

Prepared for the

# THE CITY OF CARROLLTON

Carroll County, Georgia

October 2021



## CITYWIDE HOUSING STUDY + NEEDS ANALYSIS

Prepared by



**KB** ADVISORY GROUP





## Informed, Insightful, Innovative

Grounded in Real-World Conditions, Backed up by Insightful Research and Analysis

For the past 20 years, **KB Advisory Group** has focused on helping clients understand how market and economic forces impact their real estate development aspirations. Our advice is grounded in our teams' deep experience in consulting and implementing for hundreds of satisfied clients. We understand what it takes to create a feasible development project and turn it into reality.

**KB Advisory Group** provides advice to developers, landowners, investors, corporations, non-profits, public authorities, and governments dealing with a wide range of real estate-related issues. We take pride in providing our clients insightful, objective analyses based on a thorough understanding of market trends and their financial implications. We are a trusted advisor and determined to go the extra mile in helping our clients achieve their objectives; more than 50% of our assignments are from returning clients who recognize the value of our expertise.

We focus on the ideas that fall within the overlap of three drivers that shape our world: land and buildings, public policy, and money and finance. **Our goal is to help clients maximize the benefits of their economic development and real estate activities within five core capability areas:**

**Real Estate Markets:** Thorough analysis of the economic and demographic drivers of real estate markets and their potential, always seeking the best-fitting land use alternatives for a site or project.

**Development Economics:** Customized pro formas based on a flexible proprietary model to help determine the most financially-feasible real estate development path.

**Public Financing/Tax Increment Financing:** Effective public financing plans and strategies to support clients' complex projects, including assistance in creating and utilizing Tax Allocation Districts (TAD), Georgia's version of tax increment financing.

**Economic Impacts:** Extensive experience preparing economic impact analyses for real estate development, transportation, and major infrastructure to help make a case for moving a project forward.

**Local Housing Analysis and Policy:** We understand the complexities of affordable and market-rate housing, and the policies, economics, and market forces define them.



**KB Advisory Group** focuses on the ideas that fall within the overlap of three drivers that shape our world: land + buildings, public policy, and money + finance.

Bleakly Advisory Group is now doing business as

**KB Advisory Group**

Our new website address is **[www.kbagroup.com](http://www.kbagroup.com)**

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# Introduction



City of Carrollton website

## *Purpose of this Analysis*



City of Carrollton website

In 2021, the City of Carrollton, Georgia, engaged **KB Advisory Group, Inc. (KB)** to conduct a Comprehensive Citywide Housing Market Study, Needs Analysis, and Strategy Development.

The assessment provides the City of Carrollton with a perspective on how current and future residential market trends will impact the city over the coming years. The research, analysis, and conclusions provide vital inputs for future land use, planning, and real estate development policy decisions—specifically, the city's future housing needs across various home types, orientations, and target markets. This Comprehensive Citywide Housing Market Study, Needs Analysis, and Strategy Development also gives staff and elected officials the tools and information they need to communicate to constituents the rationale for crucial policies related to land use and housing.

This report was prepared by **KB Advisory Group, Inc.** on behalf of the City of Carrollton, Georgia. Geoff Koski, the President of **KB**, directed and Alex Seidenberg, a Consultant, managed the engagement.

The following report highlights the research, analysis, and conclusions of **KB Advisory Group's** City of Carrollton Comprehensive Citywide Housing Market Study, Needs Analysis, and Strategy Development.

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# Executive Summary



City of Carrollton website

# executive summary

## Demographic Assessment

- Carrollton has experienced relatively consistent population growth since 2000, weathering the brunt of the Great Recession better than Carroll County and the state as a whole.
- College-aged students make up a large share of Carrollton's population, which is the driving factor behind Carrollton's population skewing younger than Carroll County and the state.
- Carrollton's median household income is lower than Carroll County and Georgia – in part because of a significant student population.
- Most households in Carrollton consist of 1 or 2 people, and approximately one-third of all households have children present in them.
- Carrollton's large student population, with internships and part-time jobs, skews its median household income. While few students have salaried positions, they do have access to capital through their parents or through financial aid and assistance, which elevates their purchasing power but doesn't reflect household income.
- A majority of households in Carrollton are renters – the rate of rentership in Carrollton is significantly higher than that of Carroll County and Georgia.
- The renter population in Carrollton has gotten progressively older and wealthier in the last decade.
- At the same time, nearly half of renters in Carrollton, including student renters, are cost-burdened and paying more than 30% of their income on housing-related costs.
- Carrollton residents occupy 14% of the 24,000 jobs in Carrollton; the remainder of the jobs are occupied by people who commute in.



City of Carrollton website

Source: KB Advisory Group based on data from Claritas 2021

# executive summary

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## Housing Supply Assessment

- Single-family detached housing comprises the most extensive single residential housing product in Carrollton, with over 5,000 units, or 46% of the housing inventory.
- When combined, student-centric housing, both private and UWG-sponsored, have 2,400 units and 6,500 total bedrooms in the city. Student-centric housing products consist of 22% of Carrollton's overall housing stock.
- Carrollton's housing stock is aging, with 35% of all housing units currently over 50 years old.
- The most significant residential development period in the last 50 years took place in the 2000's – doubling the production of housing compared to any other decade since 1970.
- Most residential development post-2000 has occurred on the periphery of the city boundaries and along commercial corridors.
- Carrollton's housing market has consistently produced new single-family detached homes for under \$300,000 – even in the face of rising home prices.
- New single-family detached houses have increased in price by over \$50,000 since 2015.
- While the production of townhomes has been stagnant since the Great Recession, there are over 50 new units of townhomes in various states of planning, development, and construction.
- Since 2000, the concentration of multifamily unit growth has been in private purpose-built student housing.

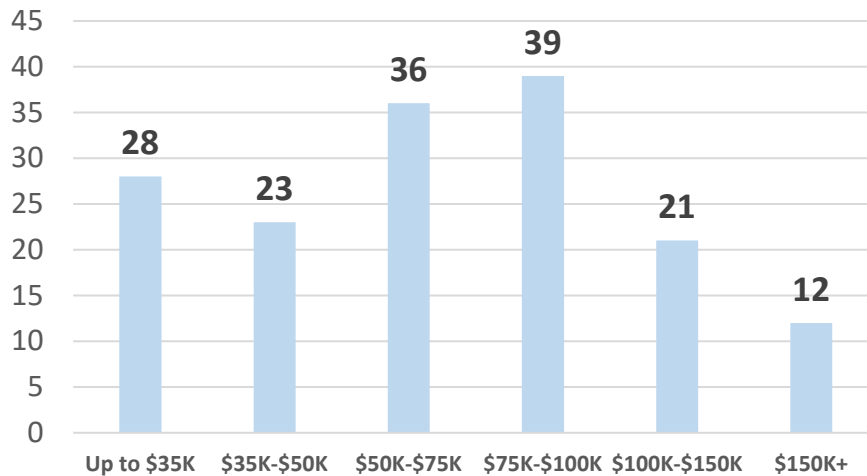
Source: KB Advisory Group based on data from Claritas 2021

# executive summary

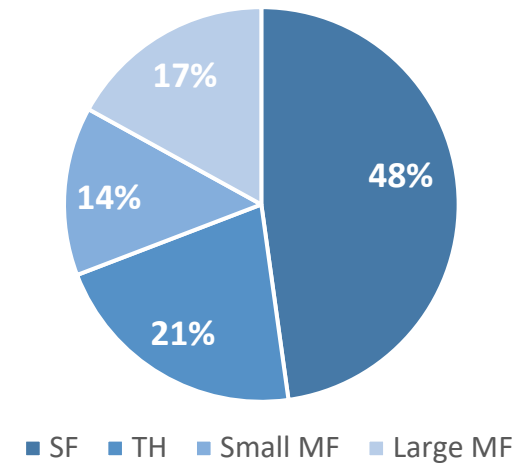
## Housing Demand and Gap Analysis

- There is demand for an average of 159 new housing units in Carrollton annually over the next ten years. This demand distributed across a variety of housing types and price ranges.
- From the total demand of 159 units, there is demand for approximately 76 single-family detached units, 34 townhome units, and 49 multifamily units.
- This demand is concentrated in several key sociodemographic groups. For owners, the concentration is among middle-class and upper-class middle-aged groups and seniors. For renters, the demand concentration is in younger, lower-income groups and low-income seniors in addition to middle-class and upper-income middle-aged groups.
- The housing gap analysis conducted for this study suggests that housing demand in Carrollton exceeds supply for households across all income ranges. The most significant gap between housing supply and demand exists for product types other than traditional large-lot single-family detached homes.

**Total Demand by Income**



**Total Housing Demand by Unit Type**



Source: KB Advisory Group based on data from Claritas 2021

# executive summary

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## Key Findings

**Carrollton's housing market has successfully produced moderately priced new single-family homes but lacks appropriate new supply that meets the market's demand and changing housing preferences.**

- As new home prices increase throughout the region, Carrollton's housing market has consistently provided new homes under \$300,000.
- The socioeconomic profile of renters in Carrollton has changed in the last 10 years. Renters in Carrollton got older and wealthier between 2010 and 2019.
- The demand analysis and supply research indicates a lack of diversity in housing type and price that would appeal to a wider variety of demographic groups in Carrollton.

**Residential development patterns since 2000 have emphasized large-lot single-family homes outside of the city's core.**

- A large majority of people who work in Carrollton do not live in Carrollton.
- A majority of residential development since 2000 has followed two geographical patterns - commercial corridors that spur out from downtown and the periphery of Carrollton's city boundary.

**The University of West Georgia continues to influence housing dynamics in Carrollton.**

- The presence of the University of West Georgia is a catalyst for the high rentership rates.
- Multifamily growth in Carrollton has concentrated in the private student housing sector, not in traditional multifamily housing developments.
- The COVID-19 pandemic has changed on-campus student housing preferences.

Source: KB Advisory Group based on data from Claritas 2021

# Demographic Trends



City of Carrollton website

# demographic trends



## DEMOGRAPHICS

Demographics tell us information about people and how they live. In this section, we look at Carrollton's people, families, and households to learn everything we can relate to people and families, housing needs, or housing conditions.

Most of the data come from the U.S. Census American Community Survey (2019), a detailed annual sample-based estimate built upon the 2010 full-count census.

Other sources include Claritas, a nationally recognized commercial data provider, and other U.S. Census products.



UWG Carrollton website

# demographic trends

## Summary

### POPULATION

Carrollton has experienced continued population growth since 2000 and has continually made up over 20% of Carroll County's overall population.

Not only does this suggest stronger demographic and economic resilience of Carrollton relative to other areas in the greater Atlanta metropolitan area, but it also highlights the City as a hotspot of economic activity for Carroll County.

### AGE

Because of the University of West Georgia functioning as an anchor institution for the City of Carrollton, the largest generational cohort includes those aged 10-24.

However, almost a quarter of the population are Millennials (ages 25-39), further emphasizing that Carrollton as a hotspot that may attract more young professionals.

### HOUSEHOLDS

The rise in population has been complemented by a similar increase in the number of households, albeit these households consist of transitory college student residents.

The median household income is lower than the rest of Carroll County and the state overall, including students who do not work full-time.

The majority of households consist of 1 or 2 people, which is not unexpected from the large student and young professional populations.

### TENURE

Housing units in Carrollton are predominately renter-occupied, but the rate of homeownership has increased since 2000.

There are more middle and upper-income renters in Carrollton than a decade ago, and renters across a diverse range of age groups.

### RENT COST-BURDEN

One-half of renters, including student renters, are considered "cost-burdened," or spending more than 30% of their household income on housing-related expenses.

### WORKFORCE INFLOW/OUTFLOW

Over 80% of the workforce resides outside of Carrollton, which indicates an opportunity to unlock additional housing demand.

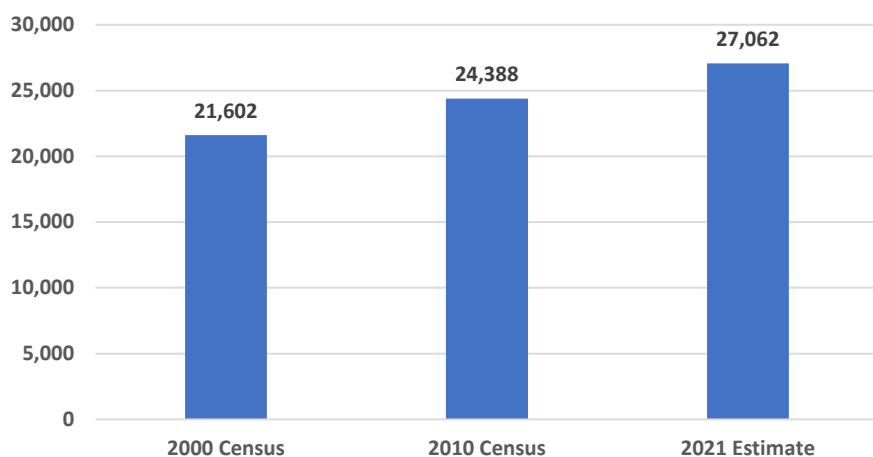
# demographic trends

## Population Growth

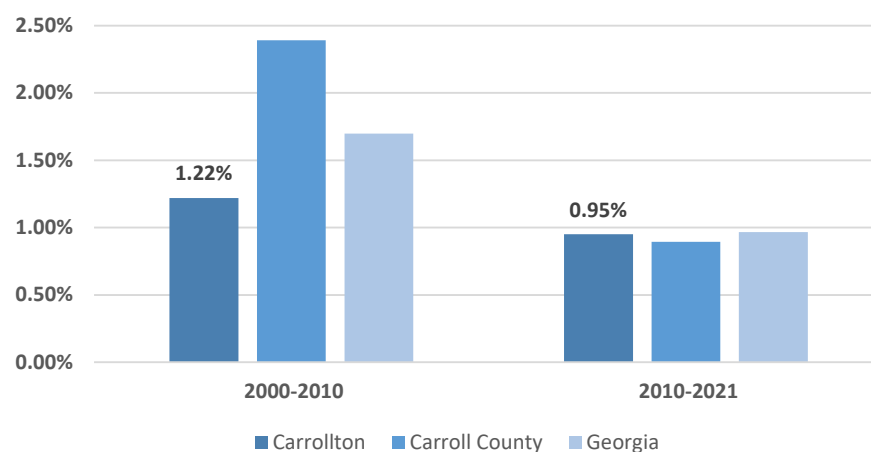
**Carrollton has experienced continued population growth since 2000, increasing by 2,600 people since 2010.**

- Carrollton has experienced a steady average annual population growth rate despite the economic conditions resulting from the Great Recession and decreases in annual population growth in both Carroll County and Georgia. It suggests a stronger economic resiliency of Carrollton relative to other areas on the fringe of the greater metropolitan area.
- Although Carroll County has had more significant growth fluctuations than both Carrollton and Georgia overall, Carrollton has continuously made up over 20% of the county's population, highlighting it as a hotspot of economic activity for Carroll County.

**Carrollton Population**



**Average Annual Population Growth Rate**



Source: KB Advisory Group based on 2021 data from Claritas

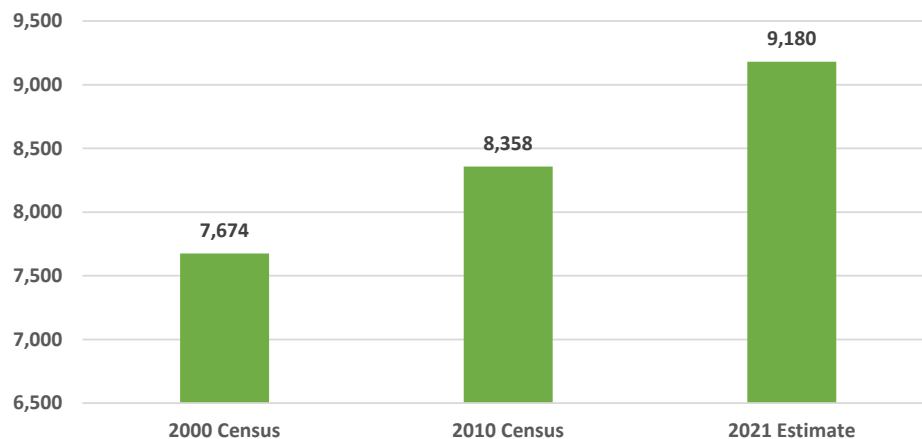
# demographic trends

## Housing Growth

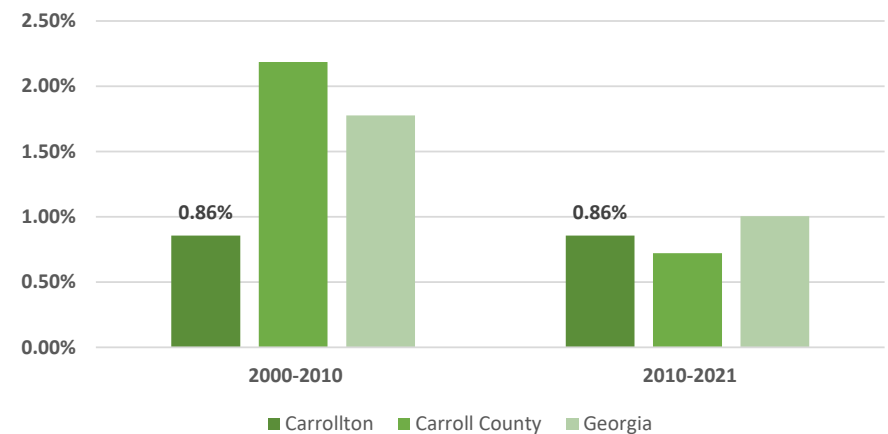
**Carrollton's households have grown at a steady rate over the past two decades.**

- A rising population in Carrollton has been complemented by an increase in households, albeit at a slightly slower, more consistent rate.
- A high percentage of the population are students who live in Carrollton and do so in on-campus dormitories, classified as "group housing" instead of households or purpose-built student housing. These nuances create a less clear picture of housing trends using household data and can help explain why the magnitude of household growth is not linked as tightly to population growth in Carrollton.

**Carrollton Households**



**Average Annual Household Growth Rate**



Source: KB Advisory Group based on data from Claritas

# demographic trends

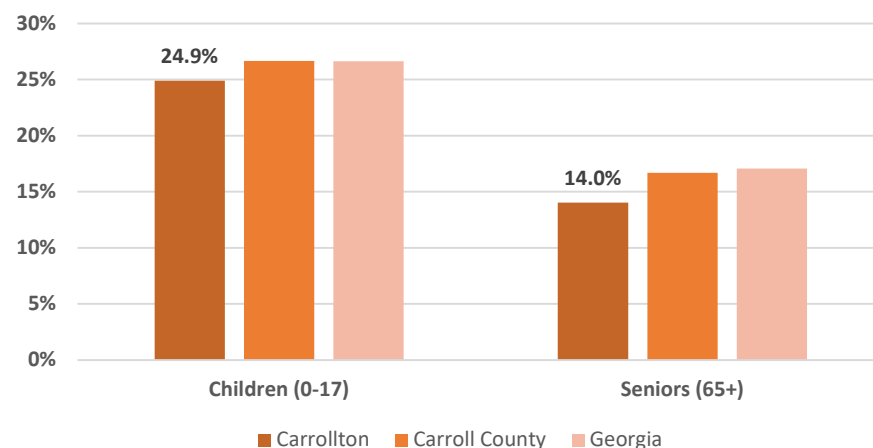
## Age and Generational Cohorts

**Carrollton is significantly younger than Carroll County and Georgia.**

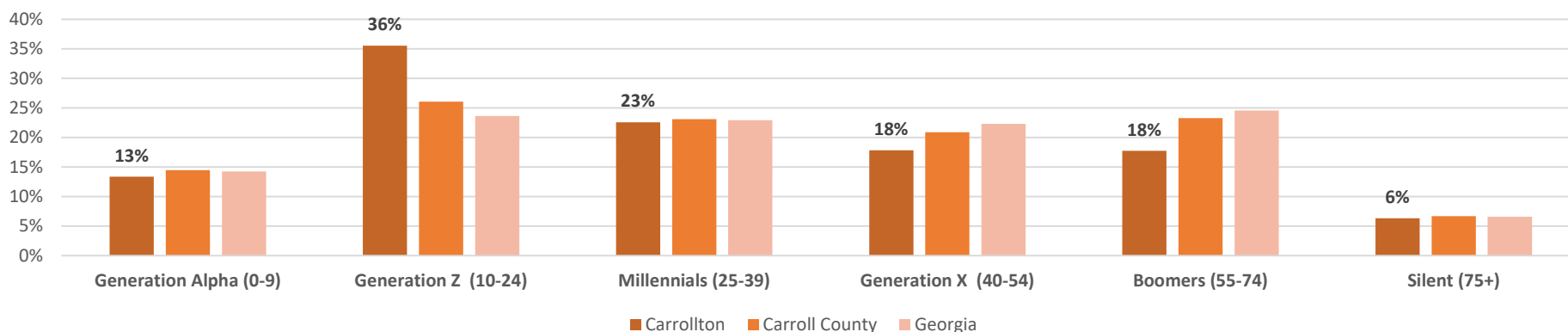
- The largest generational cohort in Carrollton is Generation Z (ages 10-24). College-aged residents compose a majority of this generation, and because of the temporary and cyclical nature of colleges and universities, they get replenished every year.
- The second largest cohort in Carrollton are Millennials (25-39), which is similar to the rest of Carroll County and the state.
- 29.2, the median age for Carrollton, reflects a higher proportion of college-aged students and young professionals than the rest of the county 35.3, and 37.5 for the state overall.

**Carrollton has slightly fewer children and seniors than the rest of the county, but it is important to note the proportion of seniors is rapidly multiplying.**

### Percent Children and Seniors



### Generational Cohorts



Source: KB Advisory Group based on data from Claritas

# demographic trends

## Household Income

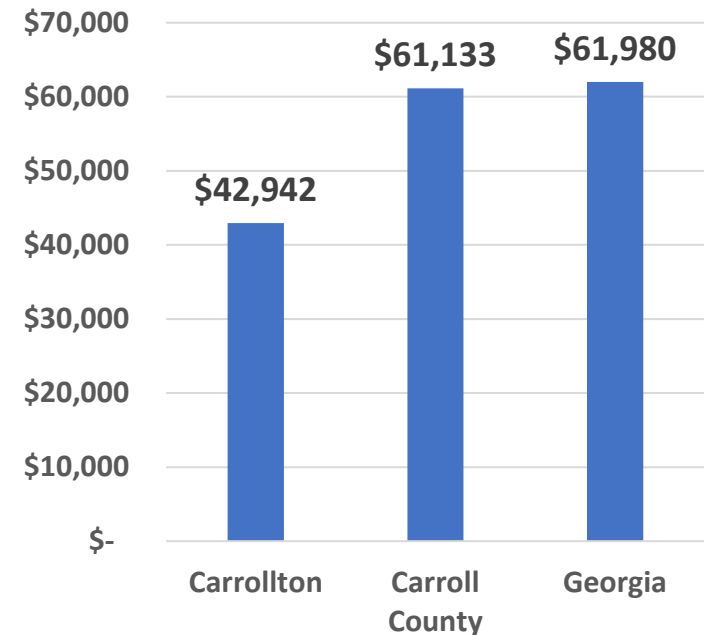
**The median household income in Carrollton is \$42,942, lower than the rest of the County and the state overall.**

- Similar to Carroll County, Carrollton has considerable employments in Office & Administrative Support, Production, and Sales occupations. Carroll County, however, has higher employment in both Management and Science occupations which may contribute to the County having a relatively higher median household income.
- How we measure household income in the city is impacted by the presence of the University of West Georgia and the housing decisions that result from students, faculty, and staff. Large universities are filled with students who often do not earn full-time wages and are supported financially by their families, financial aid, and loans. Universities are also filled with faculty and staff consisting of the professional class that often earn higher incomes.

**Median Household Income Distribution**



**Median Household Income 2020**



Source: KB Advisory Group based on data from U.S. Census ACS 2019 5-Year Estimates and Claritas 2021

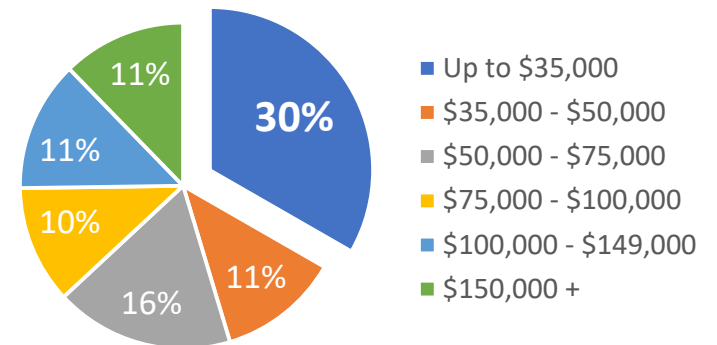
# demographic trends

## Household Income

These charts illustrate households by age and income for households above the age of 25. These charts attempt to remove students from income metrics for illustrative purposes because students' incomes are often irregular and atypical of non-student households.

The largest median household income segment is from households that earn less than \$35,000 annually and is driven primarily by low-income seniors in Carrollton. A household earning up to \$35,000 could reasonably pay \$875 per month on housing costs, based on HUD's metrics of households spending 30% of their annual income on housing-related expenses.

Householder Age by Median Household Income (Household Age 25+)



Householder Age by Median Household Income



Source: KB Advisory Group from Claritas 2021

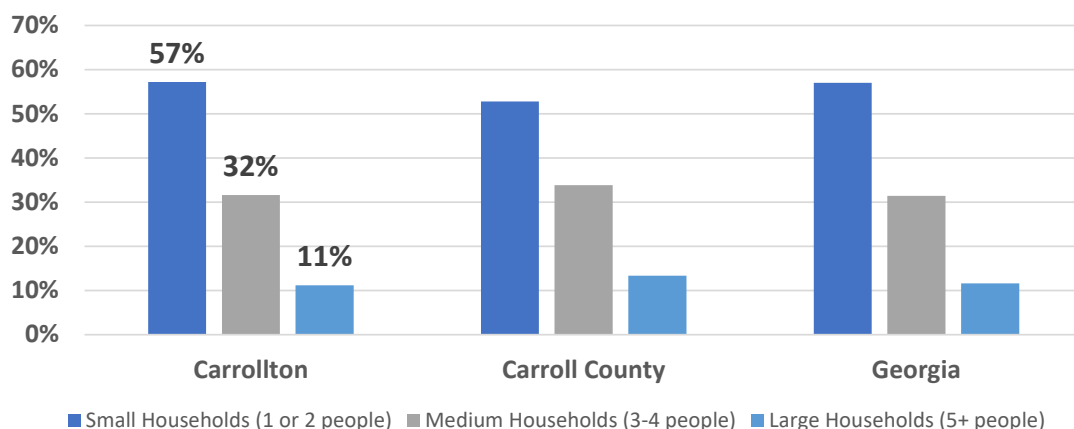
# demographic trends

## Household Size and Composition

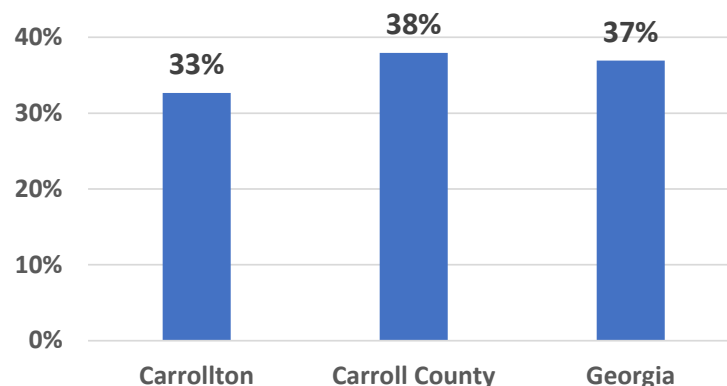
**The majority of households in Carrollton consist of only 1 or 2 people.**

- Although 60% of the households in Carrollton are small (1 or 2 people) across all three household size classifications, Carrollton's ratios are consistent with the county and state levels experienced.
- Only one-third of the households in Carrollton have children (ages 0-17), which is slightly lower than the percentages for Carroll County and Georgia. With a large majority of households having no children present, there is an opportunity for a diversity of housing products – particularly for young professionals seeking affordable or first-time homeownership or “empty-nesters” and seniors who can downsize to a smaller house.

**Household Size**



**Households with Children**



Source: KB Advisory Group based on data from Claritas 2021

# demographic trends

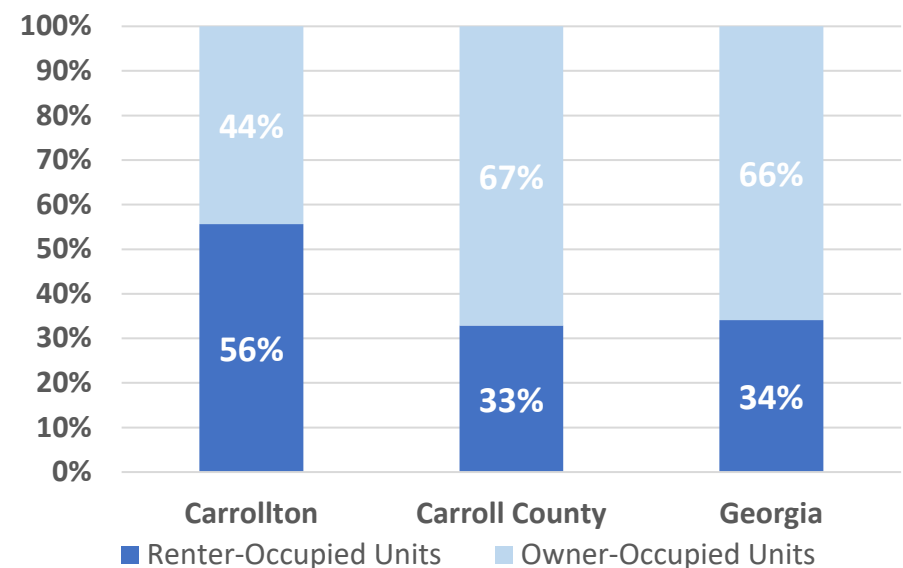
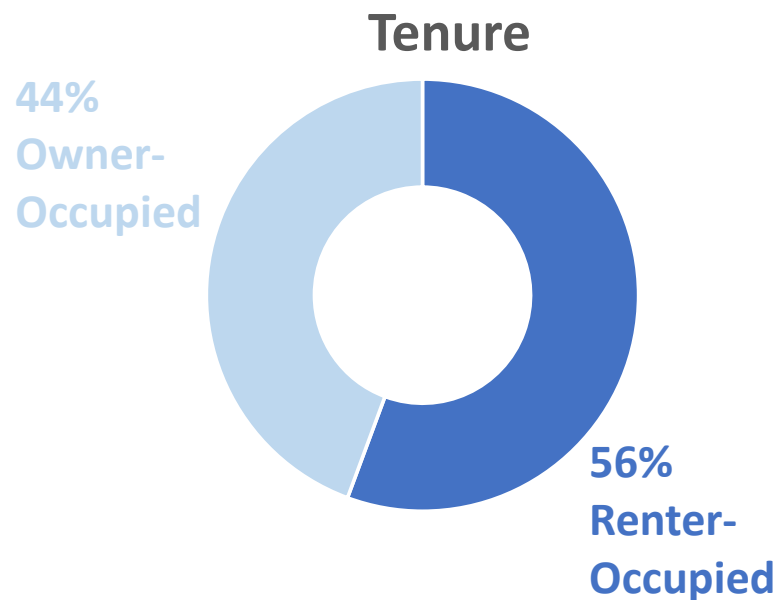
## Tenure

**The majority of units in Carrollton are renter-occupied.**

- The rate of homeownership in Carrollton is two-thirds the rate of homeownership in the County. The high proportion of transient college students is a significant factor in this trend. As is typical with college students, many students reside in Carrollton until their degrees finish, and they traditionally move after graduation.

**Since 2000, the rate of homeownership in Carrollton has increased slightly. However, the gap in the rate of renter-occupied units between Carrollton and the rest of the County has narrowed.**

- Over the last decade, the percentage of renter-occupied units in Carrollton has decreased by 6% and remained constant in Carroll County. Since homeownership in Carrollton has increased during this same period, it is possible that more college graduates are staying in the area or that Carrollton has attracted more individuals seeking single-family residential housing.



Source: KB Advisory Group based on data from Claritas 2021

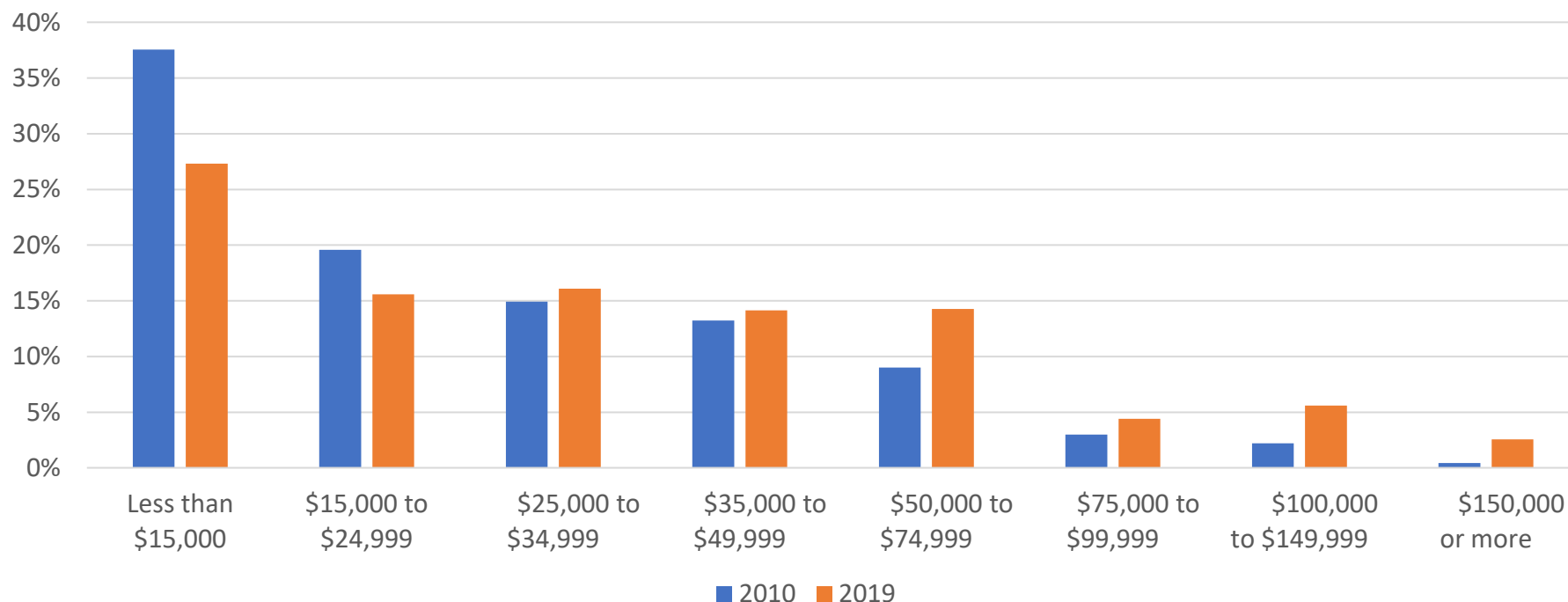
# demographic trends

## Tenure by Income

**There are more middle and upper-income renters in Carrollton today than there were a decade ago.**

- Tenure dynamics shift with changes in demographics and housing products in a city. Over the last 10 years, there has been a shift of more middle and upper-income renters living in Carrollton. This particular demographic are “renters by choice,” meaning that renting is a lifestyle choice rather than a necessity due to financial constraints. Renters by choice are often drawn to the flexibility that renting provides and are attracted by community amenities like robust downtowns, walkability, and the presence of restaurants and bars.

### Household Income by Renter-Occupied Household



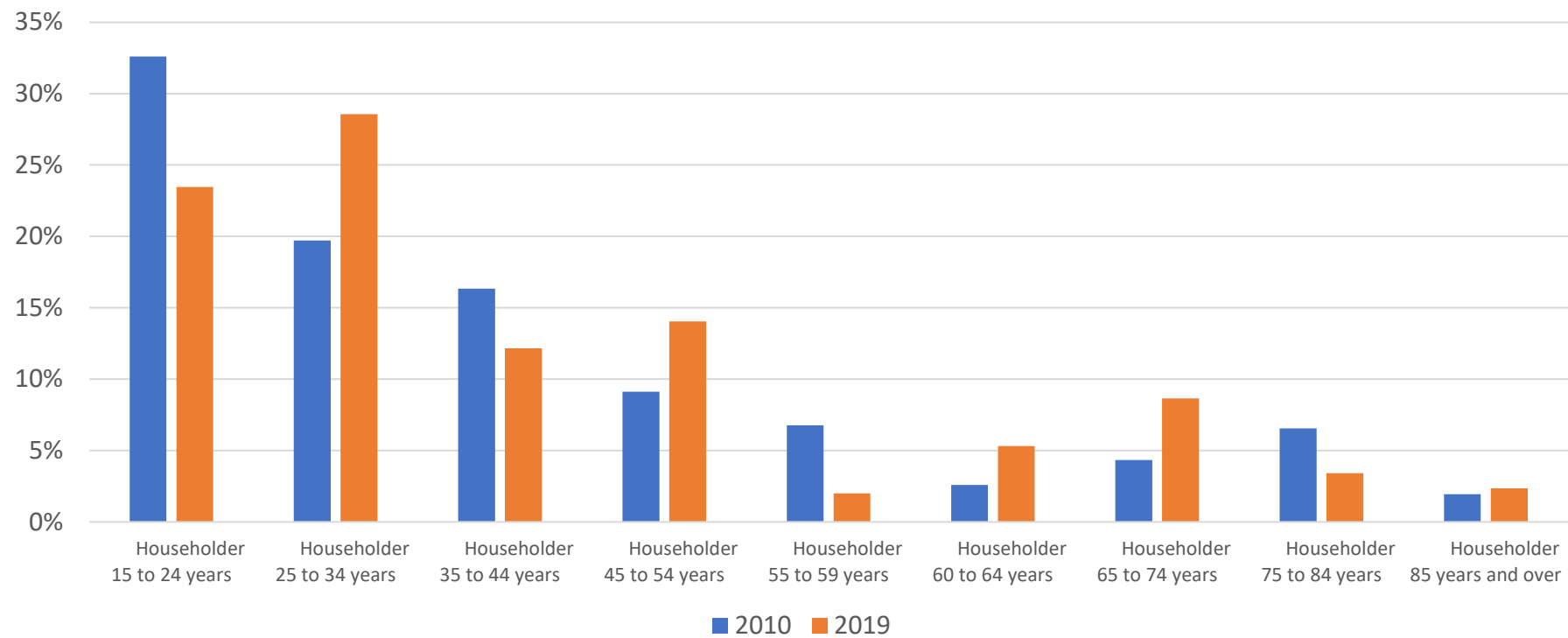
Source: KB Advisory Group based on data from U.S. Census ACS 2019 5-Year Estimates

# demographic trends

## Tenure by Age

Renters in Carrollton are a diverse group. While most are under age 35, the age groups between 45 and 54 and 60 to 74 increased as a share of renters.

Age by Renter-Occupied Household



Source: KB Advisory Group based on data from U.S. Census ACS 2019 5-Year Estimates and Claritas 2021

# demographic trends

## Renter Cost Burden

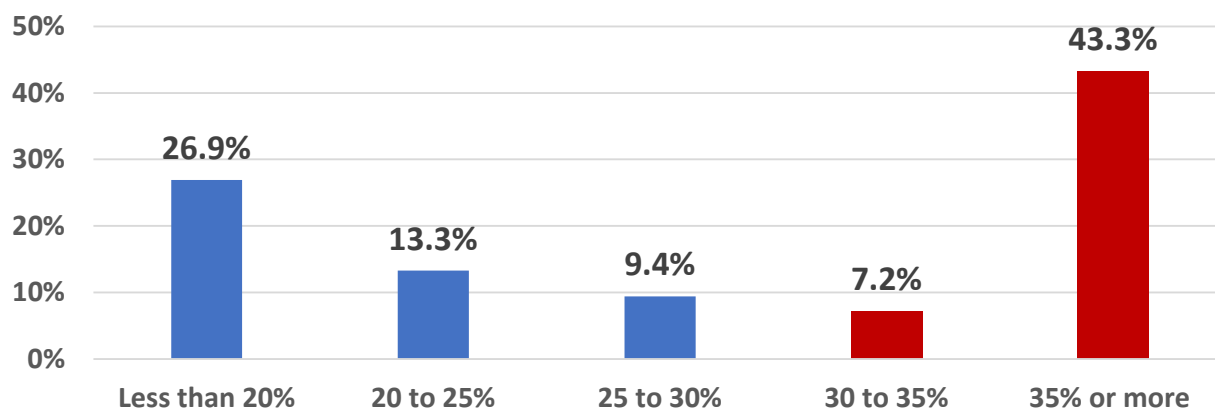
**In Carrollton, one-half of the renters are considered “cost burdened” or spending more than 30% of their household income on housing-related expenses.**

- The median monthly rent in Carrollton is \$845, with 60% of renter households paying between \$500 and \$1,000 in rent. Approximately 25% of renter households are paying more than \$1,000 in rent.
- While spending 30% of their income on housing is the threshold for being considered cost burdened, many households in Carrollton pay much more. The upper limit of the U.S. Census Bureau’s data is 35%, and 43% of rental households in Carrollton are paying 35% or more on their housing.

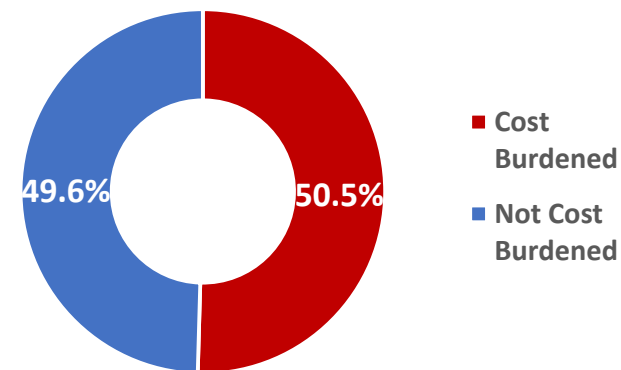
**Renter households in Carrollton are more cost burdened than the rest of Carroll County.**

- Approximately 43% of renter households in Carroll County are cost burdened. The median rent in Carroll County is about \$30 higher per month compared to Carrollton. The higher percent of cost-burdened individuals in Carrollton may result from the lower median household incomes. Those lower median incomes stem from the large number of students who do not work or work only part-time and a higher density of lower-wage employment sectors like retail and accommodations.

**Rent as a % of Household Income**



**Cost Burdened Renters**



Source: KB Advisory Group based on data from U.S. Census 2019 American Community Survey (5-Year Estimate)

# demographic trends

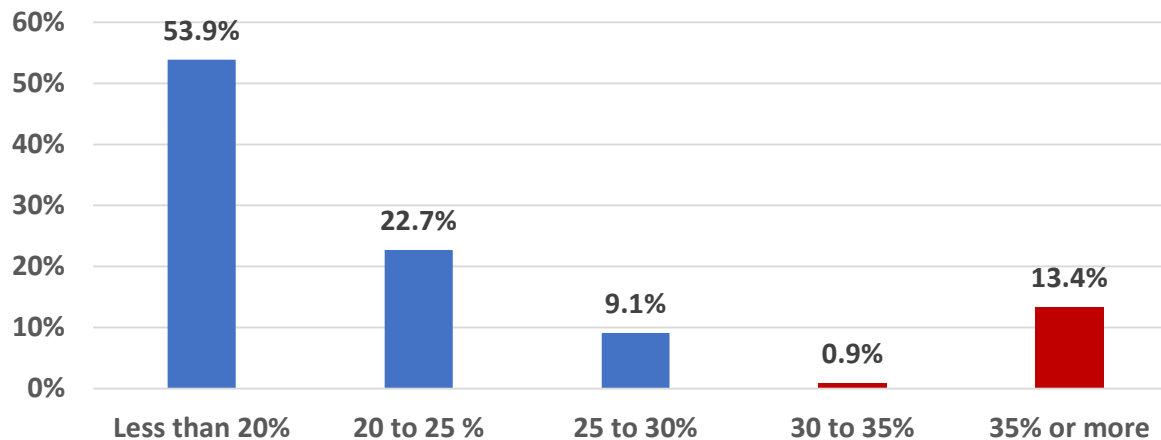
## Owners with Mortgages Cost Burden

**Homeowners in Carrollton are much less likely than renters to be cost burdened.** 13.4% of homeowner households in Carrollton are considered “cost burdened” or spend more than 30% of their income on housing-related expenses.

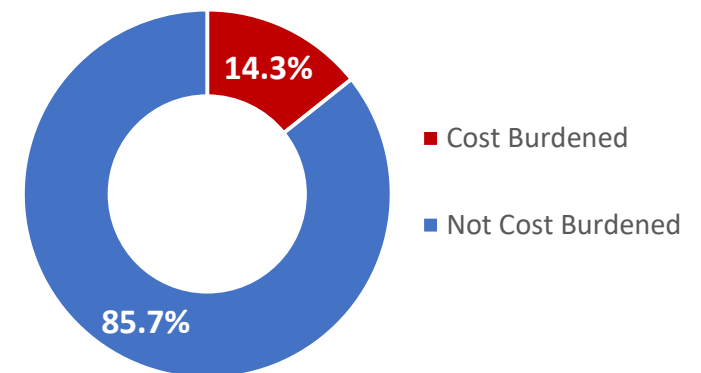
- About one out of every six homeowners are cost burdened. The median monthly cost for housing units with a mortgage in Carrollton is \$1,218, with 37% of homeowners paying between \$1,000 and \$1,500 a month. Homeowners spend about \$375 more on housing costs each month than renter households, which accumulates to about \$4,500 more annually. Despite these higher costs, homeowners are drastically less cost burdened than their renter household counterparts.

**Homeowners in Carrollton are 10% less likely to be cost burdened than homeowners in the rest of Carroll County.** In Carroll County, 24.5% of homeowners with a mortgage are considered cost burdened, and the median monthly housing costs are \$1,156.

Owner Costs as a % of Household Income



Cost Burdened Owners



Source: KB Advisory Group based on data from U.S. Census 2019 American Community Survey (5-Year Estimate)

# demographic trends

## Workforce Inflow and Outflow

### Jobs and Residents

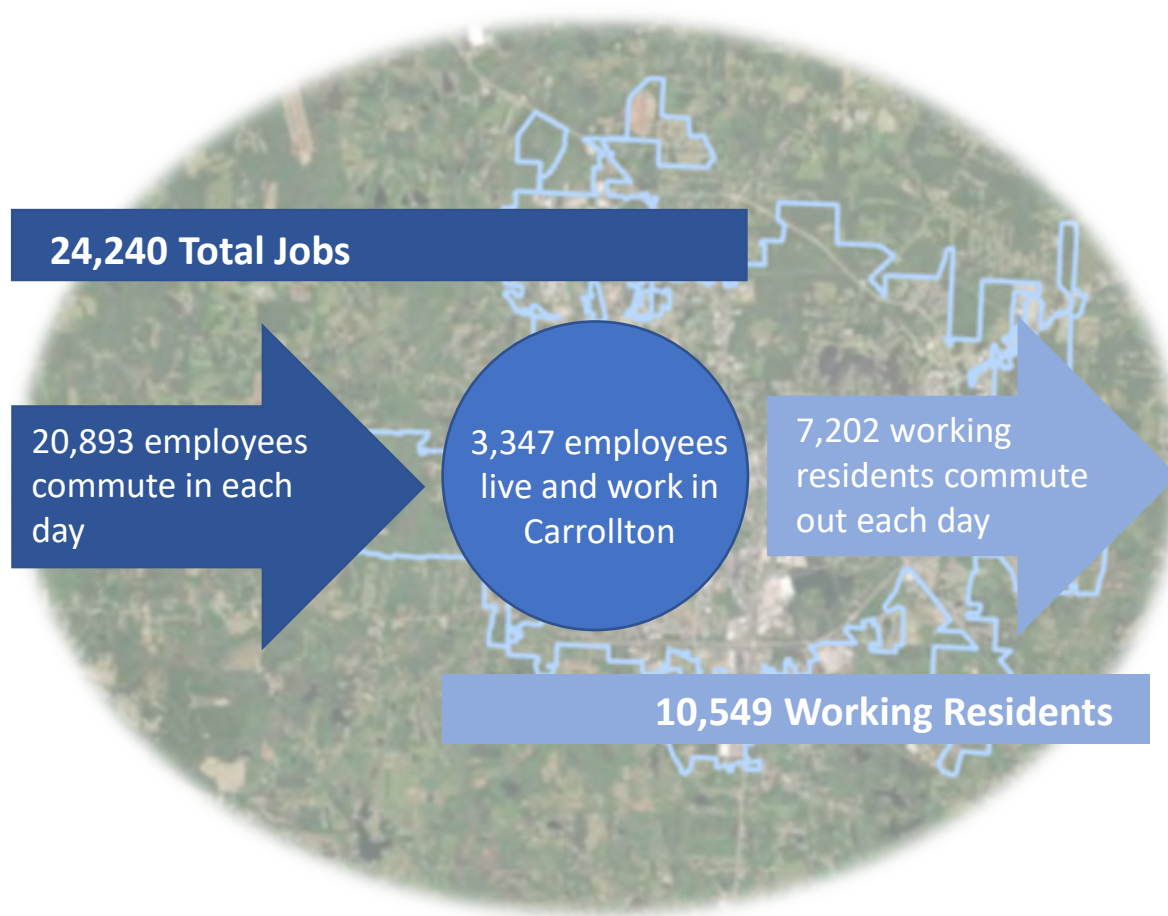
In 2018, under 14% of the 24,240 total workers in Carrollton resided in the city. Since the remaining 86% of those employed in Carrollton live outside the city, there is the opportunity to unlock additional housing demand by offering housing products for those who commute into Carrollton for work. Only 3,500 of those employed in Carrollton were also residents.

### Who Commutes In?

Approximately 20,900 of the 24,240 people who work in Carrollton commute in to do so. About 40% of workers in Carrollton commute less than 10 miles to work, but 45% travel 25 miles or more. Those traveling the greatest distances commute from the Northeast, along Bankhead/Carrollton Villa Rica Highway, or East/Southeast along U.S. Route 27.

### Who Commutes Out?

An estimated 7,000 residents who lived in Carrollton were employed outside the city. Atlanta and Villa Rica were the next two main employment destinations for those living in Carrollton.



Source: KB Advisory Group based on data from U.S. Census Bureau OnTheMap

# University of West Georgia's Impact



UWG Carrollton website

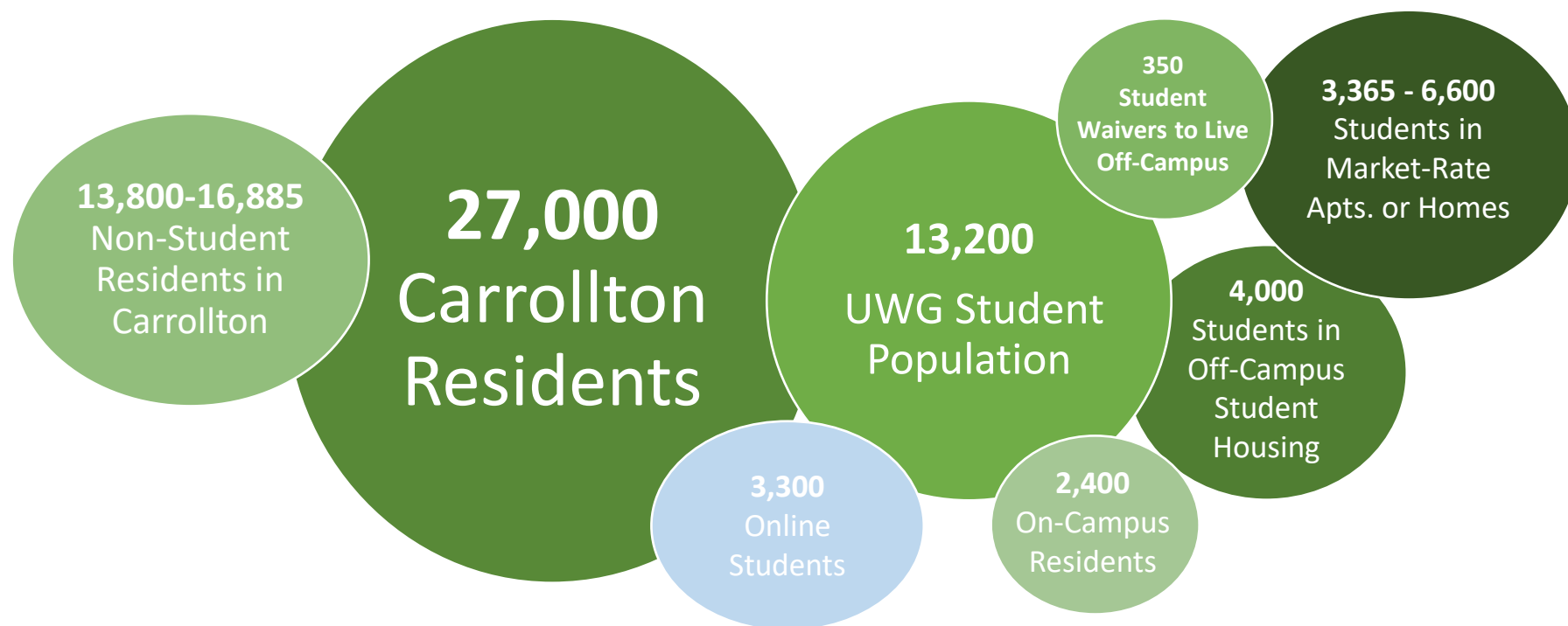
# university of west georgia's impact

## Distribution of Carrollton Students

Assessing the breakdown of how many UWG students live in Carrollton can be complex. Unfortunately, it is difficult pinning down the exact number of student Carrollton residents because student addresses are often temporary – they often use their parent's address as their "home" despite living in the city or county. This challenge is equally frustrating for the University, which has never calculated a consistent number.

Conversations with the University housing staff did conclude that preferences for on-campus student housing are changing. Students prefer larger rooms, and as a result, the University has made this option more accessible to students, resulting in 300 fewer available beds on campus over just the past two years.

Additionally, the University finds itself in a growth zone and is excited to accept more students in the next five years. This excitement, combined with the decrease in on-campus beds, means that more students will be looking for housing in the private housing market.



Source: KB Advisory Group based on data from U.S. Census 2019 American Community Survey (5-Year Estimate), CoStar, UWG 2019-2020 Fact Book

# university of west georgia's impact

## Housing Dynamics

**The housing dynamics in college towns are more complex than their non-college town counterparts. Students are counted as residents and typically do not earn an income themselves, which brings down earnings metrics. However, many of those same students have access to other means of capital through their parents or financial aid.**

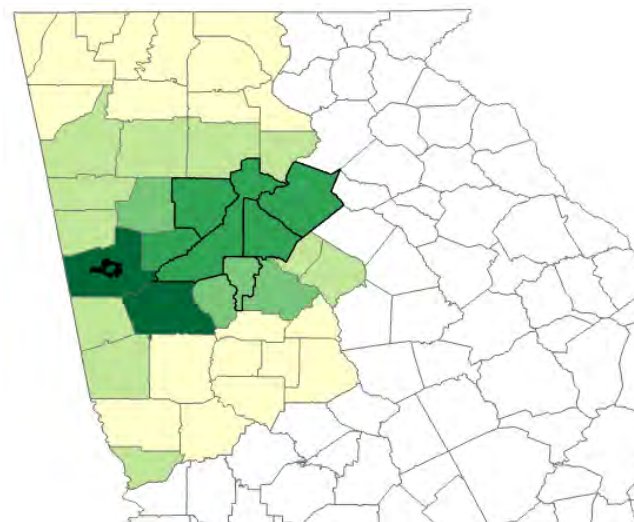
An example would be comparing the housing dynamics in Carrollton to that of the five-county metro area or 25% of the student body. The median household income in the metro area is almost \$30,000 more than in Carrollton – and parents of college students are traditionally more likely to be college-educated and have higher incomes than the median household.

**It means those in Carrollton's housing market will be competing against households with significantly higher wages and purchasing power.**

	Carrollton	Five-County Metro
Median Household Income	\$43,000	\$69,700
Median Annual Earnings	\$42,300	\$49,200
Affordable* Rent	\$1,075	\$1,645

*\* The U.S. Department of Housing and Urban Development considers a household to be cost-burdened when > 30% of income is spent on housing related expenses. Affordable is defined here as 30% of annual household income.*

UWG serves over 35 primary counties in the State of Georgia, with over 25% of all Georgia students coming from the five-county metro area.



*\* Median Annual Earnings is a metric from the Bureau of Labor Statistics that calculates the median salary of someone who works in Carroll County.*

Source: KB Advisory Group based on data from U.S. Census ACS 2019 5-Year Estimate and UWG 2019-2020 Fact Book

# Peer Cities Assessment



City of Milledgeville, GA Facebook

# peer cities assessment

## Summary

We selected five comparable cities for research to analyze better the supply and demand drivers of Carrollton's housing: Milledgeville, Statesboro, Newnan, Valdosta, and LaGrange. Over 80% of the workforce resides outside of Carrollton, which indicates an opportunity to unlock additional housing demand.

### POPULATION

Carrollton has a lower population than the peer cities but is in the middle of the pack in terms of average annual population growth.

### HOUSEHOLD INCOME

Carrollton has the second-highest median household income of comparable cities and the highest median household income among cities with major universities.

### TENURE

Of all the peer cities, Statesboro had the highest rate of renters, and Valdosta had a slight majority of owner-occupied units.

### HOME VALUES

Median home values follow similar trends as median household income, with Carrollton having the second-highest median home value among comparable cities.



Milledgeville, GA Facebook



Valdosta, GA postcard from Flickr Commons

# peer cities assessment

## Description

Five comparable cities were selected for research to help analyze the supply and demand drivers of Carrollton's housing.

Milledgeville, Statesboro, Newnan, Valdosta, and LaGrange are comparable cities based on attributes such as population size, regional geographic proximity, presence of higher educational institutions, among others.

Of the peer cities chosen, LaGrange does not have a large full-time college or university anchored there that would significantly affect housing and local demographics. Its inclusion in this assessment will help identify how the demand for housing is impacted without an engrained higher educational institution. Although it does not host the main campus for a prominent Georgia college or university, Newnan hosts several satellite campuses, UWG included.



# peer cities assessment

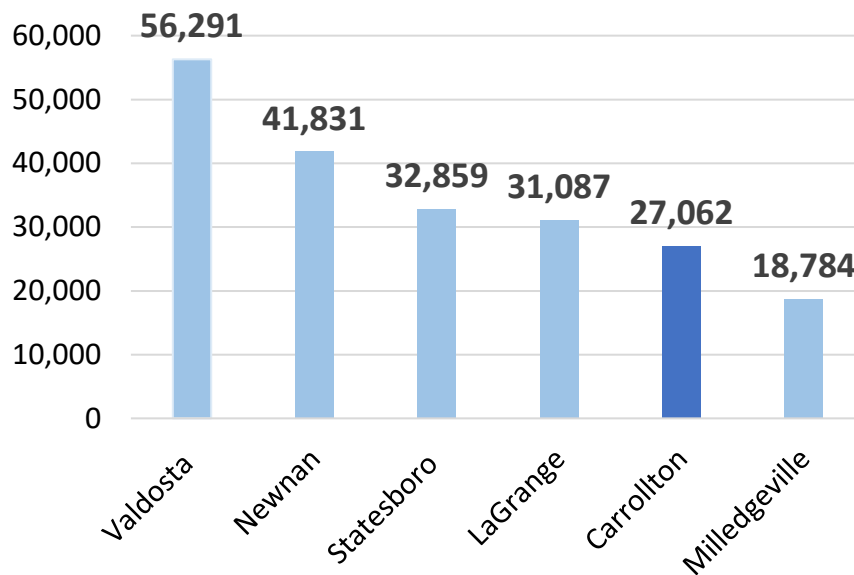
## Population

**Although Carrollton is on the lower end of comparative cities from a population size perspective, it serves as a middle point regarding annual population growth over the past decade.**

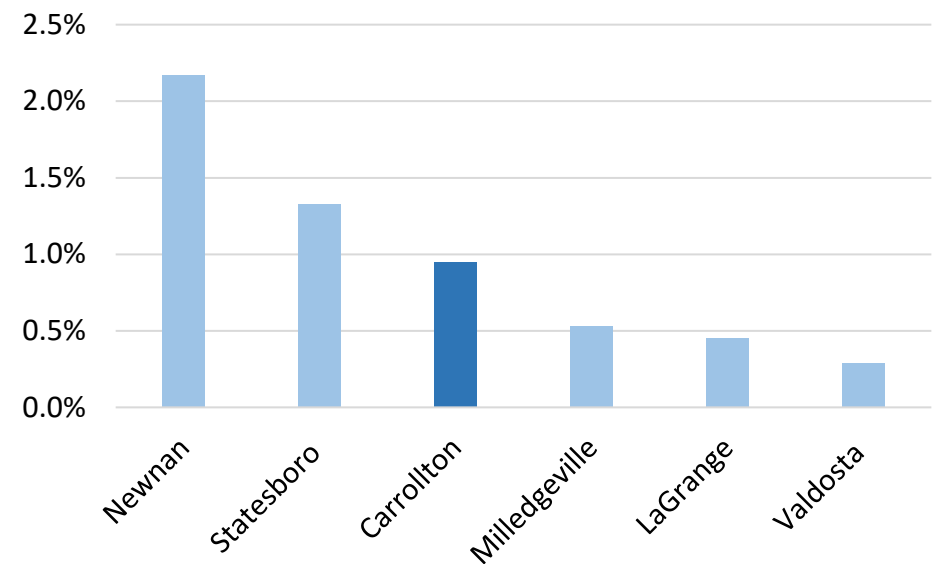
Georgia's population growth rate was cut nearly in half coming out of the Great Recession compared with the decade prior. Cities across Georgia suffered a similar fate of slow population growth. Despite these economic conditions and decreases in annual population growth in Carroll County and Georgia, Carrollton has experienced an almost steady average yearly population growth rate.

**The size and number of educational institutions may impact the rate of population growth.** Even though it is the largest city of the group, Valdosta has only one university and experienced the lowest annual growth since 2010. It may mean that the city has a greater mix of students and traditional residents. Also, the city may be less reliant on the student population to bolster its population growth. On the other hand, Newnan has several satellite campuses for traditional four-year universities and technical colleges instead of one anchored institution. More diverse educational options may attract more potential students and more employers seeking a varied workforce.

**2021 Population Estimate**



**Average Annual Population Growth, 2010-2021**



Source: KB Advisory Group based on U.S. Census ACS 2019 5-Year Estimates and Claritas 2021

# peer cities assessment

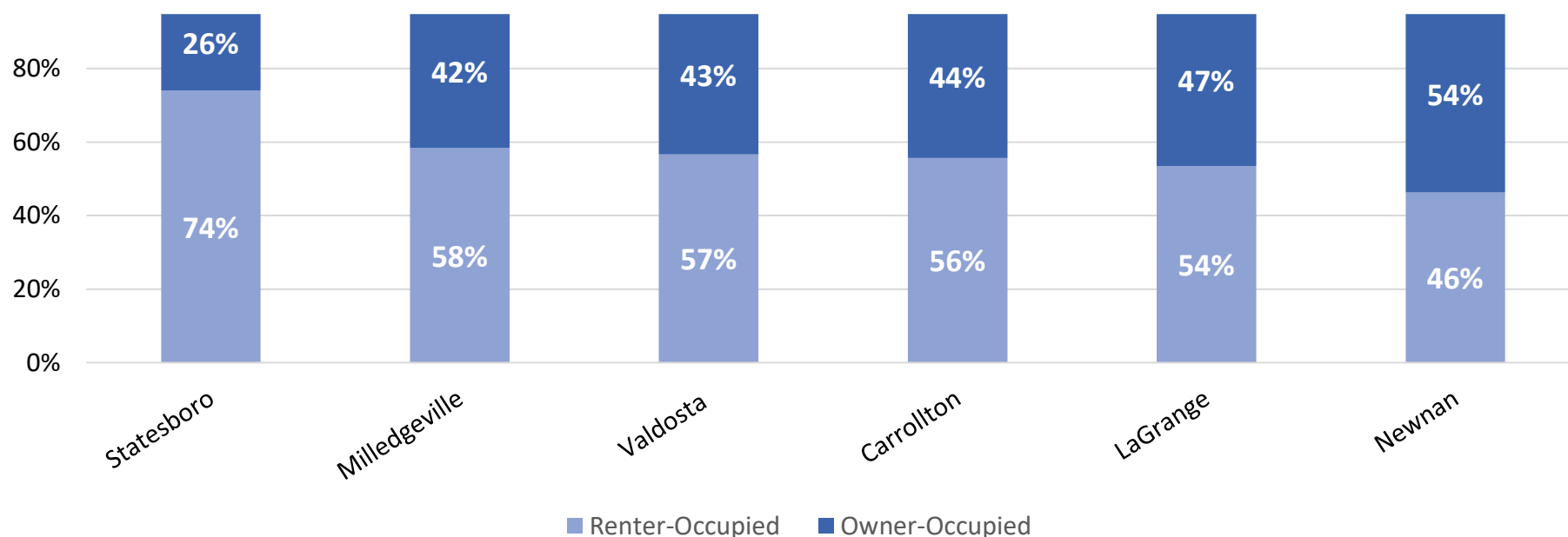
## Tenure

**Carrollton has a similar percentage of renter-occupied units compared to its peers.**

Milledgeville, Valdosta, Newnan, and LaGrange all have similar rates of rentership and ownership - with a range of +/- 2% in either direction. Statesboro has the highest percentage of renter-occupied units.

**Newnan is the only city with higher ownership than rentership**, which may reflect it not being a college town anchored by the main campus of one particular university. Satellite campuses, especially technical colleges, generally serve non-traditional students who are less likely to be temporary residents and therefore less likely to rent.

**Tenure - Peer Cities Comparison**



Source: KB Advisory Group based on U.S. Census ACS 2019 5-Year Estimates and Claritas 2021

# peer cities assessment

## Household Income

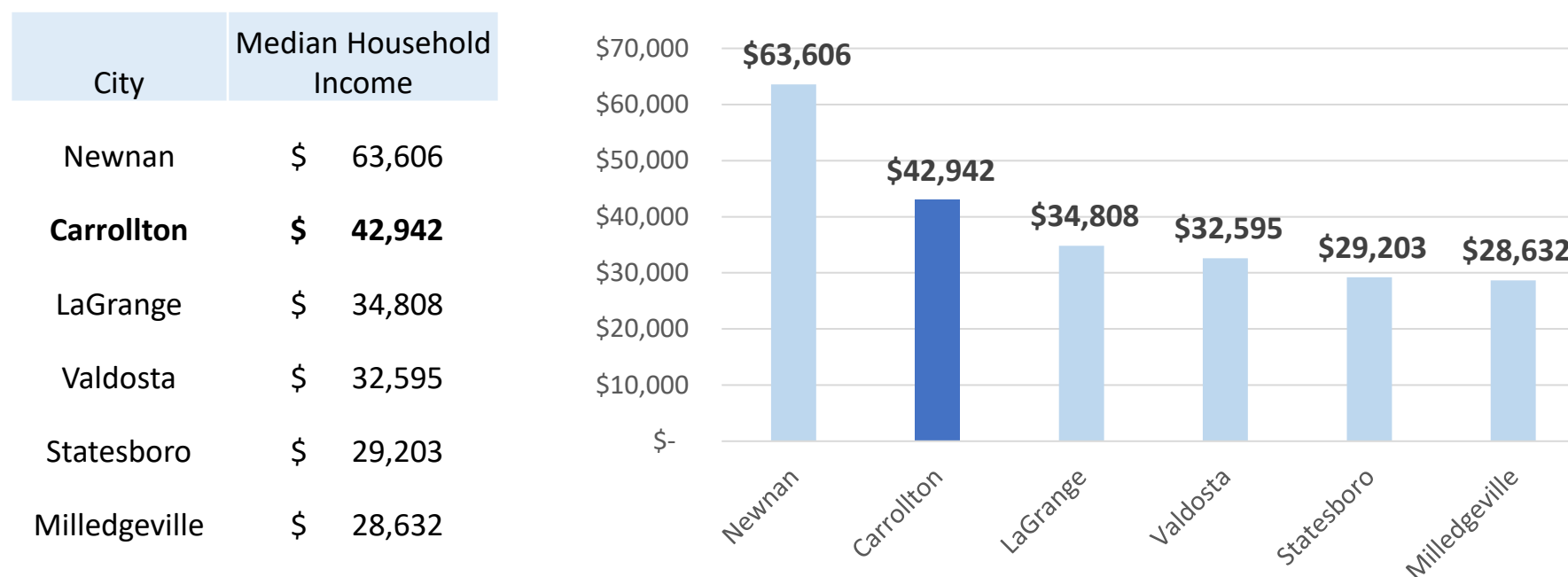
**Carrollton has the second-highest median household income of comparable cities and the highest among those with major universities.**

Newnan has the highest median household income out of the selected cities. Still, with its demographic and economy being less dependent on a traditional student population, this is expected.

Median household income can be a complicated metric to measure in places where colleges or universities significantly impact. College students typically do not work full-time or earn salaries and instead often have access to other capital means, such as from loans or their parents.

All the comparable cities have a median household income lower than the 2021 estimate for the State of Georgia, which is \$64,025.

### Median Household Income



Source: KB Advisory Group based on U.S. Census ACS 2019 5-Year Estimates and Claritas 2021

# peer cities assessment

## Home Values

**Median home values follow similar trends as median household income, with Carrollton having the second-highest median home value among comparable cities.**

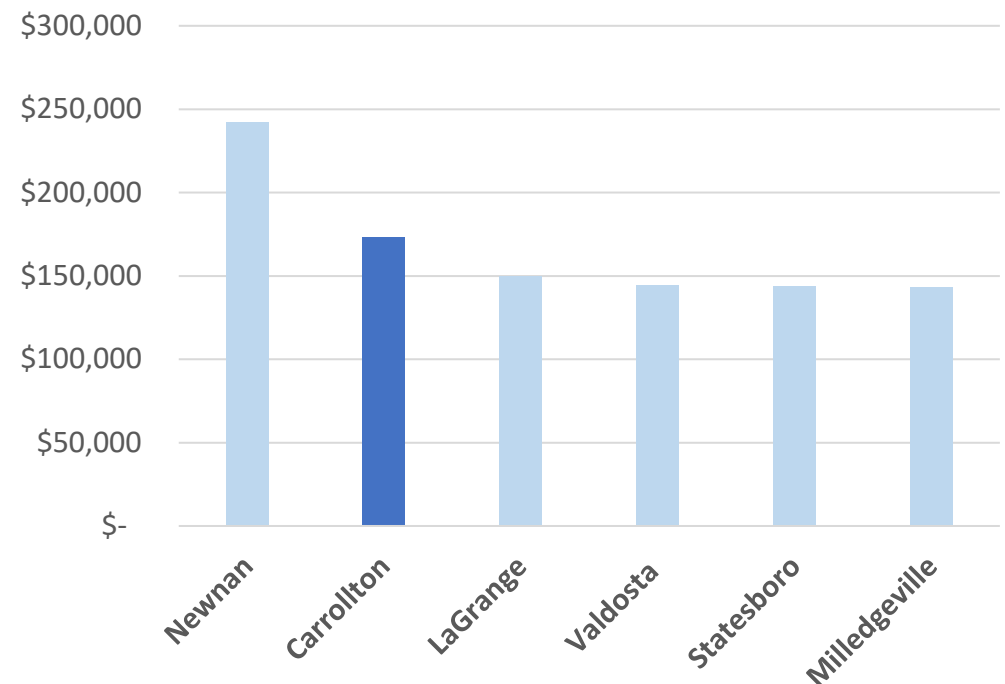
Carrollton's single-family home values are ranked the second-highest out of the comparable cities and are almost \$30,000 higher than the next similar city with a major university.

Owner Median Value	
Newnan	\$242,342
<b>Carrollton</b>	<b>\$173,176</b>
LaGrange	\$149,952
Valdosta	\$144,480
Statesboro	\$143,779
Milledgeville	\$142,921



Milledgeville, GA Facebook

## 2021 Estimated Median Household Income



*The basis for Median Home Values is sales prices and not taxable values.*

Source: KB Advisory Group based on U.S. Census ACS 2019 5-Year Estimates and Claritas 2021

# Housing Supply Assessment



# housing supply assessment

## HOUSING SUPPLY

- How many housing units are in Carrollton right now?
- How many of each type of housing unit?
- How much do those homes cost to buy or rent?
- How old are the homes? When were they built?
- Are there differences in the housing age, pricing, or housing types in different parts of the county?
- What are Carrollton's historic housing construction trends?  
How did we get to where we are today?



# housing supply assessment

## Summary

### COMPOSITION

Single-family detached housing has the most significant physical footprint and most extensive distribution of all housing types in Carrollton. It occurs primarily in the northeast, southwest, and near the edges of the municipal boundary.

Student housing would make up the second-largest group of housing units; if we counted bedrooms instead of units.

Multifamily housing is close to the University of West Georgia's campus and near significant commercial nodes and corridors.

### AGE

Most residential development construction in Carrollton's downtown core and along its commercial corridors predates 1980.

The newest residential developments occur either as continuations along major corridors or around the periphery of Carrollton's boundary.

### OWNER-OCCUPIED HOUSING

Carrollton's median home value is \$173,000 and is approximately \$10,000 higher than the median home value in Carroll County.

Since 2015, new construction detached closings have been trending upwards and have represented 17% of Carroll County's total newly constructed single-family closings.

From 2015 to 2020, newly constructed homes under \$300,000 continued to represent the vast majority of the new home market.

No new townhomes construction has occurred in Carrollton since 2015, and just one new townhome community in Carroll County since then.

### MULTIFAMILY

Although the apartment inventory is primarily traditional multifamily, the student units inventory has increased in the past two decades.

The price of multifamily housing in Carrollton has increased in the last 10 years.

The student housing market is a significant and growing segment of Carrollton's housing market. That is especially relevant to the multifamily sector.

# housing supply assessment

## Housing Supply Composition

Single-family detached housing has the most significant physical footprint of all housing types in Carrollton and the most extensive distribution of housing units.

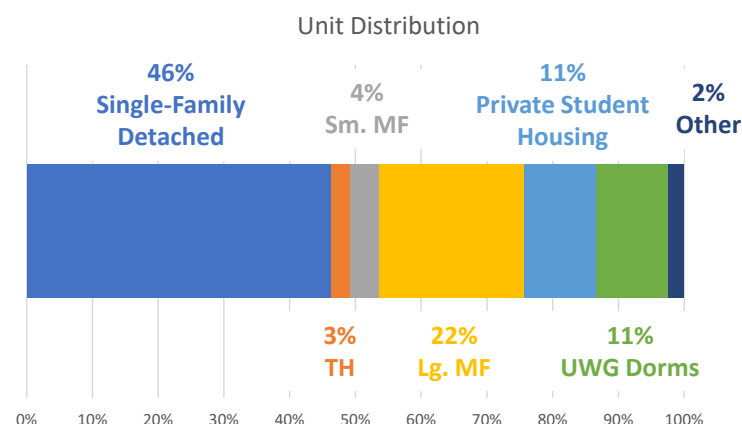
Traditional multifamily units represent 30% of the housing units in Carrollton. Student Housing units represent 12% of the total housing units, but in practice, they hold a higher share because of the unique rental structure in student housing.

The housing composition in Carrollton is complex because of student housing dynamics. Student housing is rented by bedroom instead of a unit, like traditional multifamily developments. These dynamics can make comparing units of traditional housing with student bedrooms that can sometimes act like units.

Student housing would make up the second-largest group of housing units if we counted bedrooms instead of units.

Housing Type	Units	Unit Distribution	Bedrooms
Single-Family Detached	5,026	46%	
Townhome	318	3%	
Small Multifamily	465	4%	
Large Multifamily	2,397	22%	
Private Student Housing	1,175	11%	4,135
UWG Dormitories	1,200	11%	2,400
Other	260	2%	
<b>Total</b>	<b>9,641</b>		

Unit Distribution by Housing Type



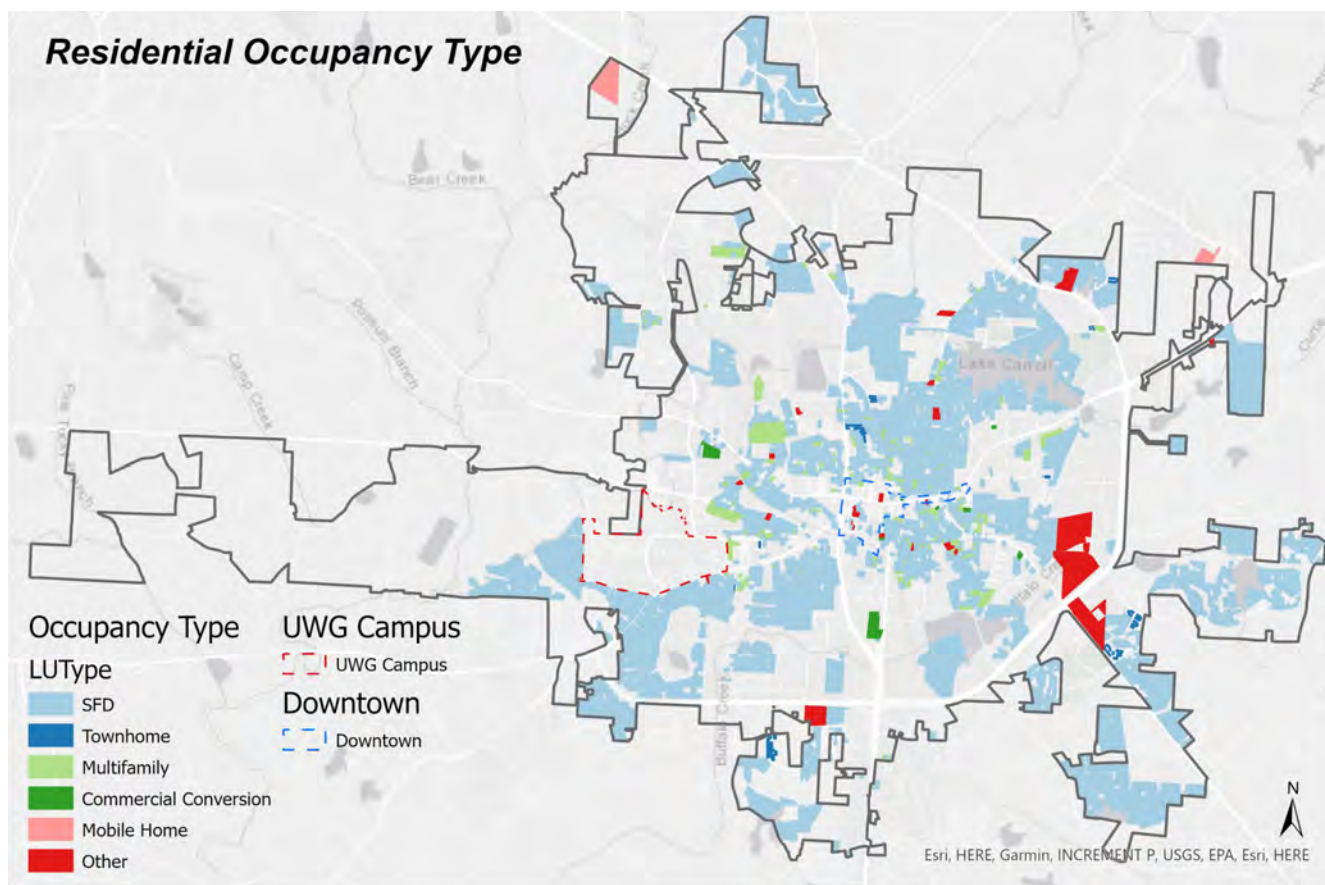
Source: KB Advisory Group with data from the Carroll County Tax Assessor and Claritas 2021

# housing supply assessment

## Housing Supply by Type

**Single-family detached units have the most extensive physical footprint in the city.**

Single-family detached units feature prominently across the city, with concentrations in the northeast, southwest, and near the edges of the municipal boundary. Multifamily housing is close to the University of West Georgia's campus and near significant commercial nodes and corridors. Townhomes are relatively scarce and without a discernable development pattern in the city. Similarly, manufactured housing and mobile homes are infrequent in Carrollton.



Source: KB Advisory Group with data from Carroll County Tax Assessor

# housing supply assessment

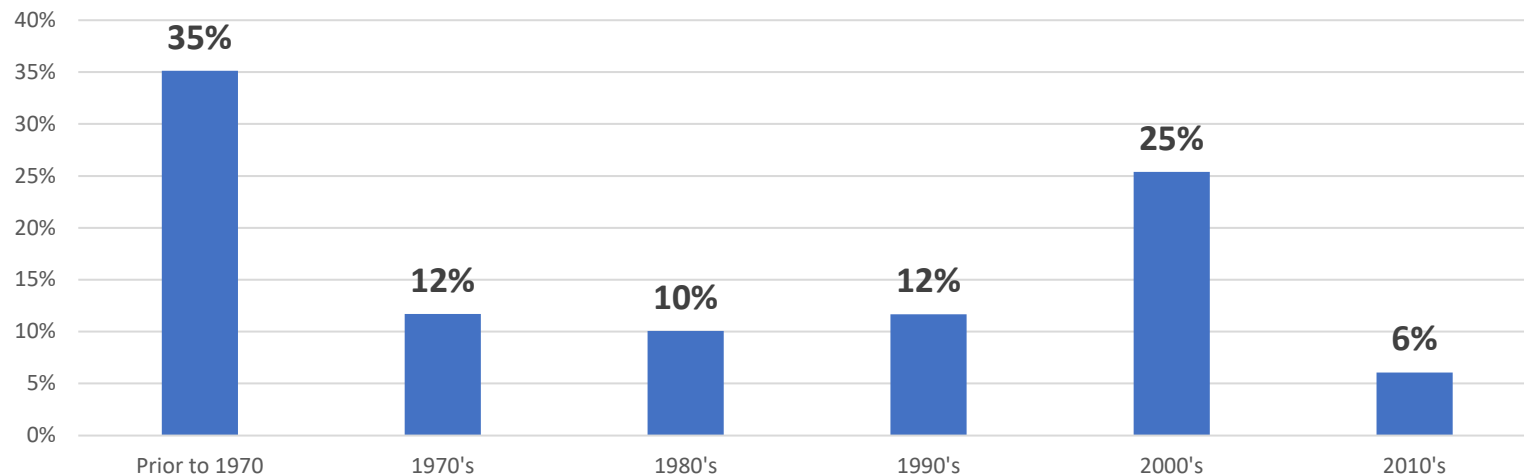
## Housing Supply by Age

**Carrollton has a significant portion of its housing stock that is approaching at least 50 years old. Currently, 35% of Carrollton's housing stock is at least 50 years old, and by 2030 just under half of all the homes in Carrollton will be over 50 years old.** Carrollton's high percentage of aging housing illustrates a local dependency on a housing stock that will increasingly require maintenance and repairs to maintain appropriate livable conditions.

Housing generally reaches the end of its useful life cycle at 50 years and at that point becomes a candidate for replacement or redevelopment.

- Physical obsolescence - This is when the materials that make up a house, such as foundations, walls, timbers, pipes, and ducts, begin to degrade and require expensive repair or replacement that exceeds the value of the house. It can also refer to characteristics of the home's design or layout that no longer appeal to contemporary buyers or renters.
- Economic obsolescence - This is when the value or income potential of a housing unit declines to the point that it makes more economic sense to replace it with one (or more) new housing units.

### Residential Parcels by Year Built



Source: KB Advisory Group with data from Carroll County Tax Assessor and Claritas 2021

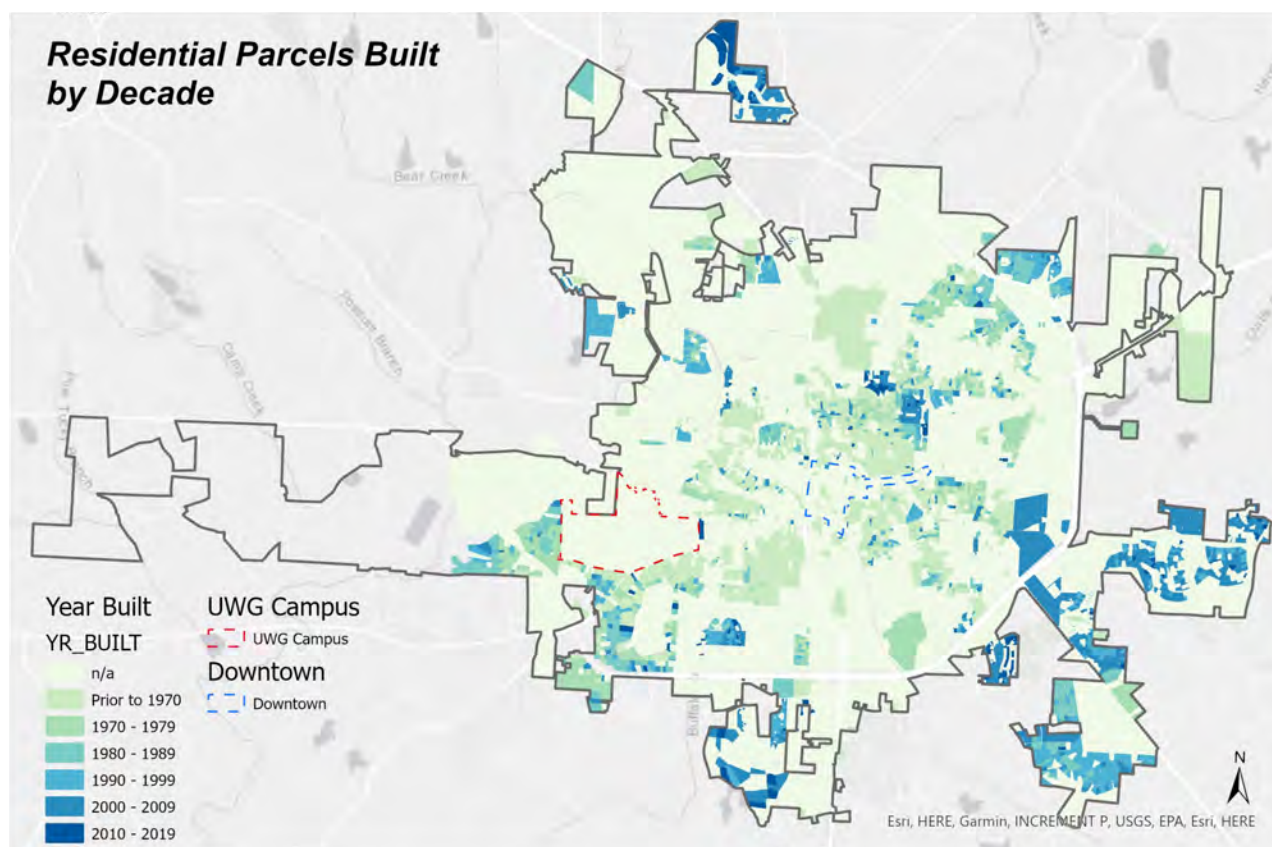
# housing supply assessment

## Housing Supply by Age

Most of the residential development in Carrollton's downtown core and major commercial corridors was built before 1980.

The newest residential developments in Carrollton follow two geographic trends:

1. They are developed as continuations along the major corridors.
2. They are developed around the periphery of Carrollton's boundary.

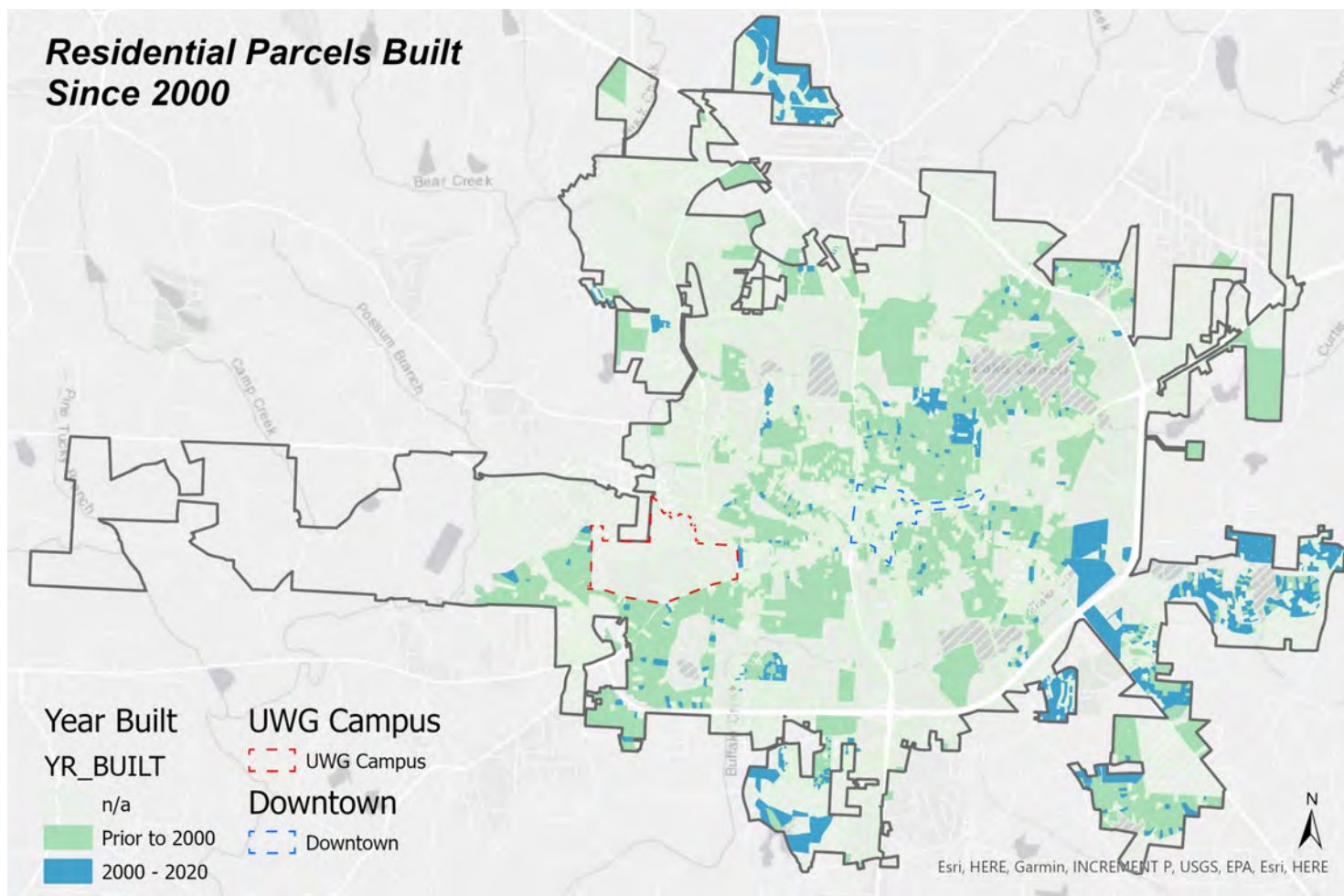


Source: KB Advisory Group with data from Carroll County Tax Assessor

# housing supply assessment

## Housing Supply by Age

An additional map identifies residential development in Carrollton since 2000. A majority of the residential development since 2000 has occurred in the periphery of the city's boundary, with limited "infill" residential development in the city's core.



Source: KB Advisory Group with data from Carroll County Tax Assessor

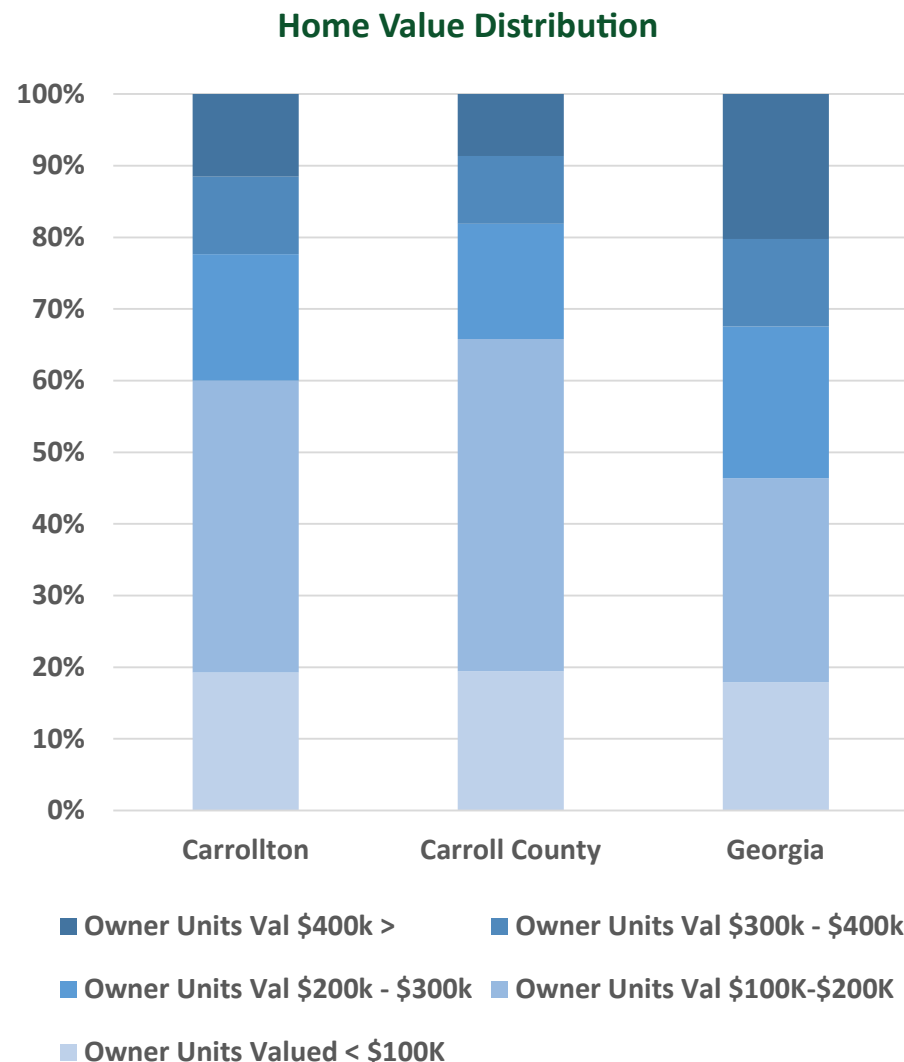
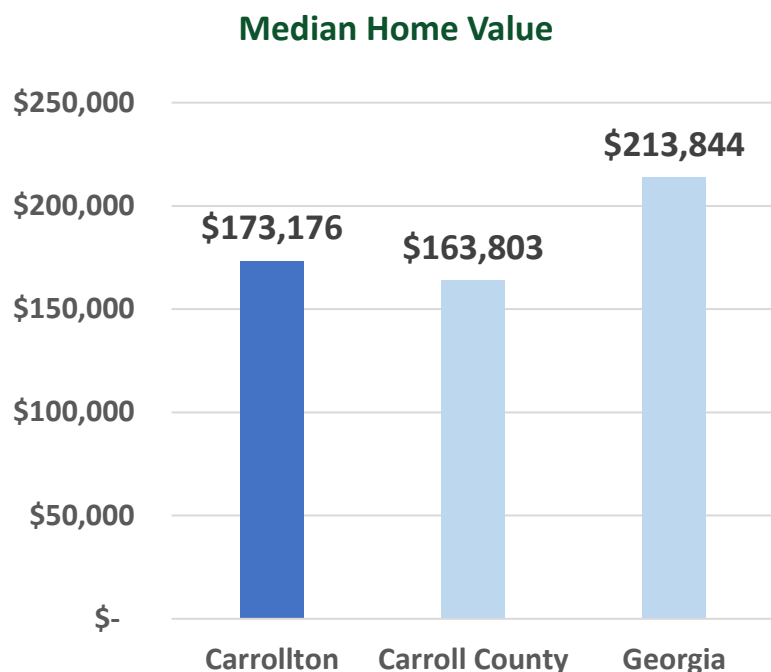
# housing supply assessment

## Housing Supply by Value

**The median home value for existing homes in Carrollton is \$173,000.** Carrollton's median home value is approximately \$10,000 higher than Carroll County's median home value and \$40,000 lower than Georgia's median home value.

60% of Carrollton homes are valued at less than \$200,000, compared to 65% of Carroll County and less than 40% of homes statewide.

- The impact of this is that most homes in Carrollton would generally be accessible to moderate-income households.



Source: KB Advisory Group with data from Claritas 2021

# housing supply assessment

## New For-Sale Homes

**New construction detached closings in Carrollton have been trending upwards since 2015.** Carrollton captured 18% of Carroll County's total newly constructed single-family closings since 2015. This proportion of housing units is consistent with Carrollton's proportion of households.

New construction home sales in 2019 and 2020 represented a spike in sales volume in Carrollton and Carroll County. As 2021 housing sales reach past the midway point of 2021, the uptick in sales in recent years may be more of a trend than an anomaly.

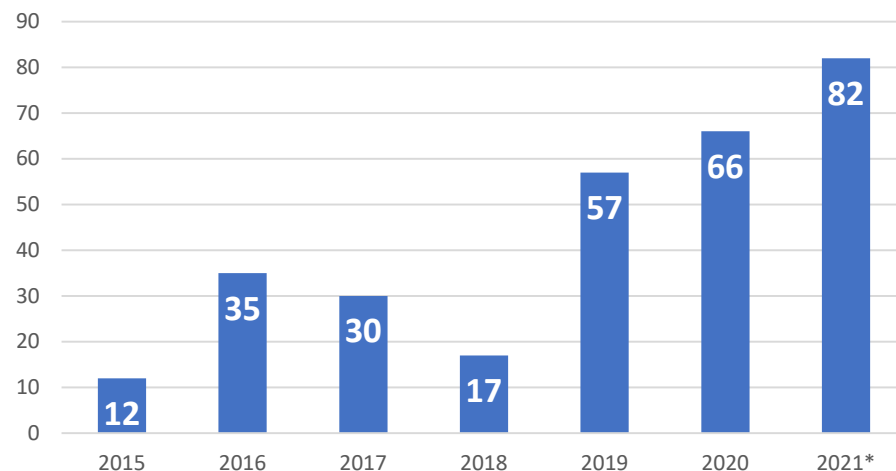
New single-family construction in Carroll County since 2015 has concentrated in three geographical nodes:

1. Within the City of Carrollton and just outside of its municipal boundary.
2. Within the City of Villa Rica and the arterial corridors that lead to it – particularly the Carrollton Villa Rica Highway.
3. Within the City of Temple and the outlying area.

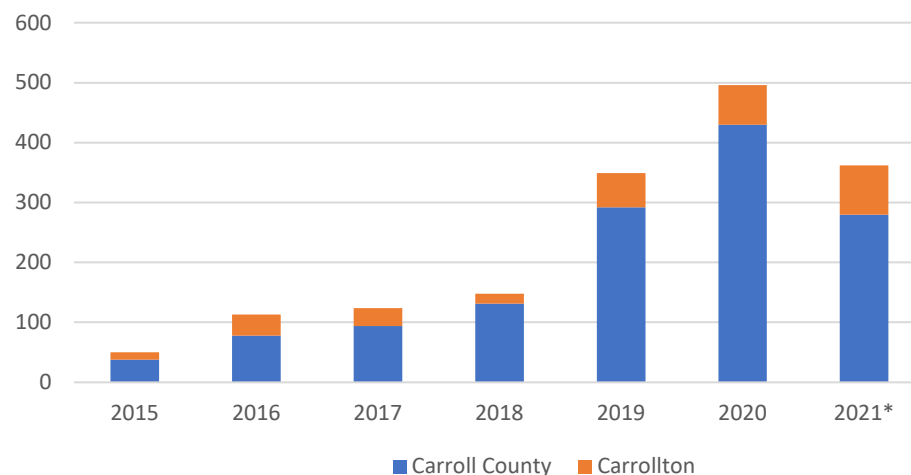
*New construction closing data is agglomerated from Georgia Multiple Listing Service (MLS) that tracks records of new housing transactions.*

*\*2021 home sales data is through September 2021.*

### Carrollton New Construction Detached Closings



### Carroll County New Construction Detached Closings



Source: KB Advisory Group with data from SmartRE

# housing supply assessment

## New For-Sale Homes

From 2015 to 2020, newly constructed homes under \$300,000 continued to represent a vast majority of the new home market. However, new detached home prices through September of 2021 have risen substantially.

The average price of a newly constructed home in Carrollton has grown \$92,000 since 2015 – from \$223,000 to \$315,000.

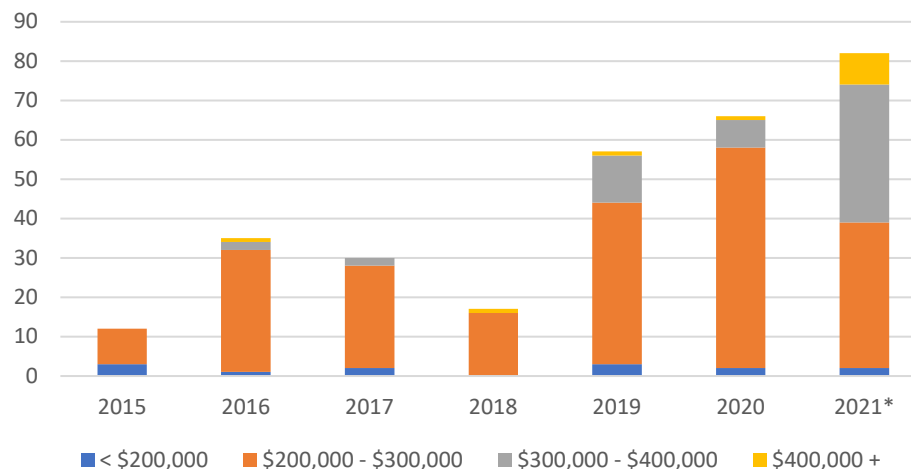
This increase in new home prices reflects both local trends and more significant regional and national trends.

- The prices of lumber, gypsum (drywall), and other materials used in residential construction have increased and experienced price volatility in the last 12 – 18 months.
- The prices of labor and specialized trades have increased.
- The price of land has increased as the scarcity of readily developable greenfields increases.

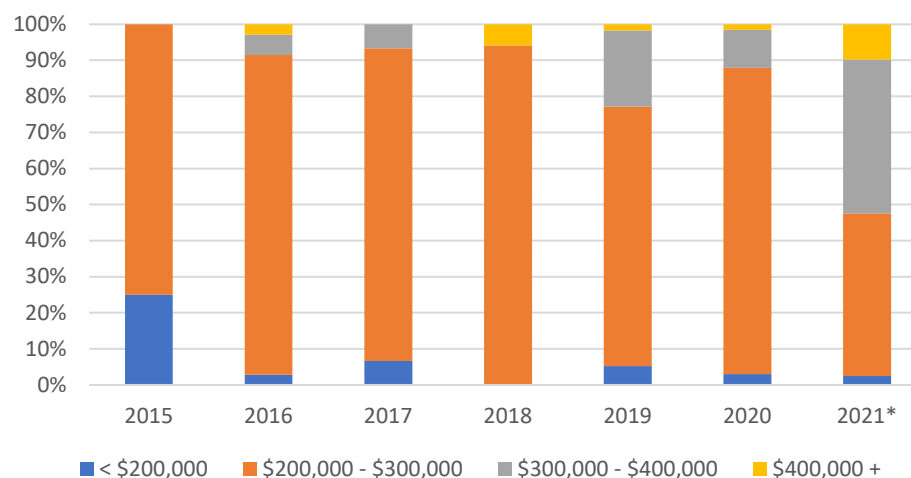
Partial 2021 data (through September of 2021) suggests that new home sales will continue to be more expensive than the previous year.

\*2021 home sales data is through September 2021.

### Carrollton New Construction Detached by Price



### Carrollton New Construction Detached Price Distribution



Source: KB Advisory Group with data from SmartRE

# housing supply assessment

## New For-Sale Homes

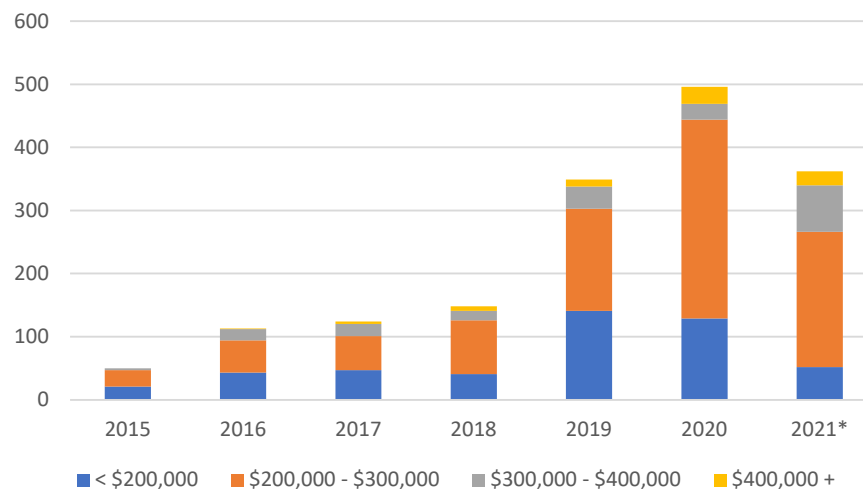
**The prices for newly constructed homes in Carroll County have been increasing faster than in Carrollton.**

Carroll County's newly constructed housing market meets a diversity of price points that range from value-oriented to the higher-end of the market.

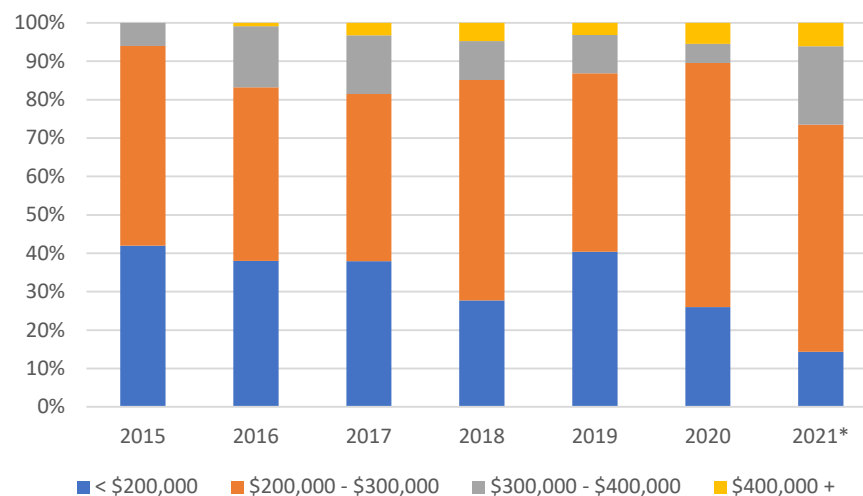
**Most new homes in Carroll County are still moderately priced.** Since 2015, an overwhelming majority of the new homes sold in Carroll County below a \$300,000 asking price. There has been a general trend of more new homes selling at prices above \$300,000 in that same time frame.

Prices will likely continue to increase for new homes because of previously mentioned local factors along with national trends regarding the increasing costs of lumber, other home building materials, and labor.

**Carroll County New Construction Detached by Price**



**Carroll Co. New Construction Detached Price Distribution**



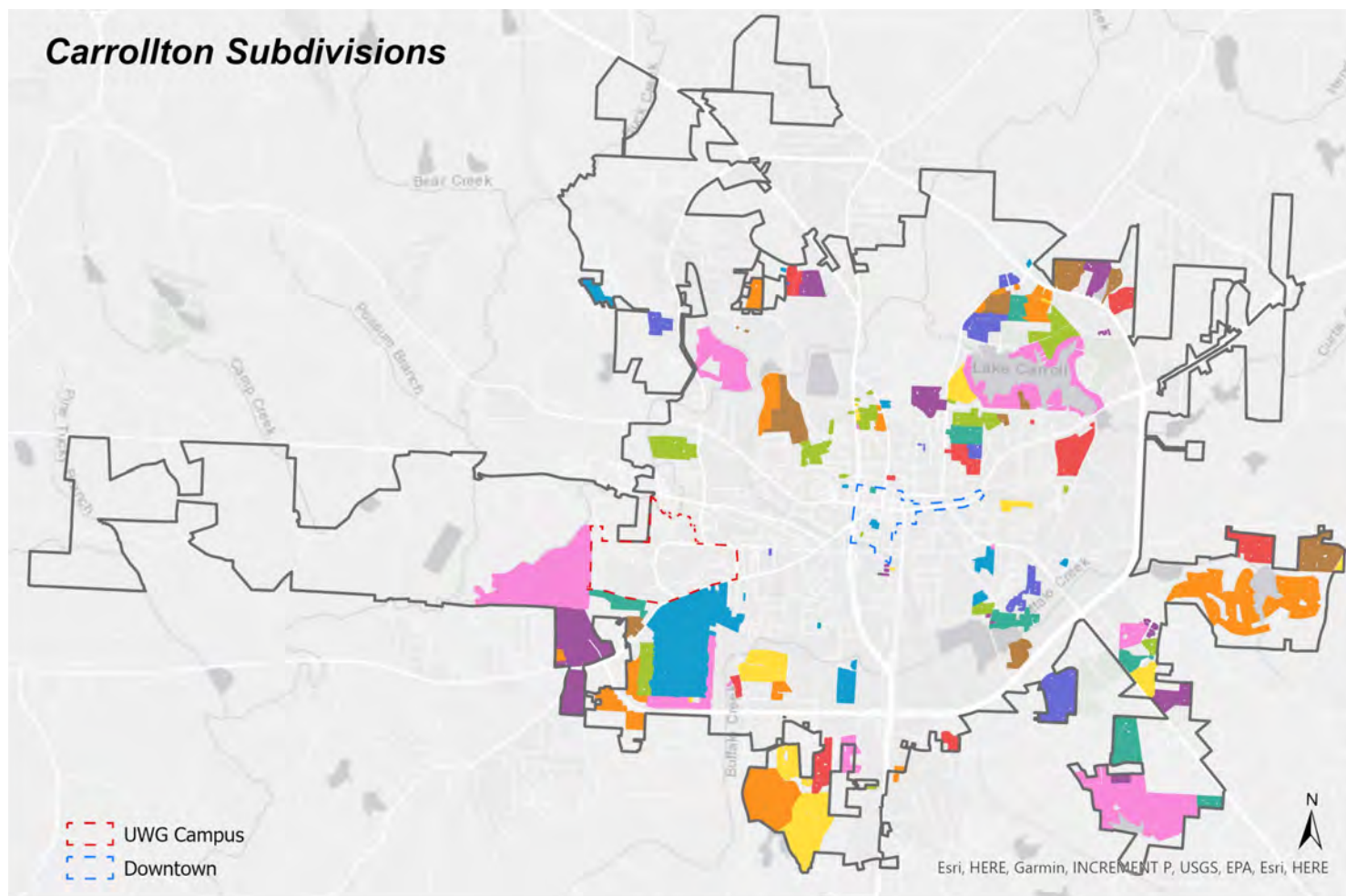
\*2021 home sales data is through September 2021.

Source: KB Advisory Group with data from SmartRE

# housing supply assessment

## Housing Supply by Subdivision

Subdivisions in Carrollton are geographically oriented around the edges of the municipal boundary and surrounding Lake Carroll in the northeast quadrant of the city. There is an absence of large subdivisions near Downtown Carrollton, consistent with traditional land-use patterns in historic downtowns.



Source: KB Advisory Group with data from Carroll County Tax Assessor

# housing supply assessment

## New For-Sale Homes

**Since 2015, no new townhomes have been built in Carrollton, and one townhome community built in Carroll County.**

Old Town Village Townhomes, located in Villa Rica in the Northeast portion of the county, is the newest townhome development in Carroll County.

Old Town Village Townhomes is a townhome community of 24 townhomes with an average square footage of 1,279 and an average price of \$167,168 per unit.

While there have been no new townhomes built in Carrollton in several years, there are an estimated 50 new townhomes in various stages of the planning and development process. These townhomes will likely deliver between the end of 2021 and 2023.



*Cedar Walk Townhomes in Carrollton is in the construction and purchasing phase.*

Source: KB Advisory Group with data from SmartRE and Carrollton Planning & Zoning Department

# housing supply assessment

## Student Housing Dynamics

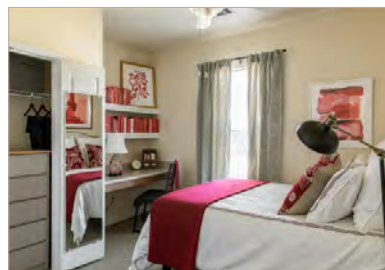
The student housing market is a significant segment of Carrollton's housing market, especially relevant to the multi-family sector. In the last two decades, there has been a nationwide shift in the dynamics of housing markets in college towns such as Carrollton. Currently, Carrollton has a combination of on-campus housing (located on the University of West Georgia's campus and operated by UWG) and private-market student housing.

Private student apartments are a growing segment of housing in Carrollton and other college towns in Georgia. In Carrollton, 11 major apartment communities, plus additional smaller apartment buildings and townhomes, are identified as Student Apartments, meaning they target students in their advertising, charge by the bed rather than the unit, and offer room-mate matching services. Built initially as conventional apartments which cater to students, increasingly, these facilities are constructed in a dormitory-style with separate bedrooms rented to each student and shared common areas in each suite of units.

While these apartment communities are marketed primarily to students, they are not necessarily restricted to students and occupied by a mix of students and non-students frequently.

### *Characteristics of the Private Student Housing Market:*

- Marketed primarily to students.
- Unique dorm-like floor plans with private bedrooms and bathrooms organized around a common area.
- Typically leased by the bedroom rather than the unit.
- Emphasis on youth-friendly amenities such as pools, game rooms, and gyms.
- Roommate matching services available.
- Residents are typically students originating from elsewhere, however non-students are often eligible to rent.
- New student apartments typically require standard leases, whereas older ones offer leases that reflect a shorter academic calendar.
- Residents often return to family home for weekends and holidays.
- Parents often subsidize rent, meaning students are often able to pay higher rents than prevailing market averages.



*Above images are of purpose built student housing in Carrollton*

Source: KB Advisory Group

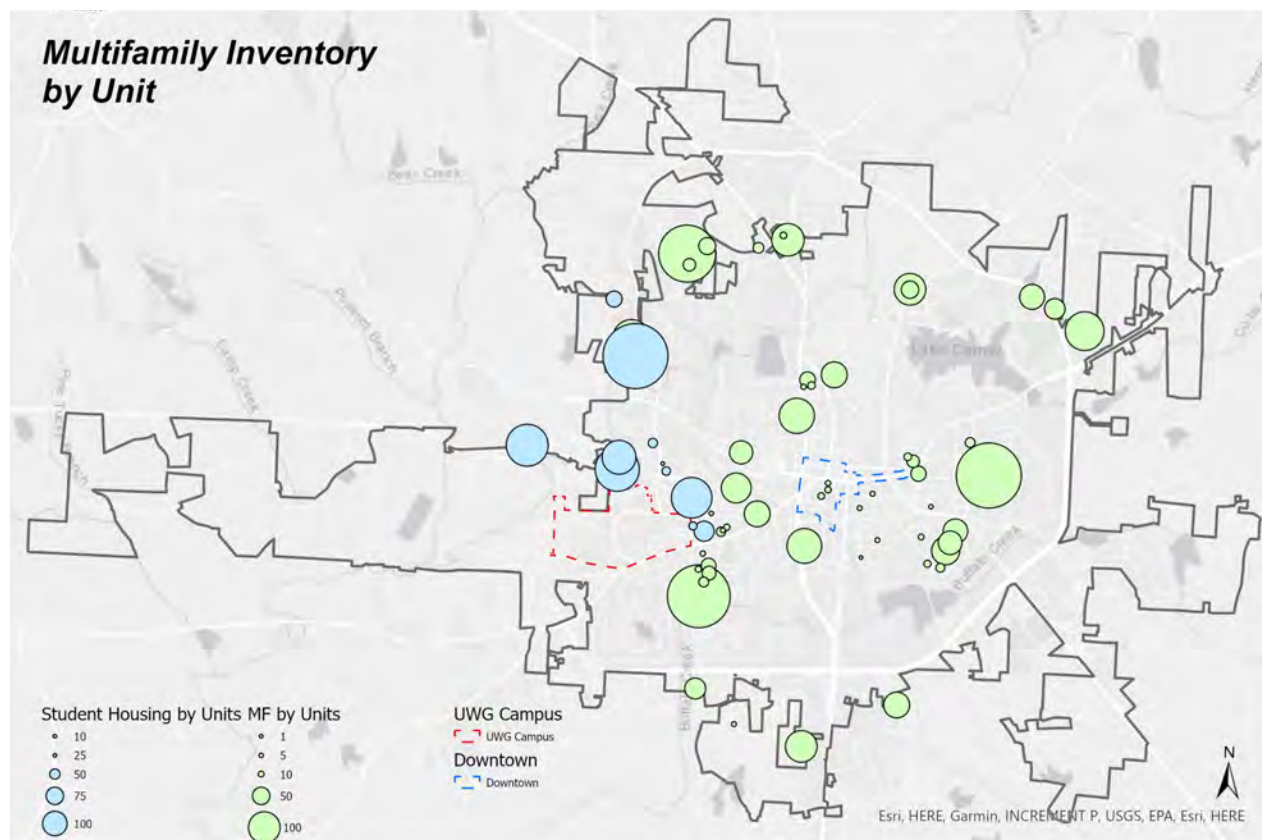
# housing supply assessment

## Multifamily Inventory

The map to the right illustrates the location of multifamily properties in Carrollton. The proportionally sized dots represent the number of units in each property.

The concentration of student properties is heavy on the western edge of the city near UWG's Campus.

Traditional multifamily properties are dispersed across the city and have a presence in downtown Carrollton and the western half of the city. There are more traditional multifamily properties, but they vary significantly in size. Student properties are fewer but substantially more extensive and house even more residents because of their rent by the bedroom model.



Source: KB Advisory Group

# housing supply assessment

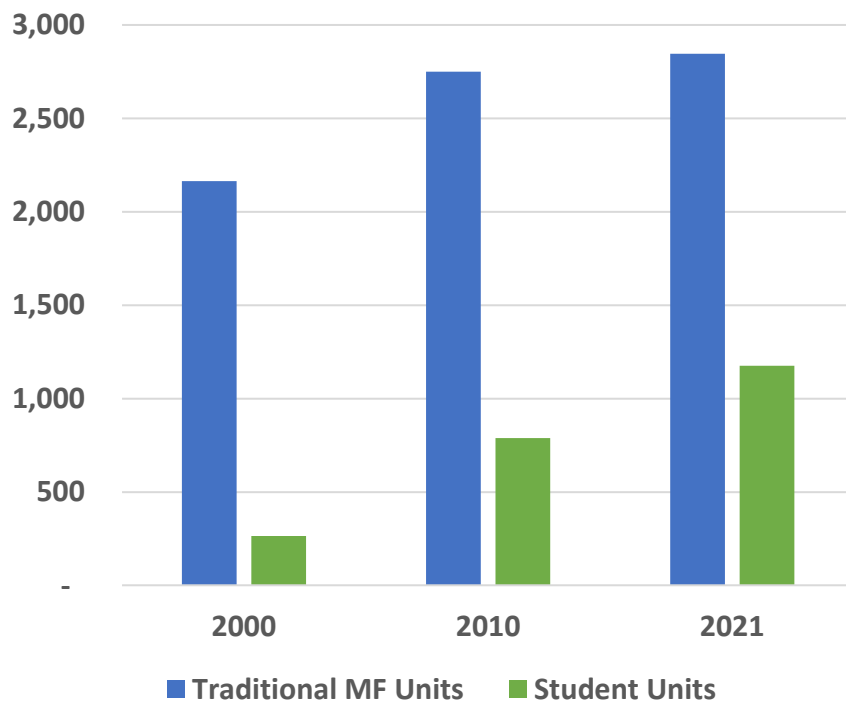
## Multifamily Inventory

**The growth of purpose-built student housing has outpaced the development of traditional multifamily housing.**

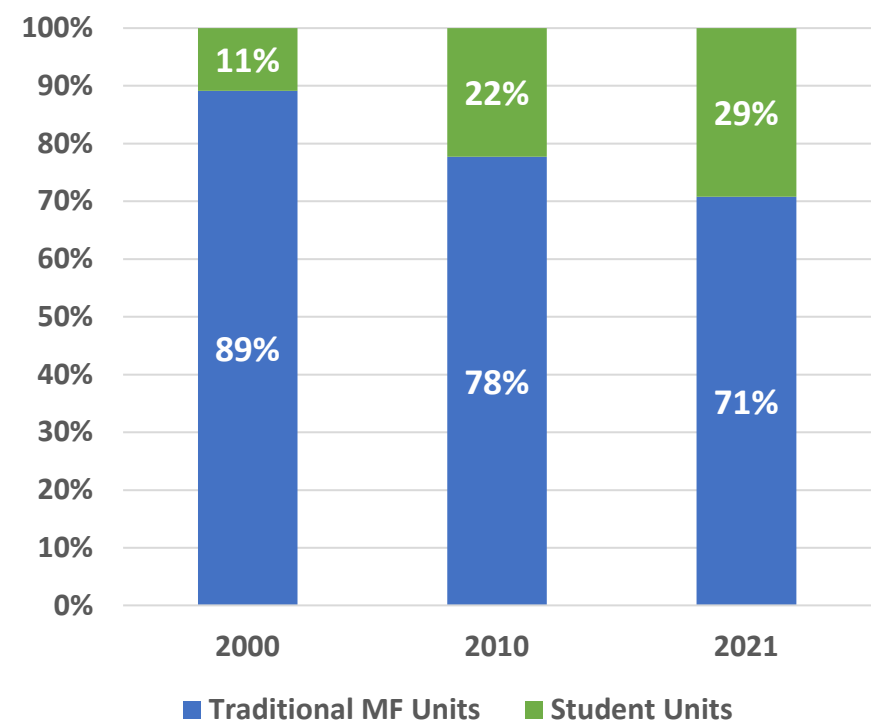
In the last 20 years, purpose-built student housing has increased as a proportion of total multifamily units from 11% in 2000 to 29% in 2021. It is a direct result of more student housing development in favor of traditional multifamily development.

Since 2010, there have been approximately 97 units of traditional multifamily units built. In that same period, 387 units or about 1,456 bedrooms of student housing were built; this is a 4:1 ratio of new student housing units.

**Apartment Unit Inventory Over Time**



**Apartment Inventory Distribution**



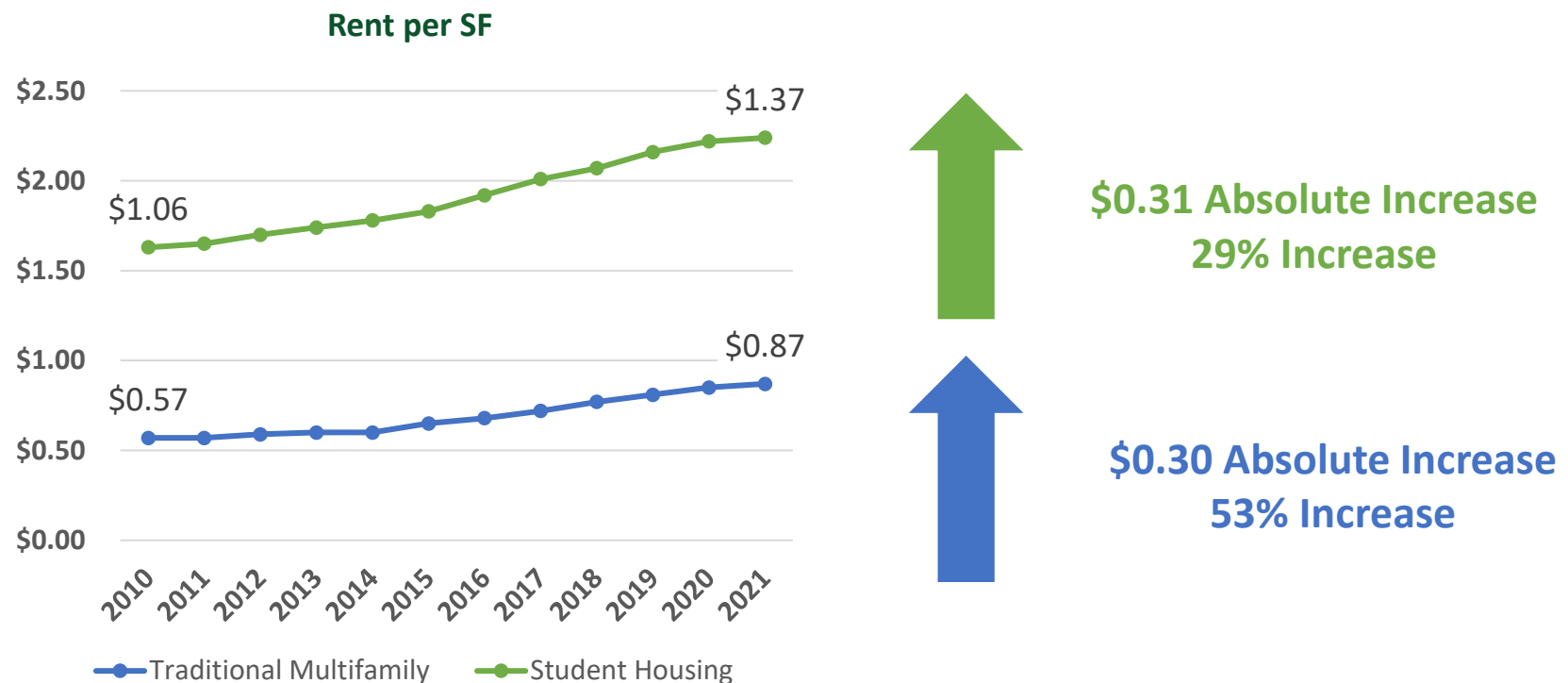
Source: KB Advisory Group

# housing supply assessment

## Multifamily Inventory

**The price of student housing in Carrollton has increased similarly across both traditional multifamily units and purpose-built student units in the last 10 years.**

Multifamily housing prices in Carrollton have increased by \$0.31 for student housing, and the traditional multifamily housing price has increased by \$0.30. The consistency of the increase across both products is likely a measure of increases in construction and development costs rather than notable preferences across product types. However, market-rate traditional multifamily rents remain \$0.50 lower than purpose-built student products. It reflects two key points: 1) developing and building student-centric housing is more lucrative than traditional multifamily housing, and 2) student products are newer and more amenitized than the current inventory of traditional multifamily products. These key points are driving the gap in prices.



Source: KB Advisory Group

# Housing Demand Analysis

**NEW APARTMENTS  
ON THE SQUARE**

**BRAND NEW 2, 3, & 4-BEDROOM  
UNITS WITH DIRECT ACCESS TO  
ADAMSON SQUARE & AMP PARK**

**ASK ABOUT MOVE-IN SPECIALS**

204 ADAMSON SQ

The flyer also includes a small photograph of a modern apartment interior with white cabinetry, a microwave, and pendant lighting.

# housing demand analysis

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## Methodology

A proprietary analytical model evaluates the potential housing outcomes of three household groups that drive housing demand in Carrollton: owner households in turnover, renter households in turnover, and new households to Carrollton.

We utilized numerous data sources for each demand pool to forecast outcomes that, taken as a whole, determine the level of local demand potential for new housing of various types at various price points. The results provide city-level forecasts of achievable annual new home demand for rent and for-sale housing.

Existing Carrollton households undergo lifestyle changes, changes in preferences, new jobs, getting older, and many other events that affect their housing choice. While the specificity of these events is anonymous, their outcome is reflected in Public Use Microdata Samples (PUMS) from the U.S. Census Bureau. PUMS data allows us to analyze how many owners become renters and renters become owners in a given year. These changes in tenure will enable us to make informed forecasts using population projection data.

These same choices also affect how many new households move into Carrollton every year. PUMS data also includes helpful information about what households migrate into Carrollton versus the households that migrate out.

In the model, households are sorted by demographic profile. They are sorted by age, income, and tenure and assigned housing choice preferences based on historical trends from PUMS. Housing choice profiles include understanding what unit type households prefer, what home prices and the rent they can afford, whether they will own or rent and whether they will purchase new homes or existing ones.

Lastly, we sort the outcomes by unit type; single-family detached, townhomes, small multifamily, and large multifamily. We also sort the outcomes by tenure (owner and renter), by price (6 different income and price ranges), and by age (6 different age groups). The bottom-line numbers reflect the demand for net new housing units and are the product of intense data analysis and visualization.

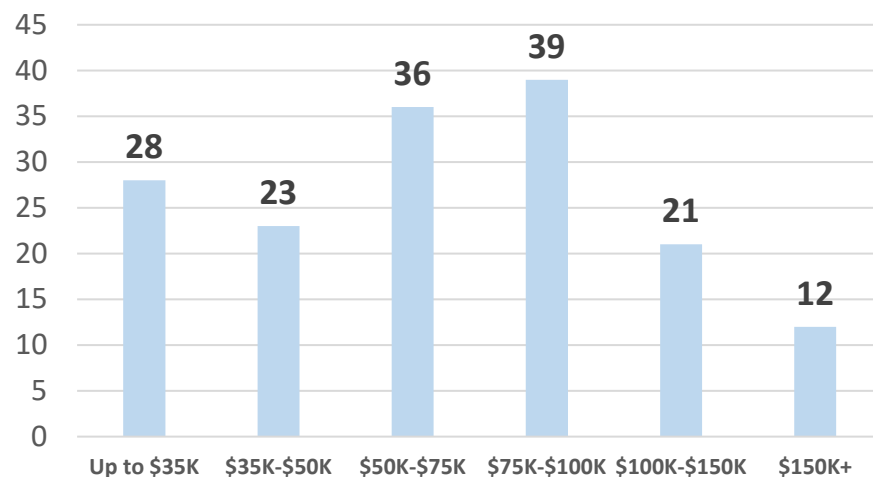
# housing demand analysis

## Total Housing Demand

The Carrollton housing demand analysis identifies the average annual demand for housing in the next ten years. Housing demand is detailed through four different housing types: single-family detached, townhomes, small multifamily, and large multifamily. Additionally, demand is distributed across income classes and age classes derived from analyzing demographic and housing trends in Carrollton.

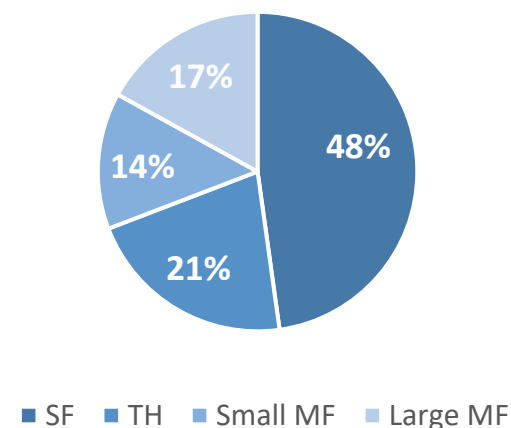
The housing demand analysis concludes that there is demand for an average of 159 new housing units in Carrollton annually over the next ten years. From the total demand of 159 units, there is demand for approximately 76 single-family detached units, 34 townhome units, and 49 multifamily units.

### Total Demand by Income



Total Annual Demand for All Housing- by Housing Type and Income							
Income Range	Rent Range	Price Range	SF	TH	Small MF	Large MF	Total
Up to \$35K	Up to \$875	Up to \$110,000	8	3	10	7	28
\$35K-\$50K	\$875 - \$1,250	\$110,000 - \$150,000	7	7	5	4	23
\$50K-\$75K	\$1,250 - \$1,875	\$150,000 - \$230,000	15	10	5	6	36
\$75K-\$100K	\$1,875 - \$2,075	\$230,000 - \$310,000	22	9	2	6	39
\$100K-\$150K	\$2,075 - \$2,500	\$310,000 - \$460,000	14	4	0	3	21
\$150K+	\$2,500 And Up	\$460,000 - And Up	10	1	0	1	12
Total			76	34	22	27	159
% Distribution			48%	21%	14%	17%	100%

### Total Demand by Unit Type



Source: KB Advisory Group from U.S. Census PUMS 2019 dataset and Claritas 2021

# housing demand analysis

## Total Housing Demand

This analysis uses 2019 U.S. Census Public Use Microdata Sample (PUMS) data, along with historical home sales data and household growth projections, to identify demand trends in the categories of housing type, age, and income class.

### HOUSING TYPE

One-third of all demand is for multifamily housing types – evenly split between large multifamily and small multifamily developments.

The remaining two-thirds of demand is dispersed between single-family detached and townhomes, with detached houses representing almost half of all housing demand.

### AGE

Despite the high representation of college-aged students in Carrollton, demand is heavily skewed towards seniors (65+) and older Millennials (35-44).

Seniors are a quickly growing segment of Carrollton's population, and their demand for housing shows their presence in the housing market.

### INCOME

Demand for new housing is concentrated in Carrollton's robust middle-class. These households earn between \$50,000 and \$100,000 annually. Roughly one-third of housing demand is concentrated in low to moderate-income households. 20% of housing demand is from upper-income earners.

Total Annual Demand for All Housing by Housing Type and Income

Income Range	SF	TH	Small MF	Large MF	Total
Up to \$35K	5%	2%	6%	4%	18%
\$35K-\$50K	4%	4%	3%	3%	14%
\$50K-\$75K	9%	6%	3%	4%	23%
\$75K-\$100K	14%	6%	1%	4%	25%
\$100K-\$150K	9%	3%	0%	2%	13%
\$150K+	6%	1%	0%	1%	8%
Total	48%	21%	14%	17%	100%

Total Demand for All Housing

	Under 25	25-34	35-44	45-54	55-64	65+	Total
Up to \$35K	4%	1%	3%	1%	3%	8%	18%
\$35K-\$50K	2%	1%	2%	2%	1%	7%	14%
\$50K-\$75K	1%	4%	5%	4%	2%	7%	23%
\$75K-\$100K	0%	4%	8%	7%	3%	3%	25%
\$100K-\$150K	0%	2%	5%	4%	1%	1%	13%
\$150K+	0%	0%	3%	1%	3%	1%	8%
Total	7%	12%	25%	18%	12%	26%	100%

Source: KB Advisory Group

# housing demand analysis

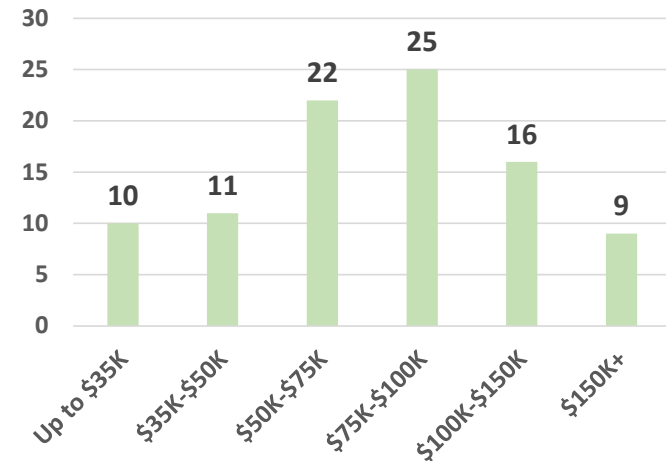
## For-Sale

Carrollton has a strong demand for for-sale housing products, especially for a city with a high percentage of renter-occupied households. The housing demand analysis indicates that Carrollton has an annual average demand of 93 for-sale housing units.

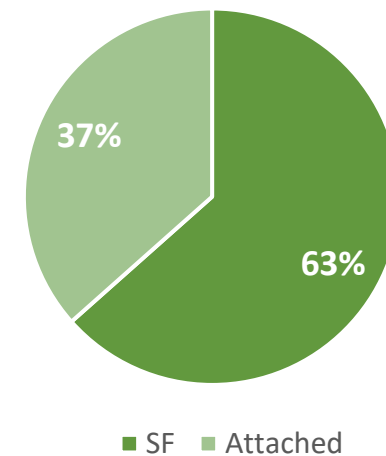
The demand for single-family detached units is the most resistant to changes in price – meaning that single-family detached units are in high demand in Carrollton at various price points. Most for-sale demand comes from the price points and housing types delivered, single-family homes between \$150,000 and \$310,000.

There is also substantial demand for townhomes. The housing market in Carrollton has not delivered substantial townhomes since before the Recession. The demand analysis indicates demand for townhomes that are priced upwards of \$225,000.

**For-Sale Demand by Income**



**For-Sale Demand by Unit Type**



Total Annual Demand for Owner Housing by Housing Type and Income						
Income Range	Housing Unit Price Range		SF	Attached	Total	
Up to \$35K	Up to	\$110,000	5	5	10	
\$35K-\$50K	\$110,000	- \$150,000	5	6	11	
\$50K-\$75K	\$150,000	- \$230,000	12	10	22	
\$75K-\$100K	\$230,000	- \$310,000	17	8	25	
\$100K-\$150K	\$310,000	- \$460,000	12	4	16	
\$150K+	\$460,000	- And Up	8	1	9	
<b>Total</b>			<b>59</b>	<b>34</b>	<b>93</b>	
% Distribution			63%	37%	100%	

Source: KB Advisory Group from U.S. Census PUMS 2019 dataset and Claritas 2021

# housing demand analysis

## For-Sale

### HOUSING TYPE

Demand is for new for-sale housing is heavily concentrated in single-family products – both attached and detached.

### AGE

For-sale housing demand is concentrated predictably in middle-aged to older households. That is consistent with regional and national trends regarding the age of homebuying households.

For-sale demand is strong for seniors – who may be looking to downsize from their current homes.

### INCOME

Carrollton has consistently produced new single-family detached housing under \$300,000. This price range continues to see the greatest for sale demand.

As housing has gotten more expensive in the last five years – households could look to townhomes to deliver at price points under \$250,000 where there is still substantial demand.

There is additional housing demand for high-income earning households not met in the current market.

Total Annual Demand for Owner Housing by Housing Type and Income

Income Range	Housing Unit Price Range		SF	TH	Small MF	Large MF	Total
Up to \$35K	Up to	\$110,000	5%	3%	1%	1%	11%
\$35K-\$50K	\$110,000 -	\$150,000	5%	6%	0%	0%	12%
\$50K-\$75K	\$150,000 -	\$230,000	13%	10%	1%	0%	24%
\$75K-\$100K	\$230,000 -	\$310,000	18%	9%	0%	0%	27%
\$100K-\$150K	\$310,000 -	\$460,000	13%	4%	0%	0%	17%
\$150K+	\$460,000 -	And Up	9%	1%	0%	0%	10%
<b>Total</b>			<b>63%</b>	<b>33%</b>	<b>2%</b>	<b>1%</b>	<b>100%</b>

Total Annual Demand for Owner Housing by Age and Income

Income Range	Housing Unit Price Range		Under 25	25-34	35-44	45-54	65+	Total
Up to \$35K	Up to	\$110,000	1%	0%	2%	1%	4%	11%
\$35K-\$50K	\$110,000 -	\$150,000	1%	1%	1%	1%	6%	12%
\$50K-\$75K	\$150,000 -	\$230,000	1%	3%	4%	4%	9%	24%
\$75K-\$100K	\$230,000 -	\$310,000	0%	4%	9%	8%	4%	27%
\$100K-\$150K	\$310,000 -	\$460,000	0%	2%	6%	4%	2%	17%
\$150K+	\$460,000 -	And Up	0%	0%	2%	2%	2%	10%
<b>Total</b>			<b>3%</b>	<b>11%</b>	<b>25%</b>	<b>20%</b>	<b>28%</b>	<b>100%</b>

Source: KB Advisory Group

# housing demand analysis

## Rental

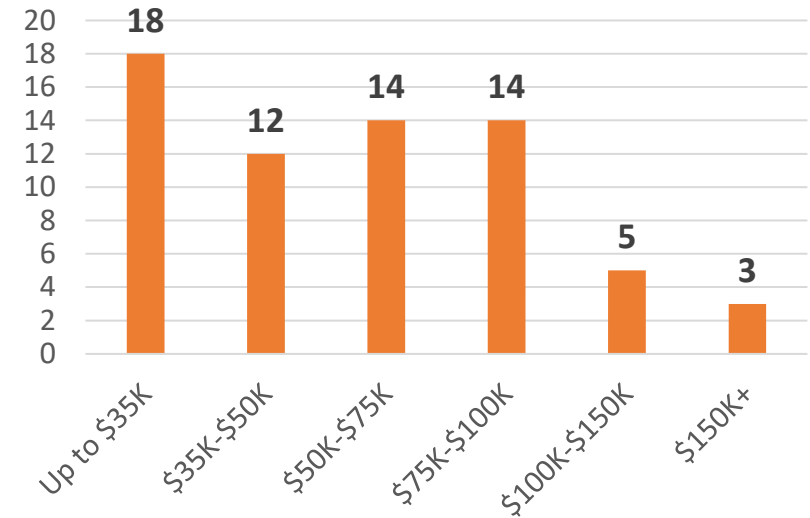
The housing demand analysis indicates that Carrollton has an annual average demand for 66 rental housing units.

While most of the demand for rental housing is from lower and moderate-income households, there is also substantial demand from middle and upper-income households. The demand proves the market would accept and absorb a variety of rental products at various price points.

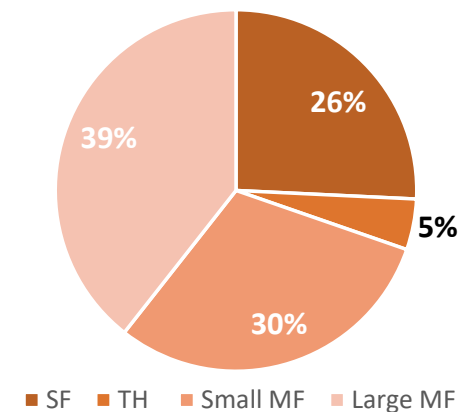
This high level of demand indicates that Carrollton could deliver and absorb one new, non-student oriented, traditional multifamily development every 3 or 4 years – given that the development was appropriately priced and competitive in the current market.

Total Annual Demand for Rental Housing by Housing Type and Income						
Income Range	Housing Unit Rent Range	SF	TH	Small MF	Large MF	Total
Up to \$35K	Up to \$875	3	0	9	6	18
\$35K-\$50K	\$875 - \$1,250	2	1	5	4	12
\$50K-\$75K	\$1,250 - \$1,875	3	1	4	6	14
\$75K-\$100K	\$1,875 - \$2,075	5	1	2	6	14
\$100K-\$150K	\$2,075 - \$2,500	2	0	0	3	5
\$150K+	\$2,500 And Up	2	0	0	1	3
<b>Total</b>		<b>17</b>	<b>3</b>	<b>20</b>	<b>26</b>	<b>66</b>
<b>% Distribution</b>		<b>26%</b>	<b>5%</b>	<b>30%</b>	<b>39%</b>	<b>100%</b>

### Rental Demand by Income



### Rental Demand by Unit Type



Source: KB Advisory Group from U.S. Census PUMS 2019 dataset and Claritas 2021

# housing demand analysis

## Rental

### HOUSING TYPE

Over two-thirds of the demand for new rental housing is for multifamily housing. Single-family detached rental homes are preferred to rental townhomes.

### AGE

Carrollton renters have gotten older in the past decade. This trend is also reflected in the demand analysis, with a quarter of new rental demand coming from seniors older than 65.

### INCOME

Carrollton's median monthly rent per American Community Survey data in 2019 was \$845. Rental demand analysis corroborates this data and indicates that rental demand is concentrated at the lower to moderate end.

Rental demand analysis also indicates strong demand for new rental units of a more upscale and elevated variety. Renters in Carrollton over the past decade have gotten wealthier, and this analysis suggests greater demand for rental products that reflect those changing preferences.

**Total Annual Demand for Rental Housing by Housing Type and Income**

Income Range	Rent Range	SF	TH	Small MF	Large MF	Total
Up to \$35K	Up to \$875	5%	0%	14%	9%	27%
\$35K-\$50K	\$875 - \$1,250	3%	2%	8%	6%	18%
\$50K-\$75K	\$1,250 - \$1,875	5%	2%	6%	9%	21%
\$75K-\$100K	\$1,875 - 2,075	8%	2%	3%	9%	21%
\$100K-\$150K	\$2,075 - \$2,500	3%	0%	0%	5%	8%
\$150K+	\$2,500 And Up	3%	0%	0%	2%	5%
<b>Total</b>		<b>26%</b>	<b>5%</b>	<b>30%</b>	<b>39%</b>	<b>100%</b>

**Total Annual Demand for Rental Housing by Housing Type and Income**

Income Range	Rent Range	Under 25	25-34	35-44	45-54	65+	Total
Up to \$35K	Up to \$875	8%	2%	3%	0%	12%	27%
\$35K-\$50K	\$875 - \$1,250	3%	2%	3%	3%	8%	18%
\$50K-\$75K	\$1,250 - \$1,875	2%	5%	6%	3%	5%	21%
\$75K-\$100K	\$1,875 - 2,075	0%	5%	6%	6%	0%	21%
\$100K-\$150K	\$2,075 - \$2,500	0%	2%	3%	3%	0%	8%
\$150K+	\$2,500 And Up	0%	0%	3%	0%	0%	5%
<b>Total</b>		<b>12%</b>	<b>14%</b>	<b>24%</b>	<b>15%</b>	<b>24%</b>	<b>100%</b>

Source: KB Advisory Group

# Opportunity Gap Analysis



City of Carrollton website

# opportunity gap analysis

## Methodology

We conducted an opportunity gap analysis to assess how the housing market in Carrollton meets the market demand for housing.

Opportunity gap analyses help understand what price points the market is delivering and what housing products are delivered. Understanding the gap between supply and demand identifies market inefficiencies and can help inform policy measures that address housing.

The opportunity gap analysis uses a 5-year average of different housing products delivered at various price points. The 5-year average is calculated based on housing delivery between 2016 and 2020.\*\*

Housing units delivered are categorized into three tranches – Lower, Middle, and Upper – each with accompanying income ranges and reasonable home prices or monthly rent based on shares of income.

Percentages are calculated based on the supply ratio to the demand for each housing type at each price point. Totals are cross-tabulated for each housing type and income class.

Range	Income Bracket	Home Price	Monthly Rent
Lower	Up to \$35,000	Up to \$110,000	Up to \$875
Middle	\$35,000-\$100,000	\$110,000-\$310,000	\$875-\$2,075
Upper	\$100,000 and Up	\$310,000 and Up	\$2,075 and Up

*\*\* Purpose-built student housing uses a 5-year average from 2011 to 2015 because that was the last 5-year span with new student housing deliveries.*

Source: KB Advisory Group

# opportunity gap analysis

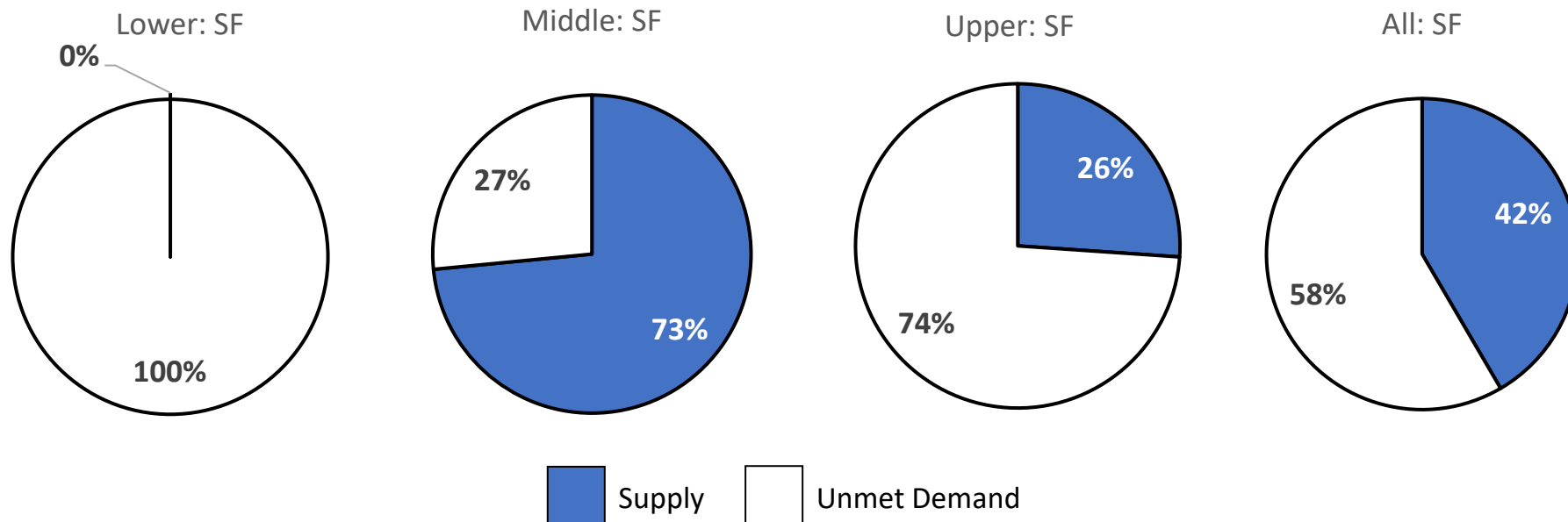
## Single-Family Detached Housing

**The housing market in Carrollton is delivering just under the demand for single-family detached homes.**

Most single-family detached units are delivered in the middle of the price spectrum, meeting close to three-quarters of total demand at that price segment.

The segments with the most significant gaps in demand are at the lowest and highest end. Lower-end homes are the most difficult to deliver without subsidy. Still, the private market can meet the demand for higher-end homes, given that developers and builders create products that match the preferences of upper-end single-family buyers and renters.

	Lower: SF	Middle: SF	Upper: SF	All: SF	All: SF %
Supply	0	36	6	42	42%
Unmet Demand	29	13	17	59	58%



Source: KB Advisory Group

# opportunity gap analysis

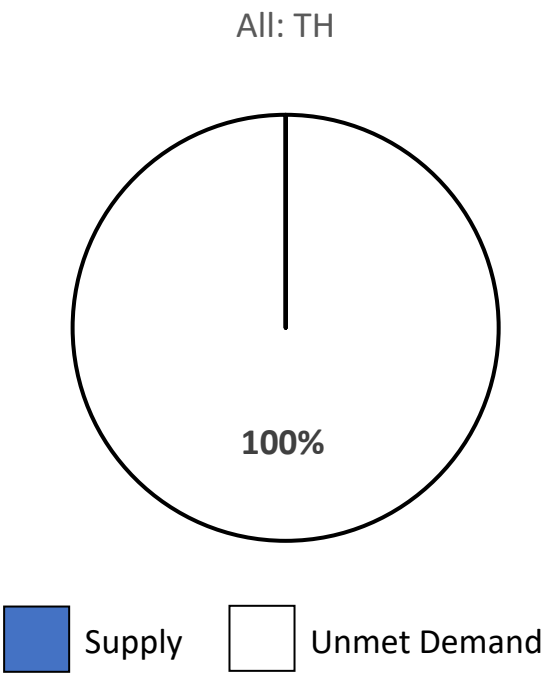
## Townhomes

**The housing market in Carrollton has not met the demand for townhomes.**

While there are over 50 new townhomes in various planning and development stages expected to deliver in the next 2 years, they were not considered in historical 5-year averages.

The highest unmet demand is for townhomes in the lower and middle segments – where some households are looking for an alternative form of homeownership.

	Lower: TH	Middle: TH	Upper: TH	All: TH	All: TH %
Supply	0	0	0	0	0%
Unmet Demand	10	9	3	22	100%



Source: KB Advisory Group

# opportunity gap analysis

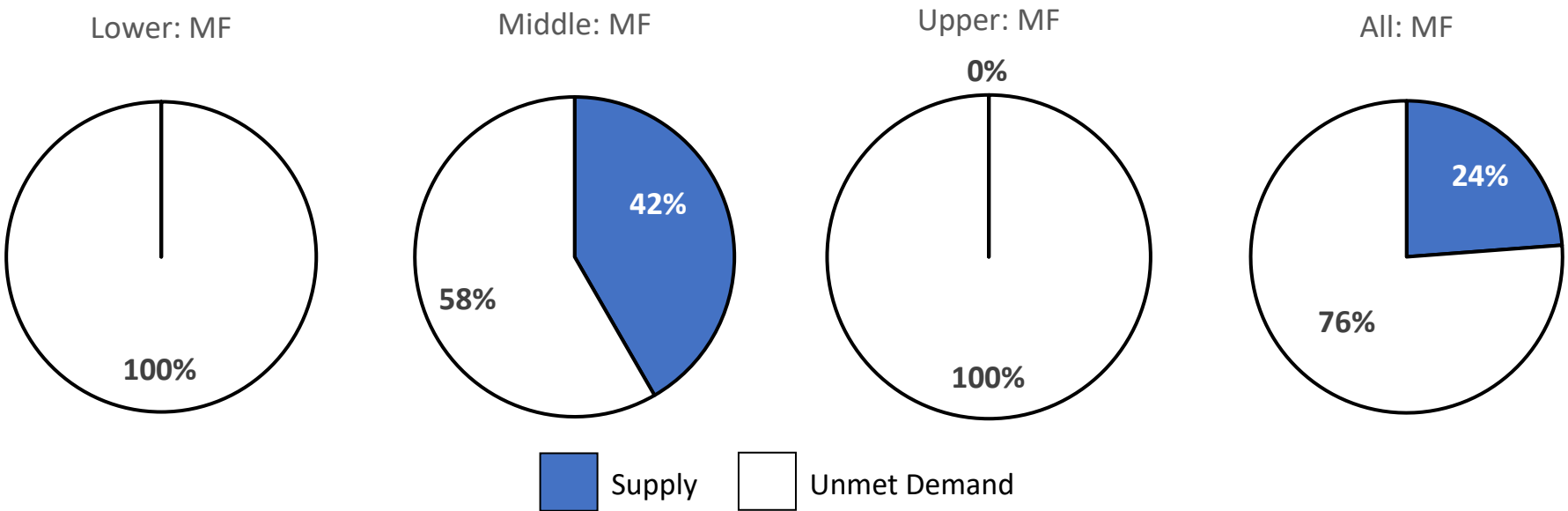
## Multifamily Housing

Although the lower end encompasses the median monthly rent in Carrollton, functionally, all the new multifamily units delivered at the middle end are charging rents above the median monthly rent.

Unmet demand is distributed similarly between the lower and middle-end. Some subsidy level is likely to meet the demand for multifamily development demand at the lowest price range.

This section of the analysis only considers traditional multifamily housing. When considering student housing, supply at the lowest end is unaffected, showing the robust demand for affordable multifamily housing.

	Lower: MF	Middle: MF	Upper: MF	All: MF	All: MF %
Supply	0	10	0	10	24%
Unmet Demand	17	14	1	32	76%



Source: KB Advisory Group

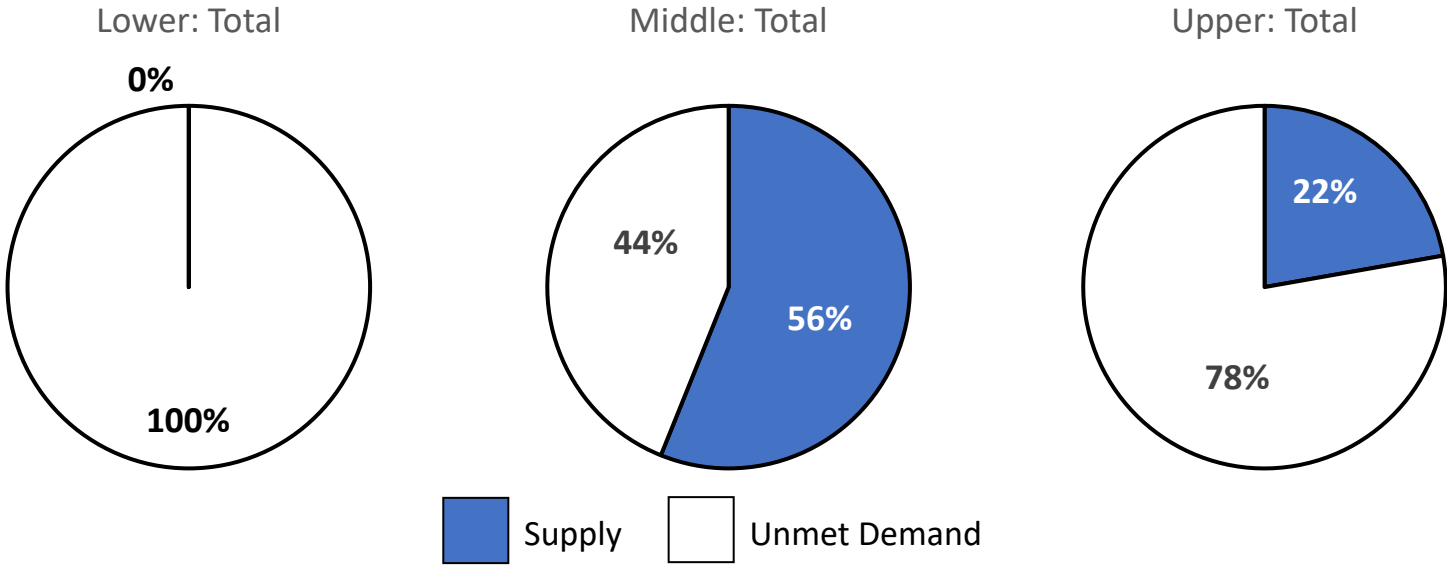
# opportunity gap analysis

## Income Class

**Most of Carrollton’s housing market supply is delivered in the middle range of the price spectrum. There continues to be significant demand at all price points for a variety of housing types.**

Increasing the housing supply can satisfy the demand for a variety of housing types. Unmet demand is a variable that continues to contribute to increased housing prices. Meeting this demand for a variety of housing products at various price points can ensure market-appropriate prices.

	Lower: Total	Middle: Total	Upper: Total
Supply	0	46	6
Unmet Demand	56	36	21



Source: KB Advisory Group

# Key Findings and Policy Recommendations



# key findings and policy recommendations

## Key Findings

***1. Carrollton's housing market has successfully produced moderately priced new single-family homes but lacks a new supply that meets the market's demand and changing housing preferences.***

- a. As new home prices increase throughout the region, Carrollton's housing market has consistently been able to provide new homes under \$300,000.
  - i. This has been increasingly difficult to maintain amidst rising land, labor, and building material prices.
  - ii. While Carrollton's housing market has continually produced housing for middle-class families. The demand analysis indicates a severe lack of housing at the lower and highest end of the income spectrum.
- b. The socioeconomic profile of renters in Carrollton has changed in the last 10 years. Renters in Carrollton got older and wealthier between 2010 and 2019.
  - i. Rental demand in Carrollton is not solely the result of college students. Since 2010, "renters by choice," or those with the financial means and lifestyle preferences, increased. The supply of amenitized rental housing that targets this demographic has remained relatively stagnant.
- c. The demand analysis and supply research indicate a lack of diversity in housing type and price that would appeal to different demographic groups in Carrollton.
  - i. Universities and colleges across the U.S. experience "brain drain" every year as students graduate and move to different places. The ones who do stay need appropriate places to live. Because of the housing market's emphasis on student housing, there are few options for young professionals who want the flexibility of renting without having to live in a building full of college students.

# key findings and policy recommendations

## Key Findings

### ***2. Residential development patterns since 2000 have emphasized large-lot single-family homes outside of the city's core.***

- a. A majority of residential development since 2000 has followed two geographical patterns - commercial corridors that spur out from downtown and the periphery of Carrollton's city boundary.
  - i. Analysis using GIS and Carroll County Tax Assessor data indicated that a majority of the residential development in the last 20 years occurred outside of the city's core.
  - ii. Some of the challenges that Carrollton's residential developers might face are the lack of readily developable greenspace, the complexity of urban infill and redevelopment, and the costs associated with developing infrastructure inside the city.
- b. A large majority of people who work in Carrollton do not live in Carrollton.
  - i. Of the 24,200 jobs in Carrollton, only 14% of the people who occupy those jobs also live in the city.
  - ii. Demand analysis concludes that there is a wide range of housing demand for single-family detached homes, townhomes, and multifamily options at various price points. Delivering a more comprehensive array of housing products that meet the housing demand can attract the working households that come to Carrollton during the day.
  - iii. This mismatch provides a bountiful opportunity to attract households and families to live in Carrollton, who are already connected to the city through their employment.

# key findings and policy recommendations

## Key Findings

### ***3. The University of West Georgia continues to influence housing dynamics in Carrollton.***

- a. The presence of the University of West Georgia is a catalyst to high rates of rentership.
  - i. The University of West Georgia is an economic engine that brings Carrollton businesses, employment opportunities, cultural excitement, and economic benefits. It also brings over 10,000 students, most of whom are low-income earners and are in a state of transiency that suits renting instead of owning a home.
- b. Multifamily growth in Carrollton has been concentrated in the private student housing sector, rather than in traditional multifamily housing developments.
  - i. Since 2010, the development of new purpose-built student housing has outpaced traditional multifamily units by a ratio of more than 4:1. In the last decade, 387 purpose-built student housing units were delivered compared to 97 units of conventional multifamily housing.
  - ii. Market economics is the driving force behind the boom of purpose-built student housing in Carrollton. The price per square foot of student housing is more than 60% higher than traditional multifamily housing.
- c. The COVID-19 pandemic has changed on-campus student housing preferences.
  - i. University of West Georgia students prefer larger, single-occupancy units to traditional shared dorm rooms. This preference change has resulted in a decrease in the number of students that the University of West Georgia can house. It ultimately puts more pressure on Carrollton's private housing market.
  - ii. UWG planning is not considering expanding the number of on-campus beds, but they plan to increase school enrollment in the next five years.

# key findings and policy recommendations

## Policy Recommendations

### ***1. Encourage housing production for a greater variety of housing types and price points.***

- a. Apply zoning and land use policies that allow for unique and differentiated housing types that will enable a wider variety of market segments to find appropriate housing in Carrollton.
- b. Consider zoning regulations that allow for smaller lot sizes where they are deemed appropriate - especially near the downtown core and along with mixed-use districts.
- c. Identify priority redevelopment and greenfield sites to attract small-scale, knowledgeable, local developers familiar with the community and regional or national developers. Decide about using Carrollton's economic development toolbox to help attract new housing at these locations. Small, local builders are more likely to take risks with more unconventional development and housing styles to fill "missing middle" gaps in the market. Whereas regional or national developers and builders have the resources and capital to help accomplish larger scale housing supply goals.
- d. Incentivize the redevelopment of aging, obsolete, low-intensity student and multifamily housing—also, commercial buildings. Proactively "up-zoning" these sites and consider waiving development fees, fast-tracking permitting processes and paperwork, and offering density bonuses to attract new, higher-intensity housing options to these locations.
- e. Create opportunities for the growing segment of Carrollton's population that are "renters by choice." These are often smaller households with professional occupations or retirees, whose spending power and net wealth can grow Carrollton's economy.
- f. Carrollton has over 24,000 jobs, yet only 14% of those who work in Carrollton also live in the city. Therefore, we recommend conducting formalized housing surveys with Carrollton's robust labor force, resulting in significant data and findings regarding what potential new residents are looking for in the local housing market.
- g. Incentivize and support housing developments that meet the needs of low- to moderate-income households. One strategy could be to leverage publicly owned land by offering the sale or lease of the land to developers who will build mixed-income that, at least in part, targets households with incomes below the area median income.

# key findings and policy recommendations

## Policy Recommendations

### ***2. Continue to invest in and strengthen Downtown Carrollton.***

- a. Consider a Tax Allocation District (TAD) for Downtown Carrollton and the surrounding area. According to the Georgia Main Street Program, TADs are a popular mechanism for revitalizing underutilized locations such as brownfields, declining commercial corridors, and industrial sites. The process involves designating a district, establishing its current tax base floor, and then dedicating future taxes over and above that floor for a given period to pay the costs of the infrastructure, buildings, or other improvements needed to spur new downtown development. Local governments, DDAs, Housing Authorities, or Redevelopment Agencies administer TADs, and various development activities receive the TAD funds.
- b. Create and activate a Downtown Development Authority for Carrollton. Downtown Development Authorities (DDAs) are used in cities throughout Georgia as a mechanism to revitalize and redevelop municipal central business districts. DDA's can work with Georgia's Main Street program to provide a more robust toolbox and further strengthen Downtown Carrollton. DDA's have the authority to acquire, assemble, and develop property downtown, in addition to executing contracts and agreements, issuing revenue bonds, and financing projects for the public good. These types of projects can include important housing options that can strengthen the downtown core. The DDA can use grant funding and bonding (if necessary) to encourage private entities to improve the facades of businesses around Downtown Carrollton to make it a more attractive place to live, visit, and do business.
- c. Assess the City of Carrollton's zoning and land-use policies to ensure that mixed-use and residential uses in and around the downtown core can be approved and built according to the long-term community vision for downtown.
- d. Economic development incentives and public-private partnerships can help strengthen the residential viability and resilience of Downtown Carrollton. Use incentives to induce and support infill housing development and redevelopment in or near the downtown core.
- e. Continue to program, market, and host activities and events in Downtown Carrollton. Hosting organizations like Bicycle Ride Across Georgia (BRAG) and others can increase the visibility of Carrollton to hundreds of new visitors and potential residents.

# key findings and policy recommendations

## Policy Recommendations

### ***3. Embrace student-driven housing demand and plan accordingly.***

- a. The University of West Georgia's students, faculty, and staff are responsible for a sizeable percentage of Carrollton's daytime population. This institutional stability adds resilience to Carrollton's economy and particularly downtown's commercial strength. Continue to leverage this stable population by programming and organizing events that would attract UWG students, faculty, and staff to downtown and elsewhere in the community.
- b. In the next five years, the University of West Georgia plans to expand student enrollment while also decreasing the number of available on-campus bedrooms – this leaves more students to find off-campus housing in Carrollton. Communicate and collaborate with the University of West Georgia to understand the University's plans and limitations regarding housing students. The City ought not to bear an unfair share of purpose-built student housing but should continually be communicating with the University in preparation for it.
- c. Continue to monitor, manage, and adapt the City's Future Land Use and Character Area maps in planning for future purpose-built student housing.
- d. Economic development incentives and public-private partnerships can help strengthen the residential viability and resilience of over 2,500 UWG students graduate and move on to the next step in their professional careers every year. Economic development strategies focusing on the University's strengths can help capture a percentage of outgoing students every year.
- e. Plan for the post-graduate population by creating opportunities for new young professionals to live and thrive in Carrollton. Additionally, encouraging housing oriented towards young professionals is another way to capture post-graduate demand.



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### ***TERMS and LIMITING CONDITIONS***

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