



LRPAC Update

August 2024



Agenda



- 2024 Goals Update
- Housing Forecast Update
- Selected Rate Benchmarks





LRPAC 2024 Goals Update

GOAL

- Continue strategic long-range facilities plan and utilization forecast
 - Parks & Recreation
 - Parking
 - Marinas

- Produce comprehensive benchmark vs. other communities

IN

PROGRESS



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Housing Forecast Update



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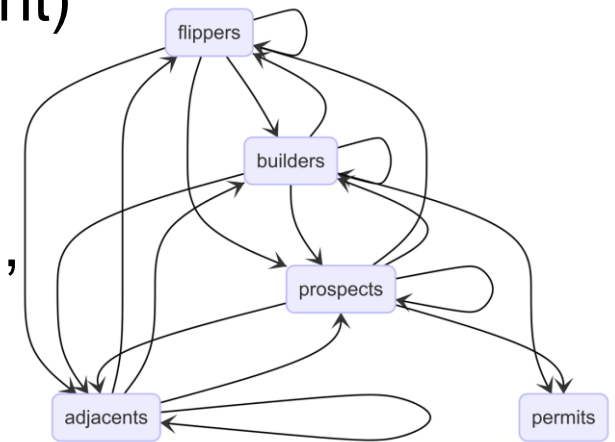
Single Family Permits Declining in 2024

- Permits through July are down 21% from last year
- Previous buildout model predicted a buildout “cliff” in 2026
- A new forecast model was developed that predicts a significant decline in permitting this year



New Forecast Model

- Draws from detailed records of lot buying, selling, permitting
 - ACC monthly reports (January 2019 – present)
 - Tennessee Comptroller of the Treasury (1985 – present)
- Accounts for dynamics of the market participants
 - Lots divided into categories based on owner buy, hold, sell, permit behavior
- Sensitive to growth regime transitions
- Results are data-driven

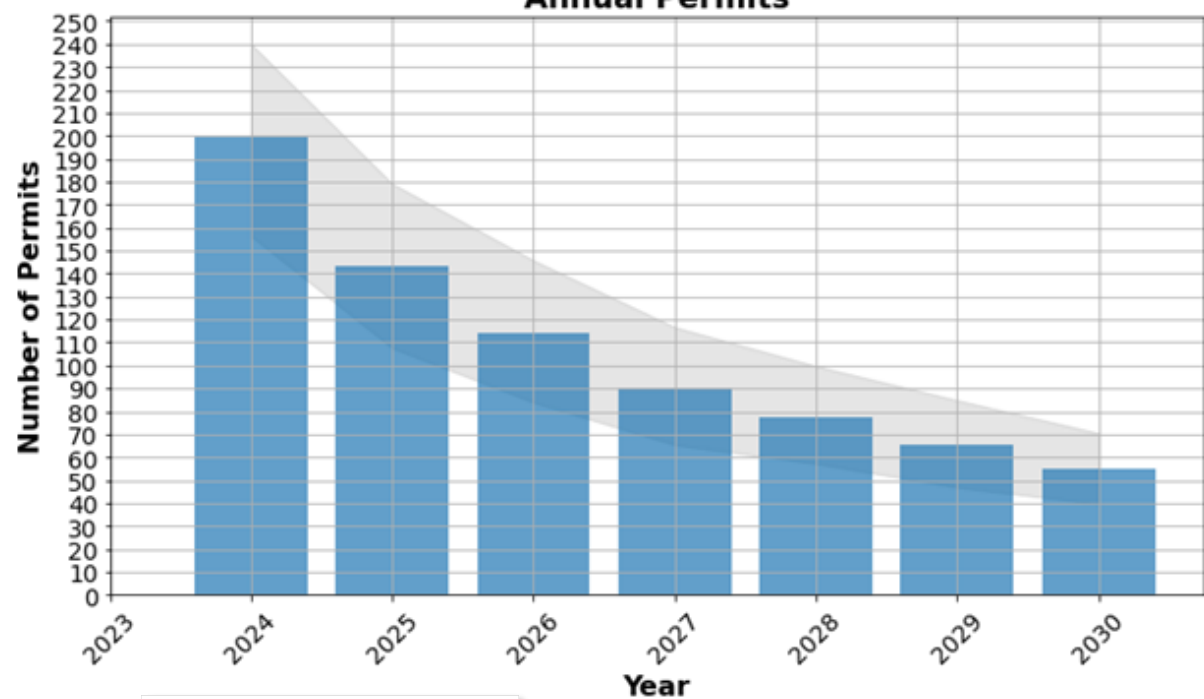




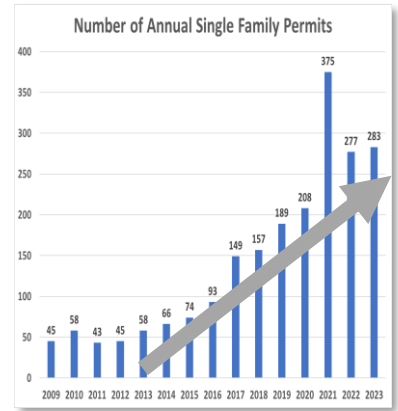
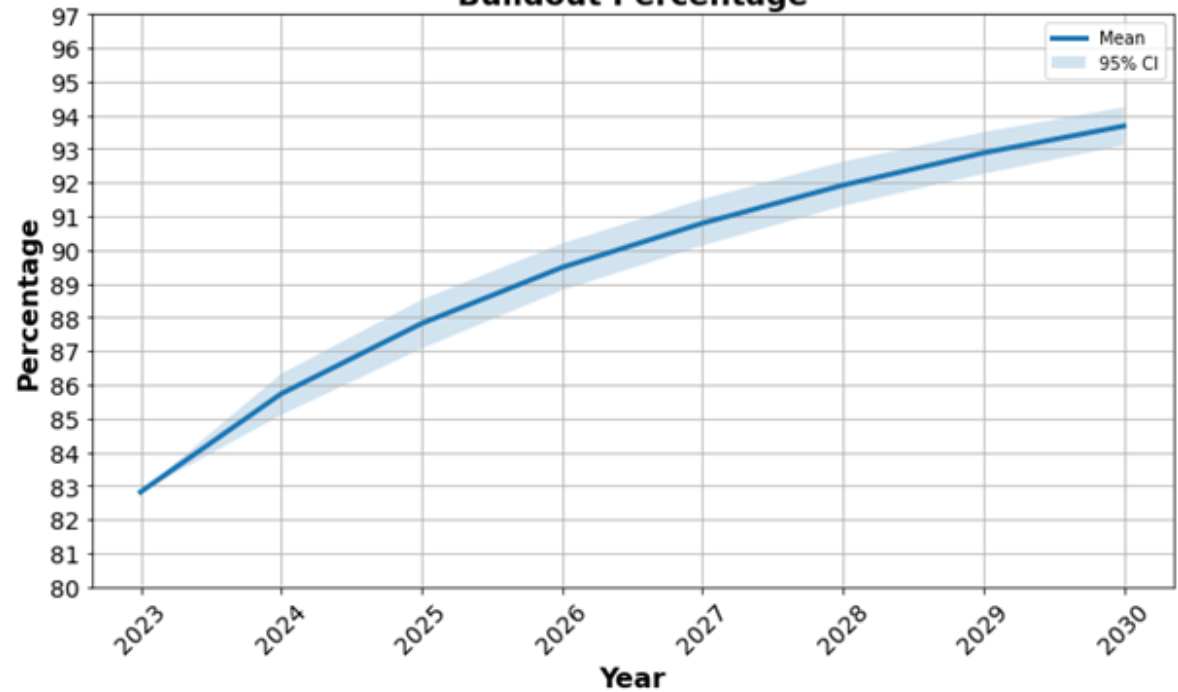
SHAPING
OUR FUTURE

New Model Forecast

Annual Permits



Buildout Percentage



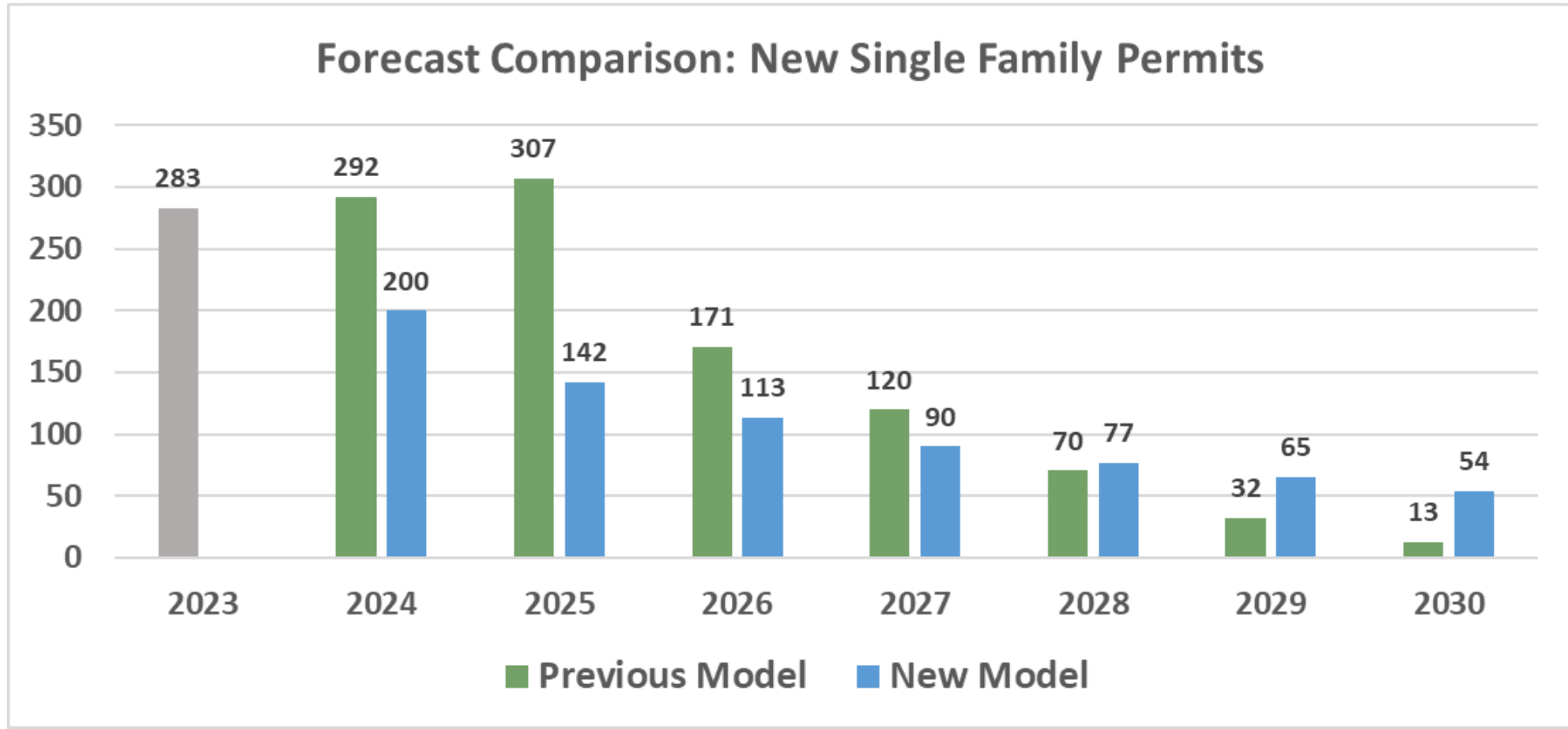
Confidence intervals based on Monte Carlo simulations assuming 20% standard deviation of all state transition probabilities

Buildout Percentage = single family permitted lots ÷ platted lots



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New Model Reflects an Accelerated Decline in Permits





Selected Rate Benchmarks



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Board Request

Benchmark local fees in the following areas:

- Monthly Assessments
- Marina (Boat Slips)
- Recreation (Gym Membership)
- Golf



The Challenge of Comparisons



VS.



VS.



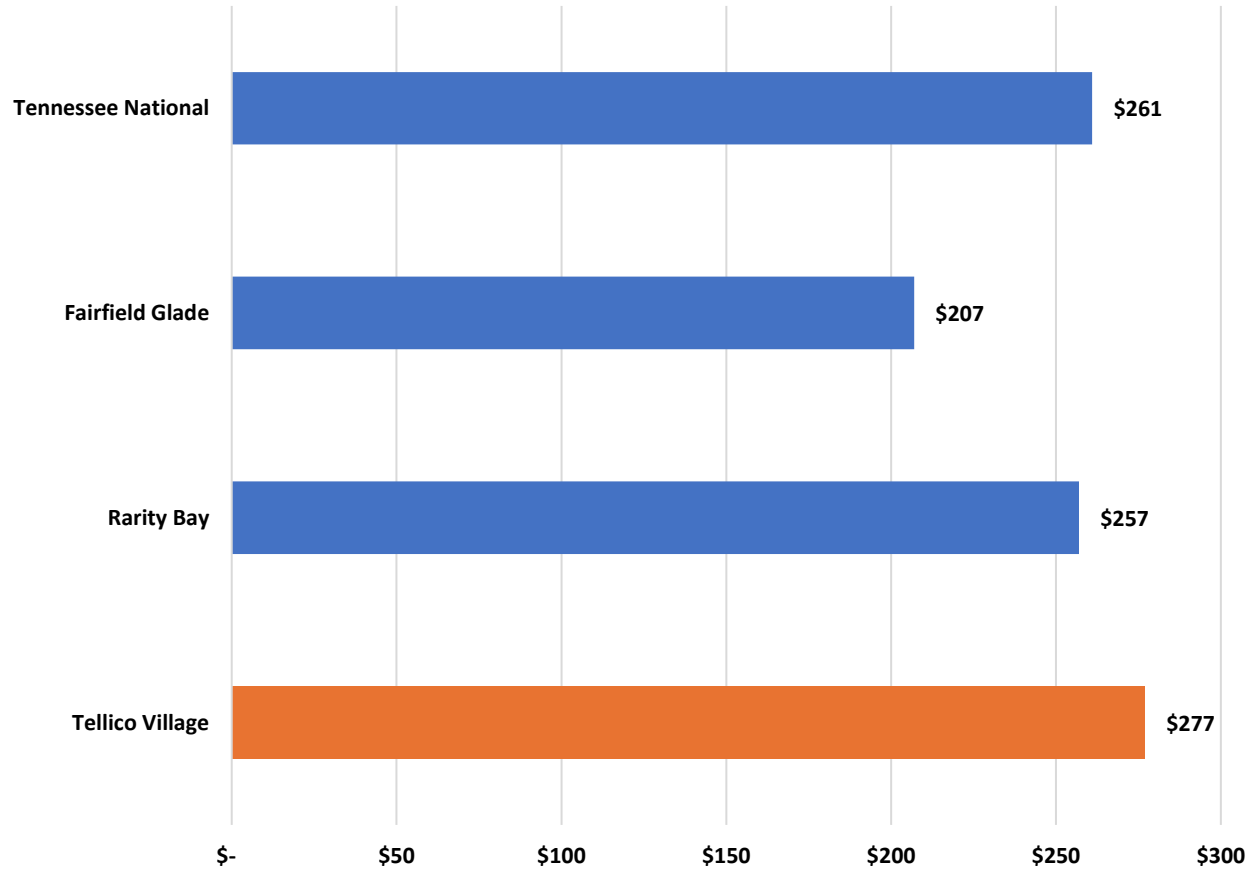
VS.



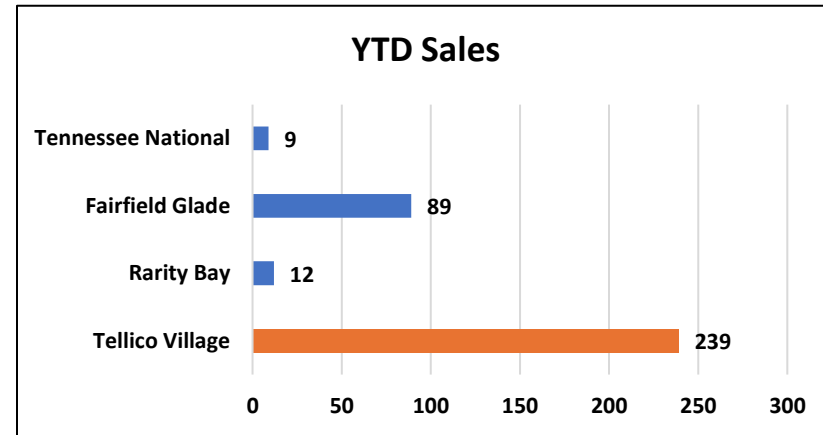


Market Activity & Value

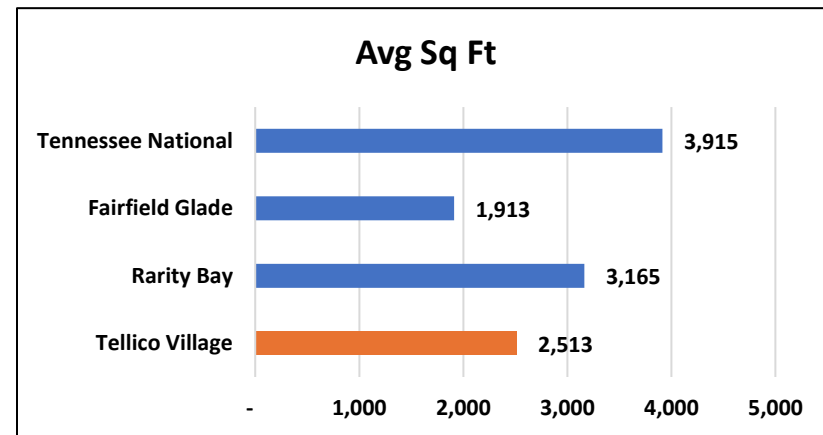
Sold Price Per Sq Ft



YTD Sales



Avg Sq Ft



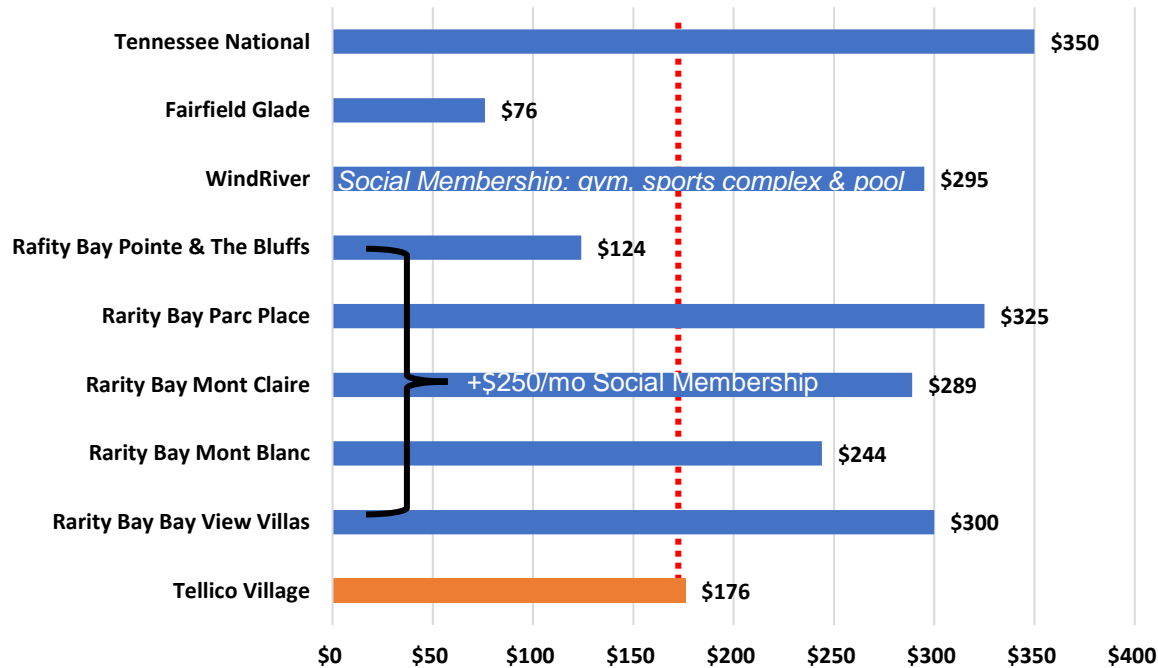
MLS data YTD through July 2024. WindRiver does not list on MLS



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Monthly Assessments

Local Community Monthly Assessments

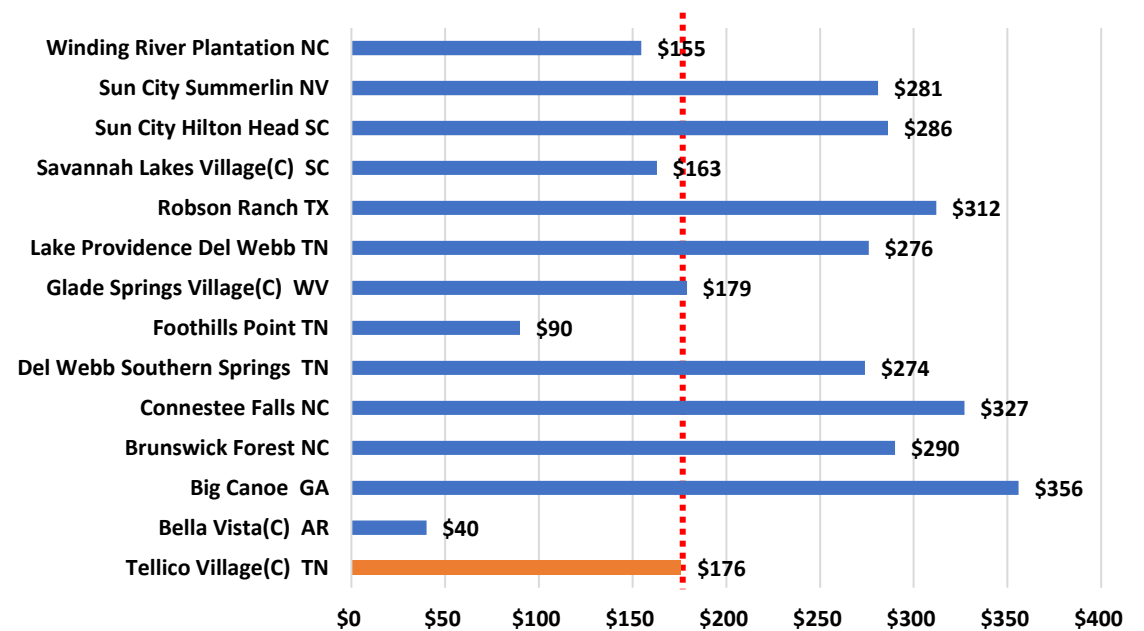


Average \$242

US Census American Housing Survey 2021 Average Monthly Homeowner or Condo Association Fee \$191

Sources: LRPAC research, POA staff

Selected Community Monthly Assessments



Average \$223 (C) = Cooper Community

Lake Providence: \$276 to \$283 depending on home size

Robson Ranch: \$312 Includes amenities except golf

Sun City Hilton Head: \$286 Includes lawn care, pools, fitness



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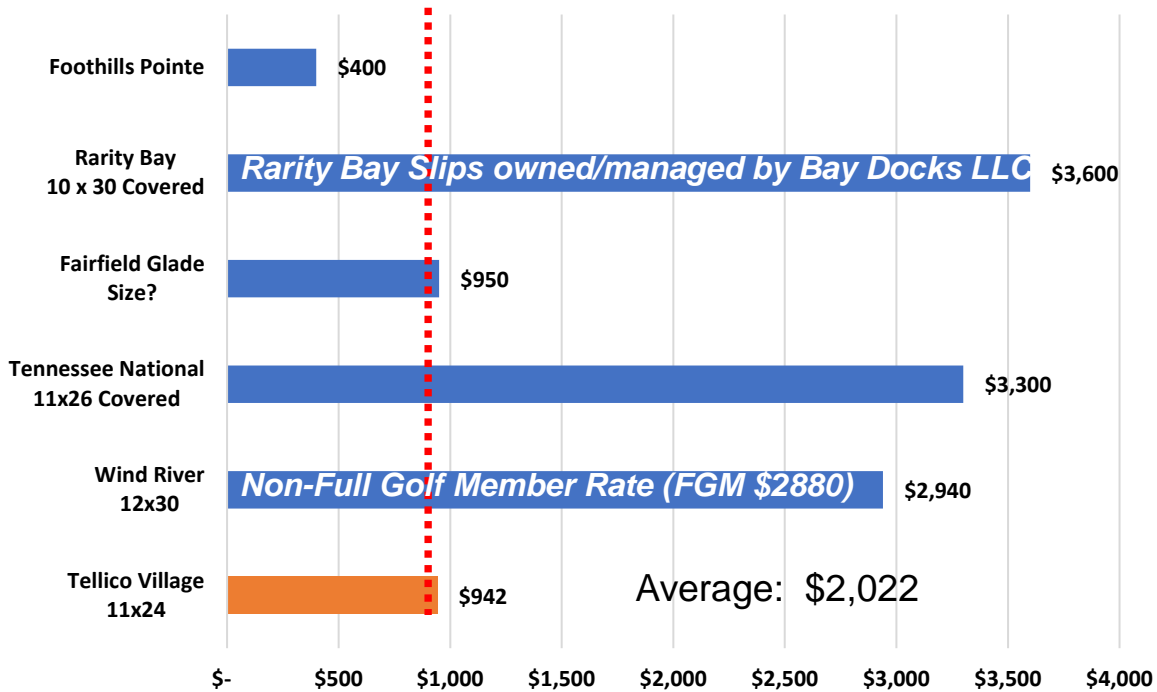
Buy-In / Membership Fees

Sources: LRPAC research

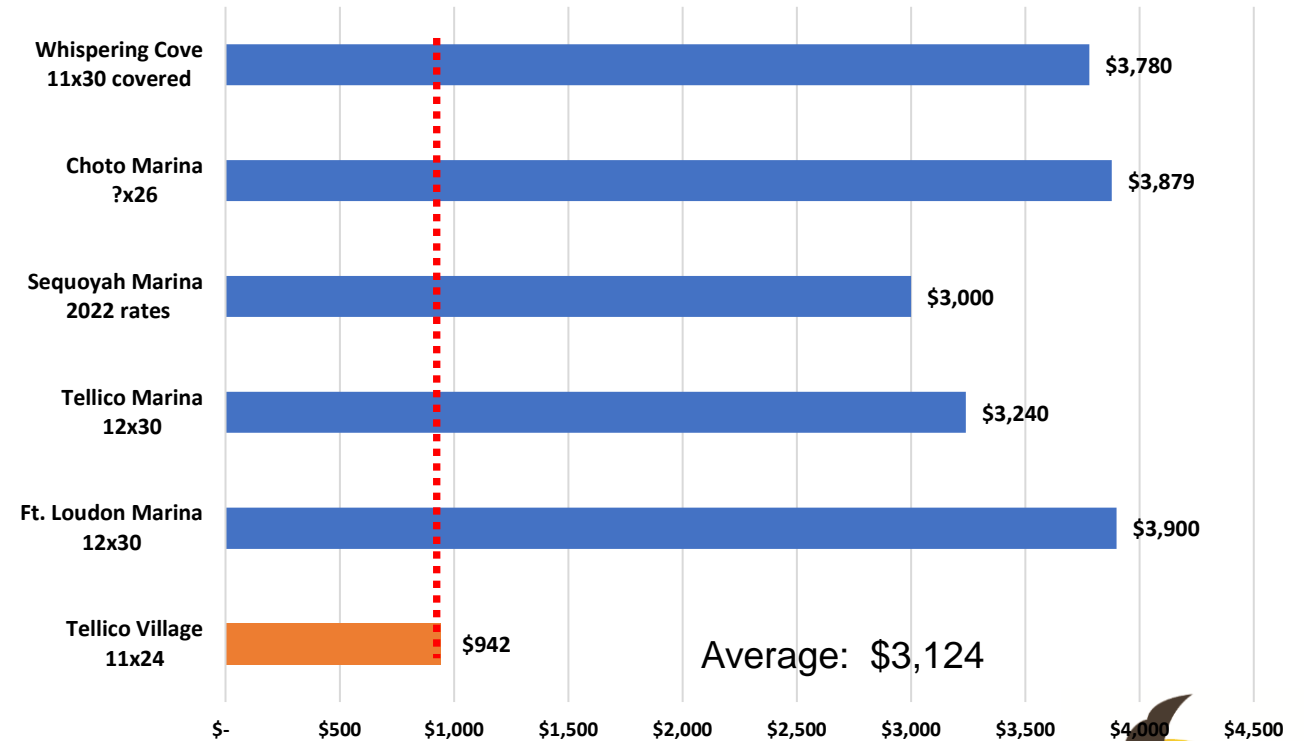
Community	Buy In Fees	
Rarity Bay	Social Membership - Required <i>(Not Transferable, \$600 annual food minimum)</i>	\$10,000
		\$250/month
	Golf Membership <i>(Transferable, Social Membership Required)</i>	\$25,000
		\$400/month
WindRiver	Sold by Wind River Properties	\$50,000
	Not Sold by Wind River Properties	\$100,000
	Social Membership - Required <i>Includes gym, sports complex and pool</i>	\$295/month
	Golf Membership <i>Includes Social Membership, unlimited golf, cart & range</i>	\$650/month
Fairfield Glade	Amenity Reserve Fee (A-Tier Residences) <i>Effective 7/1/2024 Upon transfer of property</i> <i>Vacant Developed Lots: \$1667; Partially Developed Lots: \$833; Vacant Undeveloped Lots: \$167</i>	\$5,000
Tennessee National	Traditional Golf Membership	\$25,500
	<i>Unlimited, no greens fees, cart fees apply</i>	\$630/month
Tellico Village	Proposed: 1/2%. Examples:	
	<i>\$500K house would be:</i> <i>\$750K house would be:</i>	\$2,500 \$3,750

Boat Slips

Local Community Boat Slips - Annual



Local Marinas - Annual



Is Tellico Village a “Marina”?

- Boat slips
- Restaurant
- Gas
- Electricity (shore power vs. convenience power)
- Pump out facilities
- Boat repair facilities
- Showers
- Internet

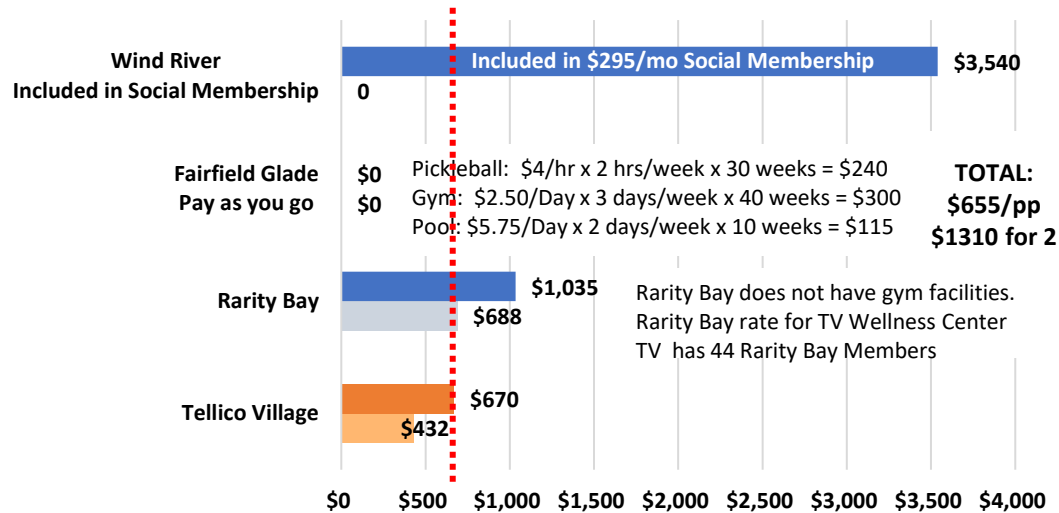
See “A Review of Amenities & Lease Fees in the Local Market” – MAC 2021

Public sources indicate national pricing ranges from \$50 to \$288 per year per foot, 24’ slip = \$1200 to \$6912 (Boatdriving.org, Boatwisely.com, BestBoatReport.com)
Sources: LRPAC research, Marinas Advisory Committee



Gym Membership

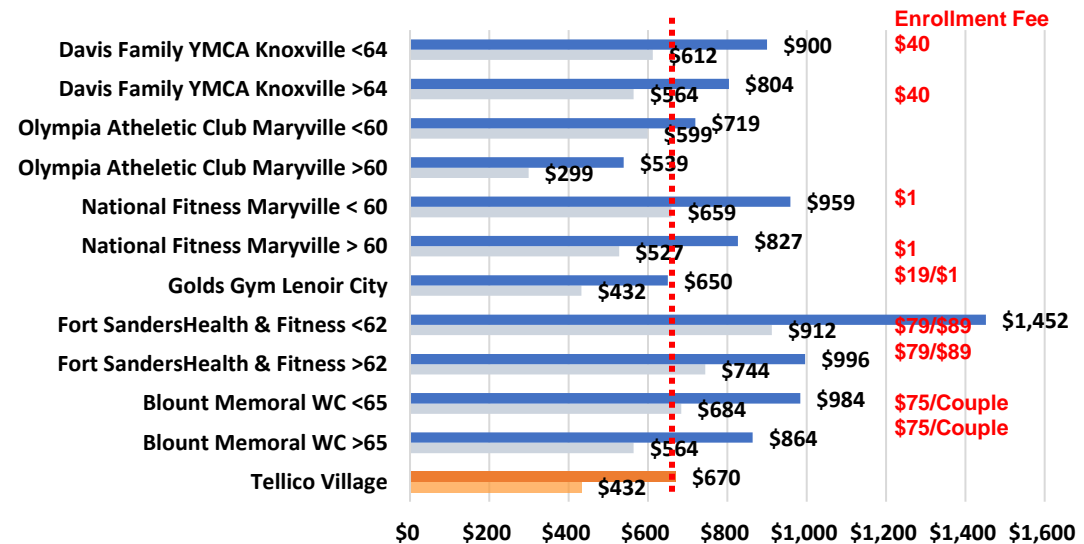
Local Community Annual Gym Membership Family / Individual



Fairfield Glade is pay-as-you-go: Indoor Tennis \$9/hr, Clay Tennis \$4/hr, Pickleball \$4/hr, Gym \$2.50/Day, Pool \$5.75/Day, Annual Pickleball Pass \$500, Annual Tennis/Pickleball \$1440, 20X Pool Punch Pass \$80

Tennessee National does not have a gym. Nearest low-cost option is Golds Gym Lenoir City, \$650/Family

Area Public Annual Gym Membership Family / Individual



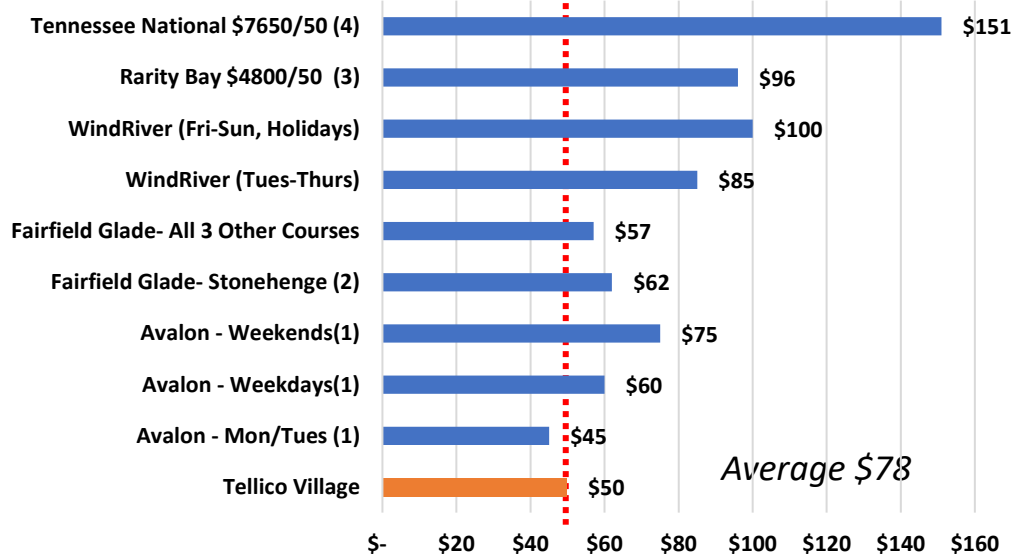
Average Family Membership \$864

Sources: LRPAC research, Parks & Recreation Advisory Committee

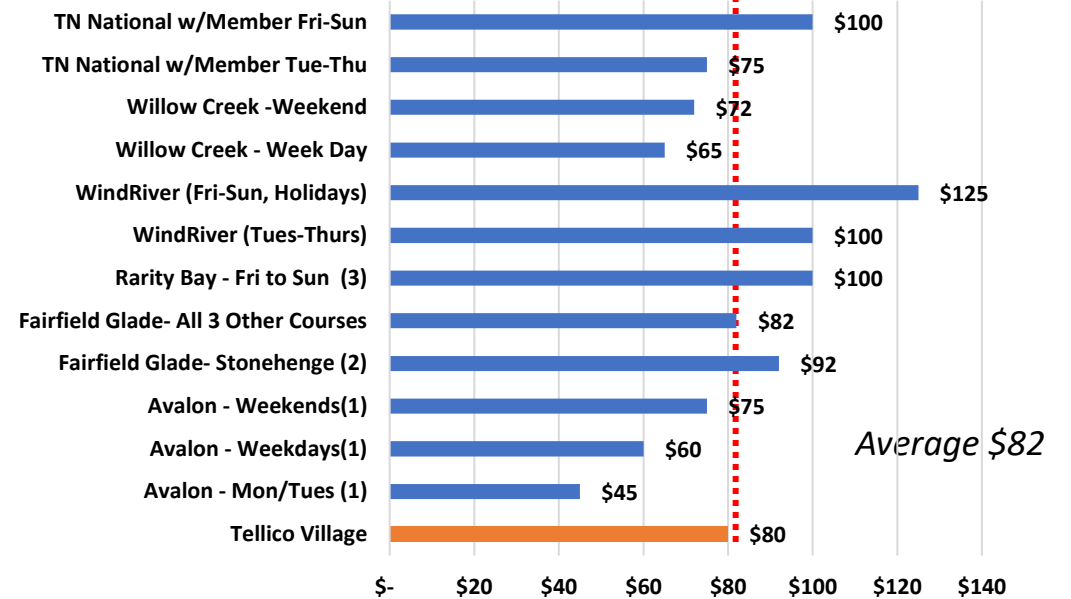


Golf – 18 Holes with Cart

Member/Resident Golf - 18 Holes



Guest w/o Member



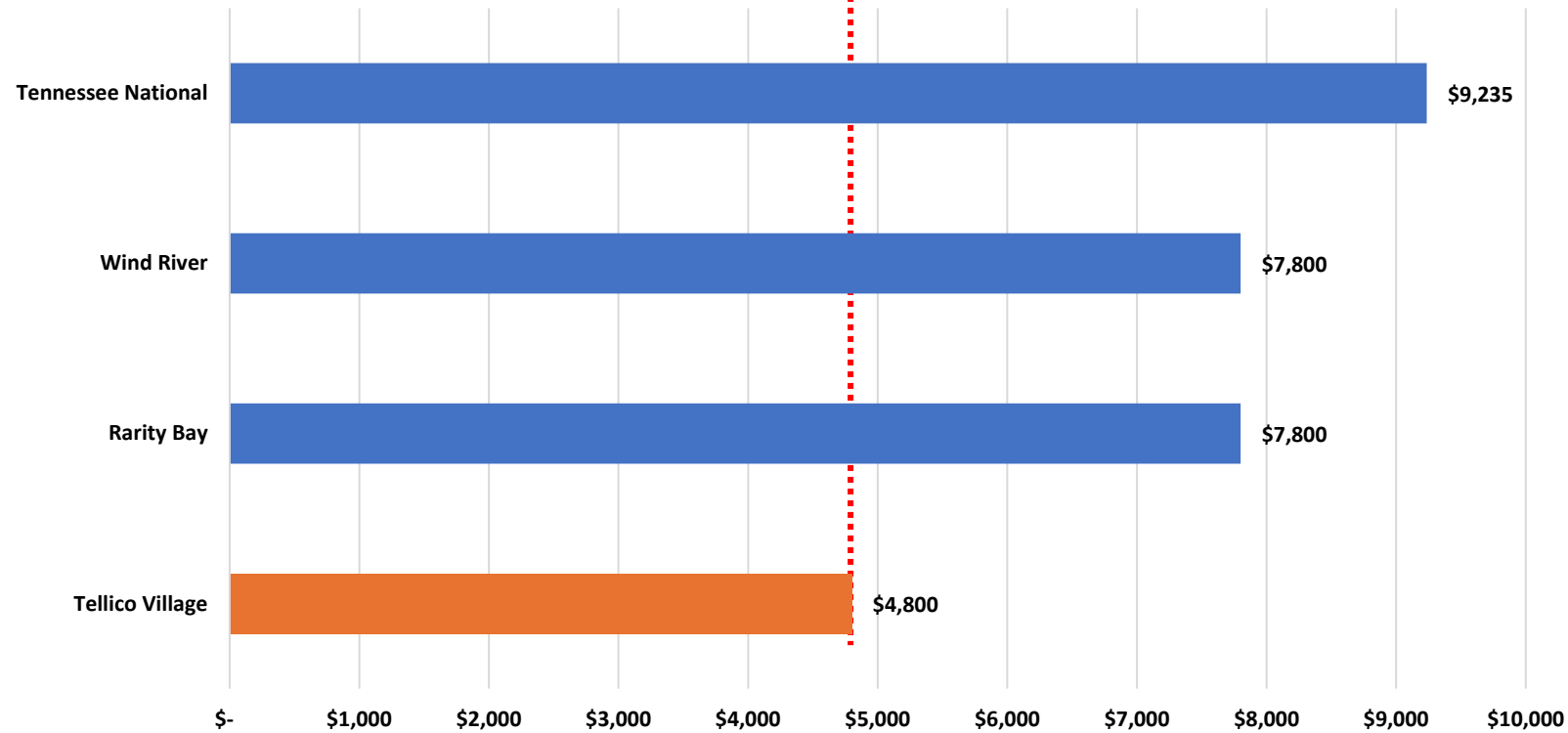
- (1) Avalon offers Sr., Jr. and Military and Twilight Rates that are less than these Published Full Rates
- (2) Fairfield Glades offers \$12 to \$24 discount to "Preferred Member" (for \$600 deposit per year). Not all Fairfield Glade courses are open year-round
- (3) Rarity Bay is only open to public Fri-Sun. Member rate based on \$400/mo membership (\$4800/yr) / 50 rounds = \$96
- (4) Tennessee National rate based on \$630/mo membership (\$7560/year) / 50 rounds = \$151

Sources: LRPAC research, Golf Advisory Committee



Golf - Unlimited

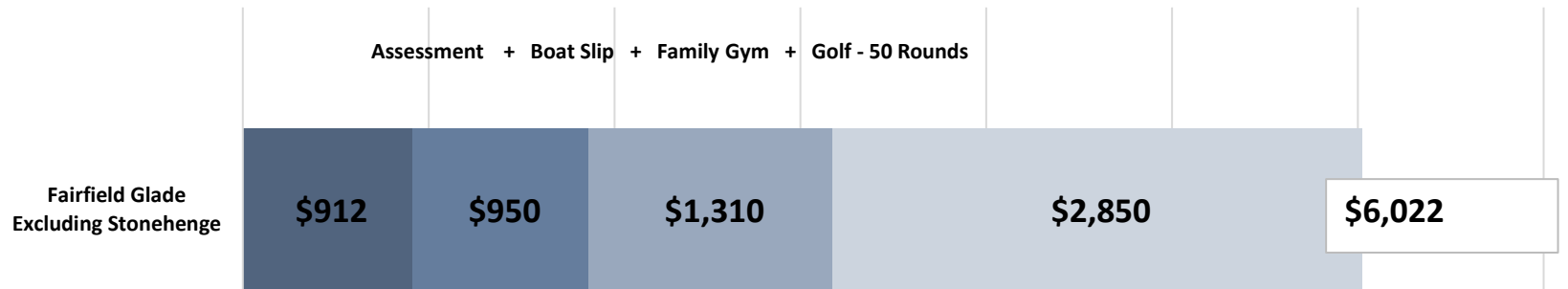
Unlimited Golf
w/Cart



Sources: LRPAC research, Golf Advisory Committee

Tellico Village vs. Fairfield Glade – Annual Cost

Tellico Village vs. Fairfield Glade



OTHER COSTS
 Amenity Reserve Fee upon property transfer: \$5,000
 Not included in graph

Fairfield Glade charges daily/hourly facility fees. Examples: Gym \$2.50/day, Pool \$5.75/day, tennis, \$4/hour, etc. Annual Pickleball Pass is \$500.

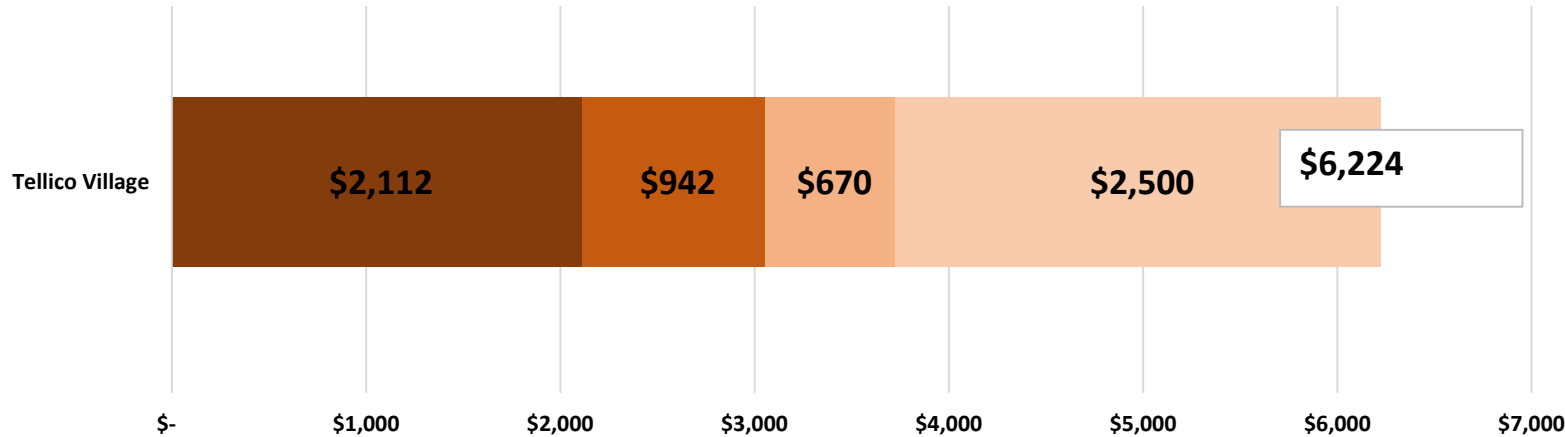
Sample Rec Usage:

Pickleball: \$4/hr x 2 hrs/week x 30 weeks = \$240

Pool: \$5.75/Day x 2 days/week x 10 weeks = \$115

Gym: \$2.50/Day x 3 days/week x 40 weeks = \$300

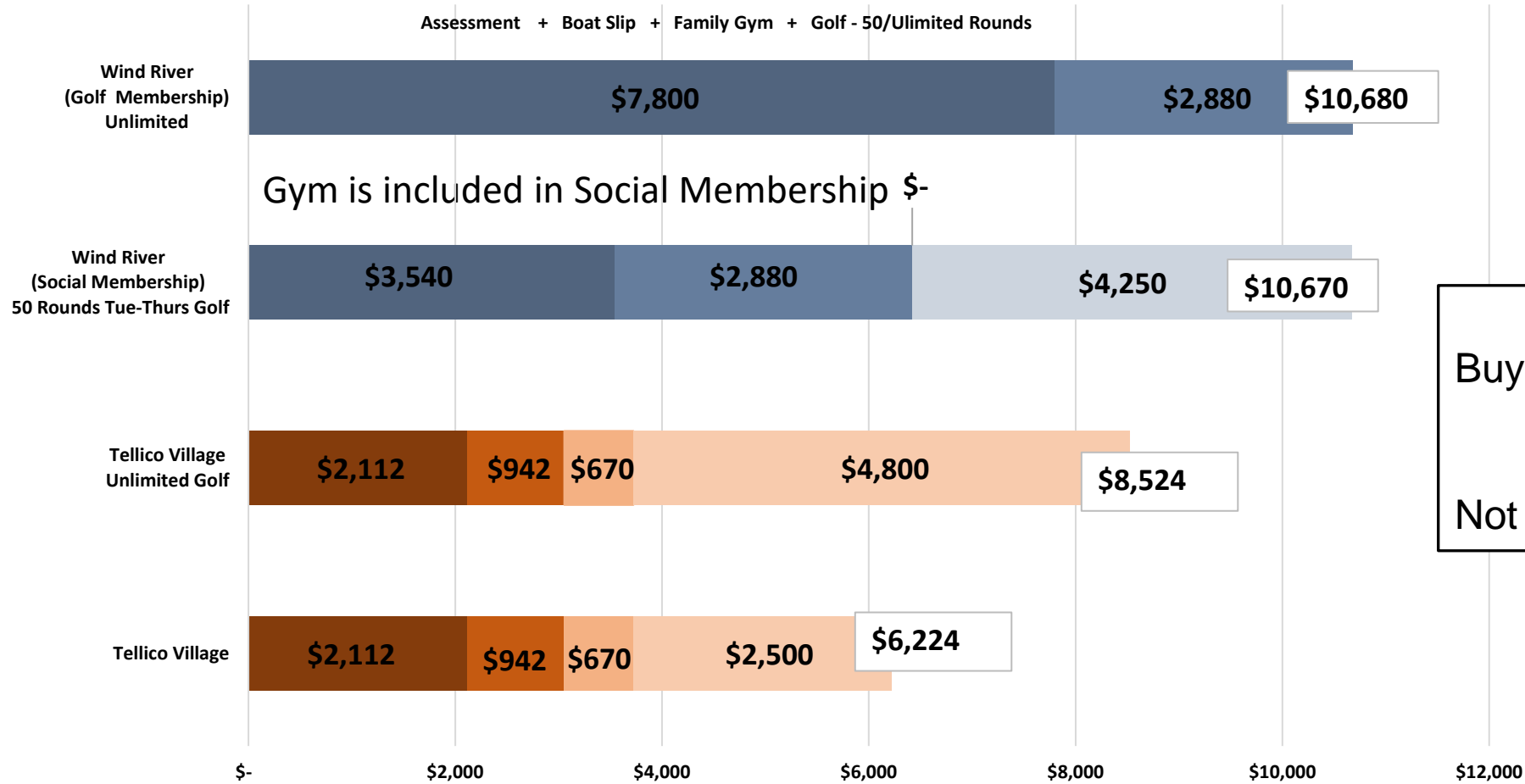
= TOTAL \$655 per person; \$1310 for 2 people





Tellico Village vs. Wind River – Annual Cost

Tellico Village vs. Wind River

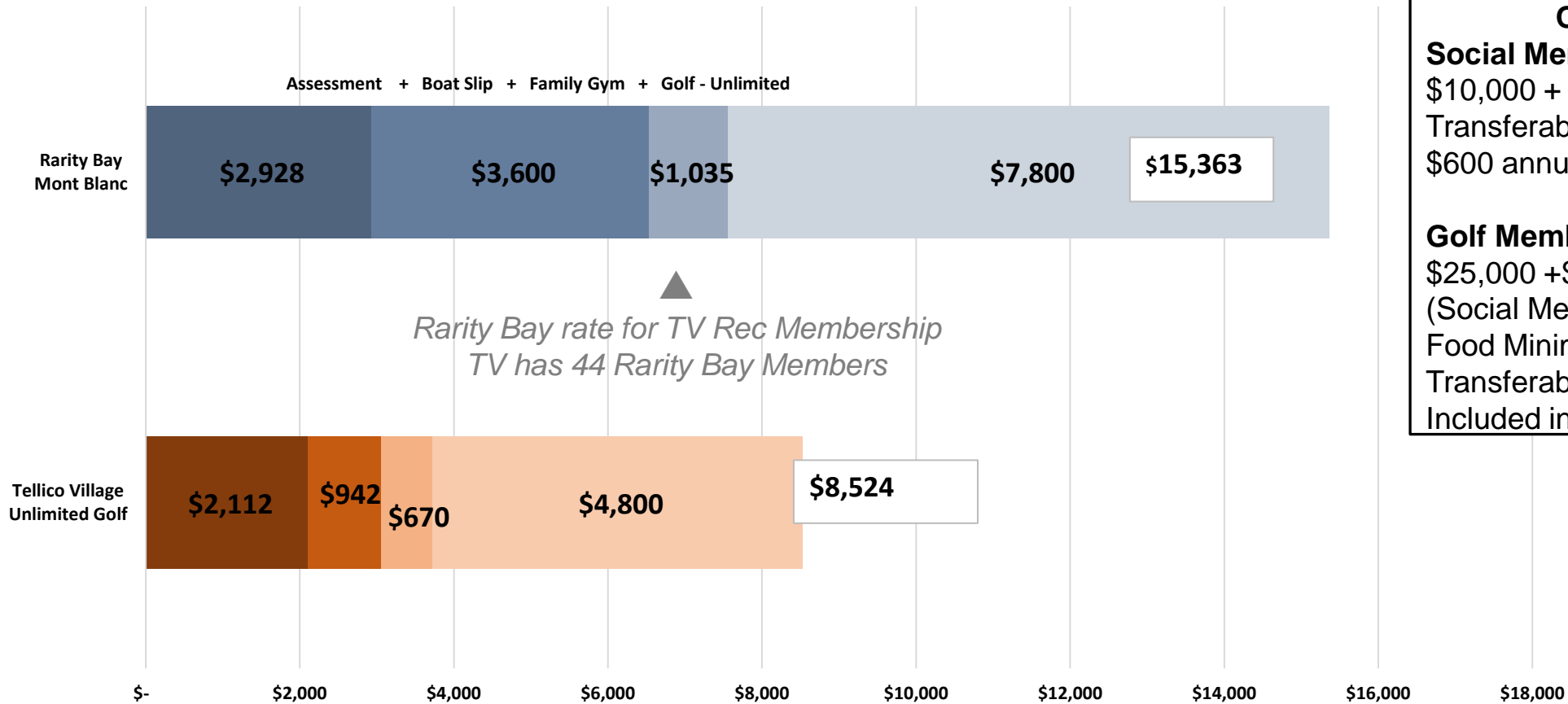


OTHER COSTS
 Buy In Fee: \$50,000 (WR)
 \$100,000 (Not WR)
 Not included in graph



Tellico Village vs. Rarity Bay – Annual Cost

Tellico Village vs. Rarity Bay



OTHER COSTS

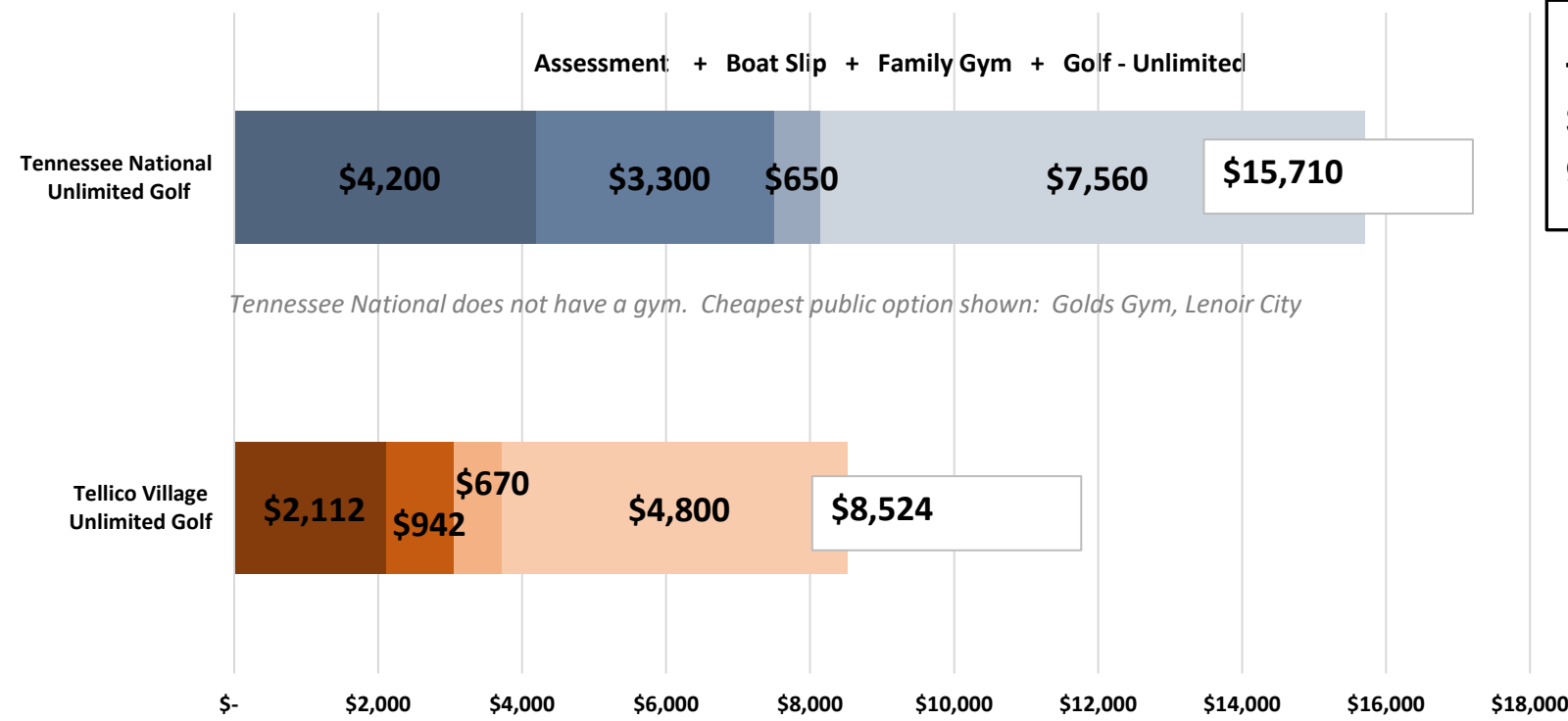
Social Membership:
 \$10,000 + \$250/month
 Transferable
 \$600 annual food minimum

Golf Membership:
 \$25,000 + \$400/month
 (Social Membership Required,
 Food Minimum Not Required)
 Transferable
 Included in graph



Tellico Village vs. Tennessee National – Annual Cost

Tellico Village vs. Tennessee National

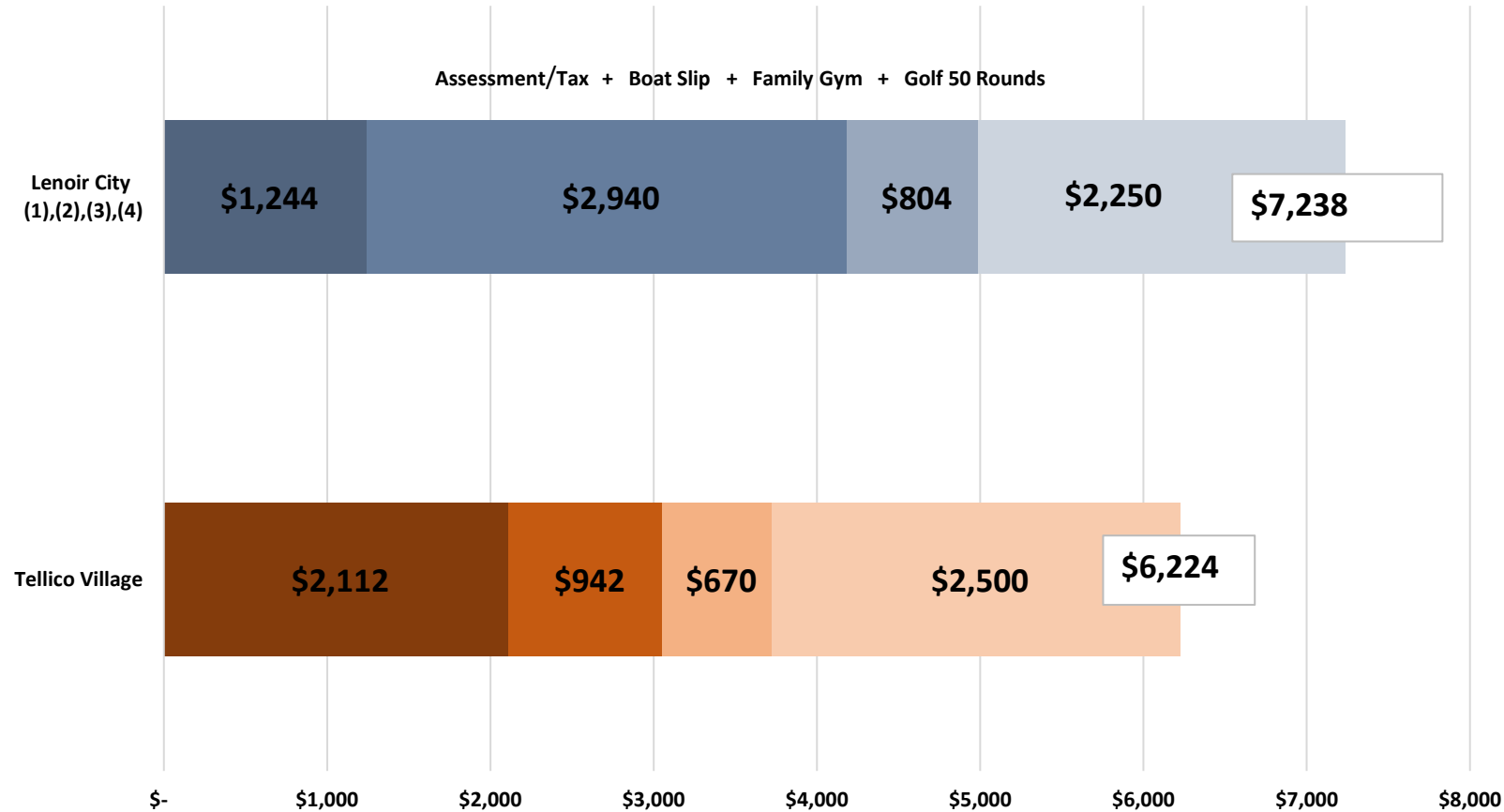


OTHER COSTS
Traditional Golf Membership:
 \$10,000 + \$630/month included in graph



Tellico Village vs. Lenoir City – Annual Cost

Tellico Village vs. Lenoir City



(1) City Tax, house appraised at \$500K, assessed at 25% or $\$125K \times 0.9955 = \$1,244$

2) WindRiver Marina 12 x 30 = \$2,940. Ft. Loudon Marina 12 x30 = \$3,900

3) Davis Family YMCA >64 \$804 (\$40 enrollment fee not included)

4) Avalon Mon/Tues only \$45 x 50 = \$2250. Weekdays \$60 x 50 = \$3,000

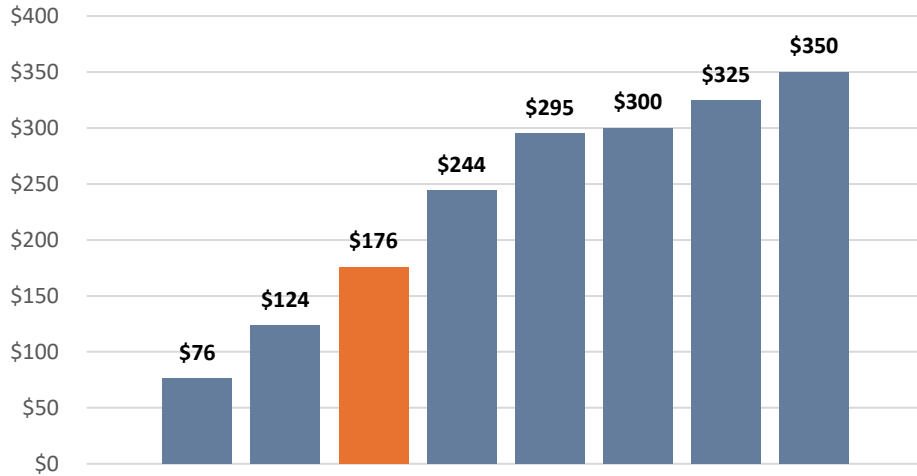




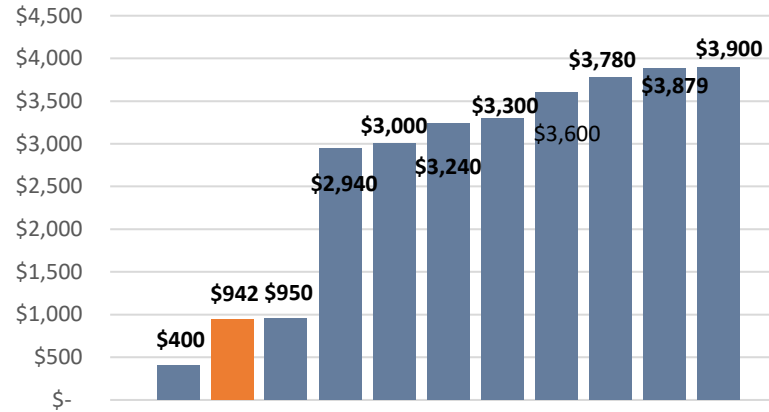
Snapshot – Tellico Village vs. Local Comparables

Tellico Village

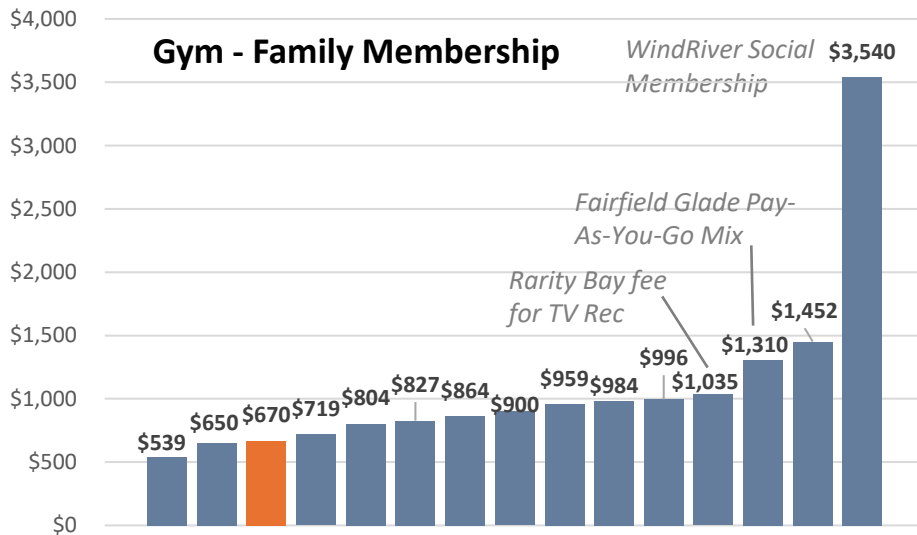
Monthly Assessments



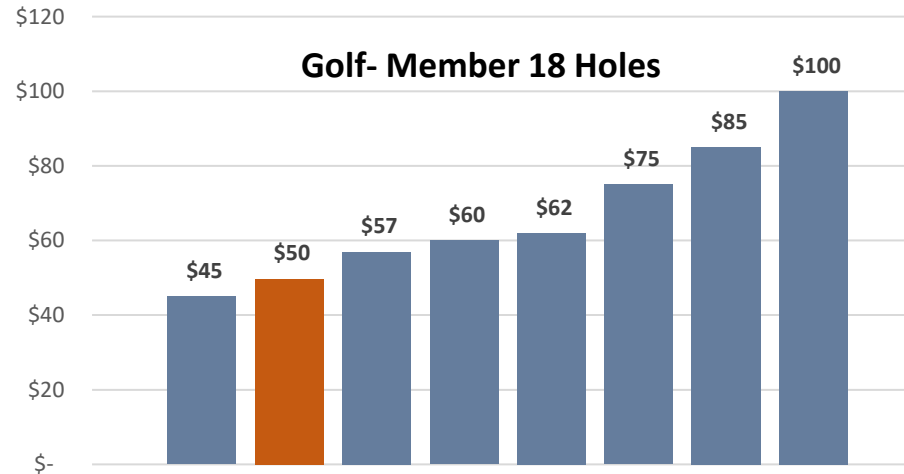
Boat Slip



Gym - Family Membership



Golf- Member 18 Holes



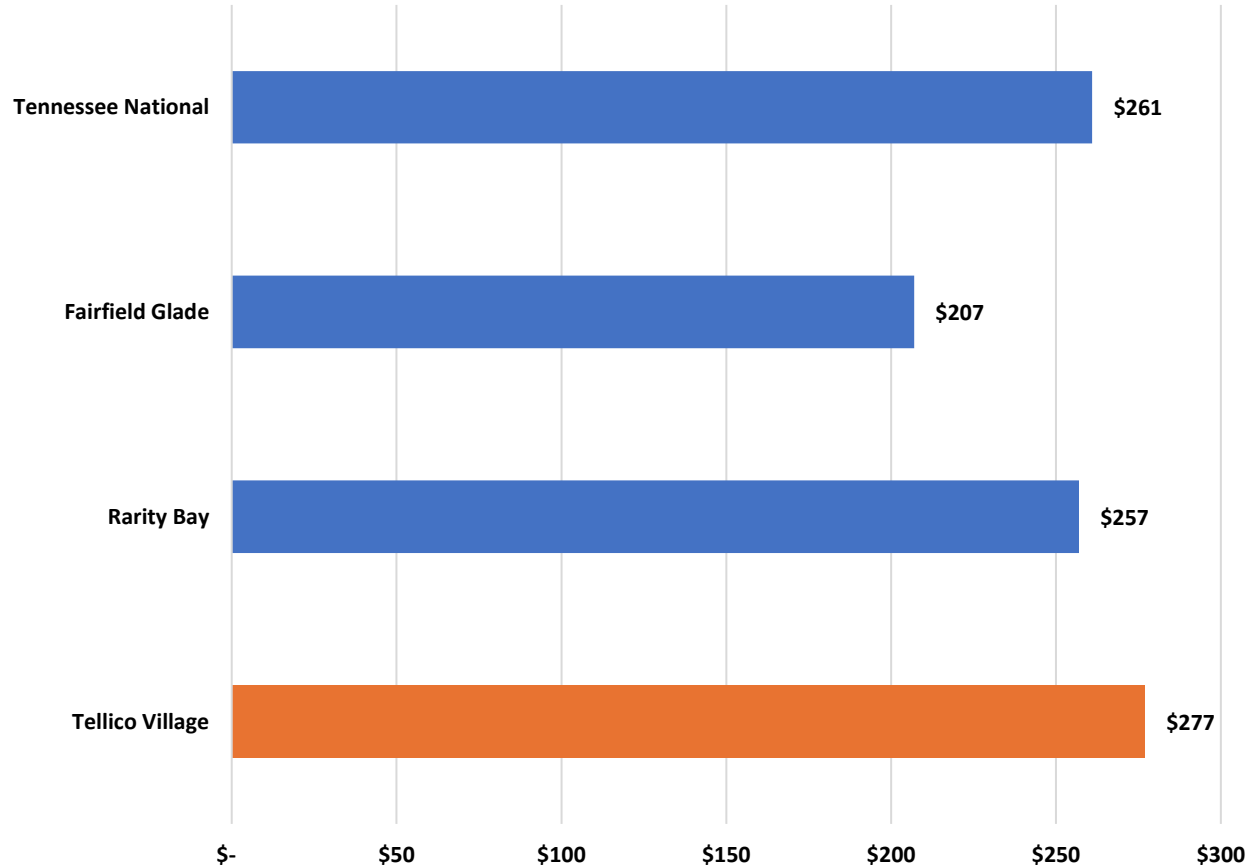
Sources: LRPAC research, POA staff, advisory committees



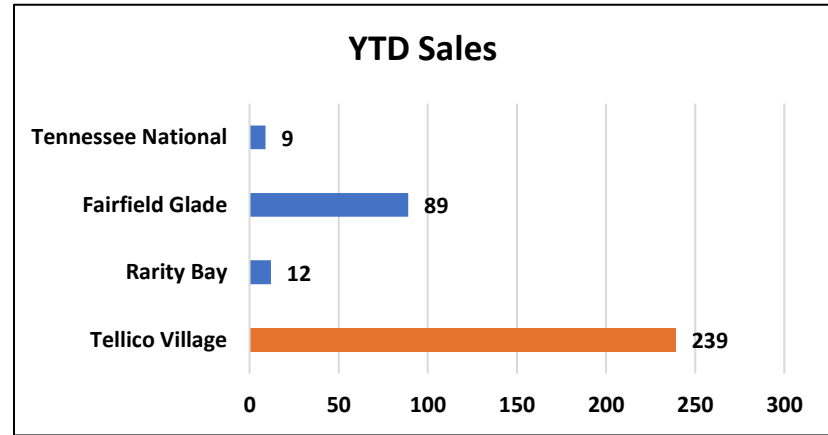
Market Activity & Value



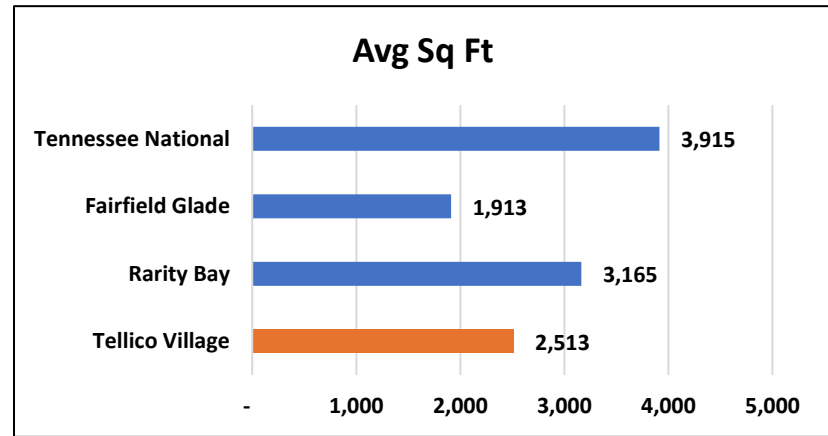
Sold Price Per Sq Ft



YTD Sales



Avg Sq Ft



MLS data YTD through July 2024. WindRiver does not list on MLS





Summary

- Tellico Village costs are not the lowest, nor the highest and are below the average of the comparison set
- It's challenging to make apple-to-apples comparisons; the devil is in the details
- The Board needs to rely on the input and expertise of staff and other advisory committees when using this data to evaluate rates
- While value is in the eye of the beholder, MLS data suggests that buyers place a premium on living in Tellico Village



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