



Creative Builders, Inc.

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August 27, 2019

North Carolina Housing Finance Agency
Attn: Chris Austin
3508 Bush Street
Raleigh, NC 27609

Re: Response to NC QAP.

Dear Chris Austin:

Creative Builders has built 75 multifamily developments across the southeast, including 10 properties built for the NC Housing Finance LIHTC program. We appreciate the opportunity to submit feedback for the 2020 NC QAP. We **not only support, we request increasing** the Chart A construction cost figure from \$78,000 per unit to \$88,000. This reflects not only realistic pricing for 2019, but also an estimate of where construction pricing will be by the time the 2020 LIHTC awards sign construction contracts in Q1 of 2021.

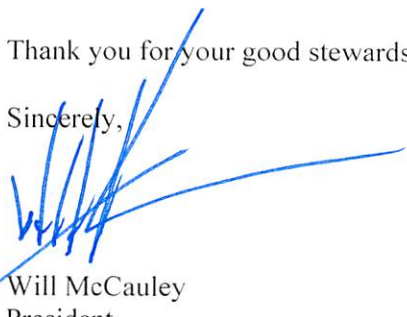
Creative Builders currently has 26 multifamily projects currently being priced or under construction across South Carolina and North Carolina.

Construction prices are experiencing dramatic year over year increases due to several factors:

- The strength of the overall economy
- Competition for subcontractors/labor at the peak of the building cycle
- Price of materials due to competition from boom in multifamily, and construction activity due to economic growth in the south as well as the hurricane recovery/rebuild efforts
- Natural disasters such wildfires have constrained lumber supply
- Tariffs, etc....

Thank you for your good stewardship of the tax credit program in North Carolina.

Sincerely,



Will McCauley
President
Creative Builders, Inc.

Building a better tomorrow ...today!