GEORGIA’S HOUSING MATH

FEBRUARY 28, 2018
THE WAR ON HOUSING

THE BATTLE FRONT
SITUATION ANALYSIS
MAJOR JOB ANNOUNCEMENTS
2007-2018

GOVERNORS OFFICE OF ECONOMIC DEVELOPMENT
5.7 MILLION

FUTURE INDUSTRIAL GROWTH

4.5 MILLION U/C
14.5 MILLION PROP

5.2 MILLION U/C
10 MILLION PROP
MAJOR NON METRO GEORGIA EMPLOYMENT TRIGGERS

- BAXTER, NEWTON
- NSA/CSS, RICHMOND
- KUBOTA, HALL-JACKSON
- NESTLE PET FOOD, HART
- FACEBOOK, NEWTON
- AMAZON, HENRY BIBB JACKSON
- GA PORTS, SAVANNAH CRISP MURRAY + TBA
10 Fastest Growing Cities in Georgia in 2017

1. Chamblee
2. Norcross
3. Clarkston
4. Port Wentworth
5. Glenville
6. Braselton
7. Pooler
8. Richmond Hill
9. Flowery Branch
10. Woodstock

Source: WSB News
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 2010-2017  252,300  PERMITS
MSA Housing Permits From 2007-2017

Source: http://www.terry.uga.edu/about/centers-institutes/selig/housing
<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
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<tbody>
<tr>
<td>2011</td>
<td>$162,220</td>
</tr>
<tr>
<td>2012</td>
<td>$154,662</td>
</tr>
<tr>
<td>2013</td>
<td>$203,090</td>
</tr>
<tr>
<td>2014</td>
<td>$223,300</td>
</tr>
<tr>
<td>2015</td>
<td>$247,000</td>
</tr>
<tr>
<td>2016</td>
<td>$265,000</td>
</tr>
<tr>
<td>2017</td>
<td>$289,000</td>
</tr>
<tr>
<td>City</td>
<td>Average Price Sold 2017</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>ALBANY</td>
<td>$132,500</td>
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<tr>
<td>ATLANTA (5 County)</td>
<td>$323,622</td>
</tr>
<tr>
<td>ATHENS</td>
<td>$179,900</td>
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<tr>
<td>AUGUSTA</td>
<td>$148,000</td>
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<tr>
<td>COLUMBUS</td>
<td>$137,000</td>
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<tr>
<td>GAINESVILLE</td>
<td>$248,225</td>
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<tr>
<td>DALTON</td>
<td>$118,000</td>
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<tr>
<td>MACON</td>
<td>$132,000</td>
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<tr>
<td>ROME</td>
<td>$127,000</td>
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<tr>
<td>SAVANNAH</td>
<td>$225,900</td>
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<td>VALDOSTA</td>
<td>$139,900</td>
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HOT SPOT EMPLOYMENT VERSES HOUSING

| City         | Unemployment | Monthly Housing | Home App
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Savannah</td>
<td>4.0</td>
<td>4.8</td>
<td>8.5%</td>
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<tr>
<td>Columbus</td>
<td>5.1</td>
<td>7.2</td>
<td>9.8%</td>
</tr>
<tr>
<td>Gainesville</td>
<td>3.5</td>
<td>3.8</td>
<td>7.5%</td>
</tr>
<tr>
<td>Augusta</td>
<td>4.0</td>
<td>3.0</td>
<td>8.5%</td>
</tr>
</tbody>
</table>
GEORGIA’S HOUSING MATH

- FOR EVERY **TWO** NEW JOBS, **ONE** NEW HOUSING UNIT IS REQUIRED
- THE AVERAGE NEW HOME INCREASED **42%** SINCE 2010
- REGULATION ADDS **30% - 55.9%** TO THE COST OF SINGLE AND MULTI FAMILY HOUSING
- SINCE 2007 **75%** OF BUILDER INDUSTRY HAS EVAPORATED
- SHORTAGE OF AT LEAST **350,000** NEW HOUSING UNITS
- MONTHS OF SUPPLY ARE AT CRISIS LEVELS
THE **WAR** ON HOUSING

A PLAN OF ATTACK

SOLUTIONS TO CONSIDER
A PLAN OF ATTACK

• CHANGE HOUSING EXPECTATIONS
• BIFORCATE HOUSING CODES
  – ALLOWANCES/EXCHANGES EXCLUSIVELY FOR AFFORDABLE HOUSING
  – AFFORDABLE HOUSING ZONES
• TECHNOLOGY PRODUCES HOUSING
• NEW CONSTRUCTION METHODS
• DENSITY PREJUDICE
  – INFILL
  – AUXILLARY BUILDING UNITS – BACKYARD
• MUNICIPALE COUNTY ECONOMIC INCENTIVES
  – TAX ALLOCATION DISTRICTS
  – STRIP OUT IMPACT FEES AND PERMIT FEES
• INDUSTRY SUPPORTED HOUSING VILLAGES
QUOTES FOR TODAY’S HOUSING INDUSTRY

• DRIVE TILL YOU QUALIFY REPLACED WITH DRIVE TILL YOU LOSE SIGNAL
• FIRST TIME HOME BUILDERS ARE NOW FIRST TIME HOME RENTERS
• IF YOU DON’T SEE A TOWN DON’T BUILD TOWNHOUSES
• NOTHING LIKE TAXES TO KILL FREE ENTERPRISE
• THE LACK OF INVENTORY IS LIKE NOT HAVING ENOUGH OIL IN YOUR CAR AND YOUR GEARS SLOWLY COME TO A GRINDING HALT