



HOUSING MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

TROUP COUNTY, GA

Prepared for Troup County Center for Strategic Planning, Inc.
May 2019



On behalf of:



TROUP COUNTY
GEORGIA



LAGRANGE
GEORGIA



HOUSING MARKET ANALYSIS & STRATEGIC RECOMMENDATIONS

TONIGHT'S PRESENTATION CONTENTS:

- Introduction
- Data Analysis
- Community Input
- Potential Opportunities
- Recommendations

- ▶ Bleakly Advisory Group, Inc. is an Atlanta-based market and economic consulting firm
 - ▶ Founded in 2001
 - ▶ Six-member professional team
- ▶ Our practice covers six areas in both public and private sectors:
 - ▶ Market Analysis
 - ▶ Real Estate Economics
 - ▶ Development Consulting
 - ▶ Financial Analysis
 - ▶ Incentives & Public Finance
 - ▶ Housing Analysis

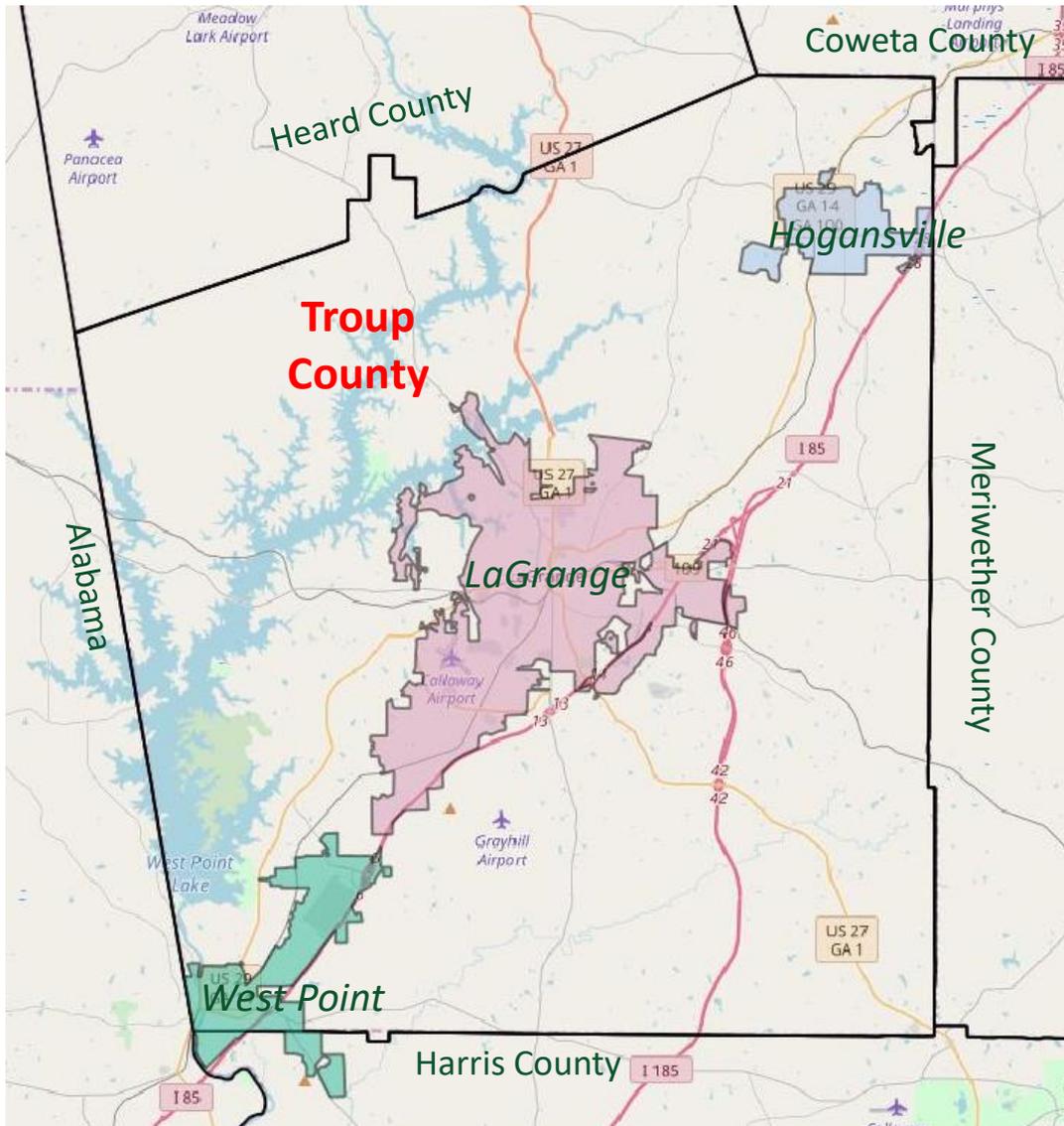


Ken Bleakly, Founder
Geoff Koski, President

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INTRODUCTION

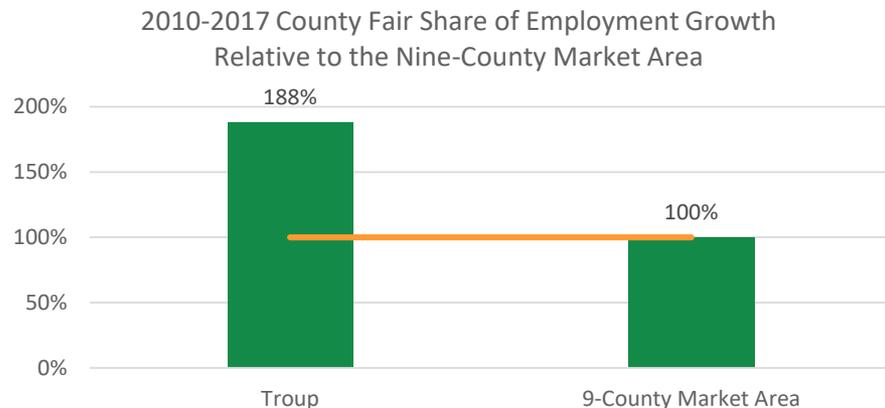


The Troup County Center for Strategic Planning, Inc. engaged Bleakly Advisory Group to:

- assess the local housing market conditions
- identify gaps in the residential supply
- provide recommendations for improving the housing market situation within:
 - Troup County overall
 - Hogansville
 - LaGrange
 - West Point
 - unincorporated portions of the county

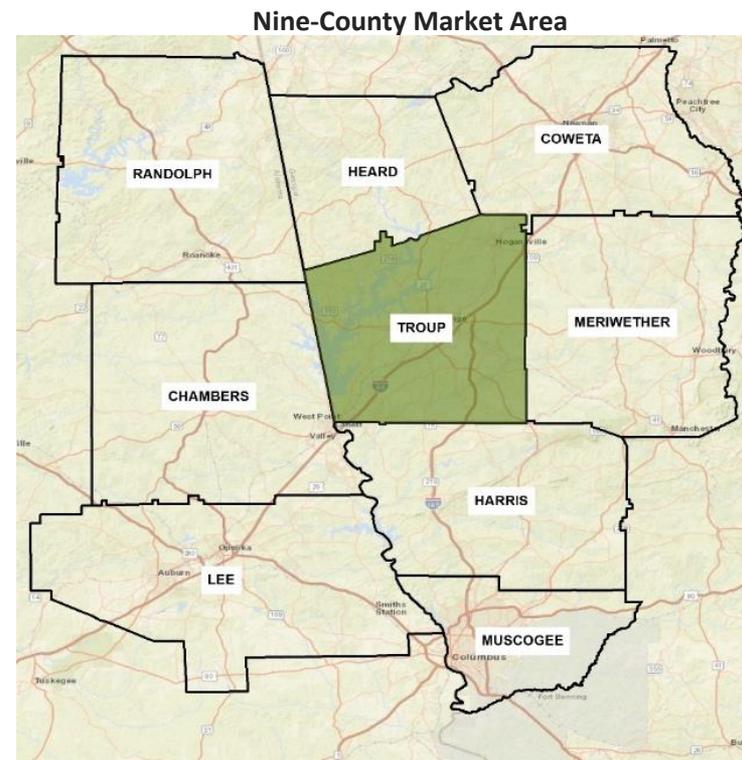
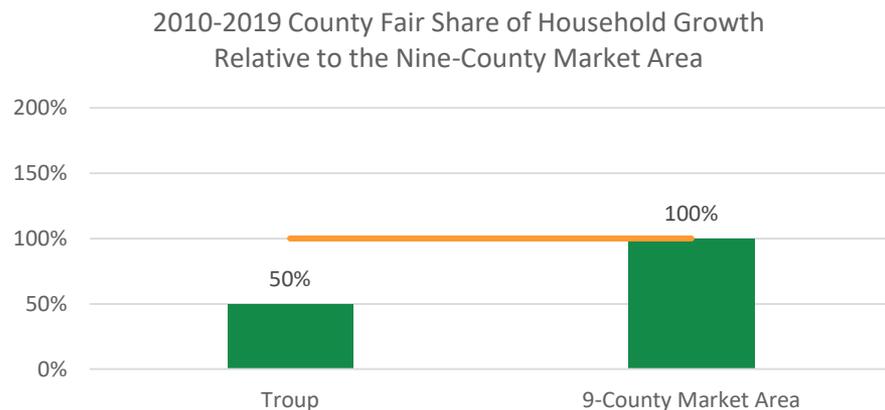
IS TROUP COUNTY GETTING ITS FAIR SHARE OF NEW AREA JOBS AND HOUSEHOLDS?

Troup has added more than its fair share of jobs...



$$\% \text{ of fair share} = \frac{\text{local share of growth from 2010} - 2017}{\text{local share of growth in 2010}}$$

...but less than its fair share of new households



Data sources: BLS Quarterly Census of Employment and Wages, Claritas

SUMMARY OF PEER COUNTIES COMPARISON

- Troup lags many other peer counties in important supply and demand categories.
- Future improvement to Troup County school performance is likely to have a significant positive impact on housing demand in the county.

<i>HOUSING DEMAND DRIVERS</i>	TROUP	COWETA	FLOYD	LEE (AL)	CARROLL	MUSCOGEE
2010-2019 Avg Annual Household Growth	0.5%	1.9%	0.1%	2.1%	0.8%	0.4%
Median Household Income	\$45,700	\$76,800	\$52,000	\$50,500	\$53,500	\$45,000
% Own	61%	74%	63%	62%	67%	52%
% Renters that are Cost-Burdened	45%	45%	43%	49%	41%	49%
% 1-2 Person Households	57%	52%	59%	61%	53%	62%
% Households with Children	38%	41%	34%	32%	38%	35%
School District State Percentile Rank	27%	91%	79%	N/A	59%	52%
<i>HOUSING STOCK</i>	TROUP	COWETA	FLOYD	LEE (AL)	CARROLL	MUSCOGEE
% Single-Family Detached	75%	83%	74%	58%	75%	67%
% of Single-Family Stock Built since 2010	2%	5%	1%	9%	1%	5%
% of Multifamily Stock Built since 2010	6%	2%	4%	16%	2%	10%
Median Home Value	\$138,500	\$215,400	\$139,000	\$182,000	\$139,400	\$156,900
% of Homes Valued <\$200,000	74%	45%	70%	56%	75%	67%
2010-2018 New Single-Family Permits	894	5,779	755	6,955	1,607	2,506
2010-2018 New Apartment Units	193	500	124	N/A	198	1,708
Avg Market-Rate Apartment Rent PSF	\$0.77	\$0.96	\$0.91	N/A	\$0.64	\$0.74
Apartment Vacancy Rate	6%	7%	6%	N/A	6%	6%

WAGES VS. INCOMES DISCREPANCY

Without appropriate new housing options, higher wage earners in Troup often choose to live outside of the county.

■ 159 Georgia counties Average Weekly Wages (4Q 2017)

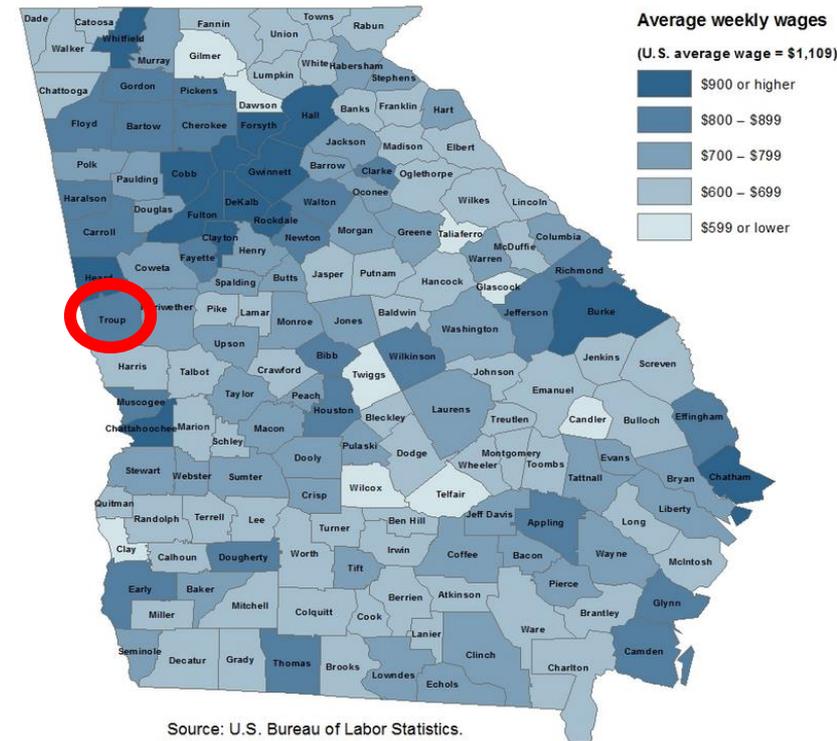
- 13: > \$900
- 25: \$800-\$899 (Troup Avg. Weekly Wage: \$847)
- 48: \$700-\$799
- 64: \$600-\$699
- 9: < \$600

Troup State Ranking: #26

■ 159 Georgia counties Median Household Income (2017)

- 10: >\$70K
- 26: \$50K-\$70K
- 54: \$40K-\$50K (Troup Median Household Income : \$43,000)
- 66: \$30K-\$40K
- 4: <\$30K

Troup State Ranking: #64



A wider variety of new housing options in Troup Co. is possible due to the prevalence of higher income jobs in the county.

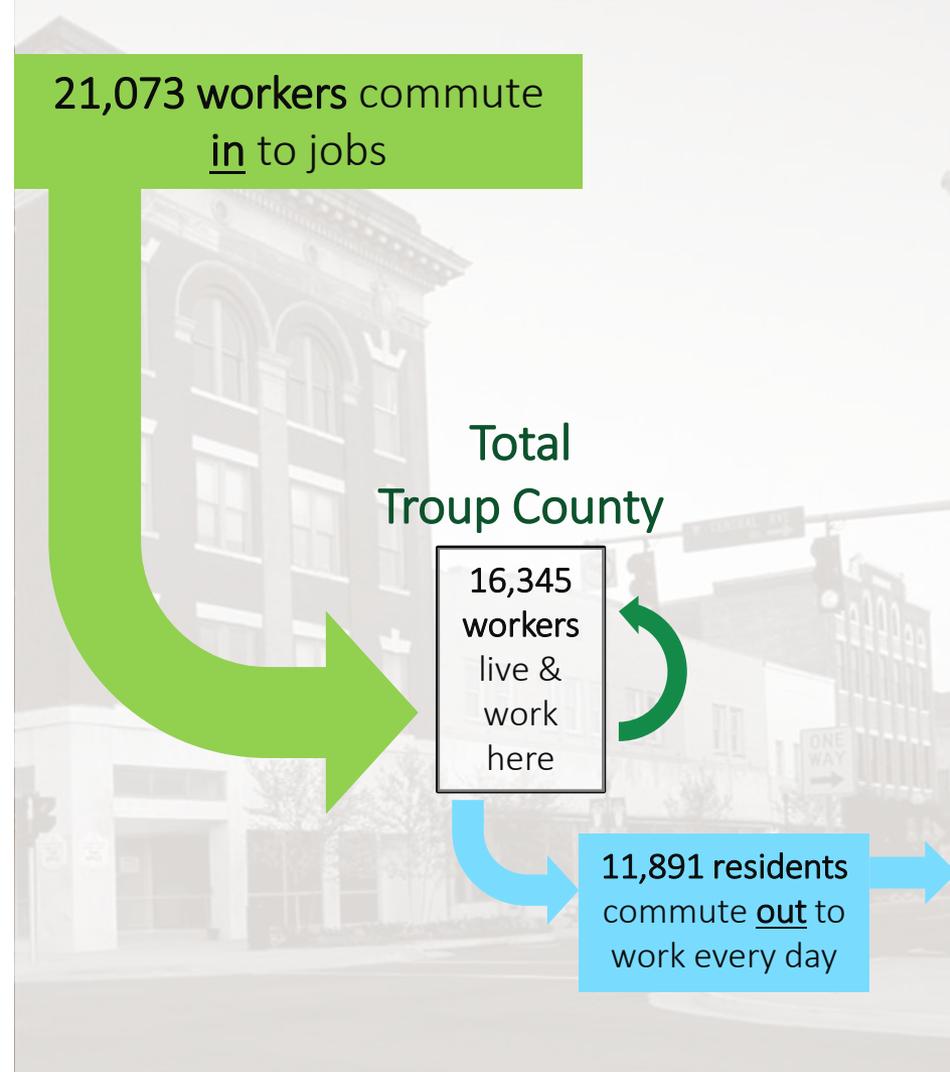
THE RESULT: A JOBS/HOUSING IMBALANCE

Strong employment growth and **slow household growth**

an imbalance between jobs and households

a shortage of housing options in Troup County and its cities

- This makes it more likely that **new employees will live outside of the county** and commute in.
 - Employees are increasingly likely to choose to live in Coweta and Lee Counties.
- **56% of all Troup workers commute into work from outside the county.**
 - Over half of all Troup workers do not live in the county.

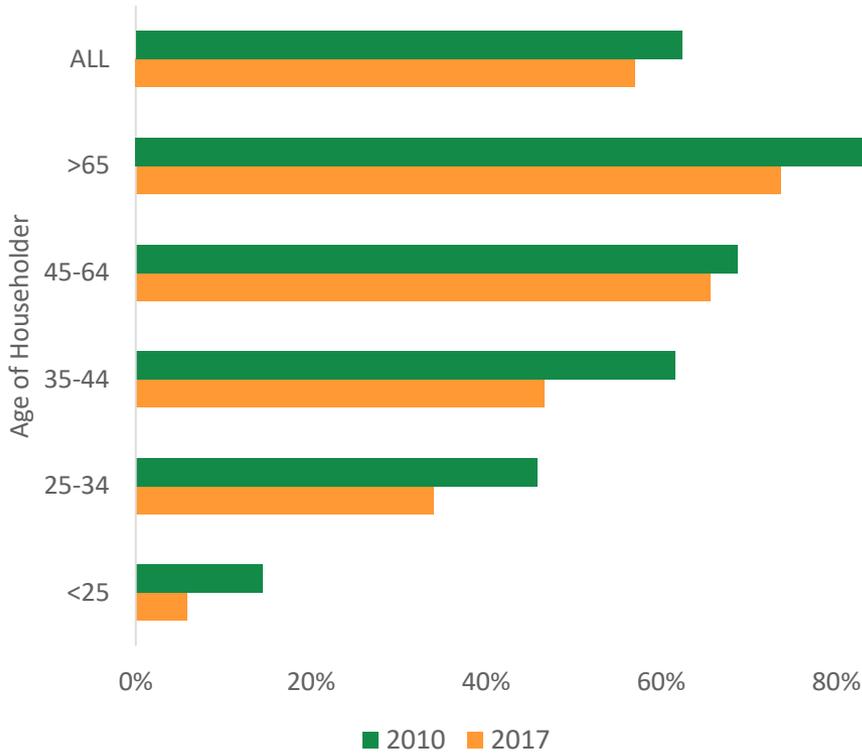


Based on data from US Census

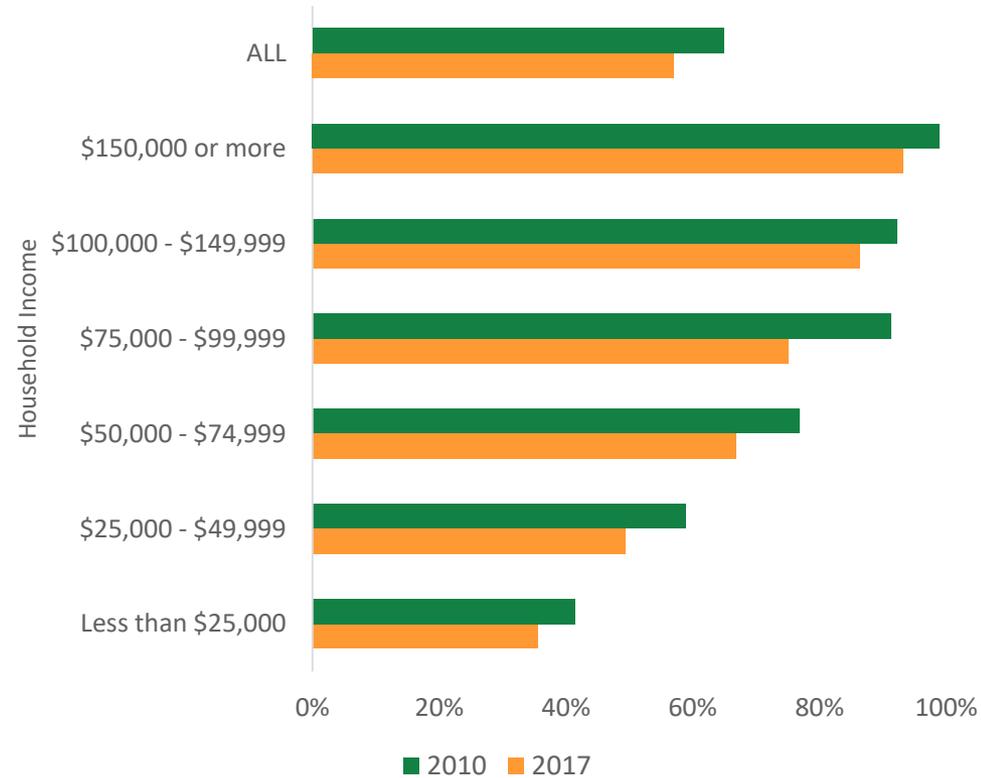
KEY TRENDS DRIVING DEMAND

- Troup County overall homeownership rate dropped 5% from 2010-2017, to 57% homeowner.
- The decrease in homeownership rates is noticeable across all age and income bands.

Homeownership Rate by Age, Troup County, 2010-2017



Homeownership Rate by Income, Troup County, 2010-2017

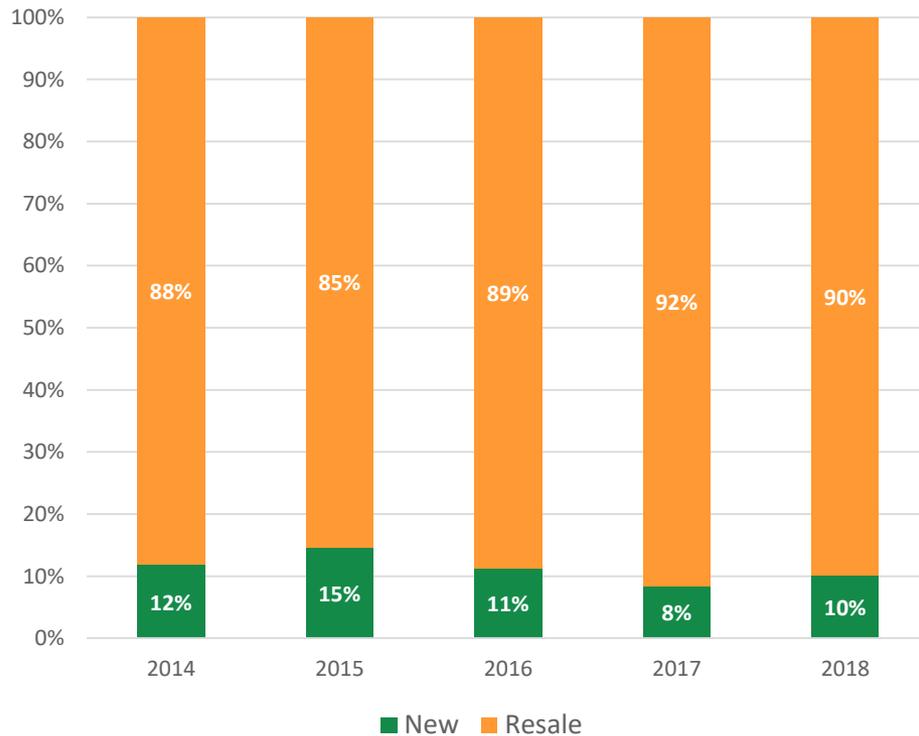


Data source: US Census, 2017 US Census American Fact Finder

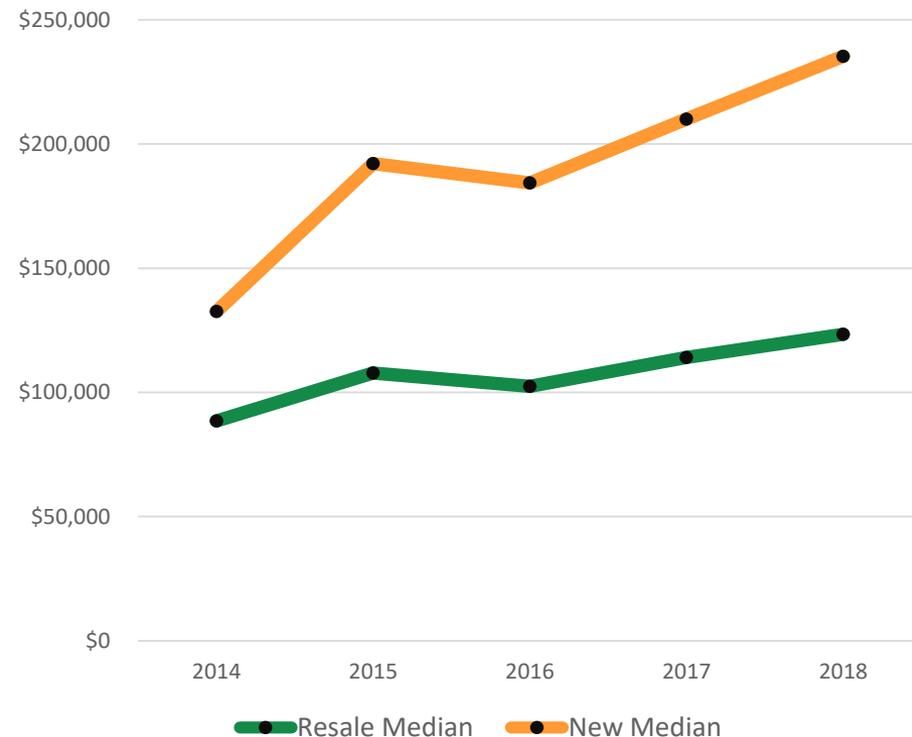
KEY TRENDS DRIVING DEMAND

- New home median pricing has increased over 25% in the past 2 years and by 75% the past 4 years, while the number of sales has remained relatively flat.
- Townhomes make up only 2% of sales over the past 5 years.

Troup Home Sales



Troup Median Home Sales Price



Data source: MLS, Troup County Tax Assessor, SmartREData

PUBLIC PARTICIPATION

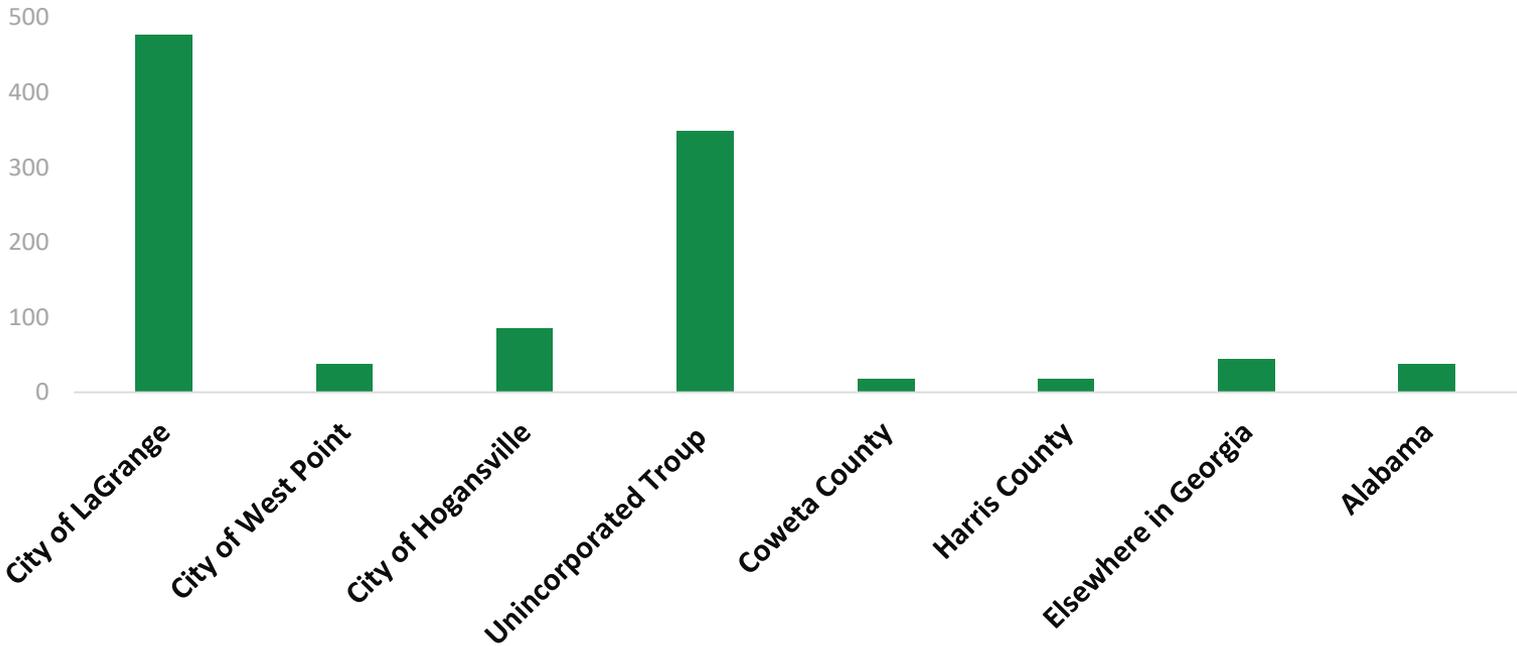
ONLINE SURVEY

Targeted at residents and employees in Troup County.

Distribution of the **1,075 responses** received by home location:

- **45%** LaGrange
- **33%** unincorporated Troup County
- **8%** Hogansville
- **4%** West Point
- **11%** outside Troup County

76% of respondents
employed in Troup



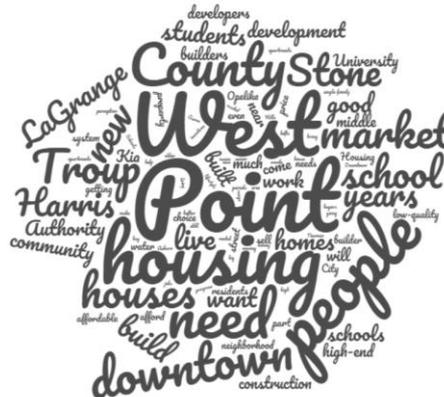
PUBLIC PARTICIPATION

STAKEHOLDER INTERVIEWS

With key individuals in all three cities and the county.

Common themes:

- 1. Schools are an issue** – both an issue of perceptions and competition with neighboring communities.
- 2. Rental options are needed** – for younger people, older people downsizing, and new employees moving into the area.
- 3. Homes are not available for middle-income buyers** – new construction is not profitable for builders, and existing options need extensive renovation.
- 4. Troup County needs senior housing options** – across income levels, rental and for-sale.

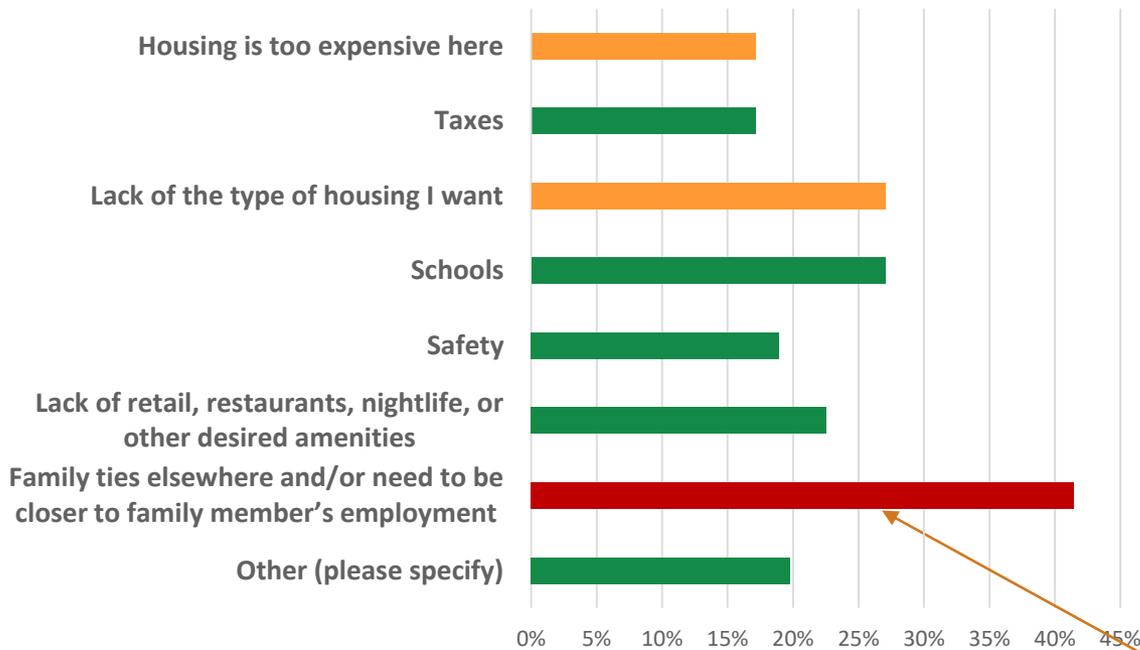


COMMUTER OPPORTUNITY

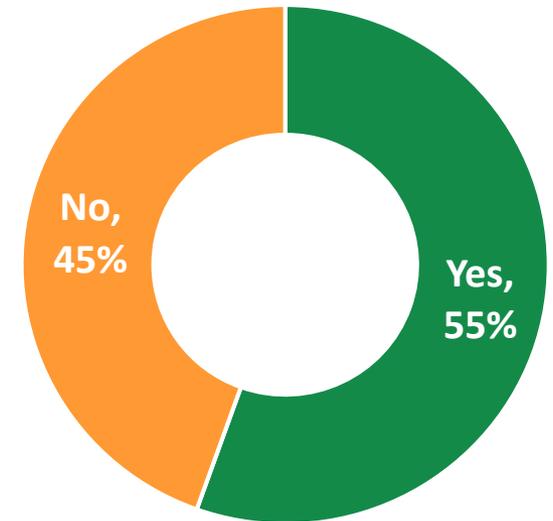
- Responses from those who **work in Troup County but live elsewhere** highlighted housing as a top reason for not living where they work

- 55%** of commuters who work but don't live locally would consider moving to Troup

If you live OUTSIDE of Troup Co., why do you live OUTSIDE of Troup Co.? (choose all that apply)



If the reason for living outside of Troup Co. changed, would you consider moving here?



Troup County will likely never be competitive among these households, but can be competitive for the others.

CURRENT NEW HOUSING OFFERINGS

- large single-family detached and
- large-scale multifamily housing developments

TO CAPTURE A LARGER PORTION OF HOUSING DEMAND

- new housing types/products targeted to what is most appropriate for specific communities
- at a range of price points to be accessible to current and future residents

KEY TRENDS DRIVING DEMAND

- Changes in homeownership trends
- an aging population
- desire for new and different housing types

KEY QUALITY NEW HOUSING TYPES CURRENTLY LACKING



Smaller single-family detached (<2,000 SF)



“Missing Middle” housing



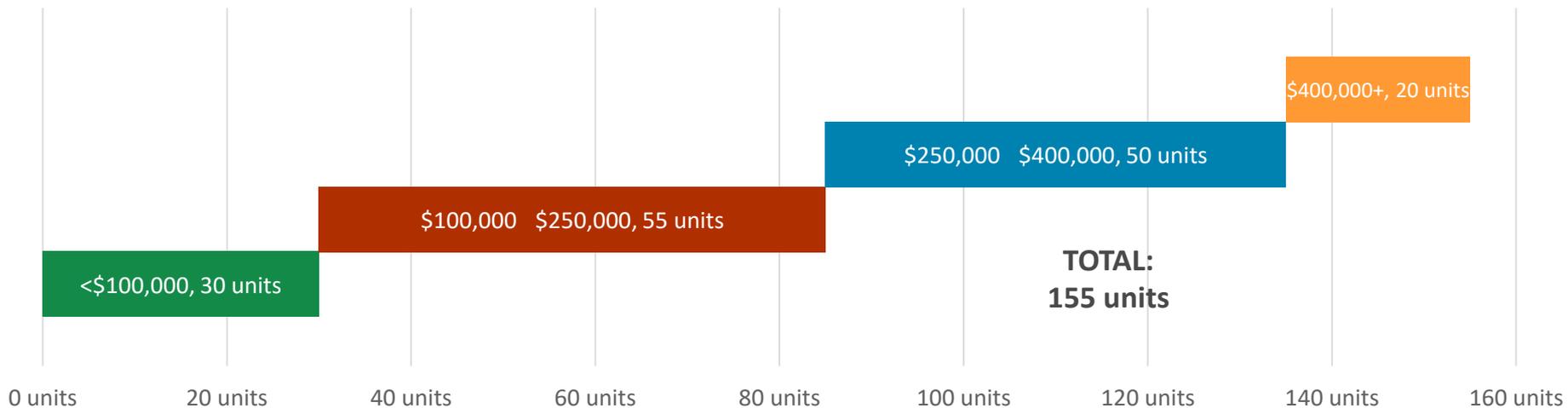
Downtown multifamily

HOUSING OPPORTUNITY IN TROUP – FOR-SALE

- Two possible growth scenarios:
 - constant-growth = continuing Troup’s recent patterns
 - high-growth = Troup recaptures up to 50% more of its expected “fair share” of regional growth
- To capture all of this potential, the for-sale products offered would need to be available across a wide range of income bands, and in a variety of product forms.

Troup County overall annual for-sale absorption potential:

For-Sale Demand, High Growth Scenario



Troup County will need a broad range of product types to capture this demand:

- Large-lot Single Family Subdivision
- Small-lot Single Family Subdivision
- Small-lot Single Family Infill
- Townhomes
- Condominiums
- Lofts over commercial space
- Senior-oriented housing

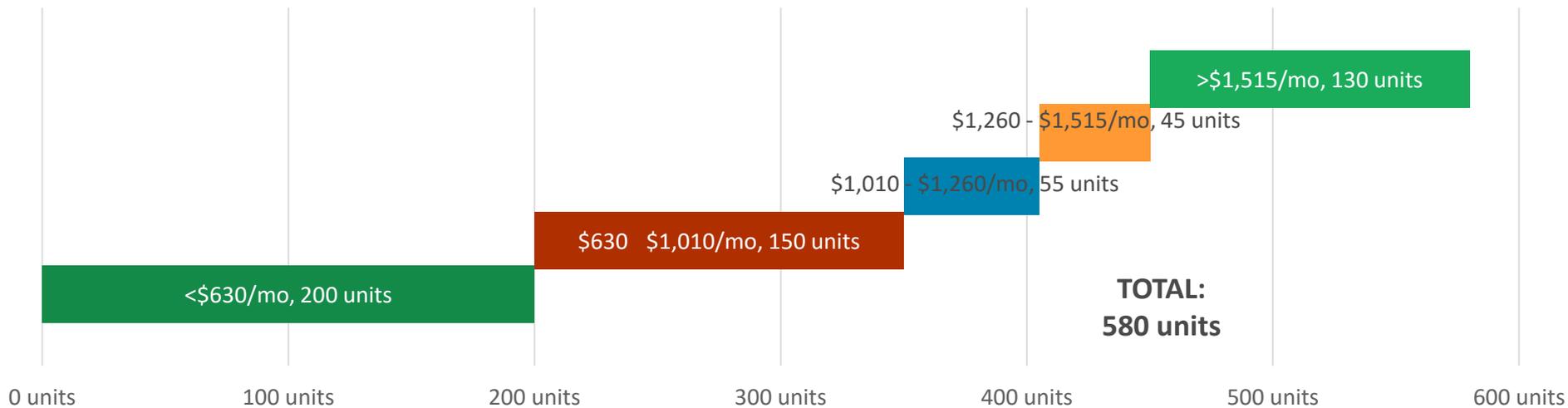
Source: Bleakly Advisory Group

HOUSING OPPORTUNITY IN TROUP – FOR-RENT

- Two possible growth scenarios:
 - constant-growth = continuing Troup’s recent patterns
 - high-growth = Troup recaptures up to 50% more of its expected “fair share” of regional growth
- To capture all of this potential, the rental products offered would need to be available across a wide range of income bands, and in a variety of product forms.

Troup County overall annual for-rent absorption potential:

Rental Units, High Growth Scenario



Troup County will need a broad range of product types to capture this demand:

- Rental townhomes
- “Town Center” apartments
- Apartments
 - Market-rate & Affordable
- Small multifamily
- Apartments over commercial space
- Adaptive reuse
- Senior-oriented housing

Note: Totals may not equal 100% due to rounding.
Source: Bleakly Advisory Group

TROUP COUNTY HOUSING PRODUCTION GOAL 2020-2025

Troup County		
2000-2018 Est. Average Annual New Households: 221		
	Historic Avg. Annual (2013-2018)	Future Annual Production Goal* (2020-2025)
New Home Sales	87	155
New Rental Unit Deliveries	55	580

* Based on the analysis conducted in this assignment. Including affordable/subsidized units.

- Based on the evidence found in this study, it appears that providing a wider array of new housing options in the county and its cities will allow for an expanded market, assuming that employment growth continues in Troup.
- Many of the unit types that have the potential to drive-up production and absorption have not yet been offered to the market locally.
- The under production of new homes in the last decade has created "pent-up" demand.
- To meet the production goals the new housing offered would need to be:
 - attainable to households across a wide range of income bands
 - in a variety of unit types
 - in various locations throughout Troup County.

TROUP COUNTY HOUSING PRODUCTION GOAL 2020-2025

■ Average annual absorption goals, 2020-2025

	For-Sale	Large Lot Subdiv.	Small Lot Subdiv.	Small Lot Infill	Townhome	Condo/Lofts
LaGrange	70	10	25	20	10	5
West Point	10	7			3	
Hogansville	15	10			5	
Unincorporated Troup	60	40	15		5	

Additional opportunity:

- “active adult” and “independent living” senior housing
- up to 200 units over the next 5 years

	Rental	Garden Apts.	Town Center	Small Multifamily	Rental Townhome	Rental Lofts
LaGrange	245	100	75	25	25	20
West Point	120		50	25	20	25
Hogansville	100		40	20	15	25
Unincorporated Troup	115	90			25	

While these types of fundamental shifts due to external forces were contemplated in this analysis, it is difficult to accurately predict their timing and impacts. Thus, both the constant and accelerated growth demand scenarios are tied to statistical trends and future growth forecasts that assume no fundamental external shifts will occur in the near-term.

RECOMMENDATIONS

- To successfully tackle the local housing issues, local political leaders and public sector staff can work with other community partners by seeking to advance:

Three Pillars of Action



RECOMMENDATIONS

Encourage production of new for sale and quality rental units that broaden the housing type options

The Playbook

- **Identify priority redevelopment and greenfield sites**
- **Market/develop**
- **Providing incentives**
- **Outreach developers/builders**
- **Zoning policies** that allow for unique and differentiated housing types that allow for market segmentation.
- **Public / Private / Philanthropic Partnership**
- Engage local utility entities as economic development partners to explore avenues to **lessen the burden of infrastructure costs**

RECOMMENDATIONS

Support
renovation
and
rehabilitation
of existing
housing stock

The Playbook

- **Encourage renovation activity**
- **DASH** is an excellent model
- **Partner with** and support the activities of their respective **Public Housing Authorities**
- **Land bank / land trust partnerships** can help establish pathways for current renters to enter homeownership.
- Consider other options including:
 - **lease-purchase programs**
 - **low-interest rehabilitation financing program**
 - **home ownership fund**

RECOMMENDATIONS

CONTINUE TO INVEST IN DOWNTOWNS AND INTOWN AREAS

Continue to
invest in
Troup's
downtowns
and intown
areas

The Playbook

- **Vibrant downtowns** can be catalysts for the county-wide housing market, because a majority of home buyers and renters desire downtown amenities nearby, even if they live elsewhere.
- Encourage **mixed-use development**, including multifamily and “missing middle” housing.
- Incentivize **adaptive reuse** in the historic downtowns and ensure approval processes remain streamlined.
- **Invest in connectivity** to downtown with public walking and bicycling infrastructure.
- Consider a **Complete Streets** approach for transportation gateways to downtown and intown areas.

RECOMMENDATIONS

AREAS TO BE ADDRESSED BY BOTH PUBLIC AND PRIVATE SECTORS

Three Pillars of Action



Encourage production of new for-sale and quality rental units that broaden the housing type options



Support renovation and rehabilitation of existing housing stock



Continue to invest in Troup's downtowns and intown areas

The Playbook

- **Tax Allocation Districts (TAD)**
- **Housing development funds**, including land acquisition funds and Community Development Block Grants (CDBG).
- Enhance residential options in **compact walkable places** throughout Troup – both existing and new.
- Encourage **compact mixed-use development** at higher, but still appropriate, densities.

QUESTIONS?



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