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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

February 25, 1983

RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION

B-209537

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The Honorable Jim Sasser
United States Senate

Dear Senator Sasser:

Subject: Impact of the Department of Housing and Urban Development's Proposed Consolidation Plan on Tennessee. (GAO/RCED-83-100)

Your September 14, 1982, letter requested that we evaluate the Department of Housing and Urban Development's (HUD's) proposal to move its Nashville multifamily housing function to Knoxville, Tennessee. That proposal is part of a major reorganization of field activities now under consideration by HUD.

Justification for the proposed relocation, furnished to you by HUD, cited inefficient and ineffective program delivery and client service as the primary reason for consolidating multifamily housing. HUD contends that the only viable option to correct program delivery and client service problems is to reorganize. In support of its reorganization proposal, HUD provided you a cost analysis showing a net savings of $276,030 at the end of 2 years and $1,282,575 at the end of 5 years if multifamily functions were consolidated in Knoxville, HUD's preferred option. If the Knoxville office functions were moved to Nashville, HUD estimates that there would be no net savings at the end of 2 years, but instead, net costs of $582,524. HUD did not complete the cost analysis for moving to Nashville and did not estimate net results at the end of 5 years for that option.

To evaluate HUD's proposal, we examined pertinent documents and interviewed officials of HUD, other federal agencies, and state agencies. In addition, we administered a questionnaire to obtain an indication of Nashville and Knoxville HUD staff's willingness to relocate and related costs. As agreed with your office, we concentrated our efforts on assessing costs and benefits of HUD's Option I.

Based on our evaluation, we do not see support that past program delivery and client service problems were the result of the organizational structure in Tennessee. Further, we found no evidence that serious program delivery or client service problems currently exist.

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HUD's cost analysis contained assumptions and estimates that were neither adequately supported nor based on sound planning or detailed study. Overall, we believe that HUD's analysis understates the cost of consolidation and overstates the potential savings.

Finally, we found no evidence that HUD considered the impact of changing initiatives in its proposal to reorganize in Tennessee. HUD's programs and direction are changing, and some of those changes will affect the organization and staffing levels of its field multifamily housing operations.

Based on our findings, we recommend that the Secretary of HUD reevaluate the proposal to consolidate Tennessee multifamily housing in light of the information in this report. In this reevaluation the Secretary should (1) justify that the reorganization is necessary and desirable and demonstrate how it will improve program delivery and client service, (2) develop a complete and detailed cost/benefit analysis, and (3) consider the effects of new initiatives in making his final decision regarding the most appropriate organizational structure in Tennessee.

The results of our review are discussed in more detail in Enclosures I and II. We did not obtain agency comments. As arranged with your office, unless you publicly announce its contents earlier we will not distribute this report until 10 days after its issue date. At that time, we will send copies to other interested parties upon request.

Sincerely yours,

for J. Dexter Peach
Director

Enclosures - 2

(380588)

BACKGROUND

Responsibility for the Department of Housing and Urban Development's (HUD's) multifamily housing programs in Tennessee is divided between the Nashville Multifamily Service Office and the Knoxville Area Office. HUD's Nashville office serves roughly two-thirds of the State, geographically; about 60 percent of Tennessee's population; and nearly 62 percent of HUD multifamily projects. The Knoxville office serves the remaining one-third of the State, about 40 percent of the population, and 38 percent of HUD multifamily projects.

In early 1982, the Regional Administrator in Atlanta proposed consolidating the Nashville and Knoxville multifamily personnel and functions at Knoxville; staff to serve single-family housing programs were to remain in Nashville. That proposal was subsequently incorporated as a part of an overall proposal to reorganize HUD's field office operations under consideration by HUD at the time of our review.

HUD's proposal for consolidating multifamily housing activities in the Knoxville Area Office is based on its conclusion that inefficient and ineffective program delivery and client service are inherent in splitting the responsibilities for multifamily housing between two locations in Tennessee. As support for that position, HUD cites regional Management Performance Reviews of its Tennessee offices conducted in 1979, 1980, and 1982. (No Management Performance Review was performed in 1981.) HUD's accompanying cost analysis, prepared in August 1982, addressed two options. Option I would consolidate multifamily housing functions in Knoxville, and Option II would relocate the Knoxville Area Office to Nashville. For Option I, HUD's preferred option, HUD estimated net savings of $276,030 at the end of 2 years and $1,282,575 at the end of 5 years. If the Knoxville office func-- tions were moved to Nashville, Option II, HUD estimated that there would be no net savings at the end of 2 years, but instead, net costs of $582,524. HUD did not complete the cost analysis for Option II and did not estimate net results at the end of 5 years.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our review was to evaluate HUD's proposal to move its Nashville multifamily housing function to Knoxville. To evaluate HUD's justification and rationale for the reorganization, we examined management reviews of HUD's Tennessee housing activities conducted between 1979 and 1982 and other pertinent documents and correspondence relating to management performance and organizational issues. We interviewed officials and examined documents and correspondence at HUD's Washington, D.C., Central Office; Atlanta Regional Office; Knoxville Area Office; and Nashville Multifamily Service Office. We discussed the quality of HUD's client service, program delivery, and other implications of the current organizational structure and proposed reorganization with Tennessee housing industry representatives and the Tennessee Housing Development Agency. In addition, we interviewed HUD officials in Ohio and Michigan, States where HUD also delivers multifamily programs through area offices and service offices.

To evaluate HUD's cost analysis, we interviewed the Atlanta Regional Office personnel responsible for developing the assumptions and data used to prepare the analysis. We analyzed the data and assumptions and discussed them with Knoxville Area Office and Nashville Service Office managers and supervisors. We examined documents and reports relating to staffing and workload and management of multifamily housing in Tennessee and Federal regulations relating to employee relocation. We interviewed General Services Administration Region IV Real Estate Division personnel regarding HUD's Tennessee office space lease costs and terms and a representative of the Tennessee Department of Employment Security regarding unemployment compensation.

On Friday, December 3, 1982, we administered a questionnaire to obtain an indication of Nashville and Knoxville staff's willingness to relocate and associated costs. (Responses are summarized in enc. II.) Of 191 Nashville and Knoxville staff on board, 160 people (or 84 percent) completed the questionnaire.

HUD did not seriously consider nor complete its cost analysis for Option II, relocating the Knoxville Area Office to Nashville. Therefore, as agreed with our requestor's office, we concentrated our efforts on assessing HUD's costs and savings estimates for its preferred option, consolidating multifamily functions in Knoxville.

In our analysis, where possible, we attempted to refine and update the data and assumptions HUD used. The results of our analysis, nevertheless, do not represent precise or definitive data.

We performed our review in accordance with generally accepted government audit standards.

MANAGEMENT REVIEWS DO NOT SUPPORT CONSOLIDATION

We reviewed the Management Performance Reviews cited by HUD plus a recent memorandum from the Atlanta Regional Administrator. All of these documents assert that HUD's Tennessee offices have had a continuing record of organizational deficiencies since 1978. However, we found that the problems described in those reports were attributed largely to personnel matters--either position vacancies or ineffective employees occupying critical positions. The 1979 report states:

"The current organization of the State of Tennessee Area Office and Service Offices is seriously hampering effective management and supervision of the Housing Division personnel in all three offices."

Further, both the 1980 and 1982 reports cite improvements in multifamily housing operations in Tennessee and attribute them to the resolution of personnel matters--either by filling vacant positions with qualified employees or by restaffing positions occupied by ineffective employees.

--The 1980 report notes substantial improvement in overall management, communication, and monitoring by Knoxville but lists continuing problems restricting effective management and supervision of Housing Division staff in Tennessee. The report points to vacancies or ineffective incumbents in key positions as causes of the problems. The report emphasizes the lack of strong, well qualified supervision in the Nashville office.

--The 1982 report cites improvement in the overall management of the Nashville Service Office. The report lists supervision of six Knoxville Administration Division personnel outstationed at Nashville and Memphis as a problem. The report emphasizes the 14-month time lapse since Knoxville Administration Division staff had visited either Service Office.

HUD's Central Office also conducts reviews of field offices. A February 1982 report on Nashville's multifamily operations cites that clients had experienced a good to excellent relationship with that office. The report concluded that, overall, industry was very positive regarding office processing and management.

Developers and finance officers reported no current problems in their interactions with HUD Tennessee offices. Some mentioned that Nashville's operations had been less effective in the past but had since improved. An official of the Tennessee Housing Development Agency made similar observations and attributed the improved service to staffing changes in recent years. An Atlanta-based multifamily developer who operates in several States ranked the Nashville and Knoxville HUD offices in the upper quartile of all HUD offices with which he interacts. We spoke with Area Office Managers and Multifamily Service Office Supervisors in Michigan and Ohio. In those States, as in Tennessee, multifamily operations are split between the area office and service offices. Those HUD officials cited no program delivery problems resulting from their organizational structure but acknowledged that the potential for policy fragmentation exists. However, they added that effective communications precluded such a problem. HUD's overall field reorganization proposal does not include consolidating multifamily housing functions in Ohio or Michigan.

COST/SAVINGS OF CONSOLIDATION

HUD estimated that a $395,000 one-time cost to implement the consolidation proposal at Knoxville and a $33,000 recurring annual increase in travel costs would be offset by recurring annual personnel and office space savings and result in a net savings at the end of 2 years of $276,030 and a $1,282,575 savings at the end of 5 years. Our detailed analysis of the underlying support for HUD's costs and savings estimates showed that HUD did not include certain costs and that other costs were either over- or understated because HUD used faulty assumptions. Overall our analysis raises basic questions about the reliability of HUD's estimates as support for the proposed consolidation. For example, HUD did not include cost estimates for employees that may elect early retirement or for potential reimbursements to the State of Tennessee for unemployment compensation payments. Further, HUD underestimated employee relocation costs, in part, because its analysis was prepared prior to changes in Federal Travel Regulations that greatly increase benefits for transferred Federal employees.

HUD's cost savings estimates were similarly misstated. For example, HUD overestimated personnel savings because it overstated the number of positions that would be eliminated by the consolidation. Also, HUD understated office space savings because it used invalid assumptions and inaccurate cost data.

Basis for cost estimates

When HUD prepared its August 1982 cost analysis of the reorganization in Tennessee, it had not developed detailed plans for the proposed consolidation. Because of that, there are many uncertainties regarding the proposed staffing of HUD's Tennessee multifamily functions. For example, in its cost analysis, HUD states that 42 of the 67 Nashville employees on board as of August 1982 would be offered transfers to Knoxville. The Atlanta Regional Office Director of Housing told us that the number that would be offered transfers was hypothetical.

HUD's analysis also states that a staff of 23 would remain in Nashville to perform single-family housing functions although workload data provided us in support of the consolidation proposal showed a Nashville single-family staff of only 15. The Atlanta Regional Office Director of Housing told us that the staffing used in HUD's cost analysis was judgmental.

In addition, HUD's analysis assumes that 50 percent, or 21, of the 42 Nashville employees offered a transfer to Knoxville would accept. The Atlanta Regional Office representative who prepared HUD's cost analysis told us that, based on past experience, HUD's Central Office estimates that up to 60 percent would accept offers to relocate. However, the cost analysis figure was adjusted downward to reflect Tennessee's more favorable economic conditions. That official told us the downward adjustment was judgmental.

Finally, HUD's cost analysis assumes that the remaining 23 Nashville employees (67 on board, minus 23 remaining as single-family, minus 21 accepting transfers to Knoxville) would be terminated.

In our analysis, where possible, we attempted to update and refine HUD's staffing assumptions. For example, we used the number of HUD employees located in Nashville as of early December 1982, or 61 employees. We used HUD's single-family staffing level of 23 at Nashville, leaving 38 employees to be offered positions in Knoxville. We assumed that our questionnaire results were more precise than HUD's estimate and therefore used those results, which showed 71 percent, or 27 Nashville employees, would definitely or probably accept a transfer to Knoxville. We assumed that the remaining 11 employees would terminate employment with HUD.

Early retirement

The civil service retirement system incurs additional costs when employees retire early. The Office of Personnel Management has determined that each early retirement creates a liability of 130 percent of the employee's final salary. The additional cost to the retirement system results primarily because early retirees receive immediate benefits, with little or no reduction.

Employees are eligible for early retirement if their positions are abolished or transferred to a location outside their commuting area. To retire under early retirement provisions, an employee must (1) be at least age 50 with 20 years of service or (2) have 25 years of service.

We recognize that the likelihood of employees electing early retirement is highly uncertain; however, the cost of early retirement can be substantial and should be acknowledged. Three Nashville employees would be eligible for early retirement in January 1983. If those three employees elected early retirement because of the reorganization, costs to the retirement system would be about $106,000, based on their current salaries. HUD did not include the cost of early retirement in its analysis.

Unemployment compensation

Federal employees are entitled to unemployment compensation benefits in accordance with the standards of the State in which they reside. The U.S. Department of Labor uses appropriated funds transferred to it by the employing Federal agency to reimburse the States for unemployment compensation paid to former Federal employees.

In Tennessee, a former Federal employee who was earning \$27,640 per year (the average salary of HUD Nashville staff) at the time of separation would be eligible to receive \$110 for 26 weeks, and those benefits currently can be extended for up to 13 weeks. Further, if the results of our questionnaire are correct, 11 Nashville employees would not accept a transfer and would terminate employment with HUD. Excluding the three employees who would be eligible for early retirement, eight would be entitled to unemployment compensation.

While there are many uncertainties regarding who would terminate and whether they would require unemployment benefits or for how long, to recognize the potential cost of unemployment compensation, we used data from a July 1981 Congressional Budget Office study entitled "Cost of Potential Layoffs Under the Administration's Federal Employment Reduction Program." That study acknowledged that any estimate of layoff costs is highly uncertain since actual data was not available on the salaries, ages, and years of service of laid-off employees. The same reservations apply to our cost estimates.

The Congressional Budget Office assumed that 92 percent of the employees involved in a reduction-in-force would receive average weekly unemployment benefits of \$102 for 15.9 weeks. Using those assumptions for the eight employees described above, we estimate that unemployment compensation would amount to about \$12,000.

Severance costs

Federal employees involuntarily separated from Government service are entitled to severance pay and a lump-sum payment for their unused annual leave. Both entitlements are based on the employee's salary at time of separation. The amount of severance pay is additionally based on years of service, and the payment increases for each year the employee is over age 40. The amount of the lump sum annual leave payment is also based on the number of days of unused leave accumulated.

In its computation of severance costs, HUD used national averages of field employees' salaries and years of service to estimate the average per-employee severance pay--\$8,590. To estimate lump-sum annual leave payments, HUD used the HUD-wide average--\$1,500 per employee. HUD estimated that severance pay and lump-sum leave payments for the 23 Nashville employees it believes would be unwilling to transfer to Knoxville would amount to \$232,070.

We found that Nashville employees' average salary, years of service, and unused annual leave differed from the amounts HUD used. Since local averages would be more representative, we used the Nashville averages and computed a higher per-employee severance payment--\$10,865--and lump-sum leave payment--\$2,126. For the 11 current employees whom our questionnaire shows would not be willing to transfer to Knoxville less the three who would be eligible for early retirement, severance costs would be $103,928.

Relocation costs

Federal travel regulations authorize reimbursement for certain relocation costs when employees are required by their job to permanently transfer from one location to another. In addition to residence transactions and transportation of households goods, other costs, such as travel with dependents to locate a new residence and occupancy of temporary housing, are also reimbursable.

The largest reimbursable expense involves residence transactions for employees who buy or sell their homes. Effective October 1, 1982, Federal Travel Regulations (General Services Administration Bulletin FPMR A-40, General Supplement 4) entitle relocated employees to receive up to $15,000 in connection with the sale of a residence at the old official station and up to $5,000 toward purchasing a home at the new official station. The regulations in effect when HUD developed its cost analysis entitled relocated employees to receive significantly less.

HUD estimated that relocation costs would amount to $14,000 for each transferred employee. For the 21 Nashville employees the agency estimated would accept offers of relocation to Knoxville, HUD computed a total employee relocation cost of $294,000.

HUD's $14,000 per employee estimate of relocation costs was based on a model move of a family of four relocating 500 miles. We used HUD's model, but reconstructed the cost for an actual move from Nashville to Knoxville--about 180 miles. Also, we used the results of our employee questionnaire to establish the number of Nashville employees willing to relocate and the number and kind of residence transactions that might be expected. For instance, 33 percent of the Nashville employees willing to relocate owned residences which they would definitely or probably sell if offered a transfer and would also purchase a new residence in Knoxville within 1 year. Another 33 percent either would sell their residences in Nashville or would purchase a residence in Knoxville. For those willing to relocate, residence costs alone could reach $263,000. We estimated total relocation costs at about $440,000.

Adjustment to costs

HUD offset one-time reorganization costs by a $131,070 savings it called "avoided cost." HUD claims that this represents costs that would have been incurred if it had to separate 13 excess Knoxville housing employees. Under the reorganization, these 13 employees would be shifted to positions vacated by Nashville employees unwilling to relocate.

We found no basis to accept HUD's premise that the excess employees would be terminated without the consolidation or that they could be shifted to and retrained for other available positions. In this regard, the Knoxville Area Office has had excess employees in its Housing Division since at least 1980.

Travel costs

HUD estimated that the recurring annual increase in travel costs because of the consolidation in Knoxville would be 50 percent of Nashville's prior year travel expenditures, or $33,000. The Atlanta Regional Office representative who prepared HUD's cost analysis told us the method used to estimate the increase was based on a consensus of opinion of other regional officials involved in the cost analysis.

Our estimate of the annual increase in travel costs used the multifamily project workload currently served by Nashville-based staff and the requirements for project monitoring visits set out in HUD handbooks and policy guidance. We computed the increase in mileage required to serve that workload if multifamily functions were consolidated in Knoxville. Except for trips to Nashville and Memphis, we used an average of three project visits during any one trip. Considering the concentration of workload in Nashville and Memphis, we used six project visits per trip to those locations. We established the average number of project visits per trip by consulting with the Director of Housing in Knoxville and the Multifamily Service Office Supervisor in Nashville. Although the number of project inspection or monitoring visits achievable during any one trip is influenced by a variety of factors, based on our discussions with those Tennessee HUD officials, we believe our figures are reasonable.

We did not attempt to estimate increases in food and lodging costs for site visits in Nashville and other areas which, at present, involve only local travel or travel of shorter duration. Nevertheless, using the method described above, we estimate that the annual increase in transportation costs alone could exceed $72,000. It should also be noted that the annual increase in employee travel time to visit Central and Western Tennessee project sites from Knoxville instead of Nashville could be substantial. If our project visit assumptions used above are correct, the annual increase in employee productivity lost to travel could reach 6,700 hours.

Personnel savings

The largest single cost savings from HUD's proposal for consolidation relates to eliminating nine positions--an annual savings of $341,528. HUD claims that duplications in four management or supervisory positions would be eliminated and that five other positions would be eliminated because of economies of scale. HUD provided us a list of the nine positions it estimates would be eliminated and information showing proposed organizational structure and staffing after the proposed consolidation.

HUD's computation of savings includes the elimination of a Chief of Loan Management and Property Disposition. Under HUD's consolidation proposal, a Loan Management and Property Disposition Branch will continue to operate at both locations and two branch chiefs will still be required. HUD's proposal would cut the size of that branch's Nashville staff; but the position of Chief would be downgraded, not eliminated. In addition, in view of the substantial loss of productivity resulting from the increased travel time from Knoxville to monitor HUD's multifamily projects in Central and Western Tennessee, we question some of the personnel savings HUD claims will result through economies of scale. Unless the level of multifamily project monitoring activity is reduced, the time lost to travel must be offset by either increased overtime payments or increased staffing. Three of the five positions which HUD claims will be eliminated through economies of scale are directly involved in project monitoring. If the salaries for the staff involved in project monitoring were excluded from the estimate and the Branch Chief position described above was adjusted using December 1982 salary figures, personnel savings would be $197,109.

Space savings

HUD estimated that office space costs of $26,987 would be saved annually if multifamily functions were consolidated in Knoxville. The savings were computed in two steps. HUD first estimated that a savings of $15,965 would result from reducing office space required to house the nine positions it claims would be eliminated by the consolidation. Second, locating 42 Nashville positions in Knoxville would reduce office space needs at Nashville, so HUD assumed that Knoxville would have to increase its office space by that same amount. It also assumed that, since the rental rates it pays the General Services Administration (GSA) are less in Knoxville than in Nashville, an additional savings of $11,022 would accrue from locating the 42 positions in Knoxville.

We found, however, that the Government's cost for HUD's office space--the amount GSA pays private lessors--is higher in Knoxville and lower in Nashville than the figures HUD used in its computation. Those differences result from GSA's method for establishing its so-called Standard Level User Charge or rental rate. We also found that both the Knoxville and Nashville offices occupy space in excess of their current needs and that Knoxville could accomodate the proposed consolidation without acquiring more space.

Therefore, we estimated the savings of office space costs directly attributable to consolidation at Knoxville by first establishing Nashville's office space needs without consolidation. From that, we deducted the costs of space to house the 23 employees HUD estimates will remain at Nashville after consolidation. The resulting space cost savings amount to nearly $82,000.

IMPACT OF CHANGING INITIATIVES

HUD's programs and direction are changing, and the future organizational structure and size of its field operations is uncertain. Current proposals shift responsibility from the Federal Government to the private sector and local government. For multifamily programs, HUD has undertaken contracts with private vendors to perform a number of tasks. HUD now expects that its entire multifamily, HUD-held inventory will be under servicing and debt collection contracts by the end of 1984. Further, arrangements for contract or fee appraisals and inspections of multifamily projects are being tested and are expected to increase. We believe the potential for such changes in HUD's program delivery raises basic questions as to the need for relocating HUD field employees in the face of uncertainty. In this regard, we found no evidence that HUD considered the impact of changing initiatives in its proposal to reorganize in Tennessee.

CONCLUSIONS

HUD contends that inefficient and ineffective program delivery and client service are inherent in splitting the responsibilities for multifamily housing between its offices in Knoxville and Nashville, Tennessee. Further, HUD asserts that the only viable option to correct program delivery and client service problems is to reorganize. Based on our evaluation, we do not see support that past reports of program delivery or client service problems were the result of the organizational structure in Tennessee. Further, we found no evidence that serious program delivery or client service problems currently exist.

In support of its reorganization proposal, HUD developed a cost analysis showing a savings if multifamily housing functions were consolidated in Knoxville as proposed. However, we found that HUD's cost analysis contained assumptions and estimates that were neither adequately supported nor based on sound planning or detailed study. Further, HUD's analysis understates the cost of consolidation and overstates the potential savings.

Finally, we found no evidence that HUD considered the impact of changing initiatives in its proposal to reorganize in Tennessee. HUD's programs and direction are changing, and some of those changes will affect the organization and staffing levels of its field multifamily housing operations.

RECOMMENDATIONS

We recommend that the Secretary of HUD reevaluate the proposal to consolidate Tennessee multifamily housing operations in light of the information in this report. In this reevaluation the Secretary should (1) justify that the reorganization is necessary and desirable and demonstrate how it will improve program delivery and client service, (2) develop a complete and detailed cost/benefit analysis based on sound plans, and (3) consider the effects of new initiatives in making his final decision regarding the most appropriate organizational structure in Tennessee.

SURVEY ON WILLINGNESS TO RELOCATE

HUD is currently considering a field reorganization which impacts upon its employees in the State of Tennessee. Some alternatives being considered involve relocation of HUD personnel. The General Accounting Office is studying the costs and benefits being considered by HUD in its reorganization plans. As a part of the study, we need an indication of your willingness to relocate. We do not need your name, and your responses will be anonymous. Therefore, we would appreciate your honest responses to the following questions.

1. What is your current grade?

	Nashville (56 respondents)		Knoxville (104 respondents)	
	Number	Percent	Number	Percent
GS-6 or under	19	(34)	35	(34)
GS-7 through 10	3	(5)	11	(11)
GS-11 or 12	28	(50)	43	(41)
GS-13 or higher, including SES grades	6	(11)	15	(14)

2. What is your present position? (Optional)

Nashville (number)	Knoxville (number)
42 1/	52 1/

3. If your job were transferred to Knoxville (Nashville), would you move?

		Nashville (56 respondents)		Knoxville (104 respondents)	
		Number	Percent	Number	Percent
Definitely yes		30	(53)	67	(65)
Probably yes	Continue	10	(18)	24	(23)
Uncertain		7	(13)	5	(5)
Probably no	Return Survey	2	(4)	1	(-)
Definitely no		7	(13)	7	(7)

1/The data collected for this question were inconclusive and were too extensive to summarize herein.

4. Assuming you did move to the Knoxville (Nashville) area, what would you most likely do about housing there?

	Nashville (47 respondents)		Knoxville (96 respondents)	
	Number	Percent	Number	Percent
Live with family or friends rent-free	1	(2)	-	(-)
Rent temporarily but would purchase within one year	18	(39)	35	(36)
Rent with no intention to purchase within one year	13	(28)	17	(18)
Purchase right away	6	(13)	32	(33)
Commute from current residence	1	(2)	-	(-)
Uncertain	8	(17)	12	(13)

5. What is your present housing arrangement?

		Nashville (47 respondents)		Knoxville (96 respondents)	
		Number	Percent	Number	Percent
Live with family or friends rent-free	Return Survey	2	(4)	1	(1)
Rent	Continue	7	(15)	13	(14)
Own		38	(81)	82	(85)

6. Would you attempt to sell your current house if you moved to the Knoxville (Nashville) area?

	Nashville (38 respondents)		Knoxville (85 respondents)	
	Number	Percent	Number	Percent
Definitely yes	15	(39)	39	(46)
Probably yes	8	(21)	14	(16)
Uncertain	6	(16)	17	(20)
Probably no	5	(13)	10	(12)
Definitely no	4	(11)	5	(6)