



Creative Builders, Inc.

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October 30, 2018

North Carolina Housing Finance Agency
Attn: Scott Farmer
3508 Bush Street
Raleigh, NC 27609

Re: Response to NC QAP.

Dear Scott Farmer:

Creative Builders has built 73 multifamily developments across the southeast, including 9 properties built for the NC Housing Finance LIHTC program. We appreciate the opportunity to submit feedback for the 2019 NC QAP. We support increasing the Chart A construction cost figure from \$78,000 per unit to \$88,000. This reflects not only realistic pricing for 2018, but also an estimate of where construction pricing will be by the time the 2019 LIHTC awards sign construction contracts in Q1 of 2020.

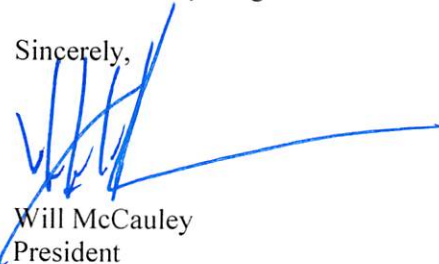
Creative Builders currently has 22 multifamily projects currently being priced or under construction across South Carolina and North Carolina.

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!