



CHEROKEE COUNTY COUNTY-WIDE HOUSING ANALYSIS

Presented by
Geoff Koski
President

December 1, 2020



Bleakly Advisory Group

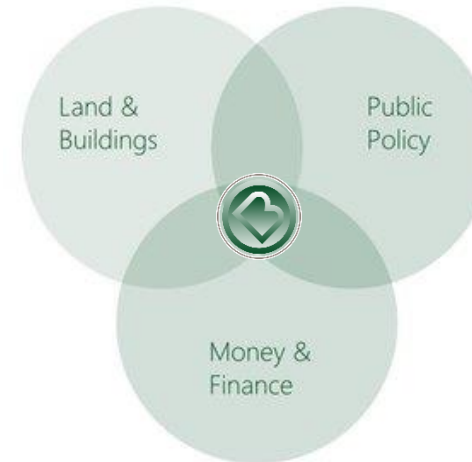


BleaklyAdvisoryGroup

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

Our goal is to help clients maximize the benefits of their economic development and real estate activities within five core capability areas:

- 1. Real Estate Markets**
- 2. Development Economics**
- 3. Public Financing/Tax Increment Financing**
- 4. Economic Impacts**
- 5. Development Strategies**



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County-wide Housing Analysis

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CHEROKEE COUNTY HOUSING ANALYSIS & STRATEGIC RECOMMENDATIONS

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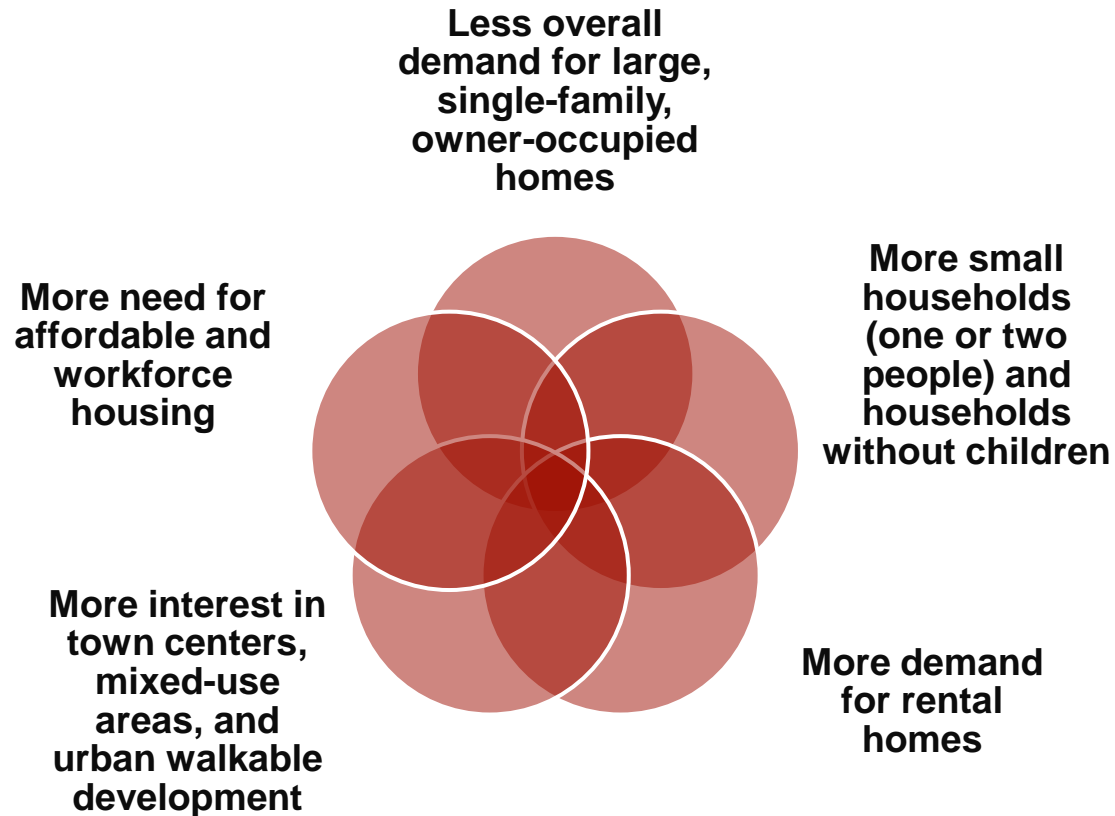
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County-wide Housing Analysis

- Context Overview
- Key Findings Summary
- Market Growth
- Incomes Driving Demand
- Housing Cost Burdens
- Household to Housing Type Mismatch
- Apartment Market Growth
- Higher-priced home construction ascending
- Housing Demand / Gaps
- Recommendations

Context Overview

Atlanta Region Residential Trends



- The new version of housing demand can be met by a variety of housing types and models.
- However, the residential marketplace is optimized to deliver a product that is not necessarily in tune with the full-range of expected demand.

Key Findings

Cherokee County Housing Analysis

Growth in the
market

Elevated incomes
drive housing
demand

Housing cost
burdens

Mismatch: local
housing
stock/local
households

Emphasis on
single-family
homes and
homeownership

Apartment
market growth

Higher-priced
home
construction
ascending

Growth in the market

Peer Counties Assessment

one the fastest growing counties in one of the fastest growing metro areas in the country

population change in the county will drive additional local housing demand

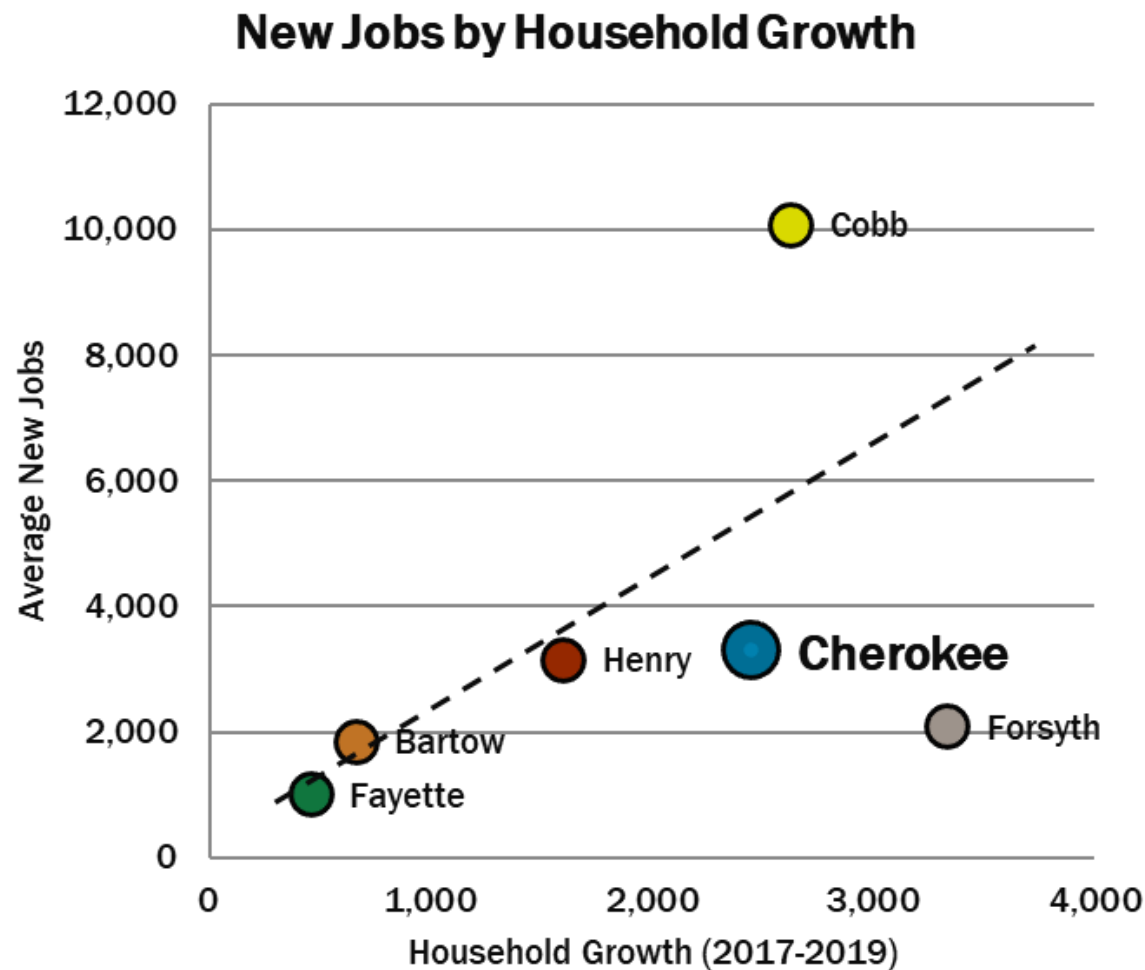
land and housing prices have steadily, and quickly, increased in the post Great-Recession era



Growth in the market

Peer Counties Assessment

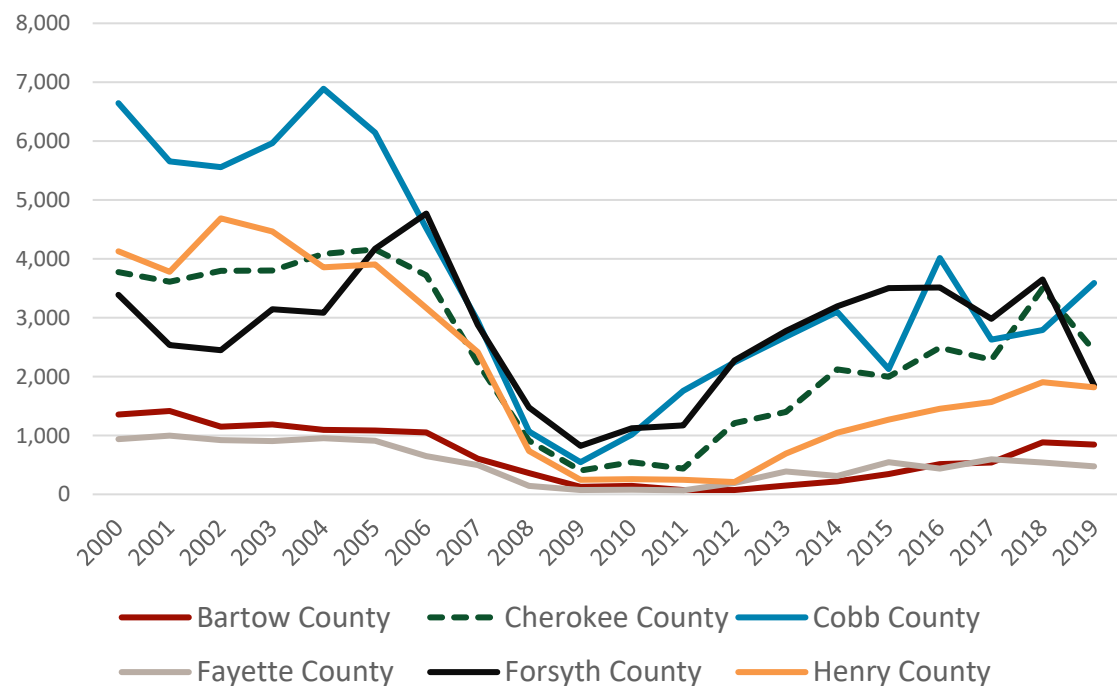
- Cherokee's relationship between household growth and new jobs is skewed towards household growth



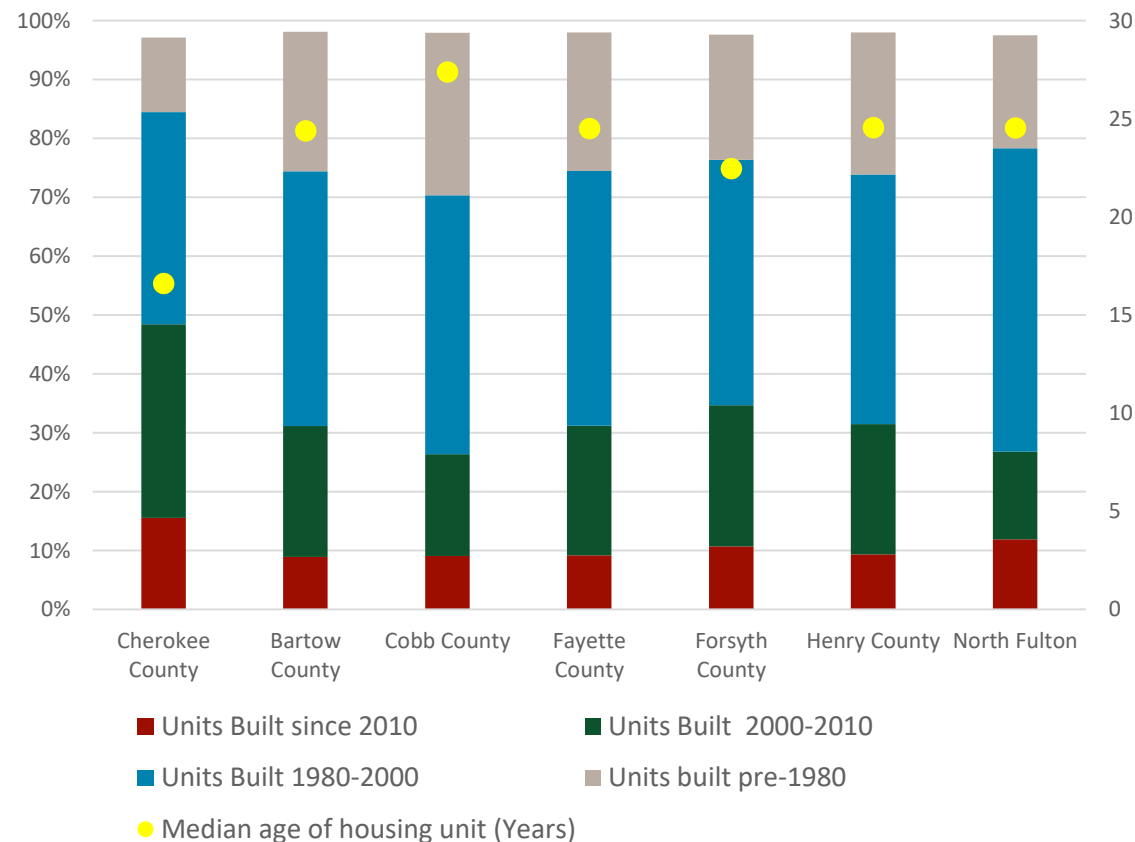
Growth in the market

Peer Counties Assessment

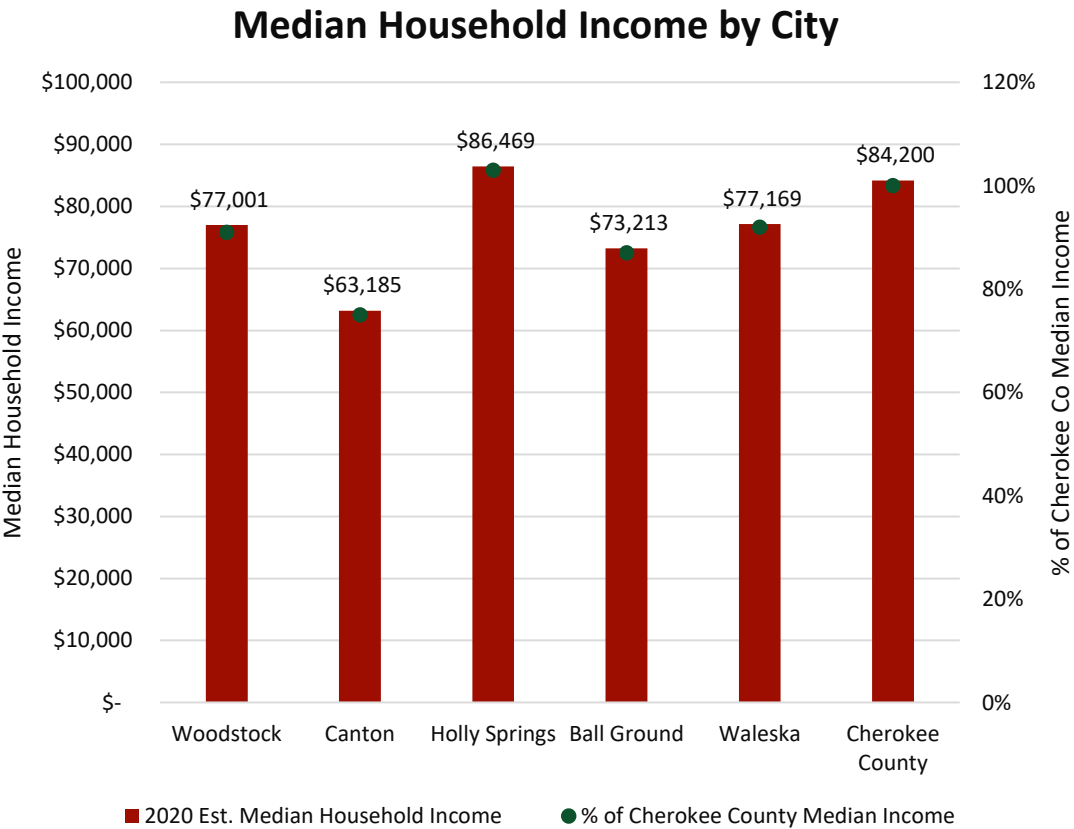
Total Building Permits Over Time, 2000 - 2019



Total Housing by Year Built



Elevated incomes

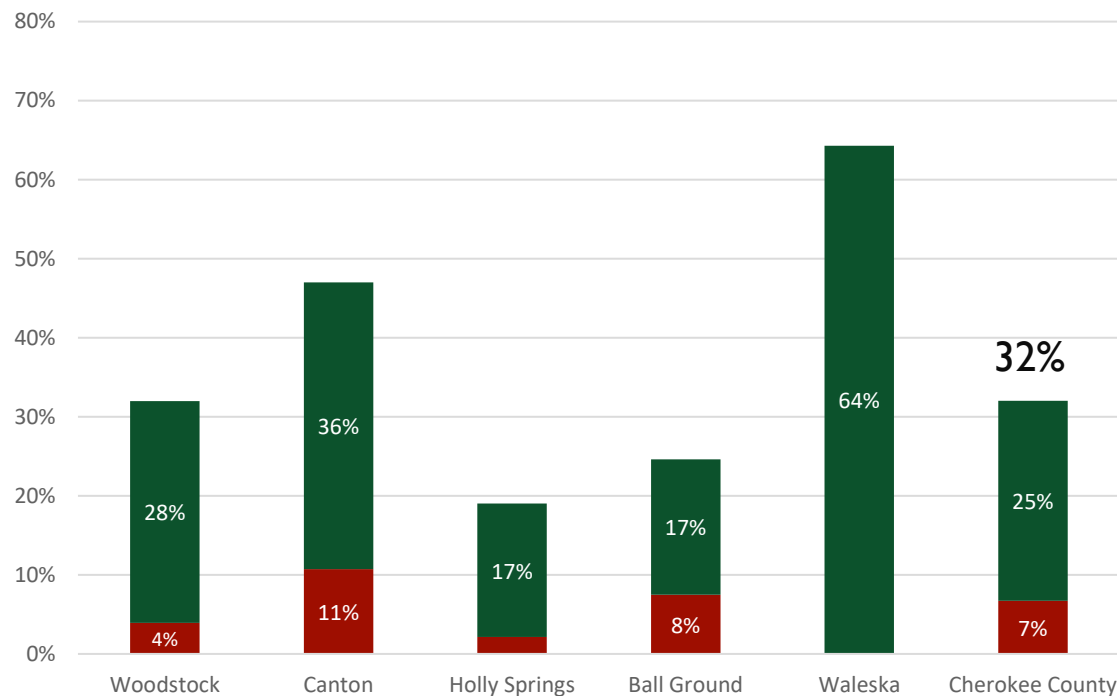


Rentership			
Income	% AMI	Rental Price Ranges	Midpoint Price
Up to \$34,999	Up to 50%	Up to \$875	
\$35,000 - \$49,999	50% - 70%	\$875 - \$1,250	\$1,050
\$50,000 - \$74,999	70% - 100%	\$1,250 - \$1,875	\$1,450
\$75,000 - \$99,999	100% - 150%	\$1,875 - \$2,500	\$2,200
\$100,000 - \$149,999	150% - 200%	\$2,500 - \$3,750	\$3,125
\$150,000 and up	200% and up	\$3,750 and up	

Ownership			
Income	% AMI	Home Price Ranges	Midpoint Price
Up to \$34,999	Up to 50%	Up to \$110,000	
\$35,000 - \$49,999	50% - 70%	\$110,000 - \$150,000	\$130,000
\$50,000 - \$74,999	70% - 100%	\$150,000 - \$250,000	\$200,000
\$75,000 - \$99,999	100% - 150%	\$250,000 - \$325,000	\$285,000
\$100,000 - \$149,999	150% - 200%	\$325,000 - \$475,000	\$375,000
\$150,000 and up	200% and up	\$475,000 and up	

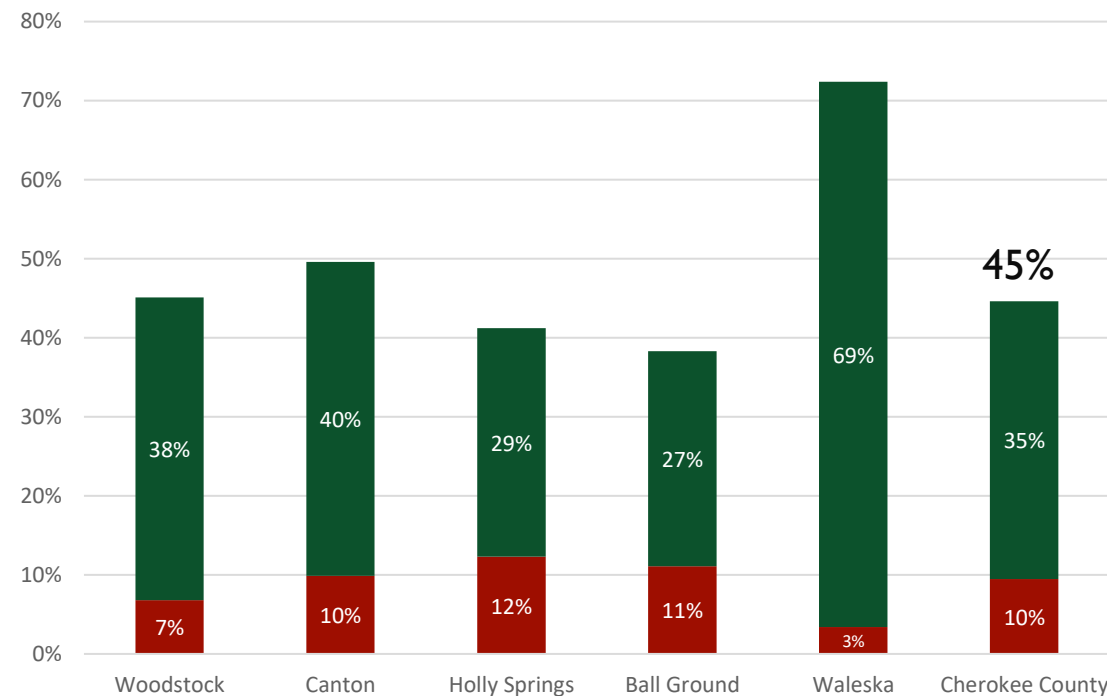
Housing cost burdens

% of Owner Households that are Cost Burdened



■ +35% Ownership Costs as a Percentage of Income
■ 30% - 34.9% Ownership Costs as a Percentage of Income

% of Renter Households that are Cost Burdened








■ +35% Rent as a Percentage of Income
■ 30% - 34.9% Rent as a Percentage of Income

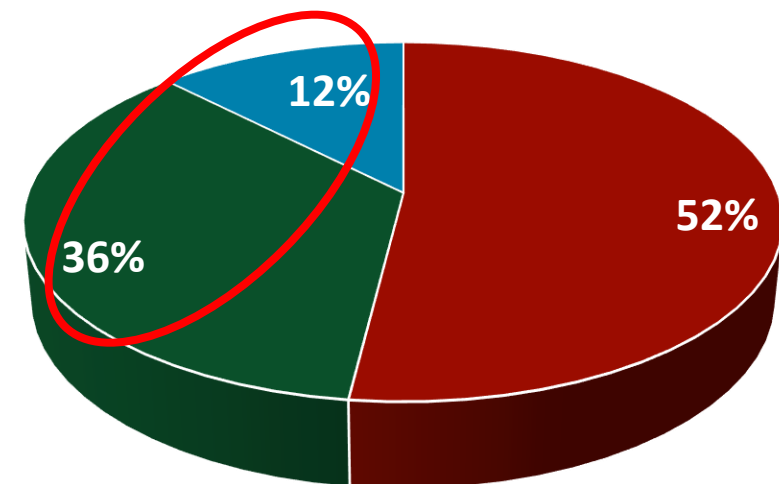
Data source: U.S. Census American Community Survey 2018 1-Year Estimates

Mismatch: local housing stock/local households

Housing Structure Type, 2019

Type of Housing	Cherokee County	Atlanta MSA
 1 Unit Detached (SF)	82,069 82%	1,654,492 67%
 1 Unit Attached (TH)	4,420 4%	128,432 5%
 Small Multi-Family (2-4 Units/Bldg.)	1,551 2%	95,782 4%
 Lg Multi-Family (5+ Units/Bldg.)	8,558 8%	525,650 21%
 Mobile Home (Trailer, RV, Boat)	4,039 4%	74,290 3%

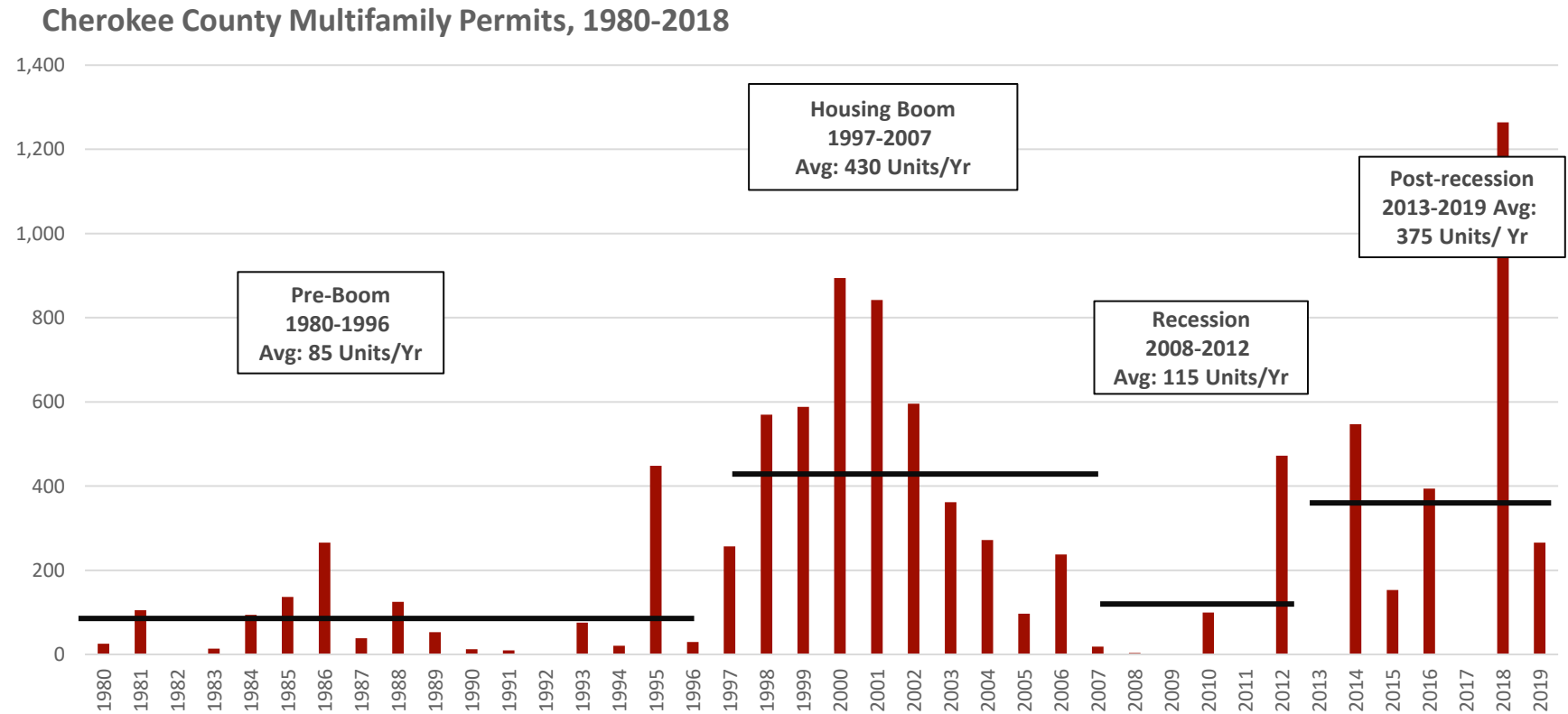
Persons Per Household, 2019



■ 1 & 2 Person ■ 3 & 4 Person ■ 5+ Person

Apartment market growth

Even with the 2018 surge in multifamily permits, the 10-year post recession average of multifamily units permitted (shown in red in the graph) is still below the Housing Boom and Post-Recession averages.

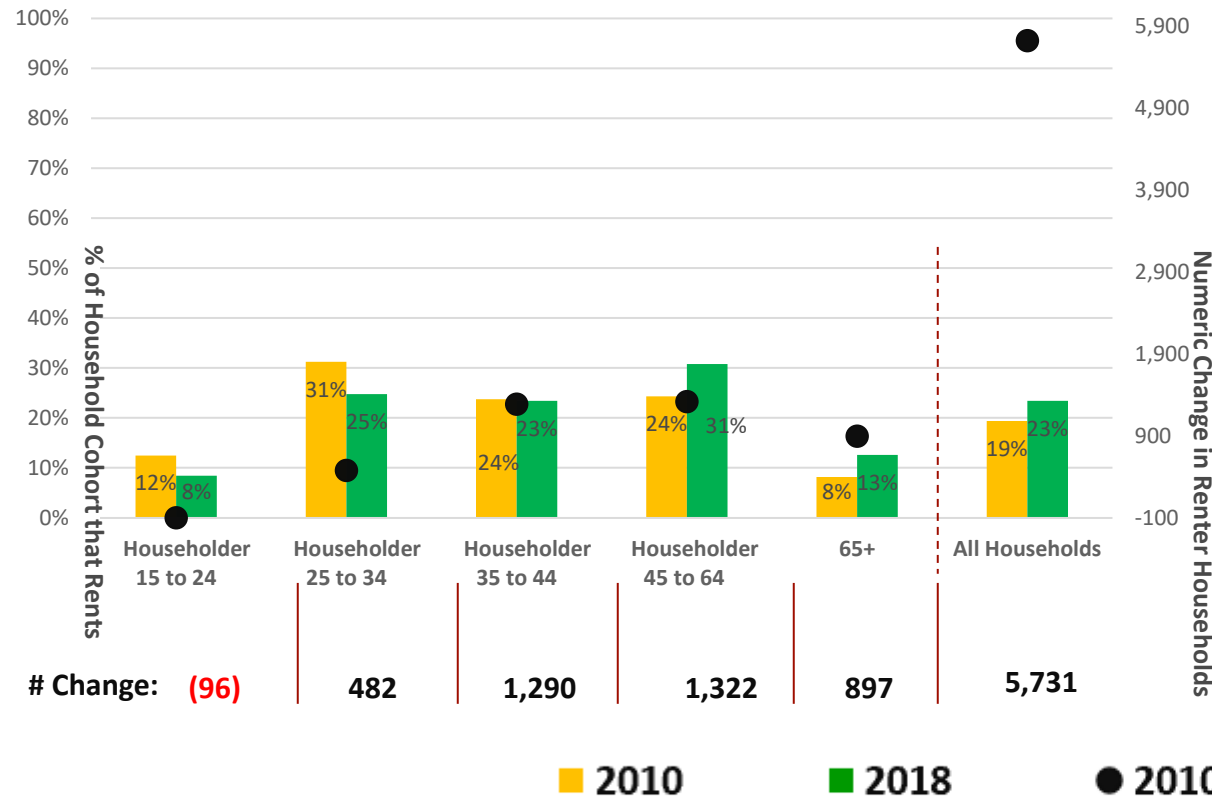


*lines indicate avg. unit production for periods that characterize real estate cycles.

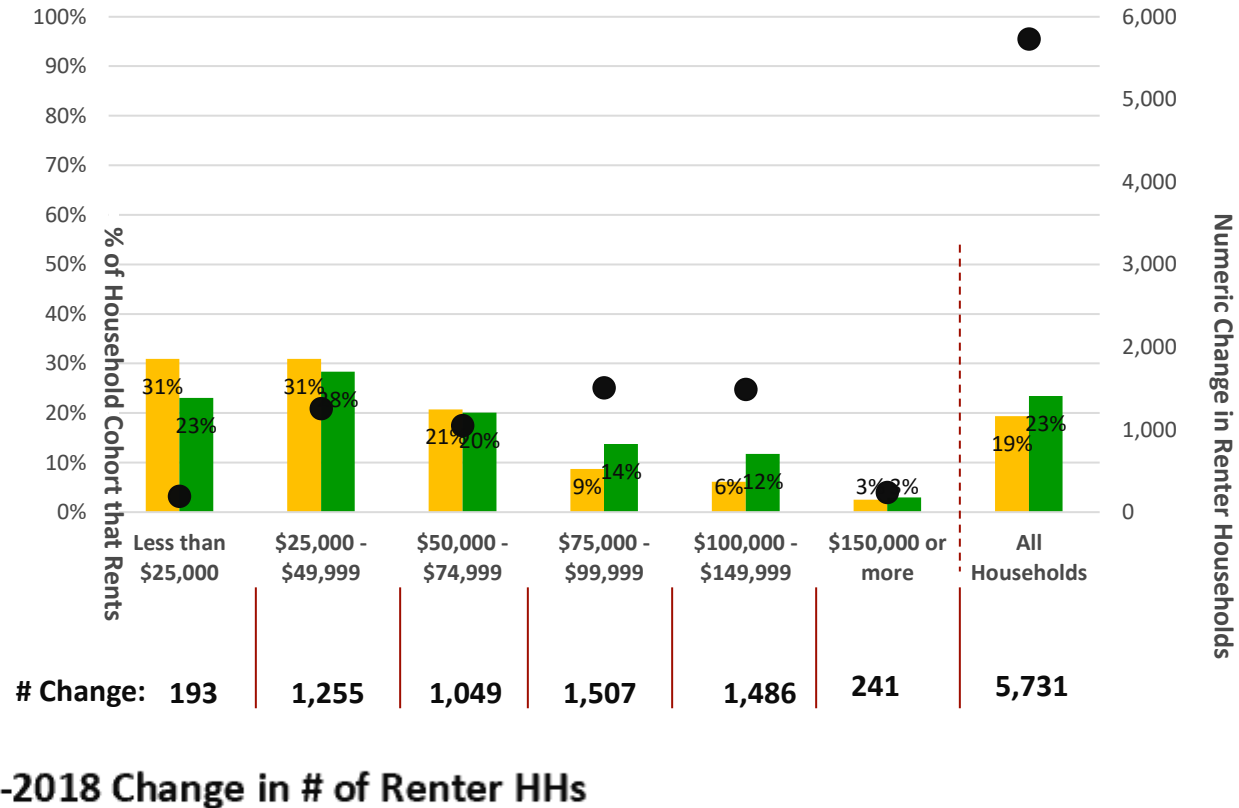
Source: U.S. Census, SOCDs Building Permit Database

Apartment market growth

2010 & 2018 Rental Rate by Householder Age

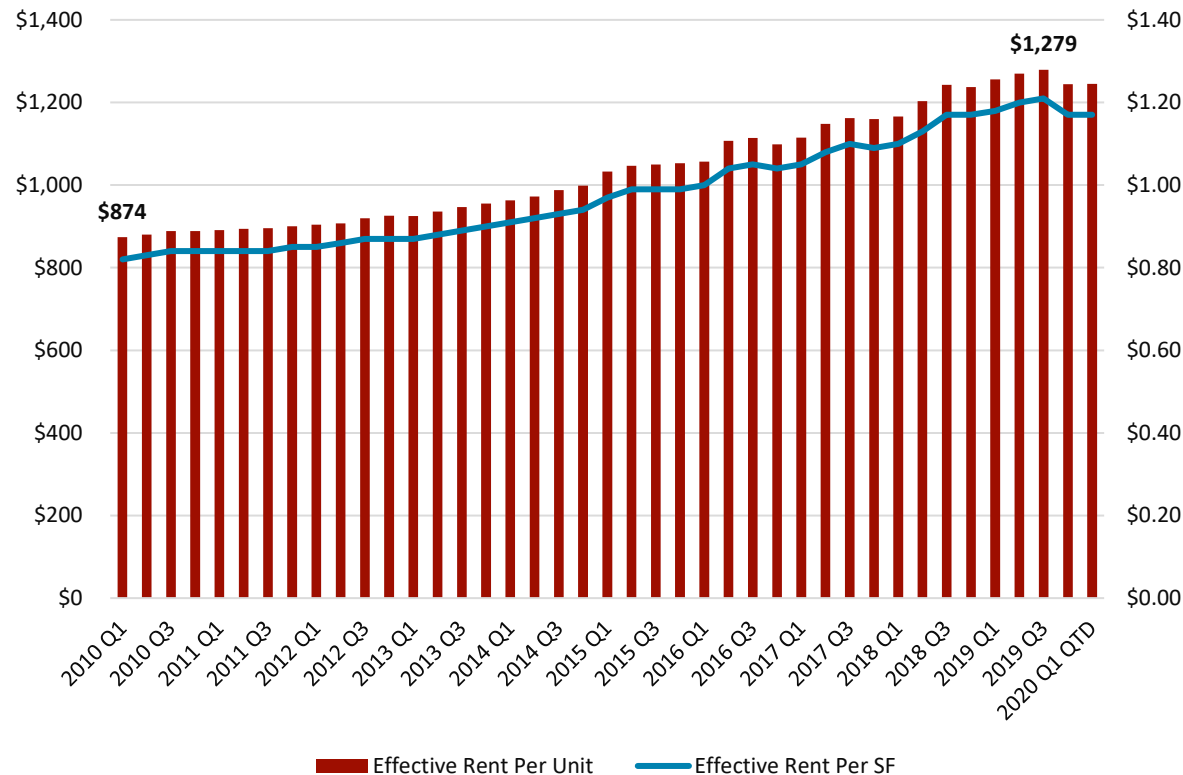


2010 & 2018 Rental Rate by Householder Income

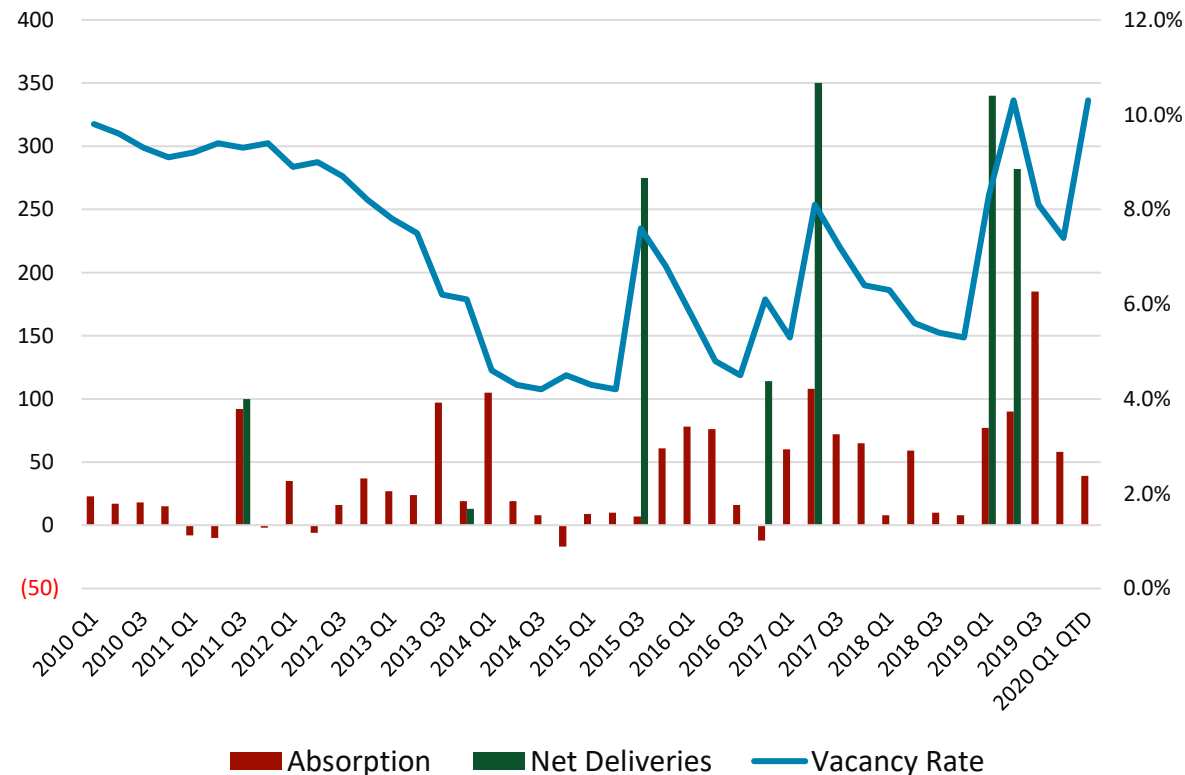


Apartment market growth

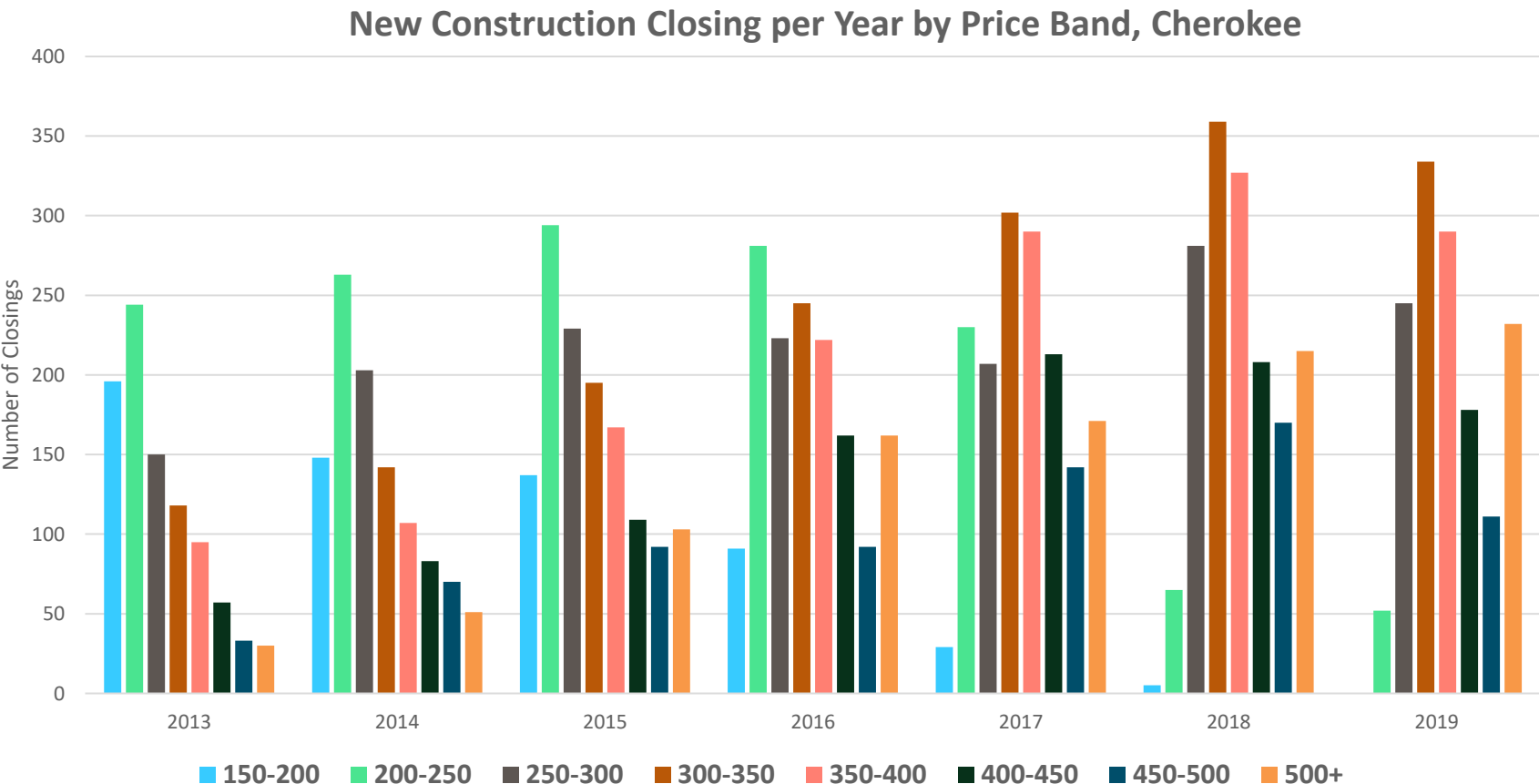
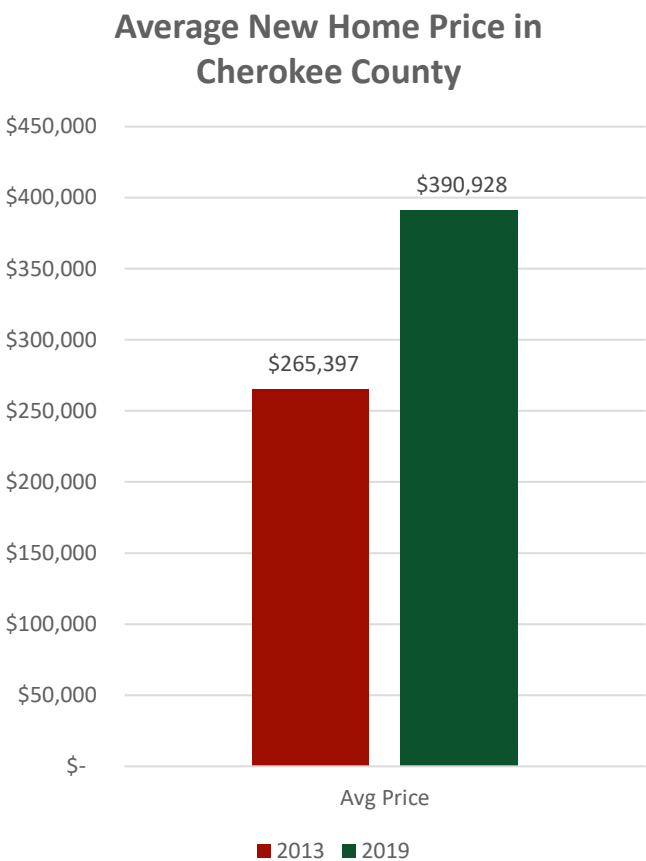
Cherokee County Multifamily Rent Metrics



Multifamily Absorption, Net Deliveries, & Vacancy



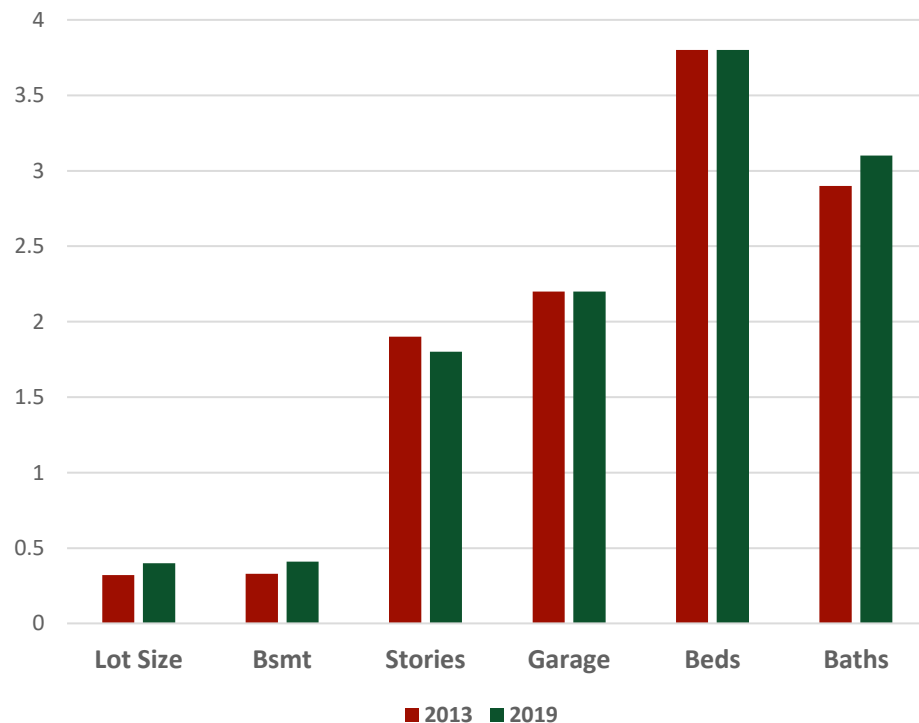
Higher-priced home construction ascending



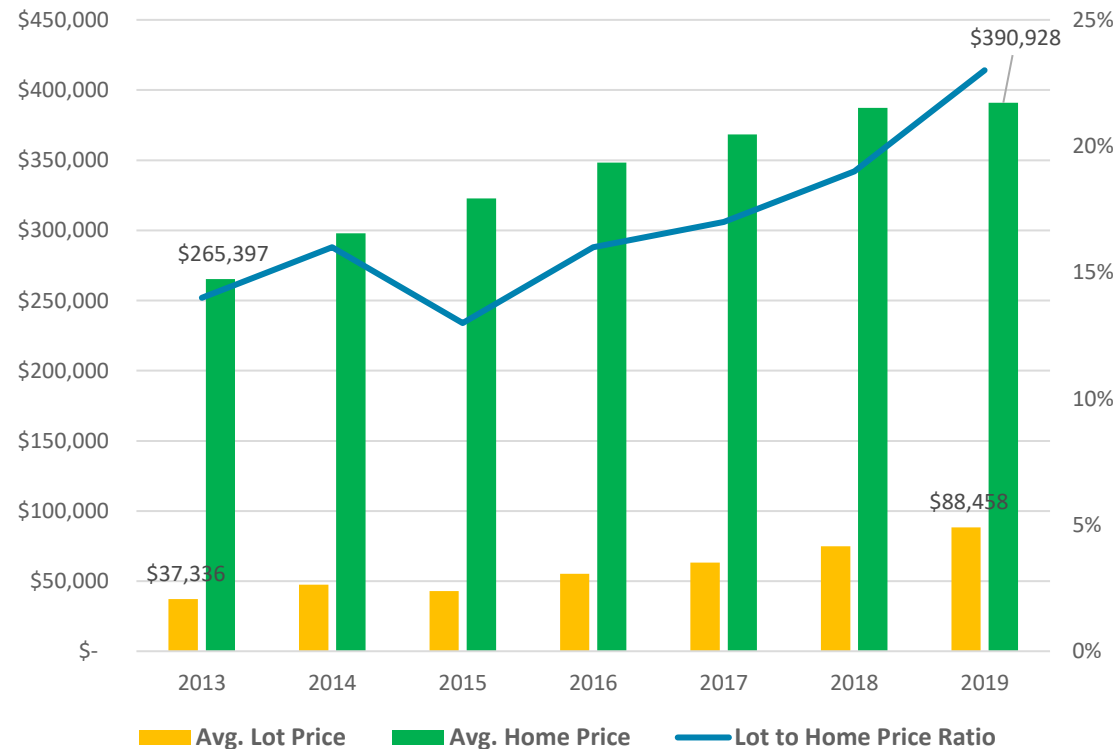
Data source: SmartREData

Higher-priced home construction ascending

New Home Characteristics: 2013 vs. 2019



Lot to Home Ratio



Data source: SmartREData

Housing Opportunity Matrix

KEY

Prevalent:

These are dominant housing types available in the specified location.

Limited:

Some options of these types are currently available in the specified location. Expansion of this product type is a near-term opportunity.

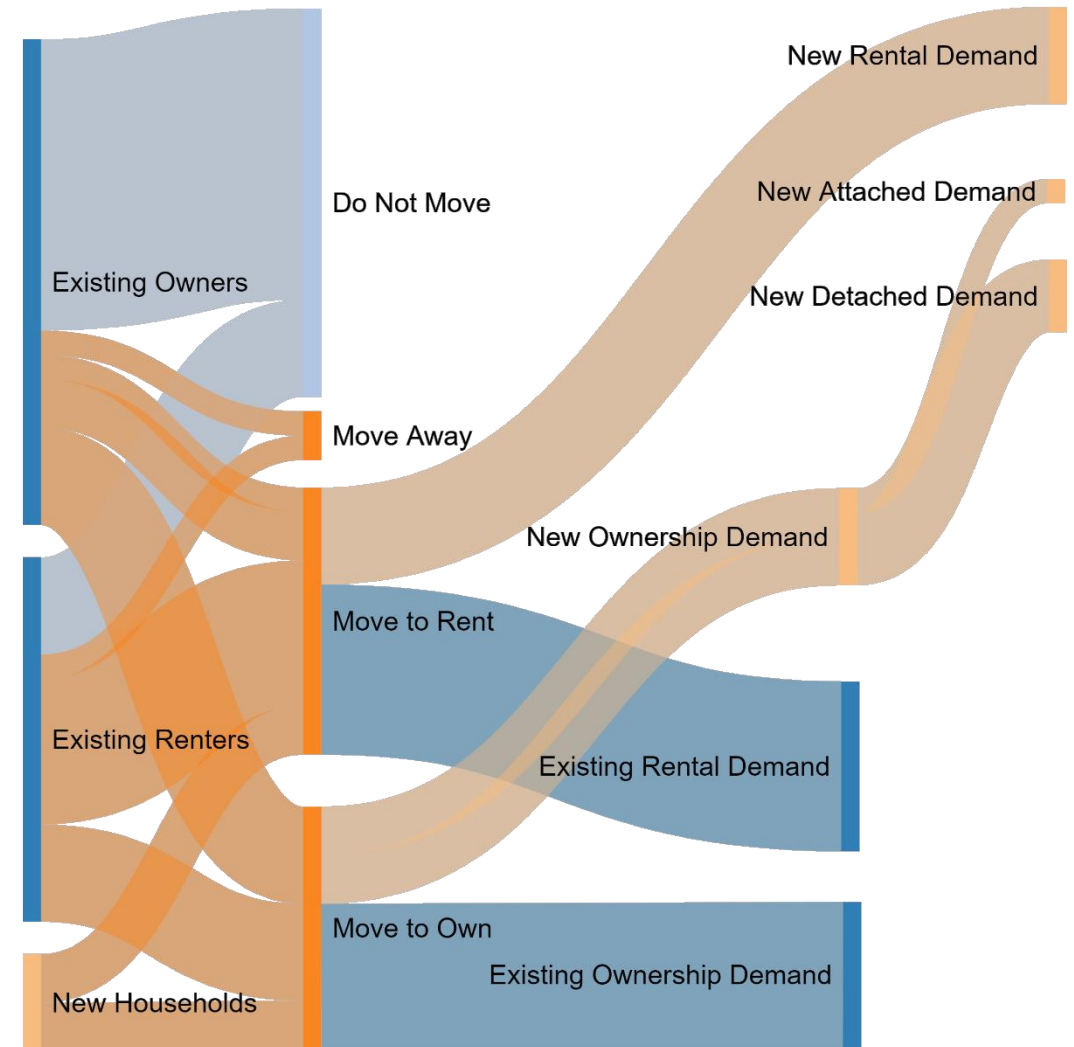
Opportunity:

Very few options of these housing types are currently available in the specified location.

For-Sale Types	Large-lot single family	Small-lot single family	Townhomes	Duplex / Quadplexes	Condominiums	Lofts over commercial space
Woodstock	Prevalent	Prevalent	Prevalant	Opportunity	Limited	Prevalent
Canton	Prevalent	Prevalent	Limited	Opportunity	Opportunity	Opportunity
Holly Springs	Prevalent	Prevalent	Opportunity	Opportunity	Opportunity	N/A
Ball Ground	Prevalent	Prevalent	Opportunity	Opportunity	Opportunity	N/A
Waleska	Prevalent	Prevalent	Opportunity	Opportunity	Opportunity	N/A

Rental Types	Mid- or High-Rise Multifamily	Garden Apartments	"Town Center" Apartments	Townhomes	Small Multifamily	Apartments over commercial space
Woodstock	N/A	Prevalent	Prevalent	Prevalent	Opportunity	Opportunity
Canton	N/A	Prevalent	Limited	Limited	Limited	Opportunity
Holly Springs	N/A	Prevalent	N/A	Opportunity	Opportunity	Opportunity
Ball Ground	N/A	Opportunity	N/A	Opportunity	Opportunity	Opportunity
Waleska	N/A	Opportunity	N/A	Opportunity	Opportunity	N/A

Housing Demand / Gaps



Housing Demand / Gaps

Annual Cherokee County housing production potential:

- Single-family Owner: 1,778 units
- Attached Owner: 587 units
- Rental: 1,479 units

TOTAL: 3,844*

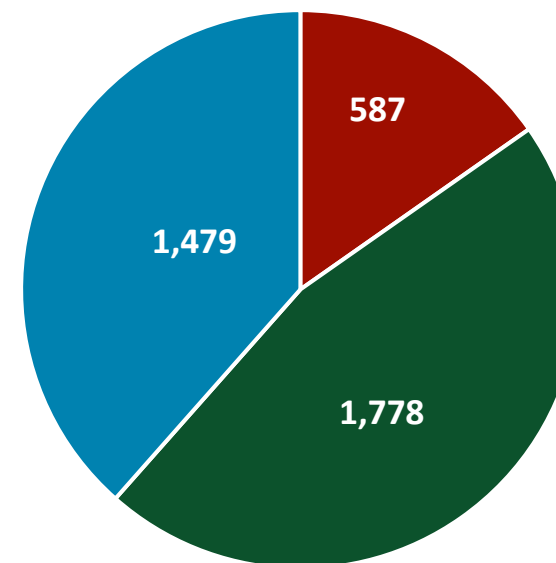
*represents achievable potential number of new homes to be absorbed into the county housing market annually through 2025.

This level of production is still lower than the peak permitting years in Cherokee:

- Single-family: 4,065 in 2005
- Multifamily: 1,264 in 2018

These forecast demand potential conclusions shown here and elsewhere herein are indicative, rather than predictive.

Cherokee County Annual New Demand by Tenure & Type

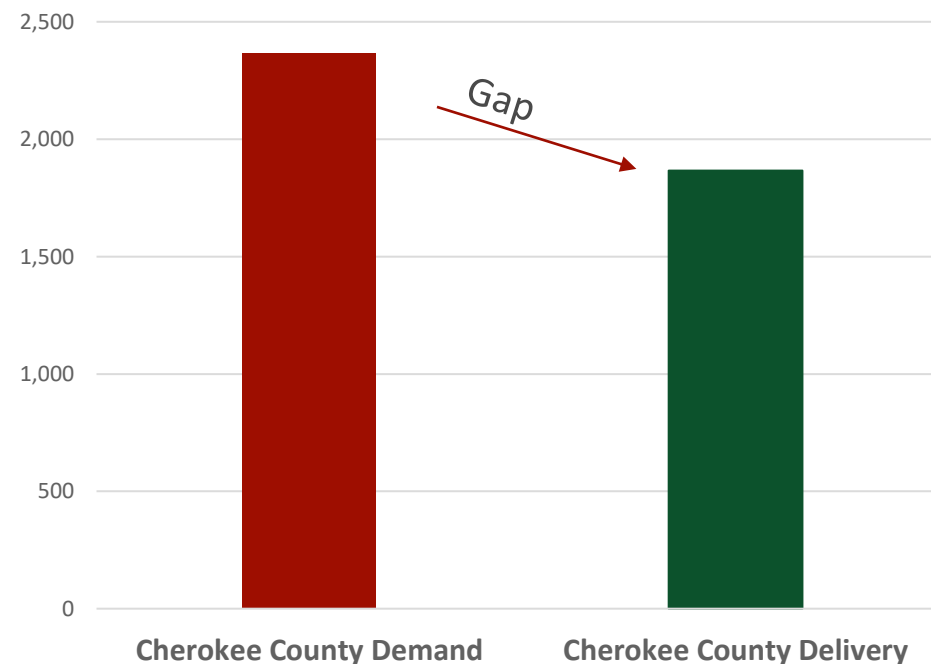
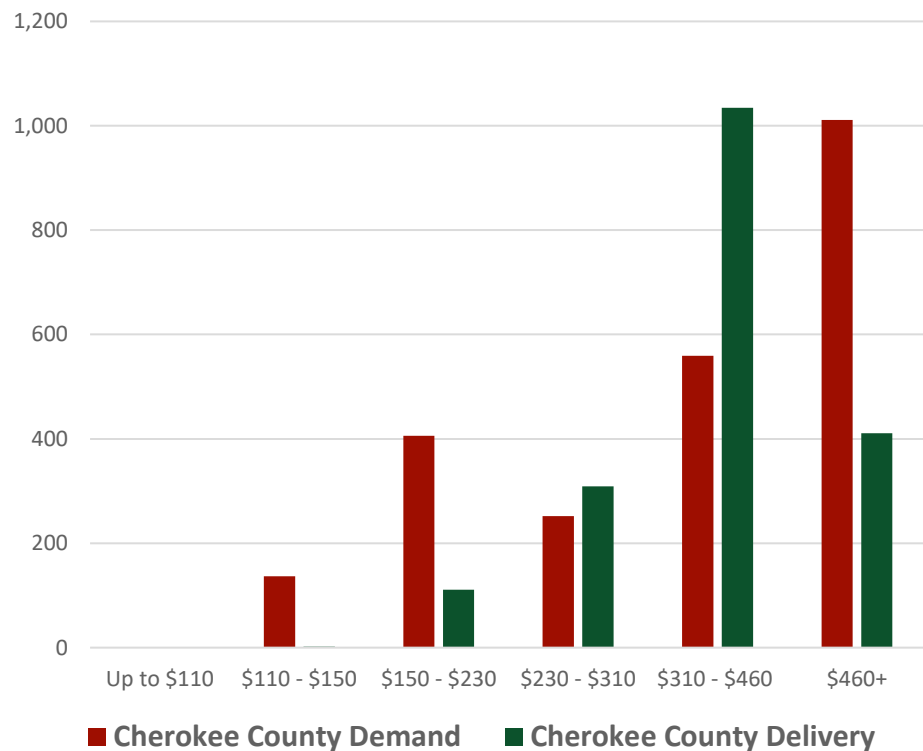


■ New Owner Attached ■ New Owner Detached ■ New Rental Units

Source: Bleakly Advisory Group

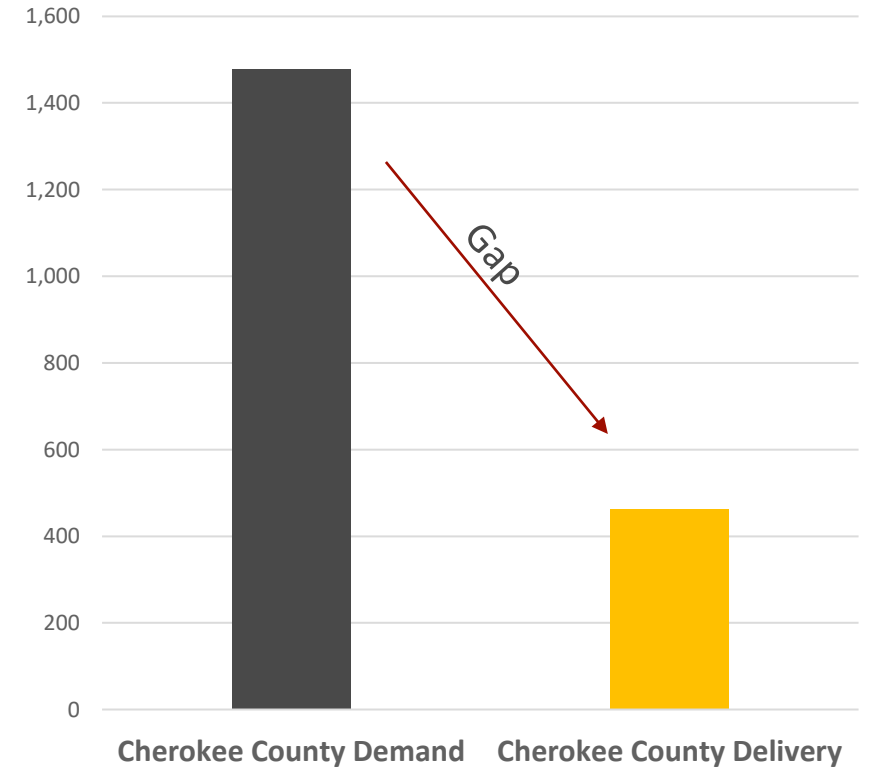
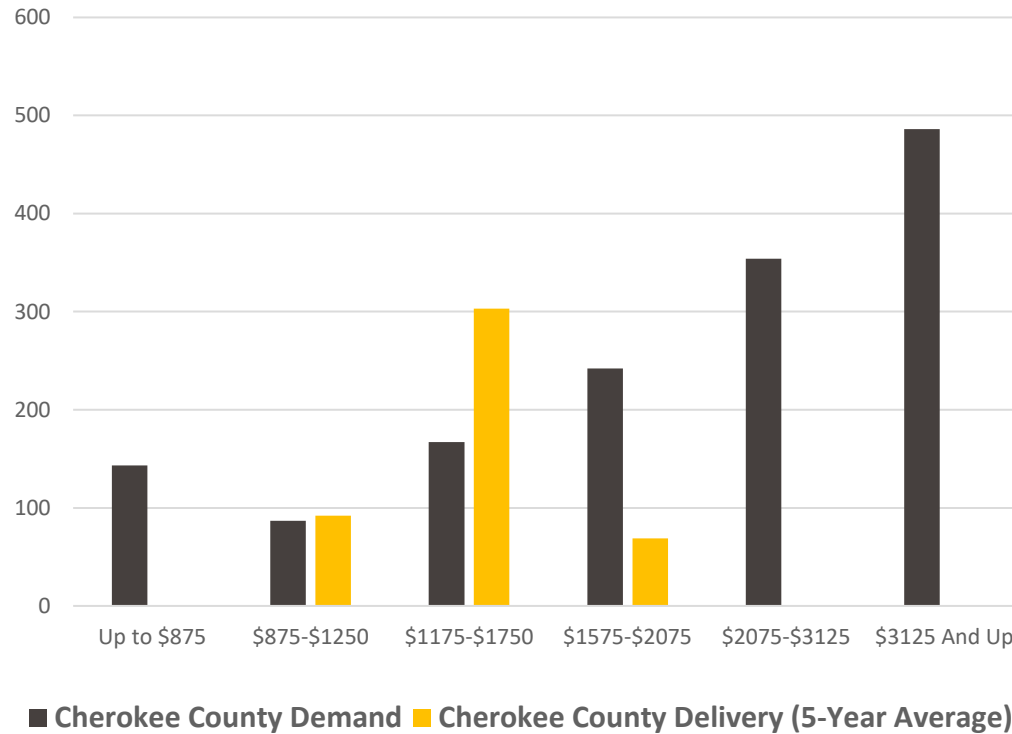
Housing Demand / Gaps

Owner

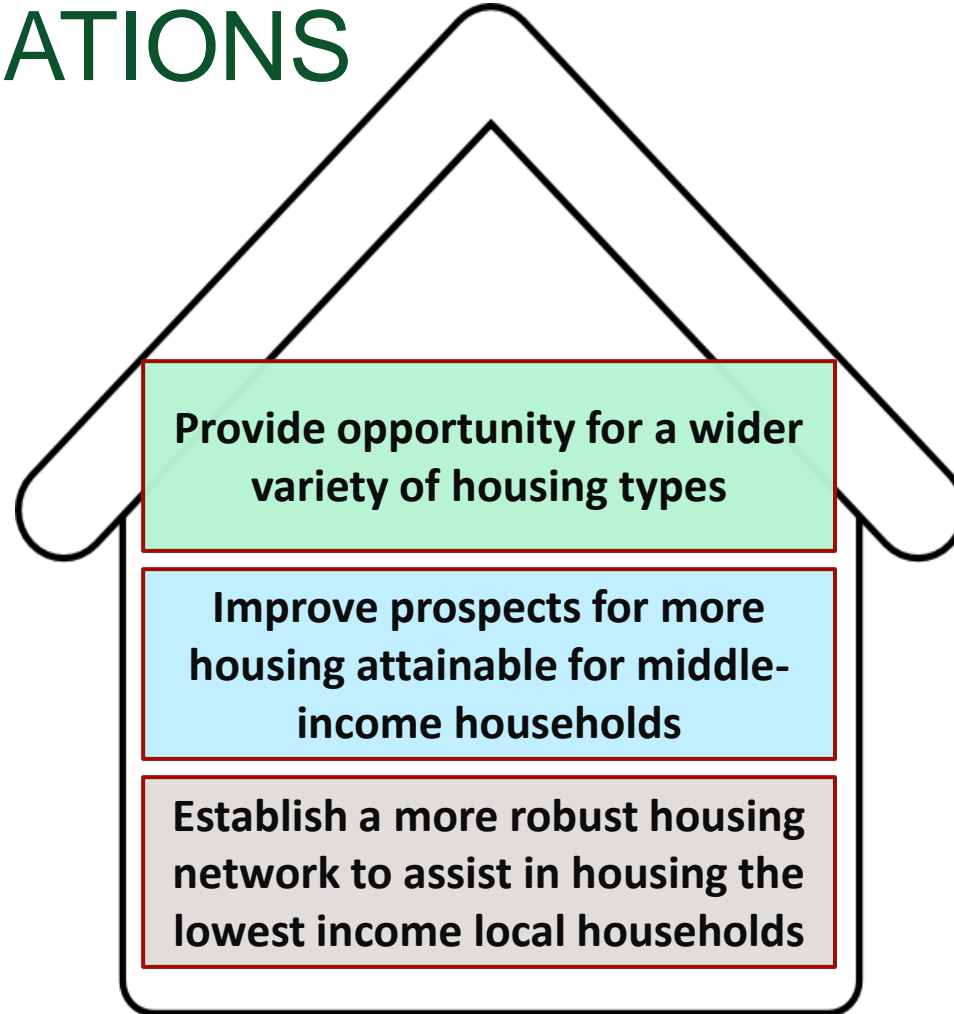


Housing Demand / Gaps

Renter



RECOMMENDATIONS



Some specific strategic actions can often address more than one of these broad recommendations at the same time.



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