



Investing in Affordable Housing Benefits Georgia Businesses & Workers



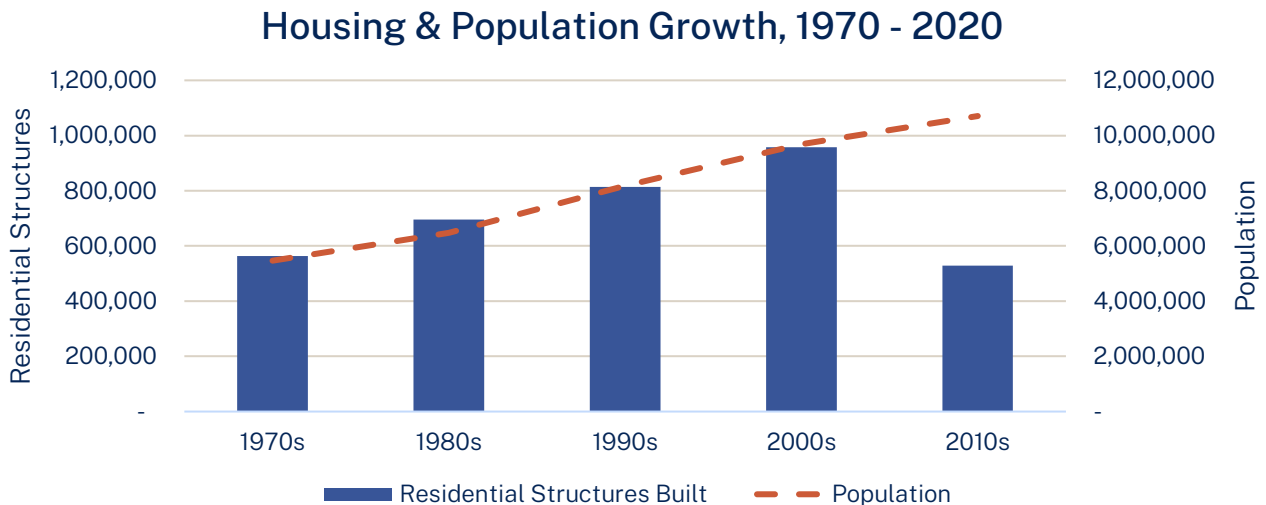
This report summarizes findings from KB Advisory Group’s *Georgia Statewide Housing Needs Analysis*, commissioned by Enterprise Community Partners in partnership with Georgia Advancing Communities Together and the Center for Community Progress. For more information about this research, contact Beth Stephens at bstephens@enterprisecommunity.org.

Housing Growth in Georgia Is Not Keeping Up with Demand

Georgia’s population growth is outpacing national growth, and companies are moving to the state because it’s an attractive place to do business. At the same time, housing costs are increasing, and the supply of affordable housing for the growing workforce is not keeping up with demand. The good news is, thanks to careful fiscal stewardship, Georgia has a significant budget surplus.

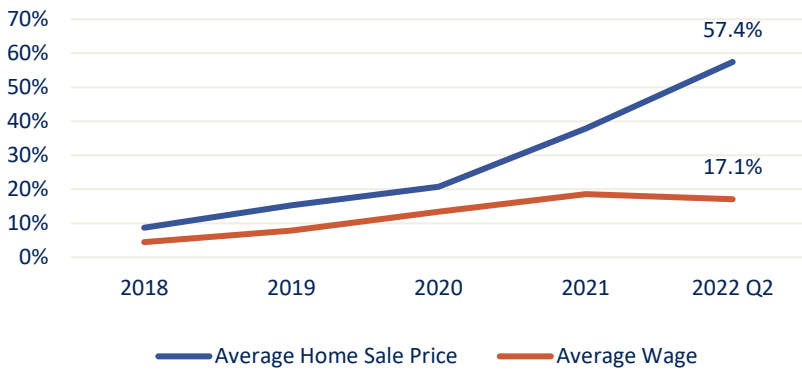
There is an opportunity to make a non-lapsing allocation from the surplus to a fund where the dollars can be used over time to support housing production.

Between 2010 and 2020, Georgia grew by more than 1 million people and added over 532,000 new households. Of these new households, 58% are owners and 42% are renters, but housing supply in Georgia is not keeping pace with our population growth. Overall, Georgia produced fewer new residential structures in the 2010s compared to the four preceding decades as the chart below demonstrates:



Additionally, our existing housing stock is aging, and fewer new replacement units are being built. This mismatch between supply and demand drives up housing prices. All of the twelve regions in Georgia have witnessed an increase in average home prices and rent growth since 2010.

The Growing Gap in Housing Prices vs. Wages



To compound this problem, the gap between working wages and home prices in Georgia is growing.

Except for 2020, home prices grew faster year-to-year than annual wages.

The average home sale price in Georgia skyrocketed after 2020.

Addressing Housing Needs Would Bring Billions in Economic Impact

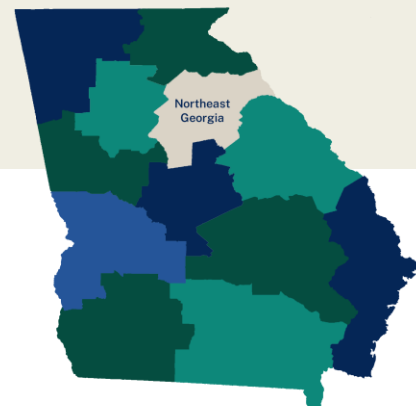
To accommodate Georgia's projected growth, make up for years of undersupply, and modernize the housing stock over the next decade, an estimated **715,000 housing units must be built**.

Assuming the housing need in each region was met with 65% owner-occupied housing and 35% renter-occupied housing, the annual economic impact to the State of Georgia would be billions of dollars in added value, local income, local taxes, and local jobs.

REGION	HOUSING NEED	ADDED VALUE	LOCAL INCOME	LOCAL TAXES	LOCAL JOBS
Atlanta Regional Commission	334,657	\$12,214,991,828	\$9,433,320,569	\$1,308,965,867	117,879
Central Savannah River Area	36,162	\$605,708,164	\$471,553,482	\$69,928,788	5,633
Coastal Regional Commission	51,811	\$1,295,278,773	\$1,004,179,414	\$143,941,088	12,283
Georgia Mountains	47,752	\$1,348,985,899	\$1,043,213,187	\$146,452,401	12,938
Heart Of Georgia Altamaha	17,290	\$289,608,300	\$225,464,688	\$33,435,173	2,693
Middle Georgia	28,750	\$574,994,579	\$445,771,004	\$63,897,708	5,453
Northeast Georgia	51,844	\$1,464,603,366	\$1,132,623,808	\$159,004,389	14,047
Northwest Georgia	58,571	\$1,654,643,018	\$1,279,587,443	\$179,636,008	15,870
River Valley	20,114	\$336,911,345	\$262,290,865	\$38,896,292	3,133
Southern Georgia	21,449	\$359,265,638	\$279,694,038	\$41,477,087	3,341
Southwest Georgia	15,190	\$281,014,083	\$219,515,544	\$33,427,770	2,572
Three Rivers	31,189	\$725,139,475	\$560,472,202	\$78,324,995	6,972
STATEWIDE ANNUAL IMPACT	714,779 UNITS	\$21.2 BILLION	\$16.3 BILLION	\$2.3 BILLION	202,815

Added value: Economic value of creating these homes based on current market prices; determines the local income, taxes, and jobs created.
Local income: Payroll from workers involved in construction, construction-supporting work, and payroll supported by the spending of the first two.
Local taxes: Public revenue from fees and sales taxes related to construction, and property and sales taxes once homes are bought or lived in.
Local jobs: Jobs from construction, construction-supporting work, and jobs supported by the spending of the first two.

Regional Case Study: Northeast Georgia Regional Commission



Northeast Georgia needs 51,844 homes to accommodate for future growth, address undersupply, and modernize the housing stock.

REPLACEMENT UNITS	NEW UNITS	TOTAL HOUSING NEED
8,185	43,660	51,844

Walker County: Rivian

The announcement in 2021 that the electric car company Rivian would be establishing a manufacturing facility in Walton County constituted the single-largest economic development project in Georgia’s history at the time. The project is planned to be developed in partnership with the Joint Development Authority (JDA) of Jasper, Morgan, Newton, and Walton Counties and is estimated to create 7,600 manufacturing jobs for these counties. These 7,600 jobs are estimated to pay an average annual salary of \$58,550, meaning that future employees of Rivian would be able to afford homes that are valued up to \$205,000 and afford rents up to \$1,464 a month, assuming a one-income household.

Under current market circumstances, there are 66 homes for sale within the four counties that are jointly involved in the Rivian development valued at or below the attainable purchase price for the average Rivian employee. Even assuming that Rivian employees would be willing to purchase homes in adjacent counties, the housing supply available to Rivian employees at an affordable price point can only currently meet the need of around 2% of the projected 7,600 employees of the manufacturing facility.

Within the current rental market, there are approximately 200 rental units within the four-county area attainable for Rivian employees.



\$205,000
Average price of a single-family house average Rivian employee could purchase



\$1,464
Average rent considered affordable to average Rivian employee

97%
Of Rivian employees would not be able to find a home within the four partnered counties under current market circumstances and unit availability.



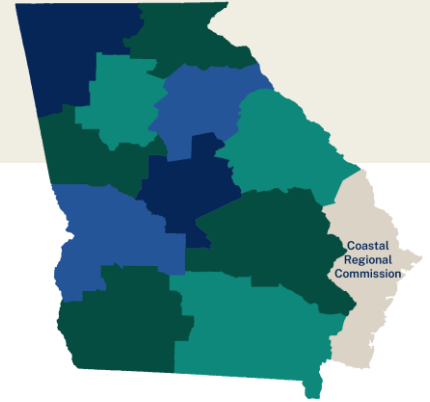
66
Homes for sale in the 4-County area affordable to average Rivian employee



200
Apartments for rent in Walton County affordable to average Rivian employee

This data from Zillow and Apartments.com was captured between January and March 2023. Jackson County is also within the Northeast Georgia Regional Commission, and there is an SK Battery America plant there that employs approximately 3,000 workers. <https://www.wuga.org/local-news/2023-09-28/jackson-county-sk-battery-plant-is-laying-off-workers-after-rapid-expansion>.

Regional Case Study: Coastal Regional Commission



The Coastal Region needs 51,811 homes to accommodate for future growth, address undersupply, and modernize the housing stock.


REPLACEMENT UNITS	NEW UNITS	TOTAL HOUSING NEED
15,806	36,005	51,811

Bryan County: Hyundai Motor Group


The announcement in 2022 that the Korean car company Hyundai would be establishing a manufacturing facility in Bryan County constituted the largest economic development project announced within the Coastal Region in the last decade. The project is estimated to create 8,100 manufacturing jobs in the county. These 8,100 jobs are estimated to pay an average annual salary of \$62,750, meaning that future employees of Hyundai will be able to afford homes that are valued at up to \$219,625 and afford rents up to \$1,569 a month.

Within the current market there are 2 homes for sale within Bryan County that are valued at or below the affordable purchase price for a Hyundai employee with another 139 homes for sale in adjacent Effingham, Chatham, Liberty, Evans, and Bulloch counties. The number of for-sale homes available at an affordable price for Hyundai employees within Bryan County is shockingly low. Even assuming that Hyundai employees would be willing to purchase homes in adjacent counties, the housing supply available to Hyundai employees at an affordable price point can only currently meet the need of less than 2% of the projected 8,100 employees of the manufacturing facility.

Within the current rental market there are approximately 7 rental units within Bryan County that offer rental rates that are affordable for Hyundai employees. There are another 1,461 rental units in the adjacent counties which offer affordable rents for Hyundai employees.




\$219,625
Average price of a single-family house average Hyundai employee could purchase




\$1,569
Average rent considered affordable to average Hyundai employee

99%
Of Hyundai employees would not be able to find a home
In the county under current market circumstances and unit availability.



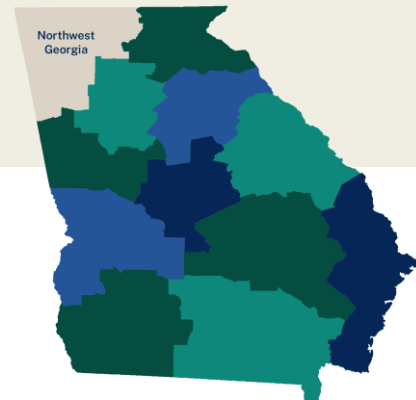
2
Homes for sale in Bryan County affordable to average Hyundai employee



7
Apartments for rent in Bryan County affordable to average Hyundai employee

This data from Zillow and Apartments.com was captured between January and March 2023

Regional Case Study: Northwest Georgia Regional Commission



Northwest Georgia needs 58,571 homes to accommodate for future growth, address undersupply, and modernize the housing stock.


REPLACEMENT UNITS	NEW UNITS	TOTAL HOUSING NEED
20,953	37,619	58,571

Bartow County: Hyundai Motor Group in Partnership with SK


The announcement in 2022 that the Korean car company Hyundai would partner with Korean energy company SK to establish a manufacturing facility in Bartow County (between Cartersville and Rome) constituted the largest economic development project announcement in the last decade for the Northwest Georgia Region. The project is estimated to create 3,500 manufacturing jobs in the county estimated to pay an average annual salary of \$61,300, meaning that future employees of this Hyundai-SK joint venture will be able to afford homes that are valued up to \$214,550 and afford rents up to \$1,533 a month.

Within the current market, there are 42 homes for sale within Bartow County that are valued at or below the affordable purchase price for a Hyundai-SK employee with another 277 homes for sale in adjacent Gordon, Pickens, Cherokee, Cobb, Paulding, Polk and Floyd counties. Even assuming that Hyundai-SK employees would be willing to purchase homes in adjacent counties, the housing supply available to these employees at an affordable price point can only currently meet the need of around 8% of the projected 3,500 employees of the manufacturing facility.

Within the current rental market there are approximately 120 rental units within Bartow County that offer rental rates that are affordable for Hyundai-SK employees. There are another 1,925 rental units in the adjacent counties which offer affordable rents for these employees. The housing supply in Bartow County is currently insufficient to meet the needs of future employees of Hyundai-SK.




\$214,550
Average price of a single-family house average Hyundai-SK employee could purchase




\$1,533
Average rent considered affordable to average Hyundai-SK employee

95%
Of Hyundai-SK employees would not be able to find a home in the county under current market circumstances and unit availability.



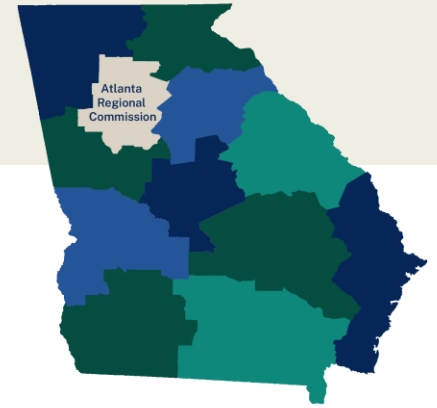
42
Homes for sale in the 4-County area affordable to average Hyundai-SK employee



120
Apartments for rent in Walton County affordable to average Hyundai-SK employee

This data from Zillow and Apartments.com was captured between January and March 2023

Regional Case Study: Atlanta Regional Commission



The Atlanta Region needs 334,657 homes to accommodate for future growth, address undersupply, and modernize the housing stock.

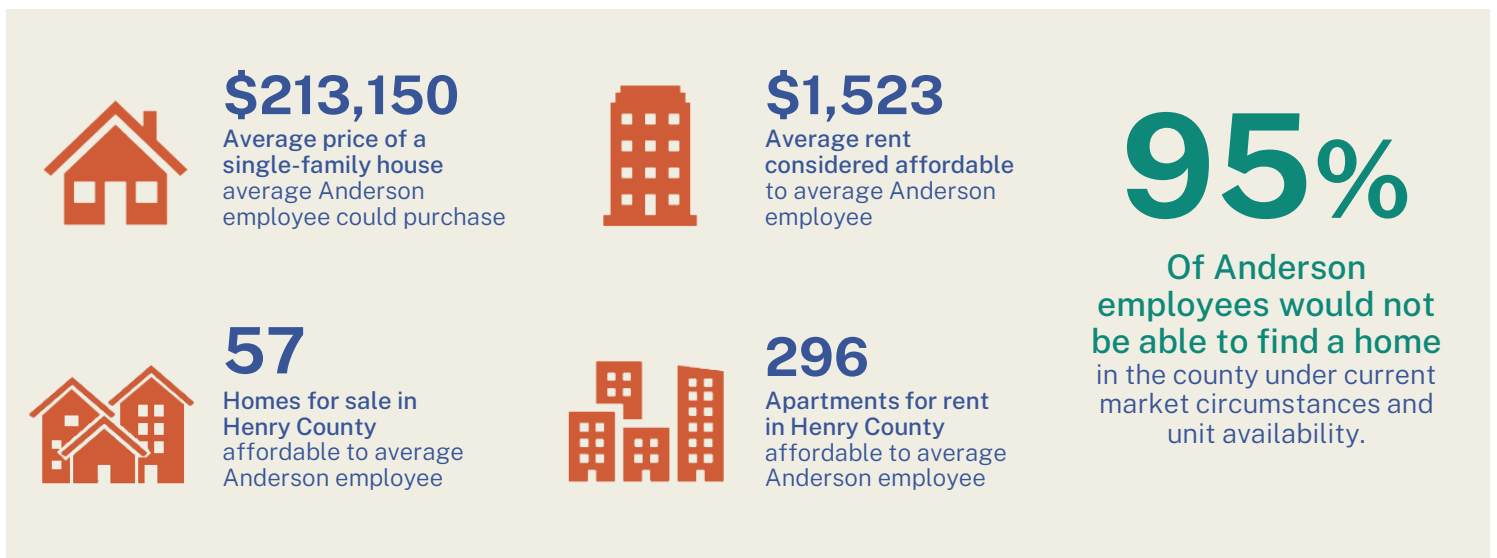
REPLACEMENT UNITS	NEW UNITS	TOTAL HOUSING NEED
40,568	294,089	334,657

Henry County: Andersen Corporation

The announcement in 2023 that the windows and doors manufacturer Andersen Corporation would be establishing a manufacturing facility in Henry County constituted the single-largest economic development project in the Atlanta Region in the last five years. The project is estimated to create 900 manufacturing jobs in the county, a significant amount of job growth for the region. These 900 jobs are estimated to pay an average annual salary of \$60,900, meaning that future employees of Andersen will be able to afford homes that are valued up to \$213,150 and afford rents up to \$1,523 a month.

Within the current market there are 57 homes for sale within Henry County that are valued at or below the affordable purchase price for an Andersen employee with another 338 homes for sale in adjacent DeKalb, Clayton, Rockdale, Spalding, Newton, and Butts counties. Even assuming that Andersen employees would be willing to purchase homes in adjacent counties, the for-sale housing supply available at an affordable price can only currently meet the need of around 44% of the projected 900 employees.

Within the current rental market there are approximately 296 rental units within Henry County affordable to Andersen employees. The housing market of Henry County and the Atlanta Region broadly is a highly active market with very low vacancy rates. The addition of 900 employees to Henry County can be accommodated by the existing housing market within the Atlanta region. However, employees will struggle to find housing in the county in which they work.



This data from Zillow and Apartments.com was captured between January and March 2023