LaFayette Norton (W.L.) started his insurance and real estate business on the second floor of the Jackson Building in the early winter of 1928, after buying out the Red Wine Insurance portfolio of policies. Calvin Coolidge was President, soon to be replaced in November by Herbert Hoover. Lamartine Hardman was Governor and the economy was both robust and shaky at the same time. Northeast Georgia was largely a rural agricultural based community with Hall County boasting a population of 30,313 and (by our definition of) Northeast Georgia had a population of 319,485. Today 2018, it's 202,442 and 2,394,663 respectively.

1928 was also the year Charles Lindberg was presented the Medal of Honor for his first Transatlantic flight. The animated short Steamboat Willie was released by Disney Studios featuring the first appearances of Mickey and Minnie Mouse. The first machine sliced and wrapped loaf of bread was sold in Missouri, and General Electric broadcast the first regular scheduled television programming. 1928 also saw the births of Walter Mondale, Fats Domino, Frank Borman, Andy Warhol, Shirley Temple and North Georgia's Frank Norton (Sr.).

Here in North Georgia, Airmail service from Atlanta to New York was launched, Riverside Military Academy started \$300,000 in new academic buildings. Construction began on the first public swimming pool, Chevrolet Gainesville announced their new convertible sport Cabriolet, excitement was building for Piggly Wiggly coming to



Gainesville and Earl "Napoleon" Williams began his record breaking 100+ hour drive in the City of Gainesville.

Lastly in the June 14, 1928 *Gainesville Eagle*, the Georgia Chamber of Commerce officially named Gainesville as "The Trade Center of North Georgia."

It was in this excitement and in a much simpler North Georgia that W. L. Norton hung up his insurance real estate sign and told the world...

N ⊕ W ⊕ P E N ⊕ F ⊕ R B U S I N E S S



LIVING HISTORY: 1928 - 2018

The world as we know it has explicably changed over the last 90 years; wars, financial Armageddon, political unrest and whiz kid technological advancements. In 1928, Gainesville, Hall County, and the entire North Georgia region was a patchwork of working farms, timber harvest operations and scattered **textile hubs** in Gainesville, Toccoa, Cornelia, Clarkesville, Commerce and Jefferson. Small centers of commerce beyond the above included Cleveland, Cumming, Dahlonega, Braselton, and Demorest. Most other communities were simple cross roads and trading posts connected with unpaved road systems and limited modern conveniences such as power, commercial treated water or sewer systems - much less telephone.



Other interesting responses, but not in the Top 10, were hometown boy Nathan Deal's election as Governor, Wrigley's relocation from Chicago, Lakeshore Mall construction, WPA projects, Desegregation and urban renewal, Tanger Outlet Mall, Chateau Elan, World War II, Big Canoe, City of Braselton property sale and NAFTA.



It was within this hard scrabble rural environment that The Norton Agency was founded. It was also the precipice of unbelievable, unprecedented growth and opportunity for North Georgia at every twist and turn. Local citizens- leaders banking, law, and manufacturing worked together to attract industry, highway connectivity, advanced health care systems and other modern services/amenities to improve the area, thus creating a better life for themselves and future generations. It's this pioneer spirit of leadership that propelled the communities of North Georgia and The Norton Agency right along with it.



To better understand and prioritize the hundreds of significant **game changing** events affecting our region, Norton Native Intelligence™ used its "Market Watch" email vehicle and a "Survey Monkey" questionnaire to test and validate the pulse of our region. Hundreds of responses were chronicled with a Top Ten rising to the top.

1. **Creation of Lake Sidney Lanier**
2. **Eisenhower's Interstate Highway System**
3. **Northeast Georgia Health Care System**
4. **The Birth of the Chicken Industry**
5. **Atlanta's Business and Population Growth**
6. **1996 Olympics**
7. **Atlanta Airport**
8. **Utility Infrastructure**
9. **Public/Private College Expansion**
10. **Tornado of 1936**



In David Letterman style of ascending order:

#1

The tornado of 1936 tore through the business heart of Gainesville around 8:27 AM on April 6, 1936. They say two separate F4 tornados

converged on Grove Street just south of what's now Jesse Jewell and Queen City Parkway, intensifying beyond any normal storm and



ripping through businesses, manufacturing, commerce, church and homes. With 203 dead, 750 homes destroyed, 254 damaged, more than 1600 injured the storm left a financial cost estimated at \$13

million at the time. But the “good people” of Gainesville gathered their remaining resources and took advantage of this naturally caused urban renewal to set in motion the energy to build a stronger retail core, new homes, and planned communities. With Congressman Frank Whelchel’s help and the WPA (Works Progress Administration) launched by President Roosevelt, a strong federal, state and local government center was created that still exists today. The tornado was a horrible life altering event but pointed to the resilience and strength of this community in its early days and its ability to take adversity and build a stronger community.

#9

Our readership felt that an integrated higher education system gave the North Georgia’s community the ability to attract new industry while retaining its bright young high school graduates. The Gainesville Junior College was established in 1964 with the first classes being held in the fall of 1966 as part an initiative by the Georgia Board of Regents to give rural Georgia (not that by that time Gainesville was rural) a broader education opportunity. Parallel to that expansion, Lanier Technical College was established to offer skilled labor training for the expanding manufacturing, nursing and logistics base. North Georgia Military College in Dahlonega evolved into North Georgia College & State University, and expanded into Forsyth in 2010. To streamline and supersize the University System, the Board of Regents melded together their educational offerings creating the University of North Georgia with campuses in Dahlonega, Cumming, Gainesville, Oconee and Blue Ridge. Brenau College was founded in 1878 but

significantly reinvented itself under Dr. John Burd in 1985 and again by expanding its nursing program into broader Health Sciences in 2005 under Dr. Ed Schrader. The educational component helps weave a thread of strength within North Georgia and elevates its citizenry on the global business stage.

#8

Utility Infrastructure – It is hard to believe that in 1928 only an estimated 5% of the region had electricity and it was only until the 1950’s that we saw the region get reliable telephone service. Public water services was spotty and only found in the larger municipalities, but once Lake Lanier was established, clean abundant water was Atlanta’s answer for the five surrounding counties. Feeder tributaries through Lumpkin, Dawson, White, and Habersham became “clean” watersheds. It is estimated that only 50% of North Georgia’s geography is served by municipal water service today and less than 10% of the geography has municipal/county sewer services. North Georgia’s broadband fiber network (NGN, Inc.) created in 2010 provides connectivity between North Georgia and the world wide web. One other noteworthy utility is cellular service, first appearing in the municipalities around the early 1980s then expanded along federal highways in the 1990s, and now in most regions throughout the mountains. Dead spots do exist, but they are increasingly evaporating.

#7

In 1946 a game changing decision was made on a State and Federal level, with debate over moving federal resources into a new airport hub either in Birmingham, AL or Atlanta, GA. We are not sure of the backroom politics that took place, but that simple decision of Atlanta over Birmingham forever changed our regional landscape.

Population	1950	2017
Birmingham	326,037	1,145,647
Atlanta	331,314	5,700,000

Today the Atlanta airport is the busiest airport in the world, both in number of flights and quantity of passengers. Among the ripple effects on North Georgia are the thousands of airline employees, mainly pilots, living in our region. The proximity of an airport with this much air traffic to our region for business relocation is huge, and the side benefits such as international accessibility and the Olympics factor are also significant.

#6 The Olympic factor found its way on the list as **number six**. The 1996 Olympics put Georgia/Atlanta and Lake Lanier on the international stage. One Olympic announcer even referred to Lake Lanier as “the Hospitality Capital of the South.” That 14-day focus was significant in global public relations but also brought together diverse business and volunteer interests to marshal the staging of that herculean effort. Norton Native Intelligence™ remembers a breakfast meeting of business leaders (circa 1991) hosted by James Mathis, Sr. (Home Federal) and Jim Syfan (Turbo Transport) to discuss a community bid for the Olympic Equestrian component. What resulted was our community’s own exploratory committee and an Olympic quality Canoe/Kayak/Rowing facility that is still thriving 22 years later. Norton Native Intelligence™ believes the human energy, **the can do...**we can spirit for North Georgia is its lasting legacy.

#5 Atlanta’s growth is undoubtedly one of the game changers for the North Georgia region. Norton Native Intelligence™ demographic profiles for the last 31 years have chronicled the inch by inch, mile by mile, outward stretch through our region. Georgia Tech’s City Planning Division projects that by 2050 metro Atlanta will include 12 million people and reach South to Macon, move southeast to Greenville and North to Chattanooga. The urbanization of the entire North Georgia region won’t occur but will be seen in button clusters of cities, communities and townships. For at least the next generation, our region will remain largely rolling forests and valleys, but Atlanta’s growth affect does have profound effects on our economy, social context, and humanity.



#4 We were not surprised that the creation of the Chicken Industry was in our survey’s Top 10, but perhaps surprised it did not rank higher. The Chicken Industry or “Integrated Poultry Manufacturing and Processing,” is largely credited to Jesse Jewell, sometimes referred to as the Henry Ford of the Poultry Industry. Through his business accomplishments and experimentations with crude mechanization, he and a legion of other North Georgia poultry pioneers built infrastructure, manufacturing, feed supply chains, grower operations, processing plants, sales, and distribution networks...in other words “THE CHICKEN INDUSTRY.”

There is not a single part of the region unaffected nor unsupported by the effects of the poultry industry. Fortunes have been made, lost and made again. Our banks, accounting, housing, golf courses, country clubs, legal fields and philanthropic efforts all have deep roots in our chicken industry that continues today. While many focus on the new manufacturing lines, warehouse distribution, or service sectors, it is important to remember what brought this region out of the great depression and transformed a meager cotton farming community into an agri-business GIANT.

#3 At one time there were two hospital facilities serving Hall County- the Downey Hospital on South Sycamore Street located in downtown Gainesville and the Hall County

Hospital/Almshouse off of Atlanta Highway. Smaller hospitals were scattered in Cleveland, Commerce and Toccoa. In 1951, the Hall County government created a hospital authority and constructed a 90-bed facility on Broad Street that set in motion the regionalization of healthcare services. At last count, Hall County Hospital, now Northeast Georgia Health Systems (NGHS), has over 8,500 employees working out of three major regional hospitals and another 15 plus locations.

The impact of healthcare delivery and healthy outcomes by NGHS for North Georgia residents is profound. It's spawned three major multi-specialty clinics: The Longstreet Clinic, Northeast Georgia Diagnostic Clinic and NGPC Physicians Group and ripples over to regionalized dentistry, chiropractic, and alternative medicine components. As we age, it also attracts continuum of care facilities (Lanier Village Estates), numerous personal care facilities, and active adult communities such as Village of Deaton Creek and Cresswind.
Healthcare continues to rock this region.

#2 As a community, we are indebted to many civic leaders but perhaps the most unsung hero is Dwight D. Eisenhower, the 34th President of the United States. His Interstate Highway Master Plan left us with tremendous accessibility. First, I-85 linked the region to east coast markets, then I-985 brought Gainesville and Habersham closer with more direct Atlanta access then GA 400, GA 316 and GA 515= all creating the North/South Population-to-Business/commerce arteries. The injection of transportation initiatives powers the regional community creating both temporary (construction) and permanent industrial/retail/office job markets. While, at times, these roads seem undersized, the vision...the blueprint...the map is in place for eons.



#1 Not surprisingly, our readers top vote goes to the creation of Lake Lanier. Envisioned as a WPA project, but sidelined by World War II, built on a fast track in the 1950s becomes a second home and visitor destination in the 1960s and today is well woven into the business recruitment, residential living and tax base of the regional economy. First envisioned as a WPA project but sidelined by World War II, Lake Lanier was built on a fast track in the 1950s and became a second home and visitor destination by the 1960s. Now it is well woven into the business recruitment, residential living, and tax base of the regional economy. Lanier's 59 square mile playground

is increasingly encircled by luxury homes and as Atlanta marches north, it will soon be in the heart of metro Atlanta's demographic center. No other major metropolitan area is as connected to an inland man-made body of water as Atlanta and North Georgia are to Lake Lanier.

Its clean abundant water is fought over by three states and serves as the region's life blood. But to North Georgia, Lake Lanier is unavoidable, it's everywhere, it's home, it's business, it's life, it's peace and it is ours!

Note: Undoubtable there will be those who argue with our survey results, but we invite the discussion and dialogue. It is important to note is that no one thing launched North Georgia, nor will one thing stop North Georgia. Woven together we get the fabric of our region and its powerful growth dynamics.



Eliza Norton

The background of the entire image is a repeating pattern of small, interlocking yellow and black squares, creating a checkered or mosaic effect. A white rectangular box is centered in the upper half of the image, containing the text.

TODAYS MARKET

2017 - 2018

Norton Native Intelligence™ is a trend and forecast publication now celebrating its 32nd Anniversary and is one of the most highly regarded and widely read forecasts in the North Georgia region. We are, what they now call, “**B.I.G. D.A.T.A.**”

We’ve always been that. The editors and research staff, like ancient hunters and gatherers, collect 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 sandwiched between the bread of **Comment, Commentary and Interpretation.**

Have we ever been wrong? We have been wrong about things before. We just try and keep our wrongs minimized as much as we can. Norton Native Intelligence™ is undertaken by The Norton Agency’s collective divisions to better understand and blueprint its own organic growth and to help assist the communities we serve with our interpretations, trending and 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 annual findings are compiled into presentation format for our annual forecast event and in booklet form (print and electronic) for our extended readership. What’s more, we have created an online North Georgia Statistical Data Resource for our clients and friends with access to Norton’s powerhouse **BIG DATA**, 24/7. That site, NortonIntelligence.com has all of our latest reports and currency of data. WE invite you to explore and download as many reports as you like 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 and we hope 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 90 years. Our sales and support force is **local** and 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 for 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 must learn how to adapt to an ever-changing market. Norton Native Intelligence™ 2018 reflects the synthesized views of

more than 400 individuals and businesses who have been surveyed, temperature monitored, and economic vital signs recorded. However, the views expressed herein reflect our views of North Georgia, our views of our future, and our views on the opportunities in front of us. We own it...the data, the interpretations and the human spirit that drives us forward.

NORTON ECONOMIC & HOUSING PERSPECTIVE

There is a balancing of the overall economy—most fundamentals are healthy and stable. Yes, Millennials are delaying home purchases (and everything else) but the baselines are strong. We have seen a steady deceleration of house growth, while Wall Street is betting on future performance. It will be two to four years out to measure true growth. But, except in Washington and in the media, the economy has seen little volatility.

Most major U.S. cities are made up of 50% or more in rental units with one demographics home ownership soaring in the suburbia’s and exurbs. Part-time employment or under-employment is phasing down new home purchase. \$1.4 billion was invested in



Amanda Norton

American Real Estate by foreign investors in 2017, up from \$1.2 billion the prior year.

This recovery has not had the robustness in the housing market, unlike every other recovery since World War II. Household formation traditionally has driven housing growth. Most national authorities project that we are seven to ten years behind in supply. The average mortgage score in 2017 was 735 - in 2007 it was 661. That takes one million households out of the market since the recession.

Rentership has become the new standard.

The number one driver for rental housing in 2017 was the 55+ age group. This group is also the highest home ownership cohort but as they look to age in place, they are shifting want and needs and either downsizing to age restricted communities or renting for housing flexibility. It's an everchanging business climate and difficult to follow the many twists, turns, and loop-de-loops.

TOP 10 EVENTS - 2017

Each year certain events, real estate news, political decisions or social concerns become transformational to our regional fabric. Undoubtedly some announcements become a catalyst for other developments...like a game of dominos, one falling on another, then another, then another. **Some of these halt the dynamics of a community, some accelerate.** In 2017, various announcements, significant sales, investments, and political or social decisions were chronicled, debated, and discussed by our commercial team. Norton has honed the working list of 30, to a manageable TOP TEN. We share our results with an array of clients, business associates and community leadership to confirm and validate



Amanda Norton

our findings. Here are Norton's Native Intelligence's™ **Top Ten for 2017.**

1 For the fifth year in a row, *Site Selection Magazine* has named Georgia the Number One state in the nation with which to do business. From the top (Governor Nathan Deal) to the middle (State of Georgia industrial development recruiters) down to the federation of utilities, chambers and other economic developers, Georgia is now taken seriously by the National and International business communities. From Amazon Headquarters Two (we are in the hunt) to "Switch's" west Atlanta High Tech Campus; to a migration of legendary of high-tech giants to midtown Atlanta; Georgia is in the cross hairs of explosive business growth.

2 To help accelerate that growth movement, the industrial development has blueprinted a "new distribution" zone from Gwinnett to the South Carolina State Line. Over 10 million square feet of industrial development is either underway or eminent in that 45 mile pipeline crossing Northeast Georgia. This is addition to the 35-45 million square feet of **existing** industrial space. Jackson, Banks, Franklin, and Hart have land **zoned** for industrial exceeding another 200 million square feet. Opponents to this industrial activity are working fast and furious to putting roadblocks in the way of economic job expansion. The anti-warehouse/distribution center trend in communities along I-85 (Braselton, Jefferson and Jackson County) is noted by Norton Native Intelligence™.

This anti-growth sentiment is spreading across municipalities with some counties forcing changes in governing commissions and government visions. The movement seems to be influenced by the "newcomers" that might have moved out of Atlanta due to the ability to "buy up" during the recent depression and don't understand the history of planned projects or perpetual vision. They don't appreciate the years of hard work of community leaders like **Henry Braselton**

who, well before his time, envisioned a thriving industrial business center (he brought sewer to 21st century standards) amidst quality housing in multiple price points...**How soon we forget.**

We have a world gone crazy. When the market was bad, county officials and staff were begging, “what can we do for you? what do you need? we will do everything we can to make it work.” Today, the tone is flipped. Now it’s combat war to get something entitled. With increase incident, there is a clear disconnect between government elected authority (vision) and support staff.

It’s getting competitive out there. Government needs to learn from communities like Reno/Sparks, NV. Their industrial park (Tesla, Google, Facebook, Switch, Walmart Logistics) is a 100,000 acre (not a misprint) plot, with 33,000 usable acres after roads, totalling 300 million square feet of space. The park has pre-approved land uses, no fees, no extraction and building permits guaranteed in 30 days, and build to suits with certificate of occupancy in 180 days or less.

3 In 2017, Georgia had the largest up spike in population in its history, now at 10.42 million people, becoming the **8th** most populate state in the nation. Georgia is clearly on the national radar as an affordable place to call home (millennials to retirement), and an energetic place to do business.

4 In 2017, Nestle Purina Pet Care announced a new 500,000 square foot manufacturing and distributing facility in Hartwell. This 320 million-dollar, 240 new jobs and an investment is a **huge** shot in the arm for a region suffering from high unemployment and lingering effects of NAFTA.

5 Largely unnoticed, the timber company Forestar divested 72,000 acres of land in Georgia and Alabama. The bulk buyer from Macon Southern Pine Plantation quickly repackaged the assets into three tracks and flipped their sale. The cycle continues as smaller parts are being sold across 11 counties. The rippling depressed effect, of course, is on acreage pricing as the investors work through those assets.

6 In a national trend reversal, we are seeing Georgia families move from intown neighborhoods to the suburbs or suburban locations in search of better/newer schools for their children and more family-recreational connectivity.

7 Norton participated in North Georgia’s largest non-medical office lease in recent history when the Georgia Department of Transportation relocated their 32,000 SF District 7 office to a custom designed building on Jesse Jewell Parkway. GDOT has been in their regional office since 1962. This lease places this important regional economic stimulator inside Gainesville’s business loop.

8 In May 2017, we note a triad of major downtown Gainesville announcements-\$53 million in value, a 34-unit condominium project (parkside) over a 15,000 SF retail center is planned for the fourth side of Gainesville’s square, A 150-unit high rise, high density 21st Century apartment project along Jesse Jewell at Academy, and the 60,000 SF, Carroll Daniel Construction, Class “A”, headquarters building at Jesse Jewell and Main Street. The signature Daniel building is first in line and indicates a downtown resurgence not seen since the renovation of the Dixie Hunt Hotel to Hunt Tower by Frank Norton, Sr., and The Norton Agency in 1981.

9 Forsyth County continues to reverse its stellar pro-business, pro-executive housing course with an emerging anti-growth county vision with roadblocks on development, permitting, and code approval. It’s amazing to see a staunch 95% Republican voting community supporting an anti-business, anti-growth agenda. Once herald as the shining star of progressive economic activity it’s dangerously close to erasing...the “we can do anything, we are unstoppable boosterism” with a “go home leave us alone” rally cry. The losers are the citizens of Forsyth- the winners are the citizens of Dawson, Pickens, Hall and Gwinnett standing in line waiting to pick up the pieces.

10 Finally, the last top ten event is Habersham County’s 24-million-dollar investment over five years for the Habersham County Airport. This 5,500 ft runway with a new taxiway is primed to capture overflow traffic from Hall County and private plane commuter traffic from Hartsfield- a huge public federal, local state initiative for a small 43,996 population county.

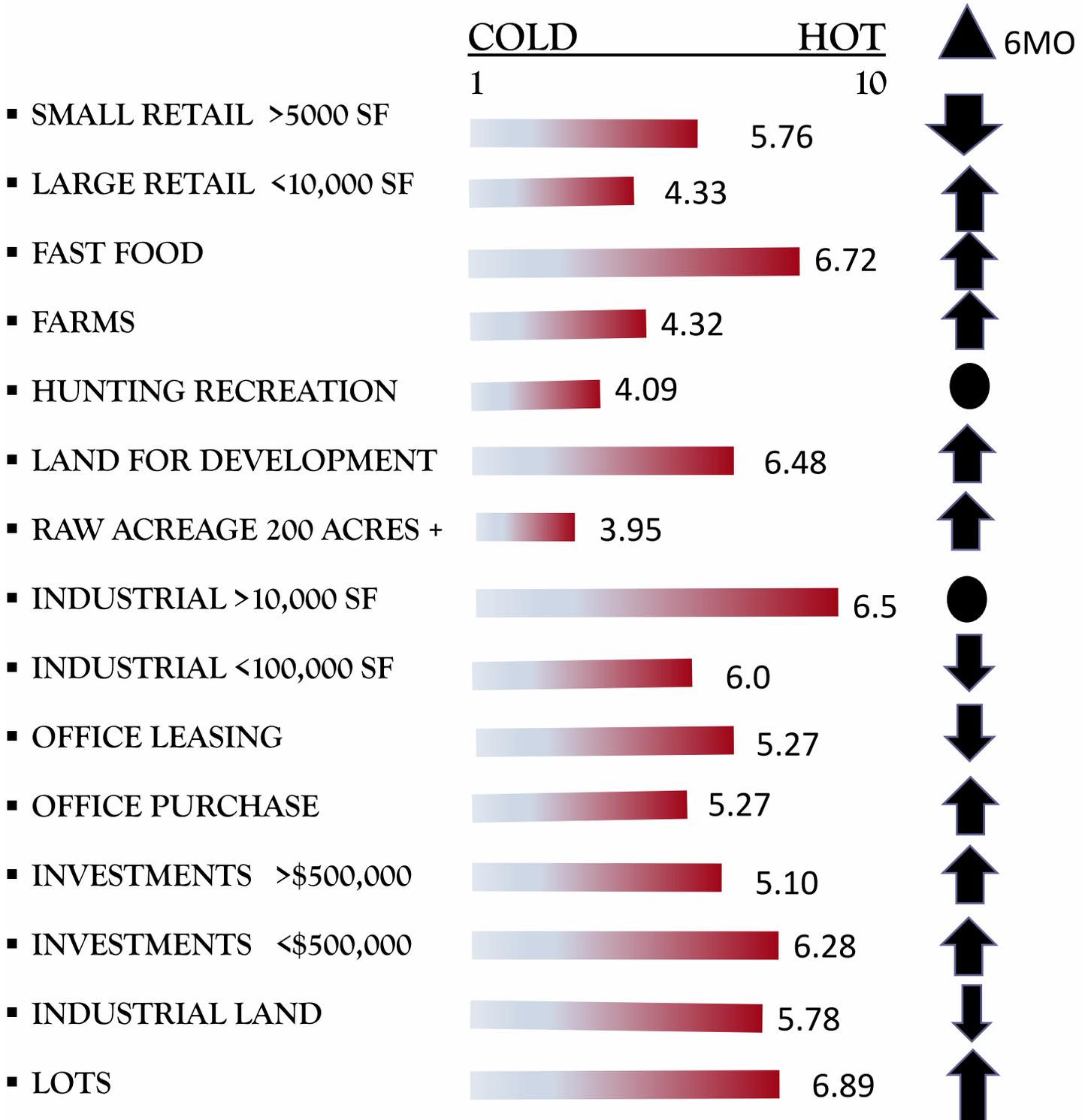
Other notable 2017 events that did not quite make the cut include: the start of the Halcyon Project in Forsyth, Georgia as an emerging film location, the sale of Lakeshore Mall and Amazon’s second building in Braselton.

NORTON



COMMERCIAL MARKET TEMPERATURE

4th QT 2017



A QUARTERLY SURVEY OF NORTON COMMERCIAL AGENTS ON MARKET VELOCITY, MOOD, INTEREST AND ACTIVITY

FORECAST 2018

Norton Native Intelligence™ (as part of the forecast) led group discussions with its commercial and residential sales force to seek insight into the leading real estate Market Trends for North Georgia. In some cases, these reflect the national mood for such real estate products, in others North Georgia is the **outlier** from the rest of the country for product disciplines.

They include:

- | | |
|-------------------|----------------------|
| Retail | Industrial |
| Acreage | Residential |
| Investment | Medical |
| Office | Lake Property |

RETAIL TRENDS - 2017

■ While the market is uncertain, upheaval in Food Store expansion is leading the retail footprint. People have to eat...fresh produce is in demand and high service prepared convenience food is winning the market wars.

■ Pizza joints and other food services paying high rents in centers three, four and five years old are not renewing. There are growing pushbacks on \$28.00 to \$35.00 retail rates.

■ Retail banking is a walking dinosaur with lobbies empty and drive through demand falling. Some banks haven't faced this new reality.

2018 FORECAST TWEETS

BRYAN WRIGHT
SVP Asset Management

Apartments have become America's affordable homes; construction government regulation and labor shortages give no choice.



■ Shopping malls are transforming, some turned inside out to face convenience parking. Big boxes leaving, with car dealers taking over space and co-tenancy agreements cascading increasing vacancy.

■ Sales on the web **are** increasing but e-commerce may be leveling out projected at 40-60%. Demand for face to face, high service, high tough and feel businesses will always be high, especially in



Blair Marshall

North Georgia towns, townships and crossroads. Amazon or Hello Fresh can find Demorest or Talmo, but not as often as Atlanta or Cumming.

ACREAGE TRENDS - 2017

■ Acreage is frozen in time- unless the property is an absolute steal, in the way for something bigger or has a long-term agriculture use land or otherwise IT just sits...but there are still life time opportunity land plays for the 20, 30 and 40-year investment horizons.

■ Our staff is seeing more and more 75 - 85-year-old sellers ready to clean things up, list, sell and move on.

■ The 21st Century Land Barons are the tech and franchise retail investors looking to diversify portfolios and stabilize fast growing wealth, and the 1031 buyers loaded with sideline cash.

■ There is heavy (and we mean heavy) demand for five acres and below land with zero demand over 15 acres. There is very thin air at this acreage level.

■ Land users are not in a rush, they are still searching for a steady bottom.

**OPTIMUM ACREAGE, CONTRACT TO CLOSINGS,
BENCHMARKS**

Contract	0 to 21 days +
Due Diligence	60 • 90 • 120 days+
Rezoning	90 – 120 days+
Engineering	90 – 160 days+
Permits	90 – 180 days+
Closing	15 – 30 days

Source: Norton Native Intelligence™ 2017

**AVERAGE ESTIMATED TIMELINE TO
GET PROPERTY FROM CONTRACT
TO CLOSE AND LAND DISTURBANCE
PERMIT (LDA)**

Banks	3 – 5 Months
Barrow	6 Months
Braselton (1)	23 Months +
Cherokee	9+
Dahlonega	9+
Dawson	9
Forsyth	18 Months+
Gainesville	6 Months
Gwinnett	Less than 12 Months
Habersham	9 Months
Hall (2)	9 – 12 Months
Jefferson	12 Months to 5 Years
Walton	6 Months
White	5 Months
Stephens	4 Months
Franklin	4 Months
Hart	4 Months

Notes:

- (1) if they like you
- (2) Army Corp puts wrinkles in time....

**Source: Norton Native Intelligence™
November 2017**

INVESTMENT TRENDS - 2017

- Falling cap rates and zero investment options are frazzling the market place (supply), stimulating seller's "greed."
- Individual investor circumstances are dictating the level of risk, equity thresholds and hold horizons.
- Industrial, medical, multi-family, and retail are dominating demand over office.
- Single family rental is clearly an emerging product class with a 17-million national home rental supply.
- There is an investment demilitarized zone (Cherokee County across to central Forsyth

2018 FORECAST TWEETS

JOHN DREW
VP - Partner
Norton Commercial

2018 Norton commercial and residential development in Metro Atlanta accelerates dramatically.



Kelly Ashburn

through South Hall and along the Jackson/Gwinnett border) where institutional buyers won't tread giving local investors a major competitive advantage over the few local investment real estate opportunities

OFFICE TRENDS – 2017

- Alternative and creative amenities are sought after by today's office user: fitness rooms with showers, outdoor dining spaces with free amenity WiFi, walking trails.
- We see shrinking business office footprints across all industry sectors, with more collaborative flex space, and fewer cube farms that remain empty 90% of the time.
- Buildings need massive technology flexibility for the ever-changing technology advances. Grid systems, trunk line piping between floors, IT rooms with 24-hour HVAC, and redundant power generation systems.
- Parking loads are killing some office environments where code requires 3.5 spaces per 1000, buildings are built for 4.5 spaces per 1000 and actual peak usage is now 6.5 to 7 spaces. Today's parking is like squeezing 10 pounds of flour into a 5 pound sack.
- Concessions have tightened to one free month per year for leases, five years or longer (non-medical), and very limited free rent when leases are under five years.

2018 FORECAST TWEETS

GERALD LAMBERT
Office Sales Associate
Norton Commercial

The Forsyth New Alliance Academy Innovation School (new collar worker) will become a huge job generator for Northeast Georgia.



INDUSTRIAL AND FLEX SPACE TRENDS – 2017

- Redundant power and fiber loops have been

added to the “must haves” vs “like to have” list for all categories of industrial space.

- Industrial rental rates are on the upswing, 3 to 7% in 2016 and 2017 with rates projected 5 to 8% increasing in 2018.

- Speculative (spec) industrial space is almost non-existent with construction costs soaring. Construction economics must balance out with rental rates.

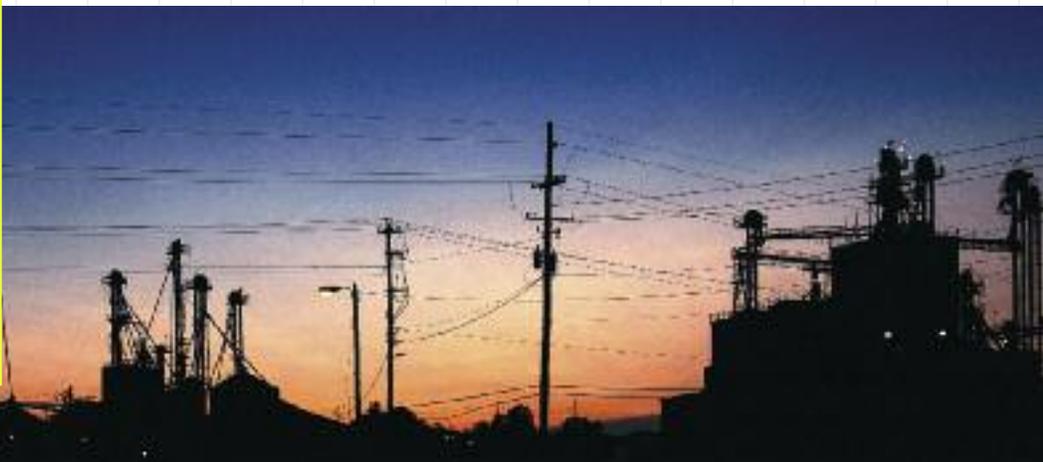
- Regional Demand for 10 – 25,000 SF users in Forsyth, Dawson, Gwinnett and Jackson seem to be strong and steady with weaker demands in Gainesville.

- There is little movement in industrial space 250 to 500,000 SF in size, but 4.5 million square feet of jumbo warehouse units are underway along the Jackson County/I-85 segment.

RESIDENTIAL TRENDS – 2017

- The tightened market is driving multiple offers and strong price increases for most products under \$300,000. That's the deep end of the pool for demand expect 5-8% home price appreciation in 2018.

- Builders are still shell shocked but are venturing out from under their rock. With increased frequency, we see builders willing



Diego Gonzalez

to do two lot take downs and one or two specs all in a tight \$250-300,00 price point.

■ Buyers are uber discriminatory: lots of interest in ranch homes with master on the main with updated kitchens. Most buyers want move-in ready, clean homes.

■ Intown living convenience is also hot for all ages. Neighborhoods you can walk in and walk to an energy source – parks, tennis courts or downtown areas.

■ 2018 design features include the modern farmhouse look, open floor plans, masters with walk-in closets, quartz countertops and outdoor relaxing places.

LAKE REAL ESTATE TRENDS – 2017

■ **A VIBRANT MARKET:** With lake home prices nearing 2006 levels, and inventory 30%-40% down depending on price segment, home sellers are enjoying a steady market with prices edging up about 5% in 2017. Those sellers with deep water are clearly winners with low water properties patiently holding off the market until a full pool returns. Buyer activity is high, but with low inventory, it can be frustrating for a Buyer to find a home that fits their needs. Homes under \$500,000 are in high demand with less than 60 days on the market and we are seeing multiple offers and just days on the market for hot properties. Lake lots are selling again, prices ranging from the \$200's in multi slip communities up to luxury lots from the 400's up. A recent lot sale in Forsyth county sold for \$800,000 in 2017. Custom homes are once again popping up on the lake, as lots and tear downs are seeing new builds.

■ **THE RETIREMENT REVOLUTION:** With the success of Cresswind at Lake Lanier, Harbour Point, Marina Bay, Chestatee, and others, more Active Adult developments are moving fast to capture the growth and demand for new lake homes. “Diamond Gardens”, in Cumming, off Pilgrim Mill Rd. is completing its clubhouse, tennis courts and pool this summer.

■ **SECOND HOMES ON THE RISE:** Buyers of all ages are heading to Lanier for refuge from the “Concrete Jungle” of Atlanta, or as an escape from crowded beach towns or cold weather locations. With shopping and modern conveniences readily available now, our second home residents can enjoy all that our communities have to offer year-round. These buyers are looking for deep water boat dockage, and well-maintained and updated properties that they can move into with little or no renovation. Second homes sold from the \$250's up to \$1,800,000 in 2017.

■ **LUXURY LAKE SALES:** Luxury home sales over \$1 million dollars are up 20% over the last 12 months in number of sales. Low interest rates and improving economy are helping this segment of the market to improve, regardless of water levels and low inventory. There are currently 50 homes now on the market over \$1 million. Twenty homes have sold, and pending sales are up. Fifty percent of these sales are cash buyers, and about half are second homes. The average million-dollar lake home has 4-6 bedrooms and 5 baths with an average of 5500-8500 square feet. The average sales price in 2017 is \$1,250,000 with an average of 90% sales to list price ratio. Values steadily increasing about 1.5% year for homes priced \$899,000-1,299,000 and values are up 8% for homes sold above \$1,300,000. About 75% of luxury homes sold have pools and most have screened porches or outdoor living spaces. The luxury homes sales are split evenly between south and north lake, with the majority in Hall County due to low inventory in other counties.



Deborah Hood

■ **DRESSING UP THE SHORES:** With water quality and erosion control always an important topic, we are seeing more homeowners and businesses taking a proactive stance. Just take a cruise on the lake and you will see homeowners lining the shoreline with granite rip rap stone. Additionally...Old docks are gradually being removed or refurbished, with newer, more attractive and safer docks appearing in their places. Owners with newer and well-maintained docks will also receive some benefits of a higher price at resale.

Reprinted with permission, Sheila Davis, VP Partner & Lake Specialist
 Special thanks to Mary Thompson

2018 – 2019 TREND WILDCARDS

■ Tax changes to IRAs, self-directed IRAs, 401K limits, mortgage deductibility and 1031 Exchanges. (fact check)

■ A major Wall Street Correction. The Dow is at 29,719 on December 31, 2017 vs 19,762 December 31, 2016 at a 20% increase in 12 months.

■ Consumer confidence, THE Trump factor turning down media noise...who knows the reason for up-tic.

■ GEO, Political, Accident or Military conflict...Korea...Russia...Saudi Araba... Syria...Iran...any one might rattle the American mind and tightens its pocketbook.

■ NAFTA negotiations collapse and restrictive trade policies.

■ Catastrophic disaster – Yellowstone blows, ice caps melt or proliferate California slides into the Pacific.

■ 2018 election shifts Democrat-Republican balance and impeachment conversations escalate.

A BRIGHT FUTURE AHEAD

Predicting the next 90 years is a daunting and unrealistic task. Norton Native Intelligence™, after several “future” conferences in 2017, has digested business targets and initiatives for us to thoughtfully

2018 FORECAST TWEETS

ED FICKEY
 Acreage Sales Associate
 Norton Residential

The Highway 17/I-85 corridor will explode with growth.



Rene Richardson

consider. Through these discussions, we have outlined a more realistic target of the next 30 years.

■ In order to be successful, we must master the balance between High Tech and High Touch. One example of this is American Express personally calling you when their quantitative computer programs indicate change in your traditional AMEX buying patterns that could also indicate FRAUD. This human touch overlays the sophistication of their predictive analytics.

■ 90 percent of work will become , morphing the definition of work into more creative pursuits., Creating **new** and improving the **old** will be well rewarded in the new economy. Tradesman, while in reduced numbers, will be the rock stars of a homogenized, one size fits all future, and individual craftsmanship that is unique and individualistic will be sought after and command premiums. That's service attention to detail.

■ Coupled with changes in the definition of work is the emergence of **enriched experts** over the proliferation of generalists. Everyone, thirty-year hence, can code (not me but almost everyone). It's the enriched experts that can do it on the fly or streamline the binary outcome. Looking for a simple futuristic job, real estate experts have much more sustained success focusing on micro products...Lake Lanier homes, gentleman farms, fast food retail sites, bulk industrial storage....

In 2108, we in North Georgia are going to live differently. There is more globalization which permeates throughout. Houses will be smaller and more efficient with more sustainable materials, using much more systemized manufactured components as a skilled heavy lifting labor is in very short supply in 2108. It is not uncommon for multiple generations to share the same roof, in multiple living pods sharing the same family, mortgage 50 – 70 years. As lack of affordability tightens the dream of home ownership does not lessen. We are going to work hard but in shorter bursts, so we have more time off to enjoy the preserved environment (yes, it is still important). The forests and lakes that surround us are even more vital to our well-being in 2108.

■ Socially, quickly, sustainable environmental brands and businesses will dominate the business sectors. As the world and North Georgia becomes more populated, a denser world drives the human race to appreciation of resources, materials and the value of doing good for goodness amidst an ever-darkening GEO political climate. Goodness, true giving goodness, will permeate some businesses' DNA and those hyper local firms, improving the community rather than extracting from it, will win in the marketplace if not the heart of consumers.

■ Expect disruption, expect the underpinning of business, commerce, government to transform with the speed of the best StarTrek warp drive. Uberization of business and commerce are upsetting even the most solid of industries. Disruptors appear as talking heads on every nightly newscast; Musk, Zuckerberg, Jobs are hailed as 21st century heroes. North Georgia has its own; Gus Arrendale – moving Fieldale into organic chicken on a mass-produced scale, Philip Wilheit and the Board of Regent higher education retooling, Jim Walters leading an aggressive Georgia ports logistics expansion, Ed Schrader's transformation of Brenau University into a powerful Health Science provider and Carol Burrell's Regional Medical Delivery System Blueprint for North Georgia Health Systems.

■ Disruption may be the 21st Century hallmark of good business and requirement for survival as much as sustainable economic expansion. In a previous forecast (2012) we discussed "Thinking Out of the Box" as a matter of scale, simply depending on the actual size of one's BOX. The future success is thinking outside of GIANT BOXES in order to remain competitive and remain RELEVANT to the surrounding demanding population.

■ In the next 30 years, Human Interaction must remain on the front of our cerebral cortex. Modern innovations like iPhones, iPads, texting, email, Snapchat Facebook and hundreds of other technology flavors allows us to cocoon into a vortex of artificial reality. Too many times over the last three years, I've asked my staff, "Did you call them?" Their answer was "yes" but penetrating further their "call" was either an email or text. What did they say? What was the tone of their voice, their mood – excitement or disgust is lost without the human voice reaching out to the human voice. One-on-one interactions... LIVE will become more

Tammy Smith

important and rare as we move forward in this technologically enhanced world. Call them, hug them, touch them, praise them and as the best retailers in today's world know, embrace them and over deliver in their expectations. Human touch is becoming a lost art and those that succeed in the next 30 years will be those who embrace technology while balancing personal relationship development. From handwritten notes to random acts of kindness, human civilization needs the warmth of a human hand to lift them up, help them through complicated tasks and empathize with them along the way.

■ And lastly, we heard a great quote from one of the nation's top business leaders; "If you're doing things you did in the last century you are doomed."

While only a scant 20 years ago, light years have passed since we turned the millennial. Business and life are warp speed faster, the daily media noise is almost deafening, and we have become desensitized. Not much shocks us anymore. In 1928, there were no fax machines, no television, no internet, and no modern miracle drugs, much less corrective surgeries. For the human species to survive, we have always adapted from that perspective...as a co-owner of a 90-year old business to survive we have had to adapt. Our father reminds us that during that 90 years, we have had 13 downturns, yet 13 upturns and **both present opportunities** along the way.

For North Georgia it's opportunity TIME. Right now, right here, OPPORTUNITY should be our middle name.

2018 FORECAST TWEETS

GINA JOHNSON
 AVP Acreage Sales
 Norton Commercial

Residential Real Estate will move north into Dawson with use of private sewer facilities.



The NEXT BIG IDEA

My brother and I regularly meet to catch up on the myriad of moving parts in our business. It's fun when those conversations come around to dreaming big for our firm or "The Next Big Idea." Some of our business units; Real Protect, Nsure Network, The Lot Bank, and Blackwatch were outputs from ongoing dialogue in our business universe.

It is the same process taken by, or should be taken by, our community leadership. We're not saying what should be done for 90 years from now rather what are the next "Big" ideas for our region. Simple, Attainable, Concrete. Some of Bob and Frank's ideas are:

- Create affordable housing enterprise programs where cities or counties support new affordable housing through changes in unified development codes, building code exceptions for homes under \$200,000 and tax incremental financing of pocket urban renewal areas in support of affordable, rental or purchase housing.
- Build highspeed commuter rail from Lula, GA to the Brookwood Station on parallel tracks. The rail currently runs almost parallel to I-985 and GA 365 enabling more business links and "hop on, hop off" points.

What's your BIG IDEA?

don't keep it to yourself; share, post, discuss...just perhaps someone else will rally and join your cause. Together we become a powerful force.

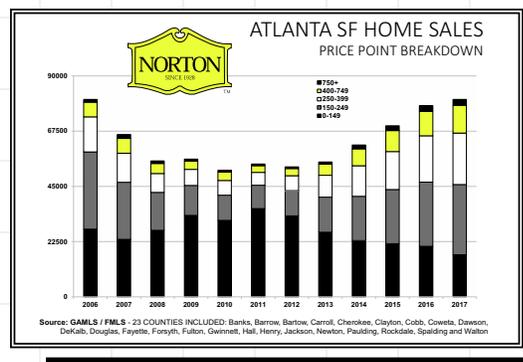
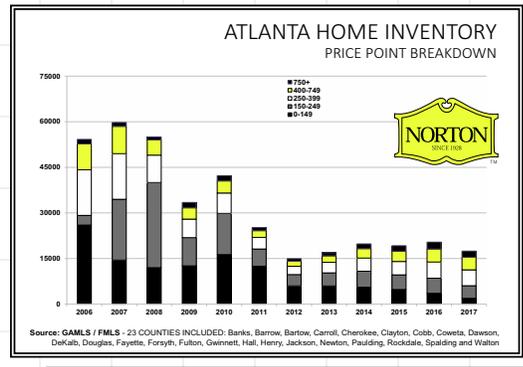


10 Fastest Growing Cities in Georgia in 2017

1. Chamblee
2. Norcross
3. Clarkston
4. Port Wentworth
5. Glenville
6. Braselton
7. Pooler
8. Richmond Hill
9. Flowery Branch
10. Woodstock



Source: WSB News



Unemployment 2017 November



Banks	3.8	Forsyth	3.8	Madison	4.1
Barrow	4.1	Gilmer	4.3	Pickens	4.3
Cherokee	4.2	Gwinnett	4.3	Rabun	3.8
Cobb	4.2	Habersham	3.8	Stephens	3.8
Dawson	3.8	Hall	3.6	Towns	3.8
Fannin	3.8	Hart	3.8	Union	3.8
Franklin	3.8	Jackson	4.1	Walton	4.1
		Lumpkin	3.8	White	3.8

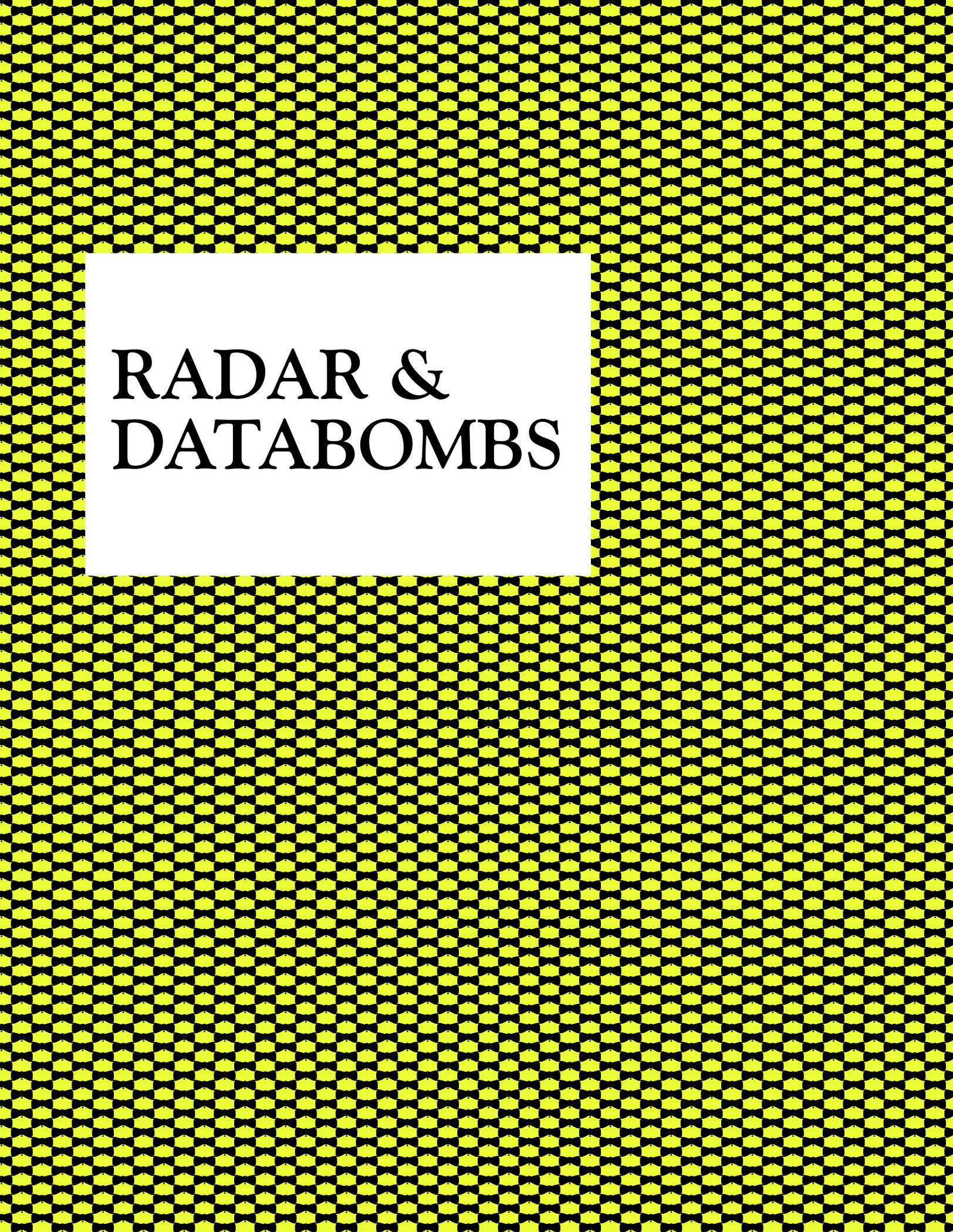
2018 FORECAST TWEETS

STEPHEN LOVETT
VP-Partner
Norton Commercial

There will be over 1200 new home permits in Hall County, an increase of 20% over 2017. Mirroring the 2001 pace. Lack of affordable land, sky rocketing development costs and government impact fees will create a cost ceiling based not demand ceiling.



Robert Murillo



RADAR & DATABOMBS

NEWS • FINDS • TRENDS 2017-2018

For years, Norton Native Intelligence™ has conducted various interviews, conversations, surveys and 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 67 counties in four states, powers a national insurance platform, and with operational interest from Habersham 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 a statewide

business view and regional impact for this New South. Some of these thoughts are ours, others gathered from a wider reach of study.

The 2018 Real Estate Market. If there is one thing most early forecasters agree on, it’s that home prices will continue to rise. Where they part ways, however, is how much they will rise, with some claiming 3.65 percent and others, such as CoreLogic, indicating “that home prices will increase by 5 percent,” from July of this year through July of 2018.

Either prediction is good news for real estate consumers;



however, because both beat 2016’s heady increase of nearly 7 percent. Mortgage rates are expected to increase as well. Back in late March, Federal Reserve Vice Chairman Stanley Fischer told CNBC to expect two more rate hikes by the end of 2017. We got one of them in June and, in July, the Fed decided to hold off on another in the fall but announced another in December. Forecasting how high 2018 mortgage rates will climb is nearly impossible, although, back in April, the Mortgage Bankers Association (MBA) said that they expect the “benchmark 30-year rate to climb above the 5% threshold sometime around the middle of 2018.” So yes, homes will become less affordable for those on the edge of the affordability envelope. Many will be knocked completely out of the buyer pool. But, have no fear – the boomerang buyers may just make up for the loss of the cash-strapped buyer.

HOUSING

Inventory constraints that have fueled a sharp rise in home prices, making it difficult for buyers to gain a foothold in the market, will begin to ease next year as part of broad and continued market improvements, according to realtor.com®.

2018 FORECAST TWEETS

DAVID WILLIAMSON
 Acreage Sales Associate
 Norton Commercial

Shortage of office/warehouses under 10,000 SF because of zoning issues. No new land will be zoned for these buildings.



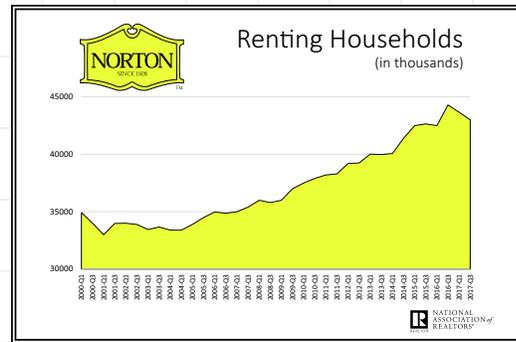


BULLISH

The easing of the inventory shortage, which is expected to result in more manageable increases in home prices and a modest acceleration of home sales, is based on an inventory growth trend that began in August 2017. The annual forecast, which is among the industry's bellwethers in tracking and analyzing major trends in the housing market, also expects an increase in millennial mortgage share and strong sales growth in Southern markets.

FORECAST FOR KEY HOUSING INDICATORS

HOUSING INDICATOR	2018 FORECAST
Home price appreciation	3.2% increase, enabling a sales pickup
Mortgage rate	Averaging 4.6%, reaching 5.0% (30-yr. fixed) by end of year.
Existing home sales	2.5% growth, low inventory trend starts to reverse
Housing starts	3% growth in home starts; 7% growth in single family home starts
New home sales	Increase 7%
Home Ownership rate	Stabilizes at 63.9% after having bottomed in Q@-2016



HOUSING TRENDS FOR 2018

Inventory begins to increase. Beginning in August 2017, the U.S. housing market started to see a higher than normal month-over-month increase in the number of homes on the market. Based on this trend, realtor.com® projects U.S. year-over-year inventory growth to tick up to positive territory by fall 2018, for the first time since 2015. Inventory

declines are expected to decelerate slowly throughout the year, reaching a 4 percent year-over-year decline in March before increasing in the early fall, after the peak home-buying months Boston, Detroit, Kansas City, Nashville and Philadelphia are predicted to see inventory recorded first. The majority of this growth is expected in the mid-to-upper tier price points, which includes U.S. homes priced above \$350,000. Starter homes are expected to take longer to recover because their levels have become so depleted by first time buyers and investor purchases.

Slowing price appreciation. Home prices are forecasted to slow 3.2 percent growth year-over-year nationally, from an estimate increase of 5.5 percent in 2017. Most of the slowing will be felt in the higher-priced segment as more available inventory in this price range and a smaller pool of buyers will force seller to price competitively. Entry-level homes will continue to see price gains due to the larger number of buyers that can afford them and more limited homes available for sale.

Millennials gain market share in all home price segments. Although millennials will continue to face challenges with rising interest rates and home prices, they are on track to gain mortgage market share in all price points due to the sheer size of the generation. Millennials could reach 43 percent of home buyers taking out a mortgage by the end of 2018, up from an estimated 4 percent in 2017. With the large cohort of millennials expected to turn 30 in 2020, their homeownership market share is only expected to increase.

Southern markets will lead in sales growth. Southern cities are anticipated to beat the national average in home sales growth in 2018 with Tulsa, OK; Little Rock, AR; Dallas; and Charlotte, NC leading the pack. Sales are expected to grow by 6 percent or more in these markets, compared with 2.5 percent nationally. The majority of this growth can be attributed to healthy building levels combating the housing

2018 FORECAST TWEETS

BARRY JOYNER
Sales Associate
Norton Commercial

Chic-Fil-A will finally land in Jasper on Hwy 515 next to Hardee's.

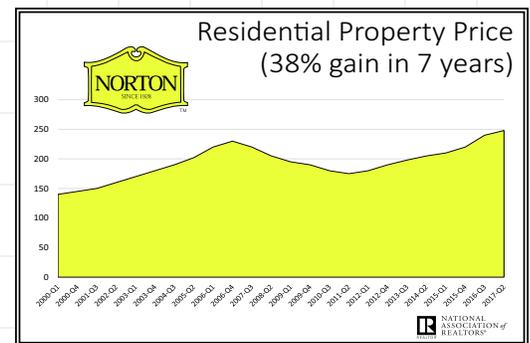
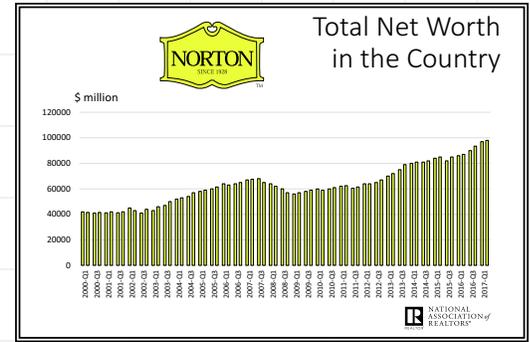


shortage. With inventory growth just around the corner, these areas are primed for sales gains in years to come.

■ **Tax reform.** Both the new tax changes have provisions that are likely to increase incentives for mobility and reduce ownership tax benefits. On the flip side, some taxpayers, including renters, are likely to see a tax cut. While more disposable income for buyers is positive for housing, the loss of tax benefits for ownership in high property tax states and expensive housing markets could lead to tempering sales and lower prices with the largest impact on markets with higher prices and incomes.

Next year, home prices are anticipated to increase 3 percent year-over-year after finishing 2017 up 5.5 percent year-over-year. Existing home sales are forecast to increase 2.5 percent to 5.60 million homes due in part to inventory increases, compared to 2017's 0.4 percent increase or 5.47 million homes. Mortgage rates are expected to reach 5.0 percent by the end of 2018 due to stronger economic growth, inflationary pressure and momentary policy normalized in the year ahead.

SOURCE: Realtor.com



TOP ISSUES AFFECTING COMMERCIAL REAL ESTATE

Global uncertainty and political polarization top the list of issues expected to have the most significant impact on real estate throughout 2017 – 2018, according to The Counselors of Real Estate®.

2018 FORECAST TWEETS

CHARLIE HAWKINS
Sales Associate
Norton Commercial

Commercial and large industrial development will slow down. Today's development cost/restrictions and seller's unwillingness to negotiate are contributing factors.



■ **Political Polarization and Global Uncertainty.** Political Polarization and Global Uncertainty are impacting decision-making at every level of government and the business community. Recent elections in the U.S. and other countries point to resurging nationalism and test relationships around the globe. Potential military conflicts seem more likely. Negative implications on real estate are immediate. Uncertainty about trade, travel and immigration threaten cross-border investing infrastructure, affordable housing, local and state pension liabilities and education.

■ **The Technology Boom.** Technology is revolutionizing real estate as it changes the way real estate is bought, sold and managed. Commercial real estate tech start-ups have grown exponentially over the past 5 years. Robotic learning has accelerated automation in the workplace; as many as 47% of today's jobs could be replaced by automation. Big Data supports real estate planning, investment and space planning decisions. Online consumption drives warehouse demand up and retail space down.

■ **Generational Disruption.** Boomers' and Millennials' divergent views of where to live work, and play impact the property markets. The generations cross paths everywhere and share space, despite disparate demands on the built environment. Real estate professionals need to understand not only the location preferences of each generation, but the design and amenity features, whether rental or owner occupied. One size will not fit all.

■ **Retail Disruption.** We are not, by any stretch, facing a "Retail Apocalypse." Restaurants are booming. Grocery-anchored

malls remain steady. The trend toward transforming retail into “experiences” continues to drive customer traffic to an environment targeted to a variety of age groups and interest. “Omni Channel” platforms encompass e-commerce and a host of spaces, physical and virtual. And, as retailers refine inventories, distribution methods, and fulfillment models, the retail market will survive – even prosper – in fresh new ways.

■ **Infrastructure Investment.** The movement of goods is strained, aging, and highly vulnerable. In all forms (roads, bridges, pipelines, etc.) infrastructure needs have become more pronounced. Trump administration proposals suggest limited Federal Government investment, placing heavy reliance on local and state governments and public-private enterprises. This presents important opportunities for the private sector to direct significant funds to infrastructure projects, recognizing the need for infrastructure investment.

■ **Housing: The Big Mismatch.** A confounding supply-demand mismatch continues to impact markets worldwide. Lack of inventory has generated price spikes, fueling a growing affordability gap, particularly in coastal regions, where highly-paid workers monopolize new, resale, and rental products. This is raising prices on once-affordable housing – creating a crisis for lower paid workers. Insufficient investment in, and government limitations on, creative housing solutions could lead to an affordability crisis.

■ **Lost Decades of the Middle Class.** Middle class incomes hover below inflation-adjusted levels from almost two decades ago. Middle class jobs remain under pressure, and disenchantment has influenced the rise of populist candidates in many countries. Middle market retail properties bare the brunt of store closures. Rising costs and debt are delaying home purchase decisions. Rentals do not necessarily benefit in the most expensive urban locations, where supply in multifamily housing lags demand, pushing rents higher.

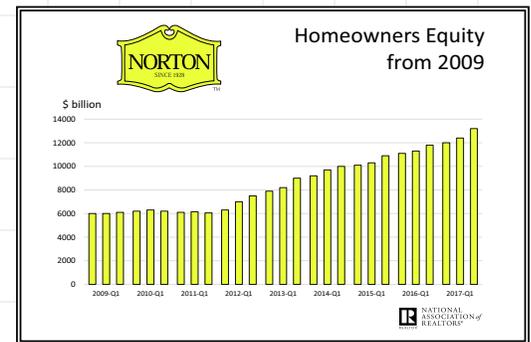
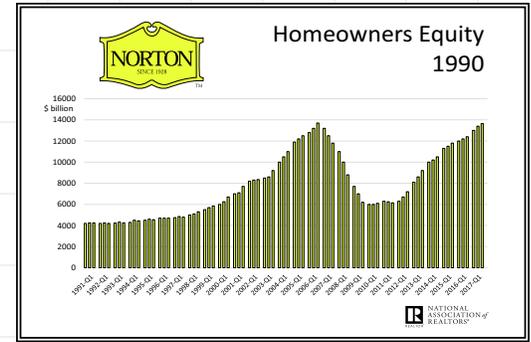
2018 FORECAST TWEETS

KELLY MOORE
Sales Associate
Norton Commercial

Lake Lanier will fill with the winter rains.



■ **Real Estate’s Emerging Role in Health Care.** The real



estate industry has emerged as a major player in improving how Medical services are delivered in clinics, urgent care facilities, and ambulatory surgery centers, reducing hospital visits. In addition, beyond care facilities, building occupants increasingly demand that the space they occupy be designed, constructed and operated in ways that improve health outcomes. Buildings designed to address health behaviors (i.e., the WELL Building Standard) are a growing trend.

■ **Immigration.** More restrictive immigration laws appeal to voters concerned about jobs and security. At the same time, many companies bemoan the lack of qualified workers. Development projects stall from labor shortages. New immigrants also tend to rent, boosting demand for multifamily housing, and they aspire to own homes. Labor mobility and homeownership are constrained by limiting immigration, and economic growth is curtailed, with a smaller labor force to support an aging population.

■ **Climate Change.** The National Oceanic

and Atmospheric Administration (NOAA) released a new report doubling forecasts of potential sea level rise by 2100. Most coastal areas are exposed to be at risk, while Miami, New York, New Orleans, Tampa, and Boston are projected to have the greatest problems. Commercial properties in coastal regions will suffer if tenants go elsewhere. Residential properties are vulnerable, with those counting on the equity from their home likely to sell before value declines.
 SOURCE: NAR

Cannabis Rocks in Denver Industrial Market. Marijuana growers continue to expand in Denver’s industrial market. Currently, they lease 4.2 msf and have expanded 14 percent since Q4 2015, according to CBRE. Cannabis operations are concentrated solely in Class B and C industrial space, with 63.4 percent in warehouse space. The average lease rate for marijuana growers was \$14.19 psf triple net, which is two to three times higher than the average warehouse lease rates in the four top cultivation submarkets. Consolidation continues in the marijuana industry, with well-established operators buying smaller mom-and-pop growers.

Self-Storage Continues Sunny Forecast. 0 basis points change in vacancy. Nationwide self-storage vacancy remains at a historic low of 10.2 percent during 2017, due to continued household growth and rising incomes. There is a 2.7% increase in climate-controlled rents. Healthy underlying demand for storage space continues to boost costs for rentals. The average rental rate for climate-controlled space will rise 2.7 percent to \$1.63 psf, building on a 1.6 percent increase in 2016. 3% increase in nonclimate-controlled rents. Tight market conditions are driving another year of steady rent growth in 2017. The average asking rent is expected to climb 3 percent for nonclimate-controlled units to \$1.31 psf.

2018 FORECAST TWEETS

STEPHEN REYNOLDS
 Sales Associate
 Norton Commercial

Prediction: Amazon will select Metro Atlanta for its headquarter location.



PRIME WORKING YEARS (REDEFINED)

The workaholic baby boomers continue to redefine employment, even as they reach the traditional retirement age. They create the surge in dual-income families that ended in 2000, and now they are creating a surge in full-time workers over

Average Price Home Sold 2017

County	Resale Price	New Home Price
Banks	238k	209k
Barrow	187k	245k
Cherokee	289k	322k
Dawson	293k	234k
Forsyth	365k	408k
Gilmer	224k	342k
Gwinnett	273k	330k
Habersham	207k	262k
Hall	272k	283k
Jackson	227k	226k

Source: FMLS

Average Price Home Sold 2017
Continued

County	Resale Price	New Home Price
Lumpkin	204k	212k
Pickens	246k	333k
Rabun	552k	2,500k*
Stephens	152k	434k
Union	306k	492k*
Towns	235k	184k
Walton	218k	266k
White	203k	151k

Source: FMLS *Only one new house sold

the age of 65. Those born in the 1950s – who we nicknamed the Innovators for the societal shift they led toward innovation – have had a profound impact on the US economy.

Innovators are:

Large in numbers. 66% more people were born in the 1950s than the 1930s, and immigration over the years has added to their size.

Hard working. They have had the highest labor force participation rates of any generation after age 35, with nearly two-thirds of them still working today.

The 1950s Innovators are 58 to 67 today, which means that all of them are now outside the “prime working years” category. Innovators have delayed retirement, driven by an economic necessity in the wake of the Great Recession, a desire to keep working, and a realization that they will likely live longer than any generation before them.

As more Innovators reach the traditional retirement age, we forecast that they will

continue to work more than any preceding generation. We anticipate that one-quarter of them will still be working full-time in their late sixties – almost 7% more than those born in the 1940s and 11% more than those born in the 1930s.

John Burns Consulting

Retail Transformation

Most experts agree that American retail is changing at the fastest pace since the introduction of regional malls in the 1950s and the widespread proliferation of discount big-box retail in the 1980s. While U.S. retail sales continue at a long-term annual growth rate of 4 to 4.5 percent, retail and retail real estate are at an inflection point as major department stores and smaller mid-price apparel brands fail, foot traffic at most retail centers declines, and new retail brands arrive on the scene at a slower and slower pace. While most of these changes are routinely attributed to expansion of e-commerce sales, industry executives are becoming increasingly aware that more and bigger influences are at work and responsible for retail instability than e-commerce alone.

Five key trends are converging to reshape this sector as it faces generational change. These trends include:

- Department store deconstruction and obsolescence;
- Overall retail industry maturity;
- Fundamental changes in apparel manufacturing;
- Changes in consumer demographics and preferences; and
- Advances in retail technology, including e-commerce.

this occurred, let’s examine this shift through the lens of a business executive.

One of the greatest advantages of the East is its vast rail and intermodal network. Five of seven Class 1 railroads move through the Southeast and Midwest, and 85 percent of the U.S. intermodal infrastructure resides in the East, Southeast, and Midwest regions This allows companies to more quickly transport goods to their final destinations. Additionally, electricity is often 25 to 40 percent less expensive on the East Coast. Businesses can be assured that the supply chain will remain efficient, regardless of external factors, as there is redundancy. If a natural disaster or accident impacts a port or rail system, there are other ports along the East Coast for a retailer, wholesaler, or distributor to access and avoid interrupting operations.

E-Commerce

Looking toward the future, the East Coast is well positioned to support the growing e-commerce trend. The appetite among Americans for online shopping is still in its infancy, but by 2020, Forrester projects e-commerce sales will exceed \$500 billion. With an estimated 70 percent of the U.S. population living east of the Ohio and Mississippi rivers, constructing a supply chain along the East Coast to meet e-commerce demand makes good business sense. The modern rail and intermodal network provides a relay system to easily move products from ship to rail to truck to e-commerce fulfillment centers, an infrastructure that does not exist on the West Coast.

2018 FORECAST TWEETS

BRENT WILLIAMS
 VP Business Development
 Asset Management

Creative office space will slow coupled with an increase demand in traditional private office needs.



America’s Supply Chain Is Shifting East

With a vast rail and intermodal network, East Coast ports are well positioned to support the growing e-commerce trend. America’s supply chain is heading east despite its deep history on the West Coast. Many point to the Panama Canal expansion as the cause of the shift, but a network of ports and distribution centers throughout the East Coast region have been quietly stealing market share from the West Coast long before construction of the canal was complete. To understand how

Store	# of Closings
Abercrombie & Fitch	60
Crocs	160
CVS	70
Family Christian	240
HHGregg	88
JCPenney	138
Macy’s	68
Sears & Kmart*	358
The Limited	250
Wet Seal	171



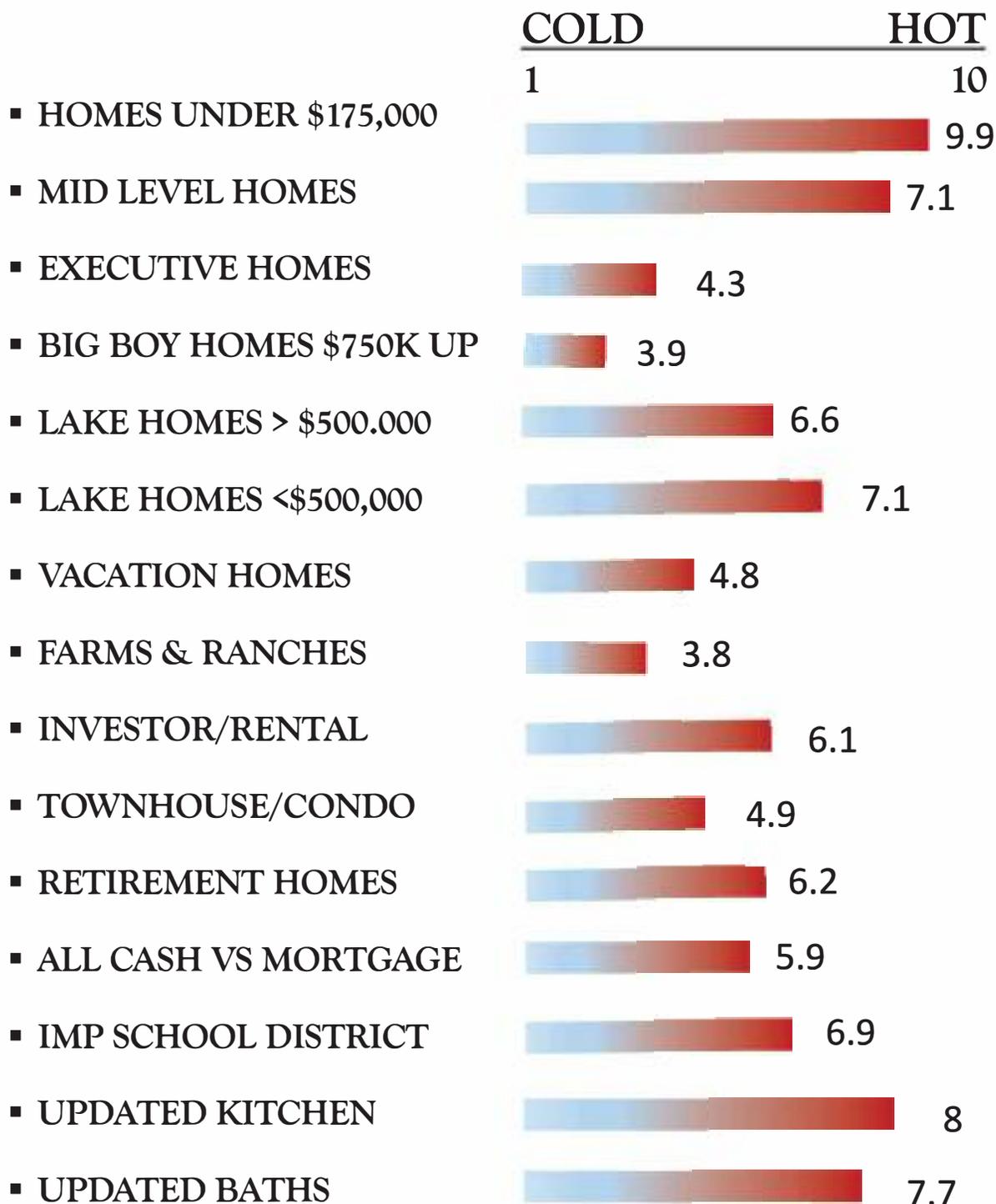

* Sears & Kmart: 63 planned closings – Jan 2018

NORTON

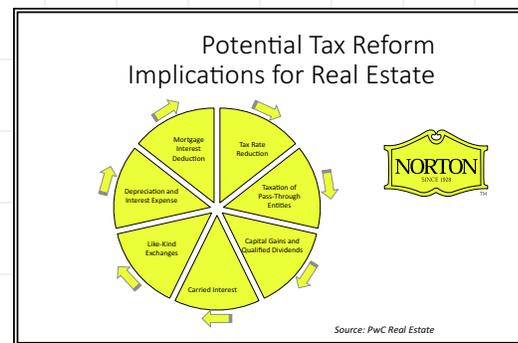


RESIDENTIAL MARKET PULSE

4th QT 2017



The steep upward trajectory of internet sales, and the drumbeat of media heralding the march of e-commerce, might seem to suggest that it has suddenly become the norm for American's shoppers. The numbers, however, say otherwise. U.S. Census Bureau data indicates that e-commerce accounts for 8.5 percent of total retail and food service sales and perhaps 11 percent of sales, with sales of cars and auto parts excluded. The total size of the U.S. retail market in the 2017, as estimated by SiteWorks, is \$4.65 trillion, and the largest online retailer has less than a 1 percent share of the market. Two important points should be stressed, even as e-commerce is expanding at 10 percent or more annually. First, delivery costs represent a major drag on e-commerce. The largest online retailer spends more than \$4 billion quarterly on shipping costs while reporting almost no profit from retail sales. Second, there is a well-documented growth pattern known as the S-curve, which is common in newly introduced formats. After a period of rapid growth, the curve levels off as it hits a point of saturation in its market segment. E-commerce may not be at that point yet, but some analysts see the ultimate market share for e-commerce at 15 to 20 percent, and growth levels off as it approaches that range.



RETAIL EXPANSIONS

- 1500 Starbucks (China, through 2019)
- 1000 Family Dollar (through 2016)
- 1000 Dollar General (2017)
- 1000 Wendy's (by 2020)
- 600 Dollar Tree (through 2016)
- 600 Forever 21 (through 2018)
- 900 Dollar General (2016)
- 520 ALDI (globally through 2019)
- 400 T-Mobile
- 350 Philly Pretzel Factory (by 2020)

FOOD STORE GROWTH

Texas and California had the most new grocery store openings in 2016 with 3.04 and 2.03 million square feet of new grocery space leased respectively. Aldi and Grocery Outlet dominated California while Kroger and H-E-B moved further into Texas, mostly in and around Houston and Dallas. Overall, Aldi and Whole Foods topped the list for number of stores opened last year. While Whole Foods focused on the West Coast, a handful of other states such as Pennsylvania, New Jersey, Illinois, Georgia, and Florida all saw several new Whole Foods openings. Aldi expanded outside of California as well with over 10 percent of new stores opening in Virginia, slightly less than Ohio. Percentage of Total New Grocery SF

Industrial Logistics. Autonomous vehicles have the power to change where users locate, although the anticipation and introduction of partially autonomous vehicles over the next

HISTORY OF ECONOMIC CYCLES SINCE END OF WW II

Recessions	Duration (Months)	Expansions	Duration (Months)
1945	8	1945-48	37
1948-49	11	1949-53	45
1953-54	10	1954-57	39
1957-58	8	1958-60	24
1960-61	10	1961-69	106
1970	11	1970-73	36
1973-75	16	1975-80	58
1980	6	1980-81	12
1981-82	16	1982-90	92
1990-91	8	1991-2001	120
2001	8	2001-07	73
2008-09	18	2009-?	84 so far
Averages:		Averages:	
1854-1919	21.6	1854-1919	26.6 (3 rd longest)
1919-45	18.2	1919-45	35.0 (50% Longer than 58 mo. Average)
1945-2009	11.1	1945-2009	58.4

HOME OWNERSHIP BY HOUSEHOLD TYPE

Household Type	Peak	Current	Percentage Point Change
White	76.0%	72.5%	-3.5%
African American	49.1%	42.0%	-7.1%
Hispanic	49.7%	46.1%	-3.6%

SOURCE: U.S. Census 3Q17

**SINGLE FAMILY RENTAL
SEGMENTATION BY VOLUME**

SEGMENT	INVESTORS	PROPERTIES	MARKET SHARE	AVG. VALUE	TOTAL VALUE
1	8,402,295	8,402,295	53.2%	\$229,513	\$1,928,436,015,287
2 to 5	1,953,837	5,225,858	29.2%	\$262,309	\$1,057,238,658,688
6 to 10	189,233	1,382,394	6.5%	\$171,573	\$237,182,093,126
11 to 25	69,105	1,042,324	4.5%	\$156,872	\$163,511,859,665
26 to 50	13,111	451,046	2.0%	\$159,720	\$72,041,131,238
51 to 100	4,198	285,342	1.4%	\$174,211	\$49,709,798,594
101 to 250	1,769	256,112	1.3%	\$186,199	\$46,151,009,547
251 to 500	343	114,146	0.6%	\$184,016	\$71,004,675,878
501 to 1000	78	49,092	0.3%	\$191,223	\$9,387,512,524
1001+	24	184,908	1.2%	\$228,244	\$42,204,099,045
All	10,633,933	17,393,516	100%	\$208,518	\$3,626,866,803,792

decade have not yet led to (and may not lead to) materially different real estate needs. Fully autonomous vehicles might drive change, but the barriers to adoption make timing much farther in the future. Within industrial buildings, the use of automation and robots has grown. Adoption will continue to rise as technology improves, although the nature of distribution – with its picking complexity, variability, and seasonality – limits the investment return for robotics deployments for most users. Lastly, artificial intelligence and predictive analytics help retailed optimally deploy inventories, and the technology can continue to improve.

Apartments. Multifamily momentum continues to feed off the firehose of fundamental demand for rental apartments, which shows signs of only strengthening.

2018 FORECAST TWEETS

DOUG GARRISON
VP Commercial Sales
Norton Commercial

A strong market increase in commercial demand for 5K to 100K facilities. Major relocations of national companies will relocate to Northeast Georgia. Investing in commercial land on a strong comeback.



A major share of the 77 million-strong millennial generation squares up in a big, sustainable way with **renting as a housing preference**, because it is the more affordable way to form a household, allows for greater flexibility, and, frequently. It provides greater on-demand access to community connectivity. What's more, renting by choice is trending among other age groups, including the 55-plus household who want to downsize to a more maintenance-free, connected lifestyle, with easy access to healthcare, culture, entertainment and food.



Bank regulatory policy also has been a contributor to the multifamily sector's demand pool. By reining in mortgage availability – a policy environment not likely to change dramatically in the near future – lenders have effectively elongated the prime period for young adults to remain renters. Student debt, high home prices, and limited for-sale inventory in the lower price tiers are also constraints that are supporting rental demand.

Commodity Retail

Commodity retail real estate represents the vast majority of brick-and-mortar retail, ranging from unanchored convenience centers and single to larger neighborhood centers and large-format power centers. Commodity retail is functionally divided into six major retail delivery categories, including convenience and service retail; drugstores; grocery stores; large-format general merchandise discounters; and big-box category killers and warehouse stores. Each category features a unique price-versus-convenience offering, but shares an emphasis on efficiency, convenience, and functionality in the delivery of regularly consumed consumer goods.

Specialty retail represents a much smaller percentage of brick-and-mortar retail square footage and comprises a range of formats including traditional malls, open-air "lifestyle" centers, "high streets," mixed-use centers, and entertainment centers. Specialty retail shopping centers are designed to offer

HOMEOWNERSHIP RATE BY HOUSEHOLD AGE

HOUSEHOLD AGE	PEAK	CURRENT	PERCENTAGE POINT CHANGE
Under 25 Years Old	25.7%	22.4%	-3.3%
25 to 29 Years Old	41.8%	32.7%	-9.1%
30 to 34 Years Old	57.4%	45.9%	-11.5%
35 to 44 Years Old	69.2%	59.3%	-9.9%
45 to 54 Years Old	77.2%	69.1%	-8.1%
55 to 64 Years Old	81.7%	75.0%	-6.7%
65 Years and Over	81.0%	78.9%	-2.1%

SOURCE: U.S. Census 3Q17

Historic Mortgage Rates by Decade

Decade	Average Rate
1970s	8.86%
1980s	12.7%
1990s	8.12%
2000s	6.29%

emotionally pleasing shopping experiences in the delivery of aspirational goods and services. Efficiency and convenience play much smaller roles, if any, in these centers.

Retail Market Size

Today, the United States, with more than 24.5 square feet of retail space per capita (more than five times Europe’s average of 4.5 square feet), includes over 8.5 billion square feet of retail, with perhaps 3 billion square feet underused in terms of sales volumes supported and rising vacancy. This excess, however, is being liquidated in an orderly process, with public REITs shedding noncore assets and financial markets systemically pricing the excess into the market.

While the long-term growth rate for brick-and-mortar retail remains over 4 percent, the mix of consumers is changing drastically. Baby boomers still represent the largest single U.S. consumer group and have entered a new life stage where they are consuming less, shedding assets, and spending a higher percentage of income on dining out, entertainment, and travel. Millennials, too, appear to be spending less on apparel and housewares, and a greater percentage of their incomes on entertainment and dining out. Even automobile ownership is trending lower among millennials.

Retailers are focused on delivering value to shoppers. Shopping centers where a vibrant experience

attracts traffic and retail areas where the social dimension of human interaction adds to the mere exchange of cash for goods. As a practical matter, the proliferation of new dining options and personal service facilities – including health, fitness, and grooming facilities- is perhaps most significant, as these experiences cannot be replicated in an online format.

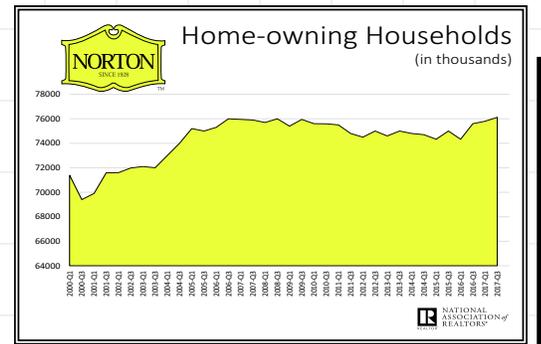
RESIDENTIAL HOUSING

Boomerang Buyers. While exact figures vary, the National Center for Policy Analysis estimates that as many as 10 million Americans were forced into foreclosure when the housing bubble burst. The effects

2018 FORECAST TWEETS

MATT MCCORD
 VP-Partner
 Norton Commercial

Continued mergers and acquisitions of retailers and service oriented businesses. This will “silo” the customer experience and capture more of existing customer dollars.



Housing Permits

	2012	2013	2104	2015	2016	2017
Metro Atlanta	8324	13956	16270	13750	19584	19770
Cobb	1251	1525	1775	1950	1690	1186
Gwinnett	1242	2570	2892	3100	3667	2939
Forsyth	1333	2275	2472	2650	2750	2163
Hall	301	480	832	1150	895	954
Cherokee	765	1201	1355	1655	1785	1723
Dekalb	242	295	775	825	925	816

Source: Metrostudy 2017

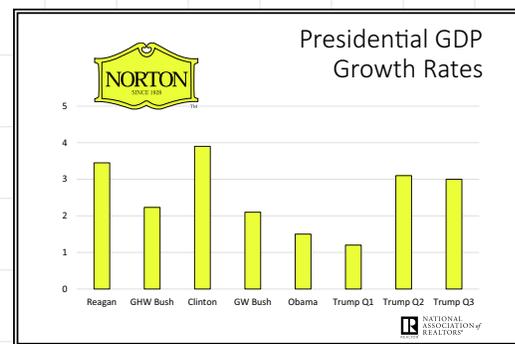
of the Great Recession, which officially ended in June 2009, will finally ease for about 1.5 million of these Americans. The waiting period after a foreclosure is seven years, measured from the completion date of the foreclosure action as reported on the credit report or other foreclosure documents provided by the borrower. If the borrower can document extenuating circumstances, the wait may be cut to three years.

They will need low down payment loans. Buyers should know that the mortgage process has changed since they purchased their last home. Remember, lending standards were beyond loose, and they may even have bought the home with no down payment. They need to know that most mortgages require down payments today. How to get the lowest down payment in the program, how to buy a condo with an FHA-backed loan, how to find out if a condo community is FHA approved – all valuable information to 2018’s boomerang buyer.

They’ve been forgotten. Watch TV for any amount of time and you’ll see that millennials and baby boomers are the primary target for marketers. The average age of a homeowner who lost a home to foreclosure during the recession was 45, according to a report published by the Federal Reserve Bank of St. Louis. So, expect that the average boomerang buyer will likely be in his or her early 50s. There’s proof that they’re already reentering the housing market. Members of Gen X are the only generation to buy more homes last year than it did in the previous one. This generation is focused on their bonds with their children. Proving the value of homeownership by

putting it in terms of “protecting and nurturing” their child’s future will appeal far better to them than other generations.

Advice for Buyers. If you’ve stayed active through summer and early fall, you’ve probably found it somewhat easier to navigate the market than in spring. You can perhaps afford to be a little pickier. But as always, don’t outsmart yourself. It’s still a seller’s market, and most sellers don’t have to capitulate to a lowball offer in order to sell. You can pass up some good values overplaying your hand and if



you don’t buy this year, you’ll be back in the spring market madness. Activity is still high for this time of year, and competition remains brisk for good new listings. But it’s far less busy than it will be in March. If you can find something now, the process will be much easier.

Advice for sellers. You’re still in the driver’s seat, for sure. Despite the normal seasonal slowdown, there are enough buyers out there to maintain the likelihood of success before the holidays. In addition, the process will probably be much more pleasant than it would be with 10 buyers fighting over your home. We know that sounds like a great thing, but in reality, dealing with multiple offers can be very stressful. One or two buyers at a time is much easier. We don’t expect prices overall to recede before next spring, so you’re still fine. But don’t be offended if you sell a little under your asking price. It’s perfectly normal! It just doesn’t seem that way anymore.

DRIVERLESS CARS & HOUSING

Fully autonomous vehicles (AVs) should become commonplace within 10-20 years, disrupting entire industries while triggering structural shifts in housing and the economy. The path to government approval and consumer acceptance of AVs no doubt will have hiccups, so we expect ride-sharing along with semi-autonomous vehicles to kick-start the movement towards AVs. For consumers, the tipping point for large-scale adoption will come when not owning a car

2018 FORECAST TWEETS

JEAN FERRIS
 VP-Partner
 Norton Commercial

Housing is the underpinning of America’s foundation: life, liberty and pursuit of The American Dream.



makes more financial and logistical sense than traditional ownership. Car enthusiasts, the affluent, and rural households will continue to own cars as AVs evolve. Regardless of the adoption rate, AVs are the future, and the long-term economic impacts include:

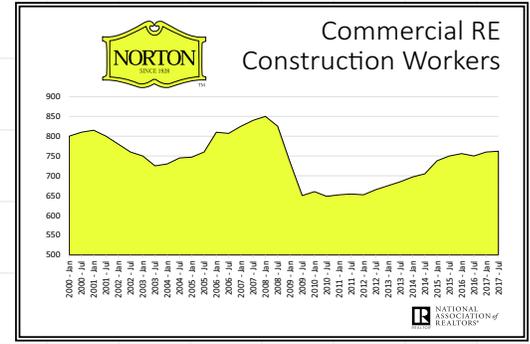
More money in consumers' wallets as automobiles shift from a consumer good (owned/leased) to service (on demand). Loan/lease payments, fuel, maintenance, and insurance costs will disappear almost completely. The boost to household disposable income will be significant once scaled.

A productivity boost for everyone, jump-starting wage growth and overall economic activity. Beyond shortening commute times due to better reliability and efficiency than human drivers, AVs will transform billions of commuting hours into time that can be reclaimed for remote working or personal recharging (which should boost office productivity too). Some of this previously lost time will also be reallocated to media consumption and online shopping. Money that consumers previously spent on owning/maintaining their cars will now be spent on other things while riding in them. Industry productivity should also improve as 24/7 AVs enable more to be done in less time across various supply chains and logistic channels.

So what impact will AVs and ride-sharing have on the housing market? We think a big one. As outlined above, 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 for owning-renting a home. Here are some of the additional housing shifts we anticipate as a result of AVs:

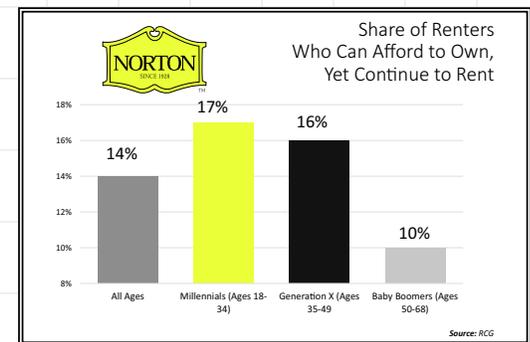
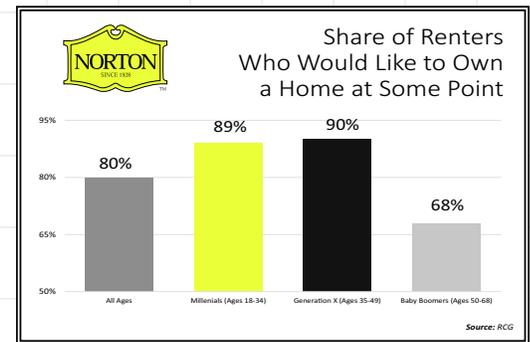
Prime real estate will be unlocked for new home construction as parking lots, auto dealerships and gas stations become obsolete. Additional supply in historically supply constrained locations will likely dampen home price appreciation and alleviate housing shortages in many cities. Due to increased housing supply in good locations, there will initially be



less demand for outlying locations even though commuting will be easier.

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



2018 FORECAST TWEETS

DAVID STOVALL
 VP-Partner
 Norton Commercial

Transformational changes for retail; the how, why and when we shop is underway in 2018.



ANOTHER TRIP AROUND THE SUN.

Don't ignore your backyard, things can sneak up behind you.

WE ARE IN A LONG CYCLE...
NOT IN BOOM NOR BUST.

Nothing like taxes to kill free enterprise.

If you don't see a town, don't build townhomes.

Odd lot sales are like selling scrap in the black market.

You are either part of the solution of the solution overtakes you.

Some pending sales are like holding up a 50-pound deer head on a 10 pound stick.... barely holding on.

We have been crying in the wilderness for eight years on disappearing affordable housing.

First time home buyers are now first time home renters.

I'm a beautician, not a magician.

"It's in my nature."

EPA DOESN'T CARE IF YOUR HOUSE FLOODS, THEY JUST WANT THE WATER FLOWING THROUGH IT TO BE CLEAN.

Government baked into our universe.

It's just the right thing to do.

YOU CAN'T FIX STUPID.

Cuckoo for coco puffs.

When the air gets thin up there, the market slows.

In war, out of every one hundred men, ten shouldn't even be there, eighty are just targets, nine are the real fighters, and we are lucky to have them, for they make the battle. Ah, but the one, one is a warrior, and he will bring the others back.

Be a traditionalist, don't be a slave to tradition.

HI not AI – Human Intelligence vs Artificial Intelligence.

The future is ahead of us.

IS THERE ANYTHING MORE CAPITALIST THAN A PEANUT WITH A TOP HAT, CANE, AND MONOCLE SELLING YOU OTHER PEANUTS TO EAT.

Intentional millennials are staying in North Georgia. Intentionally cast off the allure of Atlanta.

It's amazing what we will tolerate to do Commerce to one another.

The lack of inventory is like not having enough oil in your car and your gears slowly come to a grind.

Everything else is luck and noise.

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 acres, 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.

2018 FORECAST TWEETS

WILL COBB
 VP-Partner
 Norton Commercial

Headwinds of industrial growth are powering up I-985/365 creating jobs and business opportunities.



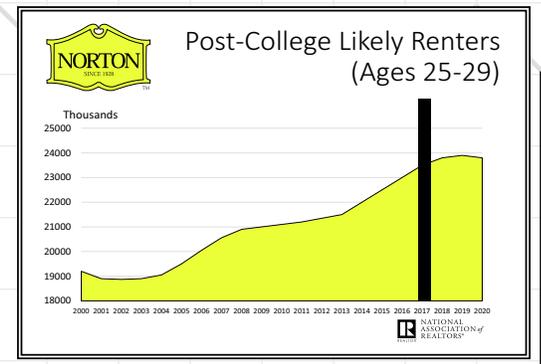
Bullish case for repair and remodel industry, as AVs enable more retirees to age in place. Grab bars, slip-resistant flooring, and wider doors/hallways to accommodate wheel chairs are just a few examples for remodeling projects associated with aging in place. In addition, garages previously used to store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



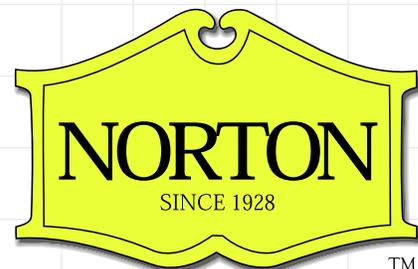
Months of Supply (12.30.17)

Atlanta/Metro	3.75
Barrow	3.8
Cherokee	2.3
Dawson	4.8
Forsyth	1.9
Gwinnett	1.6
Hall	3.7
Jackson	6.0
Walton	7.6

Metrostudy 2017



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

FALLING HOMEOWNERSHIP

Today's 63.7% US homeownership rate* (down from 69.1% to 12 years ago) is propped up by a very high homeownership rate for those aged 65+ who bought their homes many years ago. They benefited from a strong economy, more affordable housing during their working years (even adjusting for mortgage rates and inflation), and 100% down payment programs for veterans.

Not surprisingly, the percentage of households who own their home rises as incomes rise, as shown in the chart below. For those executives who have to forecast housing demand, and homeownership demand in particular, note that the median-income household (after taking out retirees) makes about \$64,000 per year, and only 58% of those households own a home. This will drive homeownership down over time.

Low incomes are just one of many reasons why we forecast homeownership to fall below 61% by 2025. The 80% homeownership rate of those who pass away over the next eight years will be the biggest drag on homeownership. As we note in our book, the *Four Big Influencers* (government policies, the economy, new technologies, and shifts in societal preferences) could impact this forecast positively or negatively. We monitor all four influencers very carefully to help executives plan their business decisions.

until 2026, demographic tailwinds are quickly advancing. Growth in the 82-to-86 cohort (the cohort that dominates assisted living and independent living properties) start to accelerate this year and will generally continue to do so until 2025, providing a nice demographic driver for senior housing. Between 2017 and 2025, this cohort will increase in size by 1.5 million persons, or 29 percent, from 5.1 million to 6.6 million.

The Affordable Care Act and changes in Medicare's payment structure have changed the payor landscape. Alternative payment plans and networks, such as accountable care organizations (ACOs), managed care organizations (MCOs) and bundled payments, are displacing fee-for-service payment plans in both Medicare and private health plans. Senior housing operators, as well as skilled nursing and post-acute providers, have new opportunities to become part of the emerging care continuum.

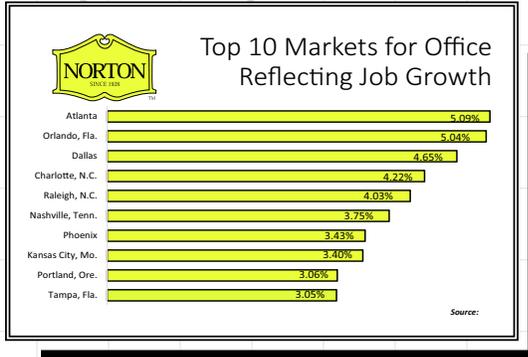
2018 FORECAST TWEETS

WADE RHODES
 VP-Partner
 Norton Residential

I-985 GA 365 is Georgia's next industrial golden parkway, sewer, water access and land.



Senior Housing. While the baby boomers will not reach 80



Increasingly, operators are reporting labor shortages in all occupations across their operating platforms, ranging from care managers to executive directors. With the national unemployment rate falling to a 16-year low of 4.3 percent in July 2017, the challenge of recruiting and retaining employees is expected to only grow. Shortages in the health care professions as well as in other industry sectors such as the construction trades are slowly putting upward pressure on wage rates.

Housing Demand. Demand trends – particularly among the barbell generational cohorts of young adults and aging baby boomers – are solid and sustainable through the next decade or so, but not without the noise, mess, unevenness, and elusiveness of the real world to make profitability serving those unmet needs and ongoing challenges. College loan debt, ever-tight mortgage lending criteria, less policy support, scant choice among attainable house price ranges, even some level of secular shift toward renting by choice are real and potential suppressors of demand today. At the same time, supply capacity barriers – land, labor, ending, and “lumber” – have by turns and collectively metered the pace of new construction to a most-gradual of upward trajectories.

There are “kinks” in the supply-side hose – the disruptive shortages of subcontractors, the cost and difficulty of bringing new lots on line, the ongoing scarcity of debt financing for land acquisition and development, and the more recent inflationary spike in building materials. Demand, too, has its share of challenges. Pricing has surfaced as a point of worry around momentum, especially in supply

constrained, mostly coastal markets like California, Seattle, Maryland, and New Jersey, but also in Denver.

One worry that nobody in single-family housing has – with new home inventory levels at 5.4 months’ supply nationally – is about overbuilding. “We couldn’t build an excessive number of single-family houses if we tried to right now,” one investment adviser notes, suggesting that the market may be under-delivering more pent-up demand as time passes.

The same people who drove urban demand from 2005 – 2015 are about to drive

demand for suburban housing in inner-ring suburbs, especially those in mature and slower-growing cities. America’s population for 20-somethings grew by 4.7 million people from 2005 – 2015 and is projected to decline slightly from 2015 – 2025.

Here are some more reasons for the shift to suburban that our consulting and demographics teams have noted:

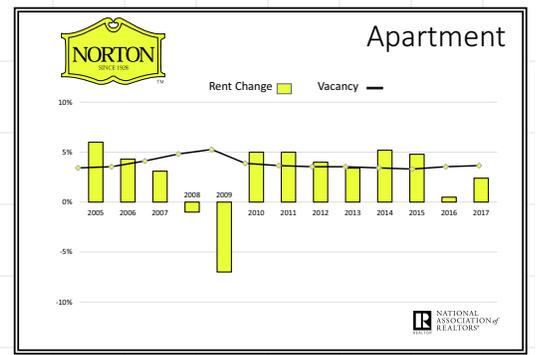
- 1980s Sharers who don’t like driving can minimize commutes or be close to transit that doesn’t require a car.
- Older Main streets offer the authenticity Sharers crave.
- High-quality grocery stores accommodate Sharers’ thriftiness and foodie-ness. Better schools.
- Yards most have room for dogs and/or toddlers.

“Z’s” Are Next. Just when you were getting tired of thinking about the impact of millennials, great news! It’s time to think about generation Z, the next demographic

2018 FORECAST TWEETS

BOB NORTON
President
Norton Insurance

The Lanier Tech 21st Century education blueprint will be modeled across the state.



County	White	Hispanic/Latino	Black/African American	Asian
Jackson	88.6	6.7	7.2	1.9
Banks	93.8	6.5	2.9	1.3
White	94.9	2.9	2.4	.6
Lumpkin	94.7	4.9	1.9	.7
Pickens	95.8	3.1	1.7	.8
Forsyth	85.2	9.7	3.5	9.1
Habersham	90.7	13.6	4.0	2.5
Rabun	95.2	8.4	1.6	.9

cohort in line. It is a tricky topic. Just as no one pattern to summarize the large millennial group exists, generalizations about generation Z will paint in broad brush strokes trends that will subsume a great deal of variety in individual cases.

Making discussion even more difficult, demographers do not have consensus about the generational “dividing line” between millennials and **generation Z**, placing the start date for the cohort anywhere from 1995 to 2001. Depending on the start date, **gen Z** is estimated in a size at between 65 million and 75 million – a smaller cohort than millennials but still representing approximately one-fifth to one-quarter of the U.S. population currently. They are now the newest labor force entrants, and are poised to alter household formation patterns, consumption, and even workplace design preferences. In other words, real estate needs to prepare for change, once again.

As a defining characteristic, **generation Z** has never known a low-stress social environment. They are the generation shaped by 9/11, the Great Recession, income inequality, and political polarization. They are also the first generation born into the age of the internet, the smartphone, incessant social media streams, and constant connectivity. As a group, they are at the center of a powerful push/pull of preferences. On one hand, their experience of stress orients them to pragmatism, caution, and personal security. On the other, technology’s impact makes them – at least at the level of devices – social mobile, and interactive. While seemingly tugged in both directions, though, generation Z doesn’t consider this a dilemma of choice. It is simply the way of the world.

2018 FORECAST TWEETS

PATRICK CISCO
 Commercial Sales Associate
 Norton Commercial

Empty mid and big-box retail inventory will continue to rise in 2018. Brokers and landlords will need to “dig deep” to discover alternative uses that demand the highest rates possible, while positively serving their local markets.



Following are some of the early observations on how **gen Z** may affect real estate trends in the coming years.

In housing, this generation is likely to show the same initial preferences for urban centers that the millennials did. The reasons are much the same: that’s where first jobs are most likely to be found, and where peer-to-peer social interaction is easiest. The extension of rental housing demand from **generation Z**, then, will be an element of continuity with the millennials. At the same time,

surveys of housing preferences by brokerage firms indicate a much higher desire for homeownership among **gen Z** than **millennials**. The same constraints of affordability, student debt, and lack of savings affect both cohorts. Generation Z identifies as a do-it-yourself (DIY) cluster, suggesting that lower-cost fixer-upper houses could become a wider-spread option. This may project yet another wave of urban gentrification.

Retailers will see the “gadgeteria” ethos of **gen Z** as both a challenge and an opportunity. Consumer immediacy is a **gen Z** characteristic, and omni-channel is the taken-for-granted shopping milieu. Social media is a two-way enterprise: buy it and show it right away on Snapchat or Instagram! The cataloging of individual preferences is presumed by **gen Z**, whose only reservation is risk of identity theft. So stores with rich connectivity hold appeal, as long as cybersecurity is felt to be effective. This is the first generation where all these factors have been present from their first experience.

NORTON		Housing Permits					
	2012	2013	2104	2015	2016	2017	
Metro Atlanta	8324	13956	16270	13750	19584	19770	
Cobb	1251	1525	1775	1950	1690	1186	
Gwinnett	1242	2570	2892	3100	3667	2939	
Forsyth	1333	2275	2472	2650	2750	2163	
Hall	301	480	832	1150	895	954	
Cherokee	765	1201	1355	1655	1785	1723	
Dekalb	242	295	775	825	925	816	

Source: Metrostudy 2017

NORTON		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	

Source: FMLS

Workplace design needs to think of **generation Z** on its own terms. Where millennials were all about collaborative workspace, the more competitive and more easily distracted **generation Z** needs and wants more structure. 35 percent of **gen Z** would rather share their socks than their office space. Multitasking is bred in the bone of generation Z, but learning research is increasingly exposing the inefficiencies of multitasking. This means more hands-on management and mentoring in the office – interactions that gen Z appears to crave rather than resent. It also means that this generation may be less prone to desire “work-at-home” arrangements. While not dismissing collaborative space, such attributes suggest the return of possibly more structured/personal office space. *Source: Emerging Trends 2018*

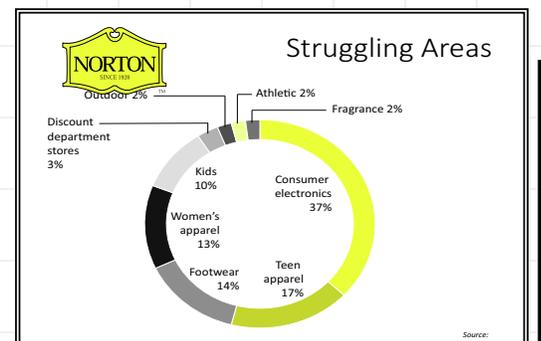
Poor Baby Boomers. A 2016 survey showed that 37 percent of boomers **had less than \$50,000** in savings to draw on. Whatever savings they had took a hit in the crisis, when millions lost their jobs and had to tap whatever they had in the bank. The financial crisis placed additional secondary demands on the boomers, too. As millennials piled up student loan debt, many parents took on obligations as cosigners and faced liabilities when entry-level jobs dried up. Then, too, there were the so-called boomerang kids – children in their late 20s and early 30s who returned to the parental home by the millions, straining the household budget. Add to that the financial costs that many boomers assumed as their own parents aged and it is clear that many in this generation have not hit their retirement years fat and happy.



dilemma of finding buyers – since millennials who are in the market for a home to own may not be looking for the kinds of McMansions many boomers will seek to sell. In a way, that actually opens up opportunities for homebuilders willing and able to scale product to millennials’ preferences – smaller and more energy-efficient homes, townhouses, condos, and “affordable” starter homes.

For baby boomers still pinched by reduced savings, the reality has indeed been working longer. A recent human resources survey indicated that 81 percent of executives think that the recession is causing workers to defer retirement by at least five years, with 31 percent believing that retirement could be pushed back as much as ten years.

Most markets are back at levels above the last cyclical peak in terms of jobs and gross metro product. Economic activity is driving real estate demand, but lesser access to capital and developer restraint have kept most secondary markets from adding much new supply. One



2018 FORECAST TWEETS

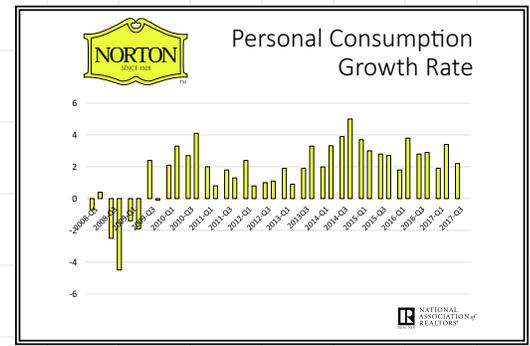
DAVID ALDRIDGE
Acreage Sales
Norton Commercial

The problem with millennials is not that they don't want a home, it's just that they think they cannot afford one.



Many boomers have spent their nest eggs, so we'll see people staying in the workforce longer, or even retiring and picking up a part-time job. Boomers bought and now price their homes based on size. Millennials are buying based on the qualities of the house. For most American households, the most significant investment asset they have is home equity – but 7.3 million homes either went into foreclosure or short-sale between 2007 and 2014, according to data from RealtyTrac. Those boomers who have been able to ride out the cycle still have the

Cohort	What we thought we knew?	What we need to know
Baby Boomers	Will retire early to mild climates and enjoy the wealth they accumulated in their peak earning years.	Continue to work due to financial necessity or by choice. If they do leave suburban home, it is to relocate where their kids are or possibly to urban core of own metro area.
Gen X	Bigger houses in the suburbs and a steady climb up the corporate ladder.	Rocked by the GFC, leading to lower rates of homeownership, more focus on work/life balance; will be less financially ready for retirement than previous generations.
Millennials	Users of the sharing economy, love urban living; financial conditions and choice will keep them in the major urban cities.	Are increasingly forming households and having kids; looking at <u>select</u> suburbs and secondary markets for quality of life and cost.
Gen Z	Tech savvy from birth; will have grown up in the sharing/gig economy; will converge on the urban core and solidify all other millennial trends.	?



American Rental Demographics
44.3 Million U.S. Rental Households occupy

- 15.5 million individually owned rentals
- 12.7 million detached homes (29%)
- 2.8 million condominiums and townhomes
- 26.8 million apartment buildings
- 13.2 million units in small apartment buildings (less than 10 units)
- 13.6 million units in larger apartment buildings (10+ units)
- 2.0 million mobile homes, boats, etc.

Source: US Census

institutional investor commented: “The markets we have always thought of as supply-constrained have added a lot of space in this cycle, while the markets we expect to overbuild have been uncharacteristically well behaved.” For most markets, the only sector with more space under construction in 2017 than in 2007 is multifamily. New supply in the secondary markets is not expected to

surge any time soon, as capital for new investment projects remains disciplined. One investment manager mentioned, “I love this capital market. There is plenty of capital for developers with a solid reputation and good projects, but very little competition from the more speculative crowd.”

shoppers born from 1946 to 1965. Fitness centers and walking trails came in at #3 and #4! Golf courses ranked #49 out of 60! We have watched this shift play out at The Villages, the largest active adult community in the country. Originally conceived as a golf course community, the Town Squares are now as vibrant as almost any suburb in America. Pulte’s Del Webb communities, also originally conceived as golf resorts, now focus on proximity to existing retail and services, such as Tidewater in Fort Myers or Ponte Vedra in Jacksonville.

John Burns Consulting

2018 FORECAST TWEETS

TOMMY HOWARD
President
Norton Residential

There is a huge pool of people who could buy a home, but they are not even looking



Boomers Amenities. Grocery stores and restaurants topped the list of most desirable amenities, according to our Consumer and Product Insights survey, which includes responses from more than 9,000 registered new home

10 DEMOGRAPHIC TRENDS

1. People are increasingly living with strangers. The US is slowly reverting to a version of the boarding houses of the late 1800s and early 1900s. Inspired by Airbnb, numerous homeowners are bringing in unrelated housemates as a source of income, and not just for short-term stays. Homeowners and renters are meeting online. Mature homeowners need to income (and perhaps

even the companionship and help running errands), and young adults need lower rent (and perhaps even after-school care if they have a child). While this is a great market-based solution to an affordable housing problem it has slowed household formations.

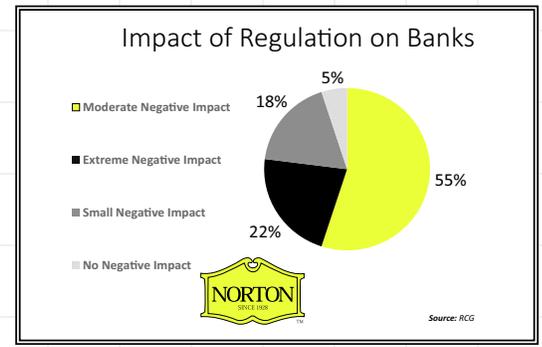
2. People are increasingly renting. We created a lot of controversy among home building and building product CEOs when we forecasted that the homeownership rate will fall to 60.8% by 2025. Interestingly, most of the anecdotal feedback we have received is that homeownership will go even lower than we forecast unless there is a massive shift in society, possibly induced by creative low-down payment lending programs. Many people have shared that they have already sold their home and become renters because they 1) need the cash, 2) don't use the mortgage interest deduction anymore, and 3) want to try living in another environment. First time home buyers are now first time home renters.

3. New homes being built for rent. While we knew more and more people were renting homes, we didn't think it was financially feasible to build new homes and rent them out. However, several companies have now done so and have shared that the yields in some markets are excellent. These builders and operators tend to have a long-term view toward building a steady, asset-backed cash flow stream.

4. Autonomous driving will change land planning as well as assisted living demand. While fully autonomous driving seems many years away, planners and developers are already rethinking how new development needs to be

planned with autonomous driving in mind. The percentage of people aged 20-24 with driver's licenses has already fallen from 93% to 78%. Several people have pointed out that assisted living facilities will grow less than people think if the elderly can use ride sharing from home after losing their driver's license.

5. Experiences are the new brag. Possessions including houses and cars have historically been a status symbol. Today's status symbol seems to have



shifted toward experiences. Today's "brag" is to show what you are doing on social media. The best house is more likely to be near great things to do rather than a large home with a large yard. This shift may best be represented by the attention given to a home's walkability score. Experience economy may also be behind the recent rise in divorce rates among those over 50, who want new experiences.

6. Immigration is a real hot button.



2018 FORECAST TWEETS

DUDLEY OWNES
Sales Associate
Commercial Group

It's amazing to see a county with 70 to 80% free market Republicans be anti-growth and development.



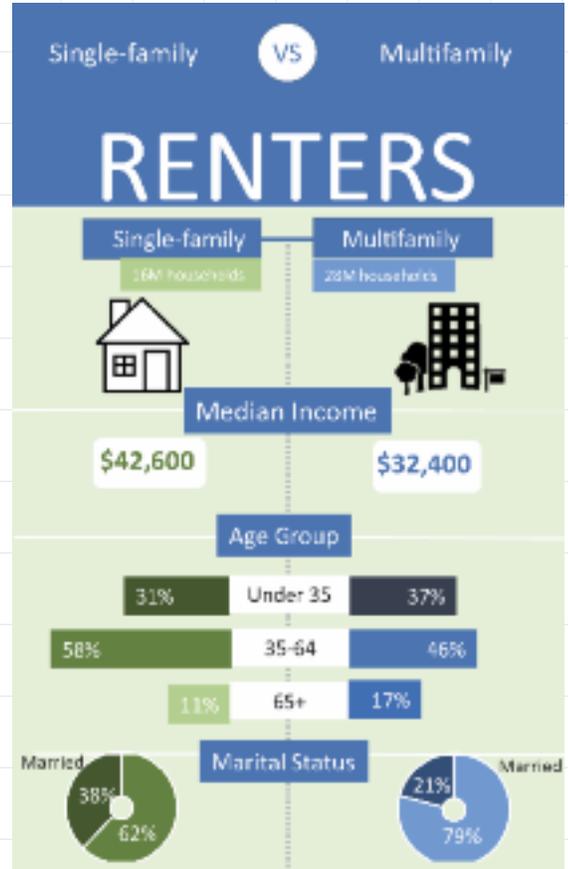
7. **Impact of rising female education is still a mystery.** Perhaps my biggest surprise is the lack of response regarding the tremendous shift in education, with women earning 58% of college degrees today compared to only 42% of degrees when Title IX was passed in 1972. Both men and women have a difficult time making sense of how this will change society.

8. **9/11 was 16 years ago.** We have been presenting how many of the baby boomer trends (such as the percentage of stay-at-home parents) clearly reversed themselves around 2001. In doing so, we have been stunned by how many young decision-makers can't relate to the social shifts that occurred after 9/11. We must remind ourselves that it has been 16 years, and many of them were just kids at the time.

9. **Frustrated senior executives.** Experienced executives seem frustrated with the lack of growth in their own business, while younger management sees today's growth as normal, and they are anxious to use technology to improve the business. Executives born before the 1970s don't want to change, and those born after 1980 are excited to change.

10. **Surban™ is a word.** The urban dictionary as well as at least five podcasts and publications such as the Washington Post and the Orange County Register had referred to high-quality, high-density housing near suburban downtowns as surban.

*John Burns Consulting
Big Shifts Ahead*



2018 FORECAST TWEETS

WAYNE PARKER
VP-Commercial
Norton Commercial

Multiple generation households will rise to 10-12% from today's 1% or less.



Source: John Burns And Parker Consulting

Executive Bookmark Reading List 2017-2018

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>Pocket Neighborhoods</i>	Ross Chapman
<i>Whistling Dixie</i>	Sean Dietrich
<i>The Slight Edge</i>	Jeff Olson
<i>Big Shifts Ahead</i>	John Burns
<i>Upside: Profiting from the Profound</i>	Kenneth Gronbach
<i>White Trash – The 400 Year Untold History of Classic America</i>	Nancy Isenberg
<i>How the Scots Invented the Modern World</i>	Arthur Herman
<i>Grit: The Power of Passion and Perseverance</i>	Angela Duckworth
<i>Getting There: A Book of Mentors</i>	Gillian Zoe Segal
<i>Legacy of Honor: The Values and Influences of American’s Eagle Scouts</i>	Alvin Townley
<i>American Lion: Andrew Jackson in the White House</i>	John Meacham

2018 INFORMATION SOURCES

- Norton Native Intelligence™
- US Census
- First MLS
- GAMLIS
- 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
- Xcelegent

www.nortonintelligence.com

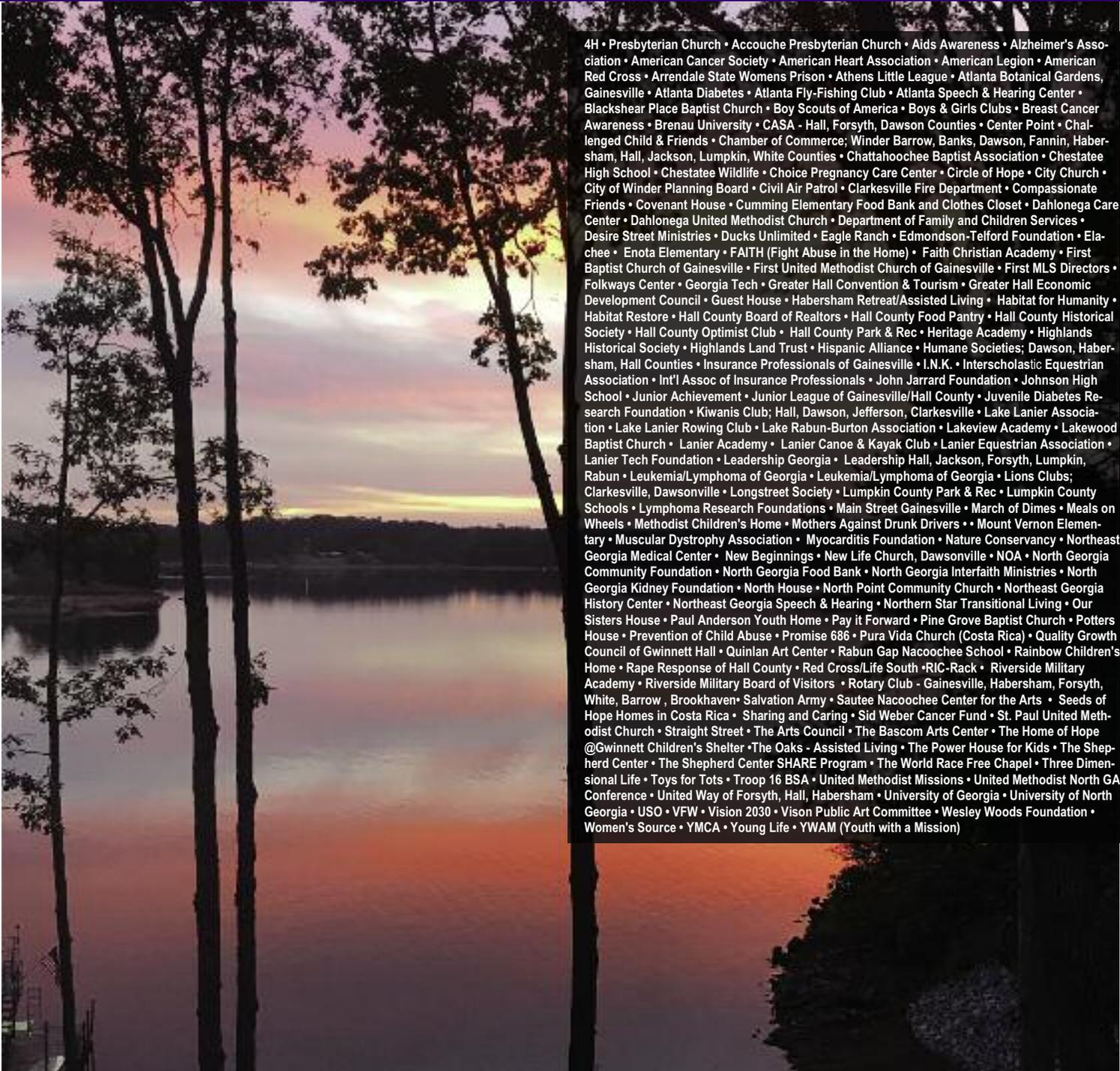
Norton's Annual Forecast features our interpretations, thoughts and commentary on North Georgia's market conditions. Dovetailed with this effort, Norton has built a vault of back up Regional community data. Accessible to the public, Norton friends and especially our clients. The portal is

www.nortonintelligence.com

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.

BUILDING COMMUNITY FOR 90 YEARS

We understand that our lives are inextricably woven within the community in which we reside. We are committed to sharing our success with those around us by supporting local organizations and activities whenever possible - and by taking leadership positions when asked.



4H • Presbyterian Church • Accouche Presbyterian Church • Aids Awareness • Alzheimer's Association • American Cancer Society • American Heart Association • American Legion • American Red Cross • Arrendale State Womens Prison • Athens Little League • Atlanta Botanical Gardens, Gainesville • Atlanta Diabetes • Atlanta Fly-Fishing Club • Atlanta Speech & Hearing Center • Blackshear Place Baptist Church • Boy Scouts of America • Boys & Girls Clubs • Breast Cancer Awareness • Brenau University • CASA - Hall, Forsyth, Dawson Counties • Center Point • Challenged Child & Friends • Chamber of Commerce; Winder Barrow, Banks, Dawson, Fannin, Habersham, Hall, Jackson, Lumpkin, White Counties • Chattahoochee Baptist Association • Chestatee High School • Chestatee Wildlife • Choice Pregnancy Care Center • Circle of Hope • City Church • City of Winder Planning Board • Civil Air Patrol • Clarkesville Fire Department • Compassionate Friends • Covenant House • Cumming Elementary Food Bank and Clothes Closet • Dahlongega Care Center • Dahlongega United Methodist Church • Department of Family and Children Services • Desire Street Ministries • Ducks Unlimited • Eagle Ranch • Edmondson-Telford Foundation • Elachee • Enota Elementary • FAITH (Fight Abuse in the Home) • Faith Christian Academy • First Baptist Church of Gainesville • First United Methodist Church of Gainesville • First MLS Directors • Folkways Center • Georgia Tech • Greater Hall Convention & Tourism • Greater Hall Economic Development Council • Guest House • Habersham Retreat/Assisted Living • Habitat for Humanity • Habitat Restore • Hall County Board of Realtors • Hall County Food Pantry • Hall County Historical Society • Hall County Optimist Club • Hall County Park & Rec • Heritage Academy • Highlands Historical Society • Highlands Land Trust • Hispanic Alliance • Humane Societies; Dawson, Habersham, Hall Counties • Insurance Professionals of Gainesville • I.N.K. • Interscholastic Equestrian Association • Int'l Assoc of Insurance Professionals • John Jarrard Foundation • Johnson High School • Junior Achievement • Junior League of Gainesville/Hall County • Juvenile Diabetes Research Foundation • Kiwanis Club; Hall, Dawson, Jefferson, Clarkesville • Lake Lanier Association • Lake Lanier Rowing Club • Lake Rabun-Burton Association • Lakeview Academy • Lakewood Baptist Church • Lanier Academy • Lanier Canoe & Kayak Club • Lanier Equestrian Association • Lanier Tech Foundation • Leadership Georgia • Leadership Hall, Jackson, Forsyth, Lumpkin, Rabun • Leukemia/Lymphoma of Georgia • Leukemia/Lymphoma of Georgia • Lions Clubs; Clarkesville, Dawsonville • Longstreet Society • Lumpkin County Park & Rec • Lumpkin County Schools • Lymphoma Research Foundations • Main Street Gainesville • March of Dimes • Meals on Wheels • Methodist Children's Home • Mothers Against Drunk Drivers • Mount Vernon Elementary • Muscular Dystrophy Association • Myocarditis Foundation • Nature Conservancy • Northeast Georgia Medical Center • New Beginnings • New Life Church, Dawsonville • NOA • North Georgia Community Foundation • North Georgia Food Bank • North Georgia Interfaith Ministries • North Georgia Kidney Foundation • North House • North Point Community Church • Northeast Georgia History Center • Northeast Georgia Speech & Hearing • Northern Star Transitional Living • Our Sisters House • Paul Anderson Youth Home • Pay it Forward • Pine Grove Baptist Church • Potters House • Prevention of Child Abuse • Promise 686 • Pura Vida Church (Costa Rica) • Quality Growth Council of Gwinnett Hall • Quinlan Art Center • Rabun Gap Nacoochee School • Rainbow Children's Home • Rape Response of Hall County • Red Cross/Life South • RIC-Rack • Riverside Military Academy • Riverside Military Board of Visitors • Rotary Club - Gainesville, Habersham, Forsyth, White, Barrow, Brookhaven • Salvation Army • Sautee Nacoochee Center for the Arts • Seeds of Hope Homes in Costa Rica • Sharing and Caring • Sid Weber Cancer Fund • St. Paul United Methodist Church • Straight Street • The Arts Council • The Bascom Arts Center • The Home of Hope @Gwinnett Children's Shelter • The Oaks - Assisted Living • The Power House for Kids • The Shepherd Center • The Shepherd Center SHARE Program • The World Race Free Chapel • Three Dimensional Life • Toys for Tots • Troop 16 BSA • United Methodist Missions • United Methodist North GA Conference • United Way of Forsyth, Hall, Habersham • University of Georgia • University of North Georgia • USO • VFW • Vision 2030 • Vison Public Art Committee • Wesley Woods Foundation • Women's Source • YMCA • Young Life • YWAM (Youth with a Mission)

Whether we serve(d) as directors, board members, treasurers, presidents, ombudsman, coaches, judges members, legal counsel volunteer or general volunteers, we will always do our best to invest time, energy and resources within our communities. We love and appreciate where we live and are honored to give back.

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 Abigail Campa
 Alberto Murillo
 Allison Daugherty
 Amanda Hill
 Amanda Mullis
 Frank Norton, Jr.
 Katie Allison
 Cassandra Diaz
 Bob Norton
 Stacy Davis
 Emily Wood
 Heather Strickland
 Diane Reed
 Paula Rives
 Kelsey Butler
 Chris Romberg
 Pat Harrell
 Ricky Mendoza
 Jeff Stowe
 Zack Tibbs
 Wynna Edwards
 Will Cobb

Row 2
 Amanda Norton
 Ami Szama
 Amy Sutherland
 Amy Worley
 Andrea Brock
 Wesley Williams
 Wendy Partin
 Wayne Parker
 Wanda Simmons
 Wallace Craven
 Wade Rhodes
 Vicki Holland
 Vickie Armour
 Ty Talley
 Trey Kelly
 Tracy Jones
 Tori Smith
 Tonya Wade
 Tonya Douglas
 Tommy Howard
 Tom Shults
 Todd Marks
 Tina Hansard
 Tim Hershberger

Row 3
 Anne Waycaster
 Anthony Bonanni
 Ashley Santiago
 Barbie Porter
 Barry Joyner
 Tim Harris
 Terry Shadburn
 Taylor Stowe
 Taylor Dockery
 Tammy Smith
 Talitha Glover
 Tadd Shadburn
 Taylor Hall
 Sydney Bailey
 Susan Moss
 Susan Godbee
 Sue Gross
 Strother Randolph
 Steve Goro
 Stephen Reynolds
 Stephen Lovett
 Stephanie Sims
 Stephanie Gillespie
 Starla Kelley

Row 4
 Ben Gilleland
 Ben Payne
 Beverly Filson
 Bianca Harrison
 Bill King
 Shoshanna Simmons
 Sherry Roberts
 Sheila Smith
 Sheila Davis
 Shane Reidling
 Scott Lewis
 Sandi Simpson
 Sandi Denson
 Rosemary Hancock
 Rosalee Bryant
 Ron Lewallen
 Robin Parker
 Robin Gravitt
 Robert Parker
 Robert Murillo
 Robert Bell
 Rob Lawson

Row 5
 Blair Marshall
 Bob Ryan
 Brad Abernathy
 Brandi Burkett
 Ricky Lewallen
 Richard Redfern
 Rene Richardson
 Regina Edmondson
 Regina Cochran
 Randy Gordy
 Phil Dibrell
 Peri Franklin
 Paula Price
 Paula Findley
 Paula Everert
 Patsy Davis
 Patsy Bailey
 Patrick Manring
 Patrick Cisco
 Pam Heumaneus
 Norman Moolenaar

Row 6
 Brenda Duckett
 Brent Williams
 Britt Vincent
 Brittany Hendrix
 Brian Carlucci
 Nicole Columbo
 Nancy Staton
 Nancy Norton
 Nancy Hobson
 Cody Allen
 Missy Crump
 Minni Nelson
 Mike Denson
 Mikayla Randle
 Michelle Zide
 Michelle Scurry
 Michelle Mathis
 Michelle Allen
 Michael Maddox
 Mica Johnson
 Meredith Kirkus
 Melody Orr
 Melissa Kennedy
 Matthew Figg

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 C.J. Greene
 Camille May
 Caroline Randolph
 Matt McCord
 Mary Meadows
 Martha Holbrook
 Marsha Freeman
 Mark Cunningham
 Marji Milligan
 Marilyn Pohlman
 Marie Breed
 Margie Savage
 Margarita Munoz
 Marc Kogan
 Mallory Kornowa
 Lynn Williams
 Lorie Peters
 Lori Martin
 Lois Vickery
 Linda Thompson
 Leyanne Battle

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 Charlene Bonner
 Charlie Hawkins
 Cheryl Major
 Cheslea Norton
 Leina Douka
 Lynette Patton
 Lee Rogers
 Laura Whitaker
 Laura Porter
 Laura Hanson
 Laura Corley
 Latoya Ward
 Larry Jenkins
 Kristy Fitzgerald
 Kristy Bennett
 Kristie Myers
 Kristi Young
 Kim Waters
 Kim Garrison
 Kim Dills
 Kern Parks
 Kelsey May
 Leigh Ann O'Brien

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 Chris Collins
 Chris Kemp
 Chris Long
 Chris Parks
 Kelly Moore
 Kelly Ausburn
 Kela Shirley
 Keith Palmer
 Kayla Shoemake
 Katie McAfee
 Kate Wren
 Karen Smith
 Karen Lowe
 Karen Grogan
 Kara Scroggs
 Kami Crawford
 Julie Johnson
 Julie Jensen
 Judy Scales
 Judy Bevers
 Josh Moreland
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 Jennifer Crump
 Christine Ford
 Chrystie Towe
 Cindy Ballard
 Cindy Black
 John Pace
 John Drew
 Joe Baxter
 Joanna Martin
 Joanna Clippenger
 Jimmy Wallace
 Jim Haywood
 Jim Hawkins
 Jill Bonney
 Jessie Carmon
 Jesse Harkins
 Jerry Stedman
 Jennifer Adams
 Jennifer Smith
 Jeff Cass
 Jean Neuhaus
 Jean Ferris
 Jason Justice

Row 11
 Cindy Browning
 Connie Downs
 Crista Rندان
 Cristi Hunt
 Jason Griffith
 Janice Wooten
 Janet Kettle
 Jane Fleming
 Jaimie Harrison
 Jackie Cross
 Joe Kenyon
 Ivey Goss
 Ira Jolley
 Hannah Pennington
 Greg Smith
 Glenda Caldwell
 Gina Johnson
 Gerald Lambert
 Gaye Dillard
 Frances Keene
 Felicia Harris
 Monica Cody

Row 12
 Danielle Allenbach
 David Aldridge
 David Sosby
 David Stovall
 David Williamson
 Ernesto Rodriguez, Jr.
 Ernesto Rodriguez, Sr.
 Emily Underwood
 Edwin Hughs
 Eddie Hughs
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