

# THE THREE GEORGIA'S

## A HOUSING & GROWTH PERSPECTIVE

FRANK NORTON JR.

AUGUST 28, 2019



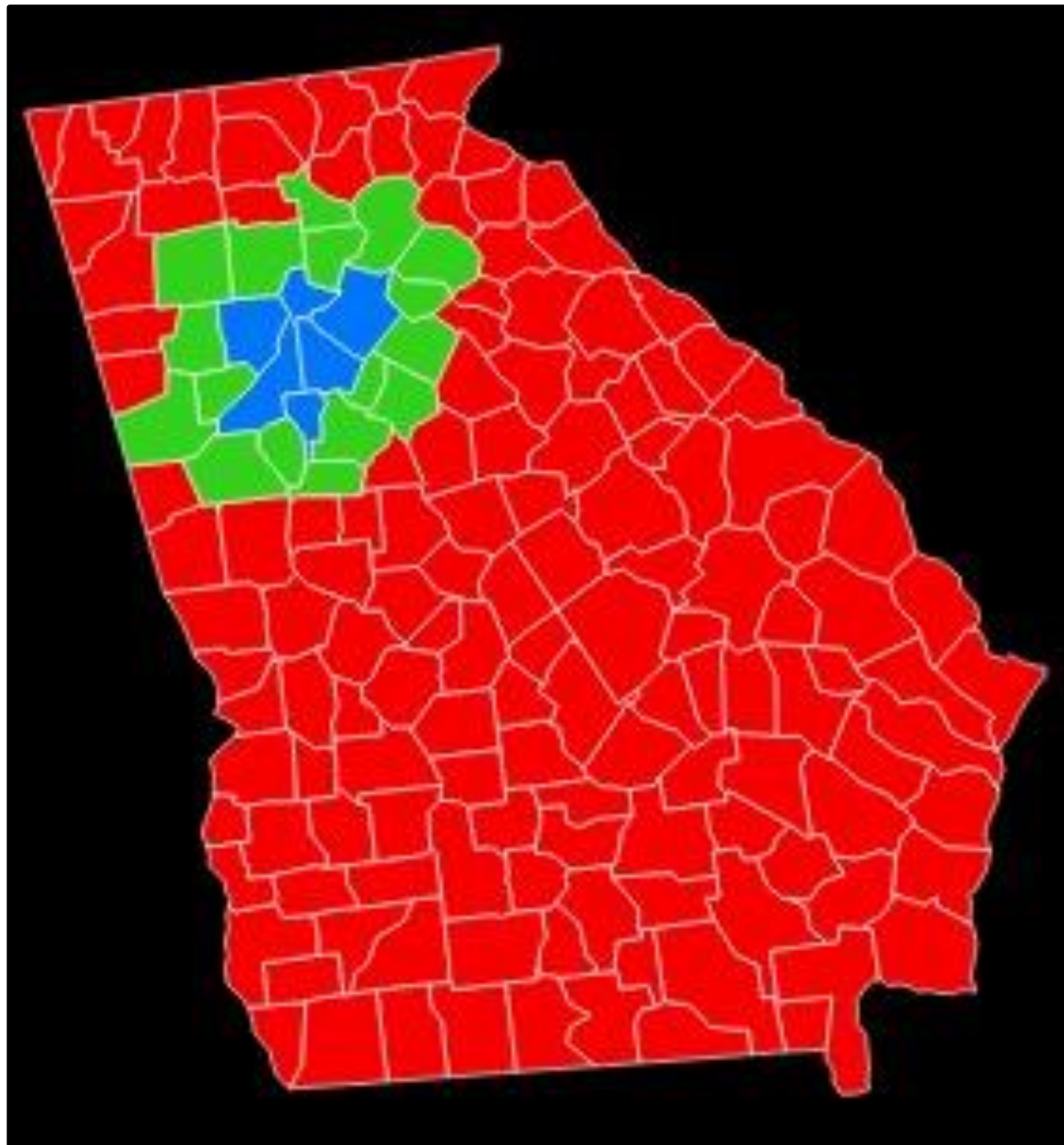
# 5 County Metro Atlanta:

**Blue:** (Fulton, Cobb,  
DeKalb, Gwinnett, Clayton)

# 17 County Metro Atlanta Ring:

**Green:** (Hall, Forsyth,  
Dawson, Walton, Rockdale,  
Jackson, Barrow, Henry,  
Fayette, Coweta, Cherokee,  
Newton, Douglas, Paulding,  
Bartow, Spalding, Carroll)

**Rest of Georgia:**  
**Red**



# GEORGIA DEMOGRAPHICS 2018



	<u>ATLANTA</u>	<u>OUTER RING</u>	<u>REST OF GEORGIA</u>
POPULATION	3,736,601	2,295,795	4,589,242
RATE OF GROWTH ANNUAL	1.28%	1.62%	.59%
AVERAGE AGE	35.5	37.4	37.7
4-YR COLLEGE GRAD	26.4%	19.6%	12.9%
AVERAGE INCOME	\$92,769	\$89,282	\$64,087
ANNUAL HOUSING STARTS	10,533	13,890	9,000
VACANT DEVELOPED LOTS	24,320	47,677	88,000+



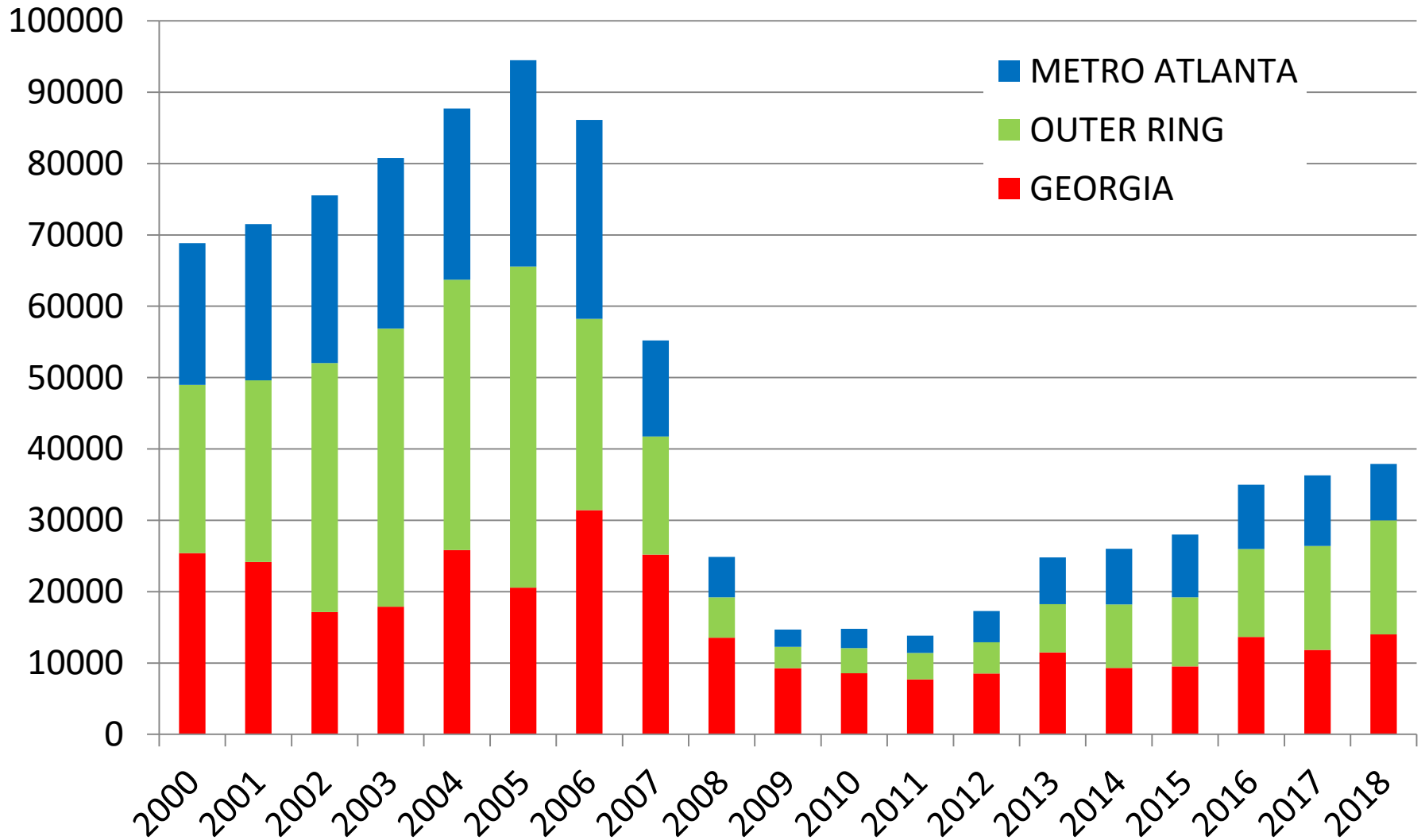
# 10 Fastest Growing Cities in Georgia in 2018

City	2010	2018	% Growth since 2010
1. Chamblee	9751	28433	191.6%
2. Norcross	9209	16474	78.9%
3. Clarkston	7555	12702	68.1%
4. Port Wentworth	4920	7568	53.8%
5. Braselton	6107	9316	52.5%
6. Glenville	3716	5098	37.2
7. Pooler	16683	22477	34.7%
8. Flowery Branch	5096	6801	33.5%
9. Woodstock	22027	29227	32.7%
10. Richmond Hill	8890	11766	32.4%



# GEORGIA HOUSING

## SINGLE FAMILY PERMITS



SOURCE :COUNTY PLANNING OFFICES

# GEORGIA HOUSING TRENDS

- FROM 1970-1979 275,000 PERMITS
- FROM 1980-1989 436,000 PERMITS
- FROM 1990-1999 518,000 PERMITS
- FROM 2000-2009 654,000 PERMITS
- FROM 2010-2018 **285,300** PERMITS



ATLANTA WILL BE

**300-350,000**

HOUSING UNITS SHORT BY

2020

IN GEORGIA **430,000**

# GEORGIA AVERAGE SINGLE FAMILY DETACHED SALE PRICE

2011	\$162,220
2012	\$154,662
2013	\$203,090
2014	\$223,300
2015	\$247,000
2016	\$265,000
2017	\$289,000
2018	\$301,000



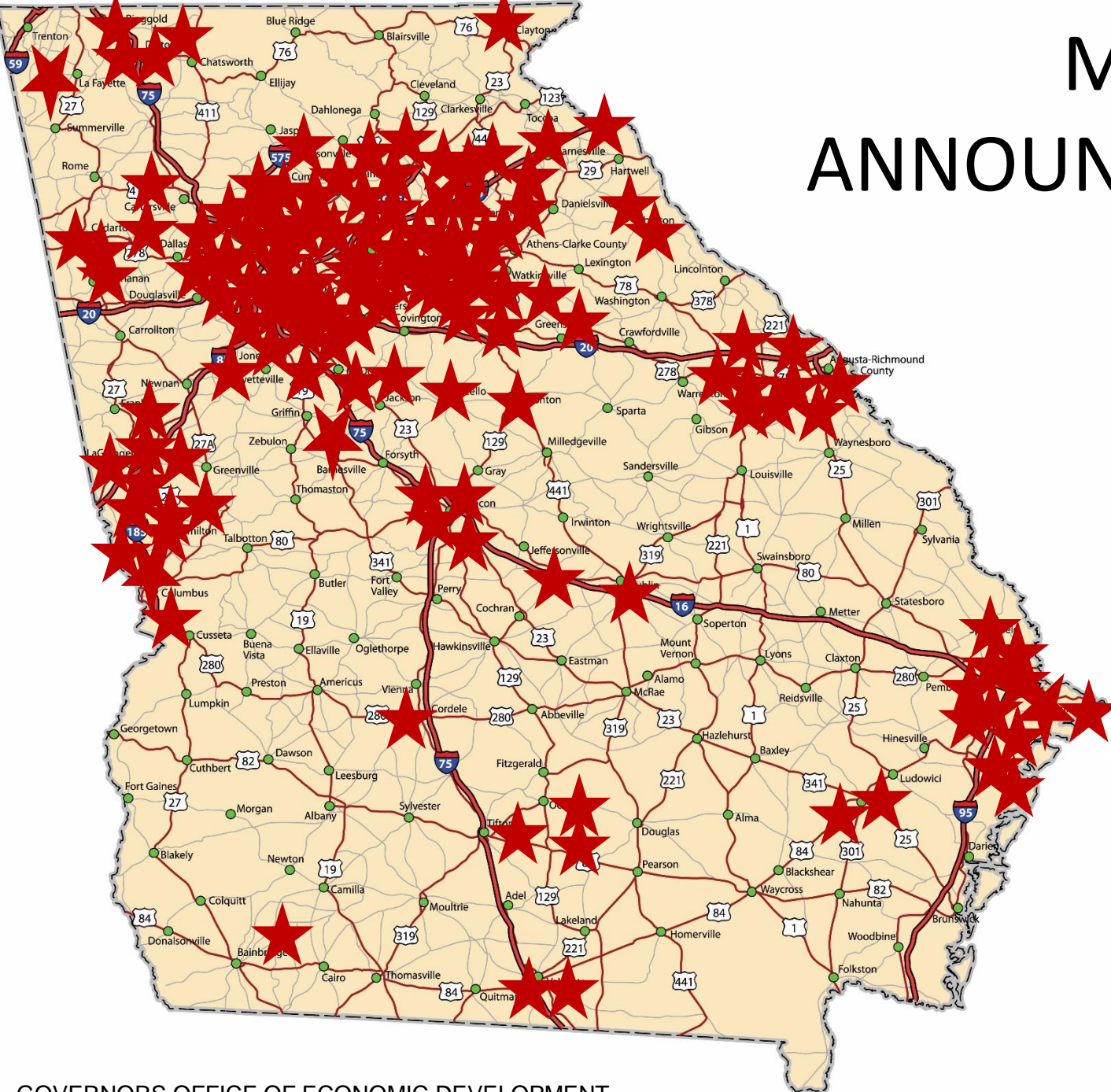


# AVERAGE PRICE HOMES SOLD 2018

- ATLANTA (5 County) \$323,622
- OUTER RING
  - FORSYTH \$382,600
  - CHEROKEE \$310,500
  - COWETTA \$269,200
  - GAINESVILLE \$280,225
  - FAYETTE \$359,500
  - WALTON \$235,250
  - HENRY \$215,250
- OTHER GEORGIA
  - ALBANY \$132,500
  - ATHENS \$180,700
  - AUGUSTA \$154,000
  - COLUMBUS \$137,000
  - DALTON \$177,000
  - MACON \$137,000
  - ROME \$165,000
  - SAVANNAH \$225,900
  - VALDOSTA \$132,900



# MAJOR JOB ANNOUNCEMENTS 2007-2019



TM





amazon

# SUPER *CHARGED* GEORGIA INVESTMENTS

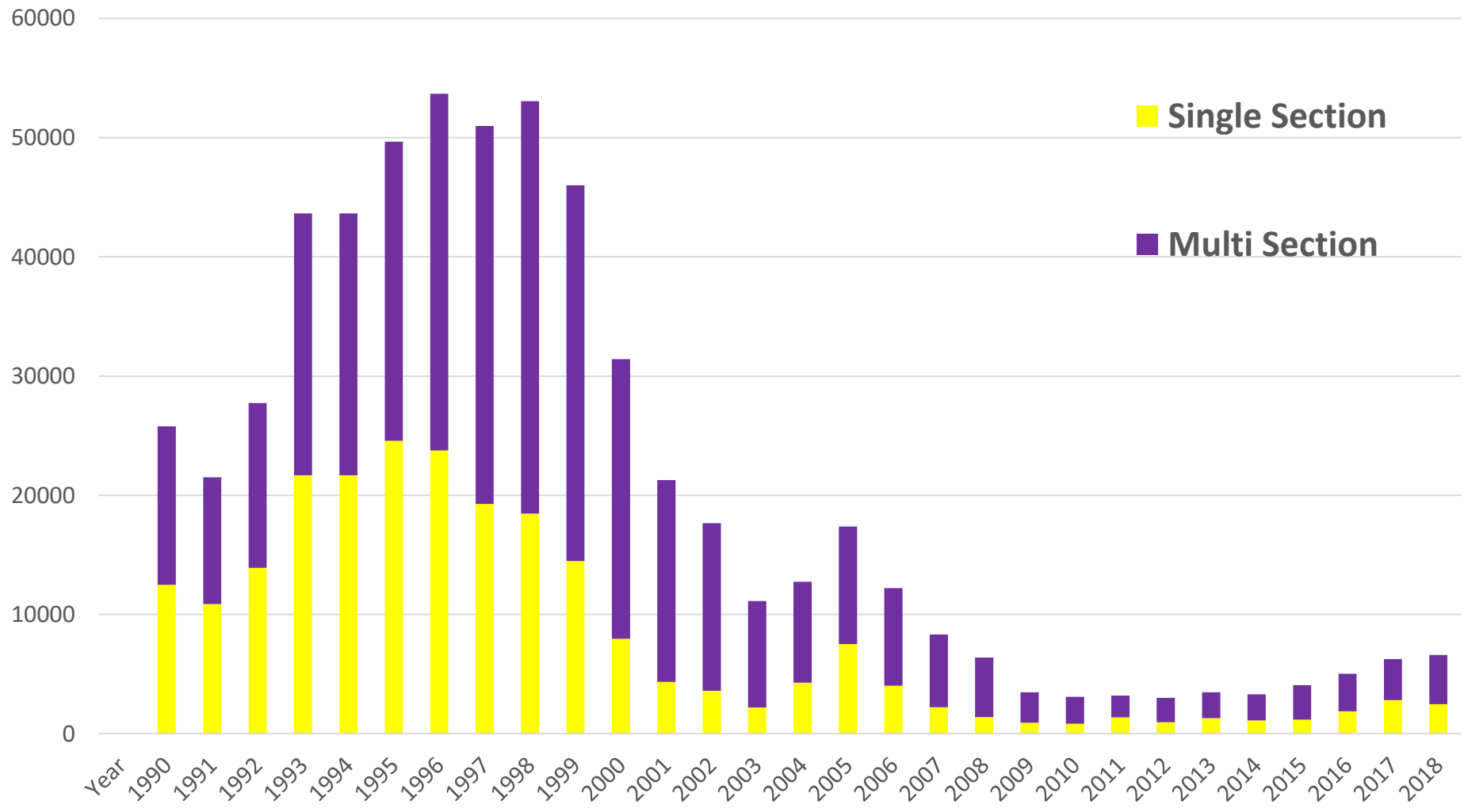
## Estimated Value

<b>SK</b>	Commerce	1.6 Billion	2018
<b>Facebook/Data Center</b>	Covington	42 Billion	2018
<b>Switch/Data Center</b>	Douglas Co	2.5 Billion	2017
<b>Caterpillar</b>	Bogart	.5 Billion	2013
<b>KIA</b>	West Point	1.2 Billion	2006
<b>Baxter</b>	Covington	1.0 billion	2012
<b>GA Ports</b>	Savannah		

# MOBILE HOMES SURPLANT TRADITIONAL HOUSING

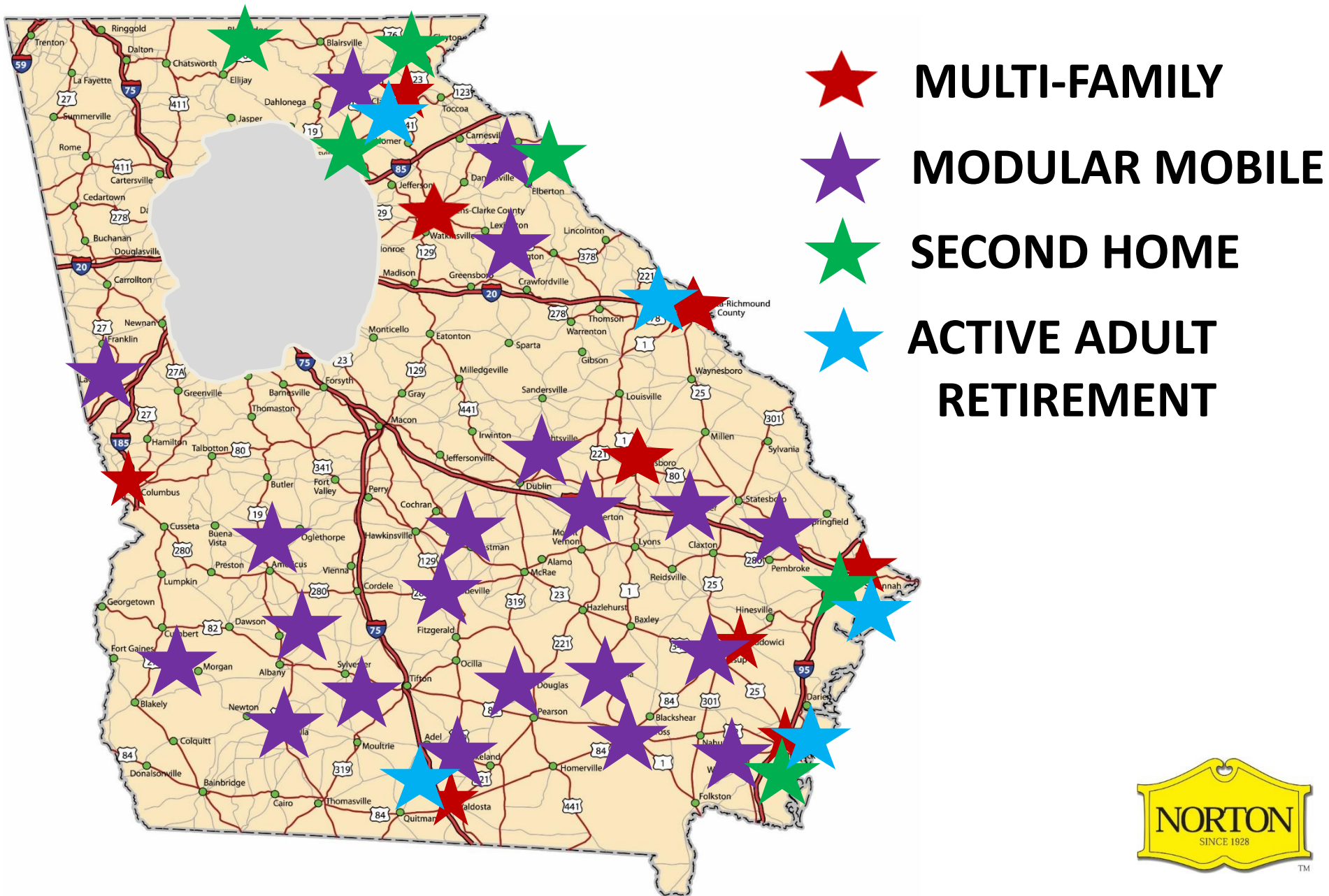
- 394,938 Mobile/Manufactured homes: 12.0% of total houses.
- Over one million Georgians live in manufactured homes.
- Less than 6% of manufactured homes are ever moved from their original site.
- The average price of a manufactured home in Georgia is \$48,800 without land.
- Nationally (average sales price) the cost per sq ft is \$32.77 compared to \$75.68 of a site-built home.
- Over 60% of manufactured homes are placed on private property.
- Median household income of GA manufactured homeowner is \$24,111.
- Manufactured homes are constructed and inspected in accordance with strict federal building standards - the HUD code

# GEORGIA MOBILE HOMES GROWTH





# GEOGRAPHY & HOUSING PATTERNS

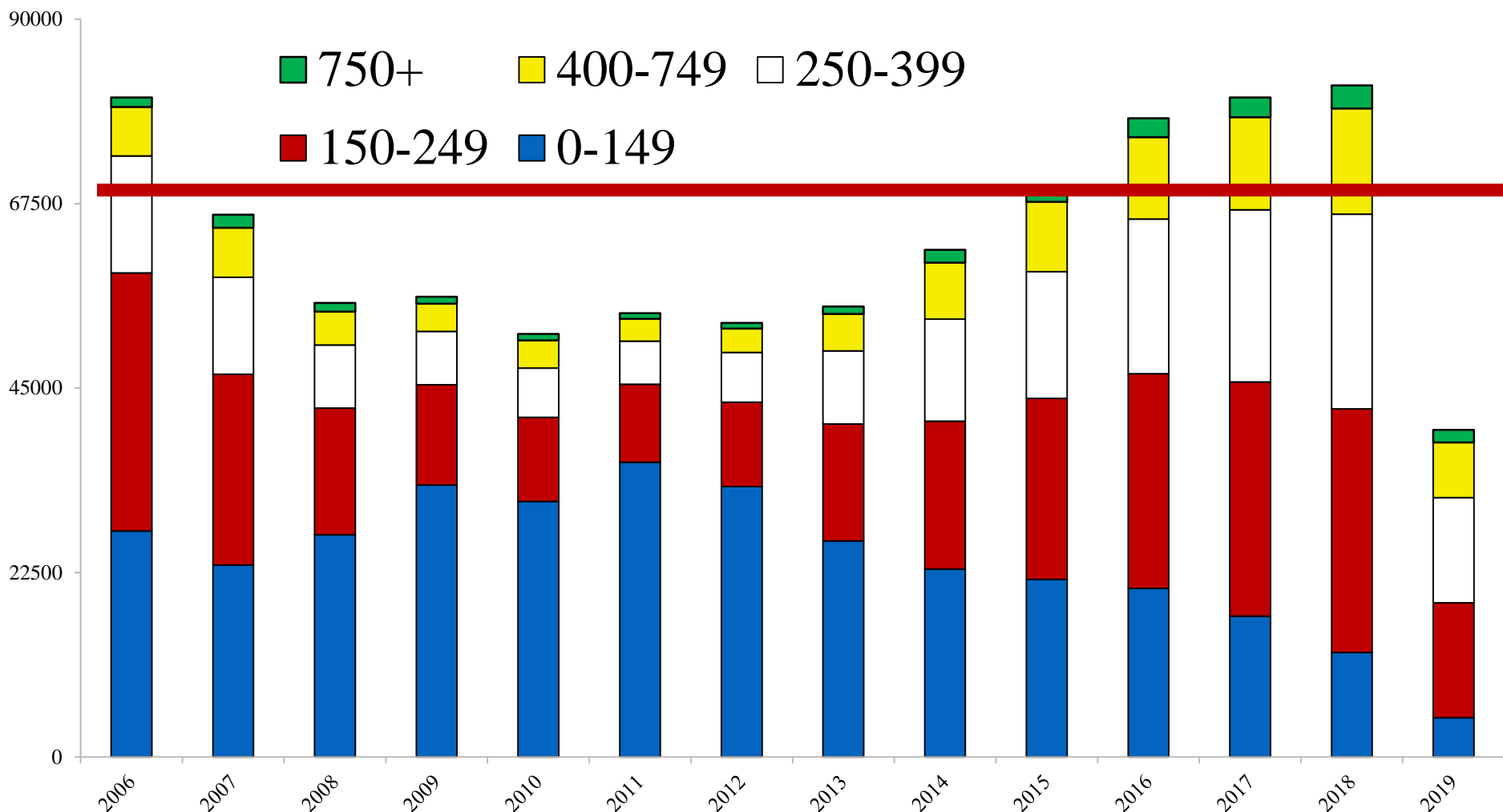




# ATLANTA SF HOME SALES

## PRICE POINT BREAKDOWN

**Mid-Year 2019**



**Source: GAMLs / FMLS** - 23 COUNTIES INCLUDED: Banks, Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Jackson, Newton, Paulding, Rockdale, Spalding and Walton

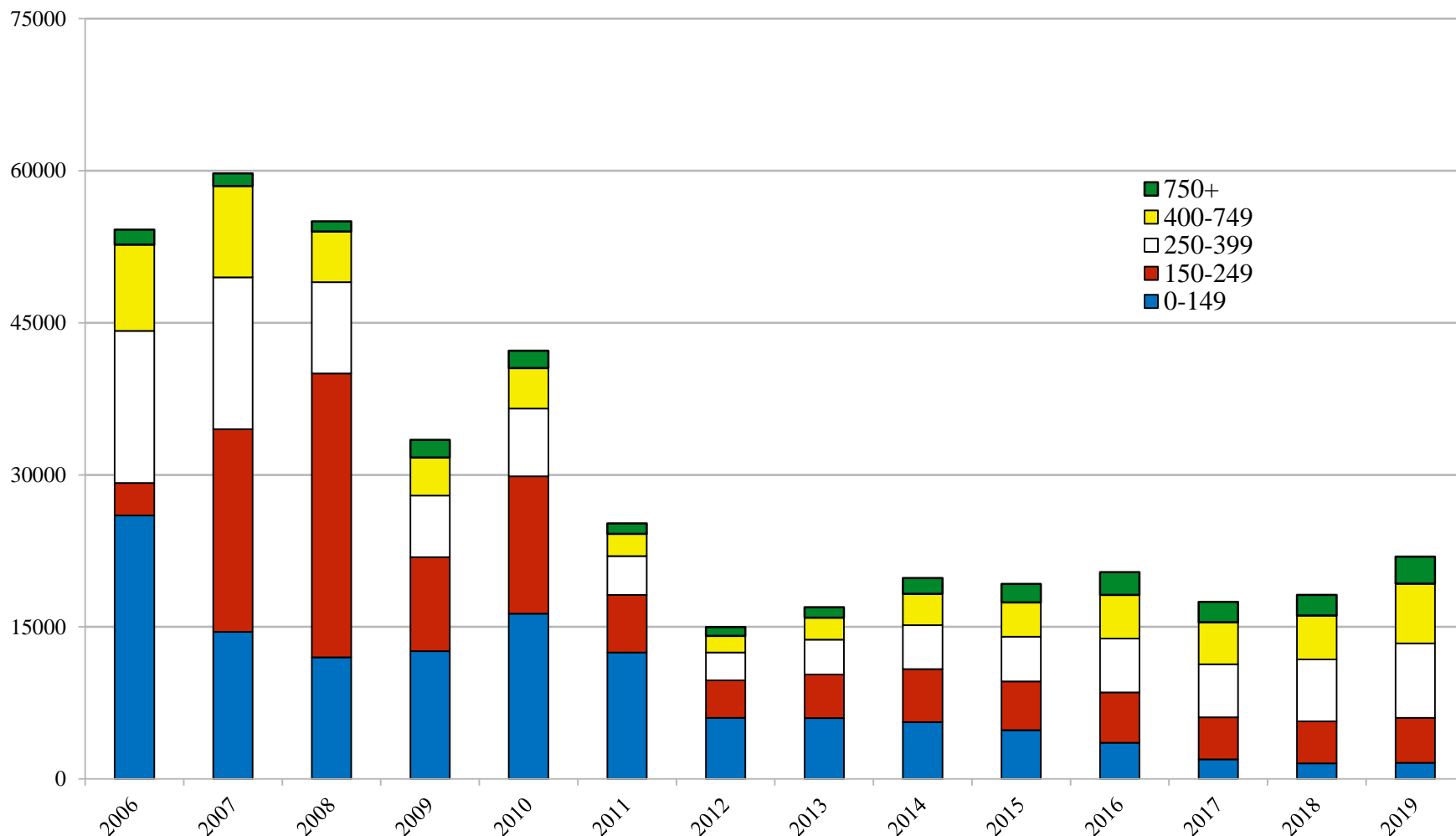




# ATLANTA HOME INVENTORY

## PRICE POINT BREAKDOWN

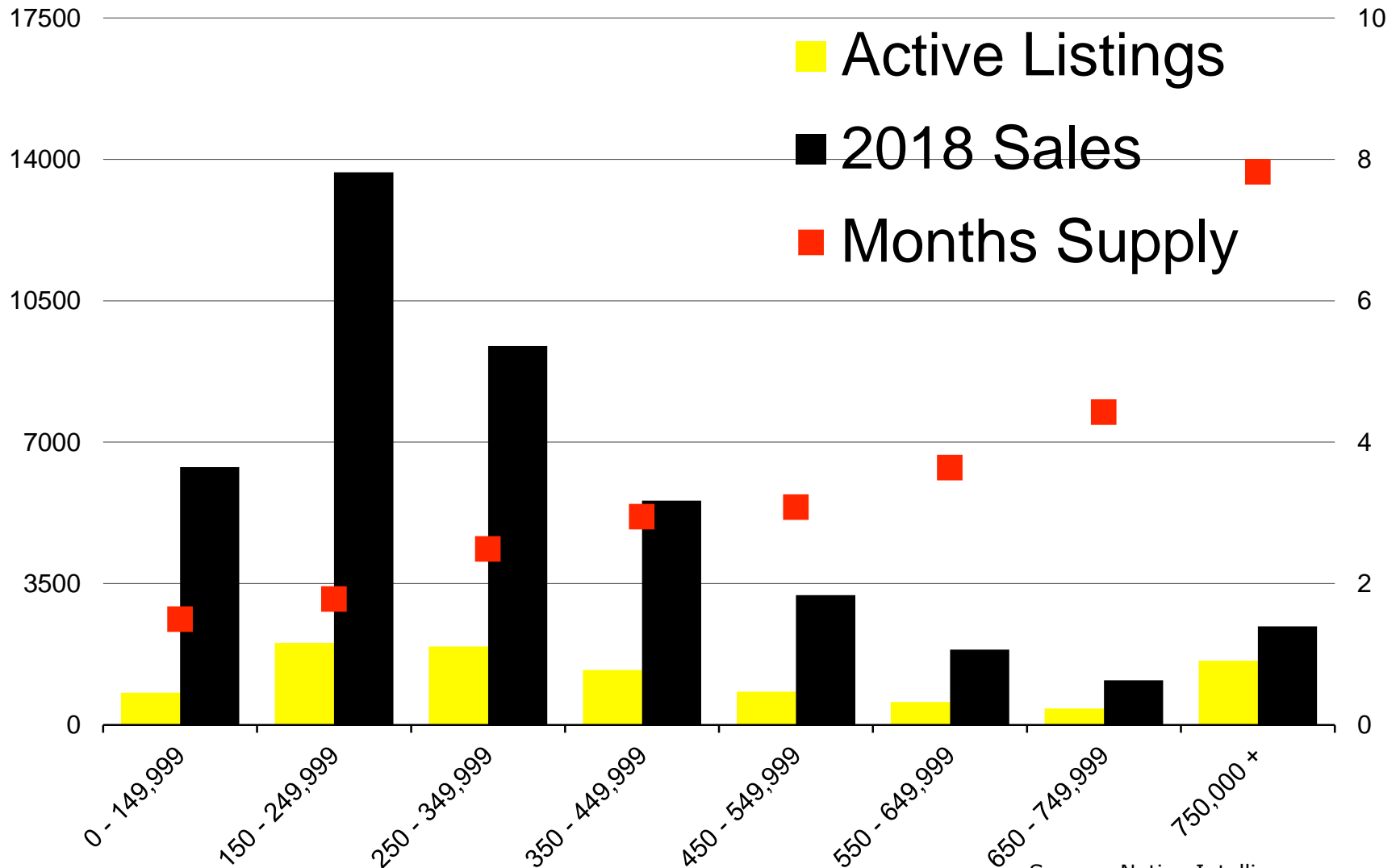
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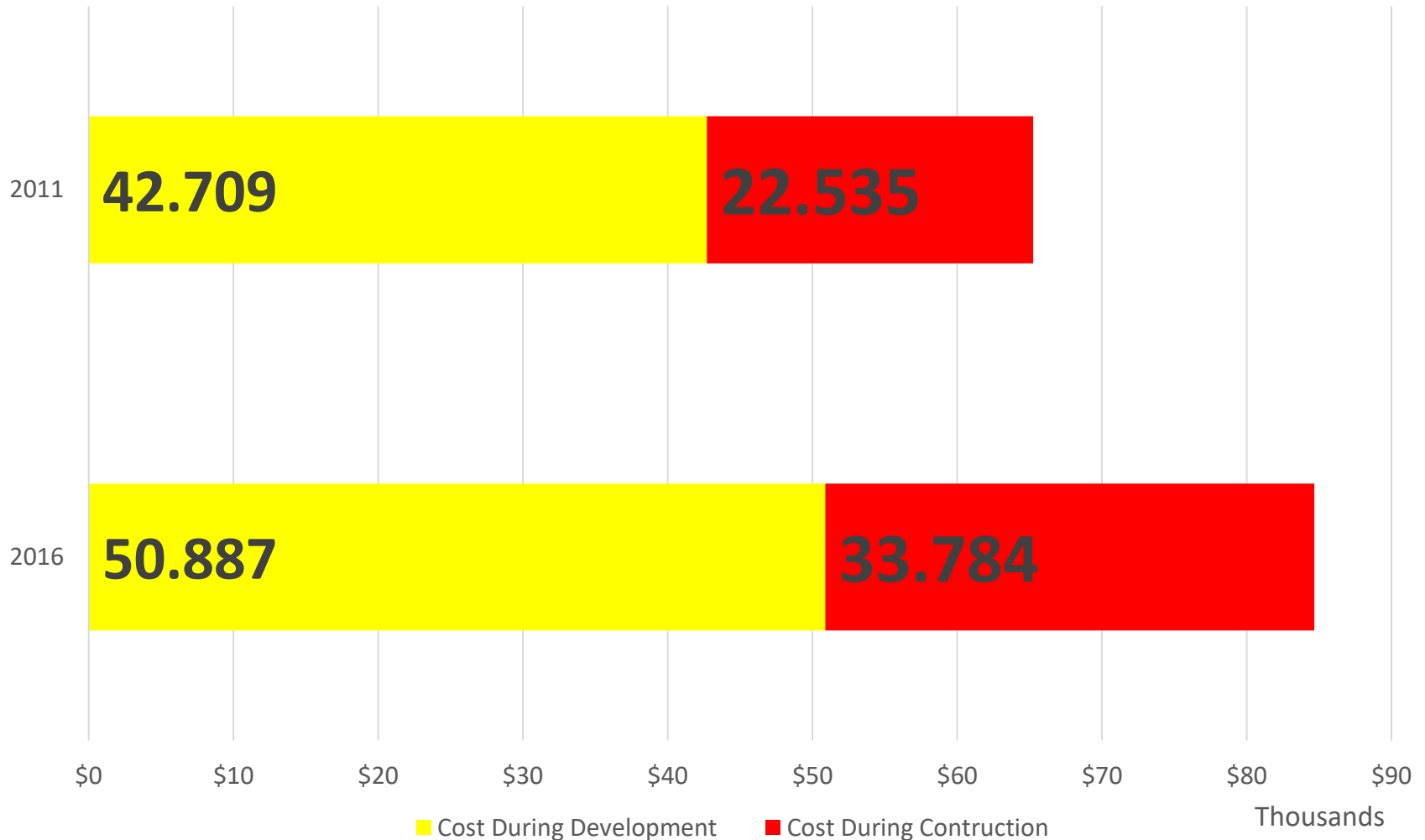
# METRO ATLANTA SUPPLY & DEMAND



Source: Native Intelligence



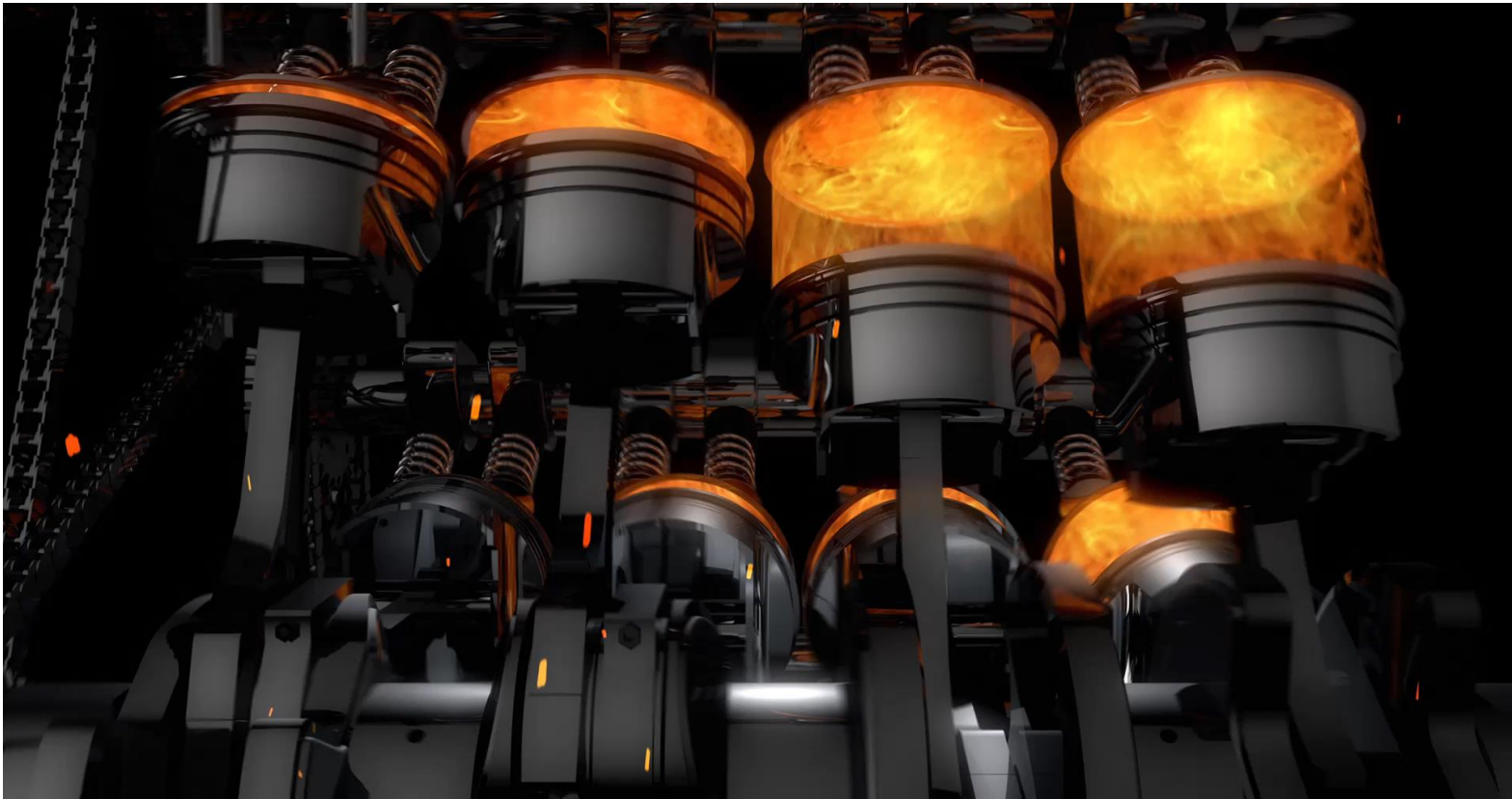
# Financial Impacts of Home Building Regulations





# HOUSING MATH 2019

Sale Price	\$ 310,000
Commission 6%	18,600
Construction Cost 2600 SF @ \$77 PSF	200,000
Lot Price	55,000
Interest	6,000
Cleaning and Grading	<u>15,000</u>
Gross Margin	\$ 15,400 4.9%



THE LACK OF GEORGIA HOME INVENTORY IS  
LIKE NOT HAVING ENOUGH OIL IN YOUR CAR  
AND YOUR GEARS SLOWLY COME TO A  
GRINDING HALT





# WHAT NEXT...

- EXPECT TO LIVE WITH ZERO INVENTORY
- HOMES WILL NEVER BE CHEAPER THAN TODAY
- NEW HOME CONSTRUCTION TO HOVER BETWEEN 25-40,000 ANNUALLY
- PERPETUAL SHORTAGE OF HOUSING
- CONSTRUCTION LABOR WILL NEVER RECOVER AND HOURLY WAGES WILL SOAR
- DEVELOPMENT DOMINATED BY NATIONAL AND REGIONAL PLAYERS
- REGULATIONS PUSH HOME COST UP 25-35%
- AFFORDABLE HOMES WILL DEFAULT TO MODULAR AND MOBILE PRODUCTS