

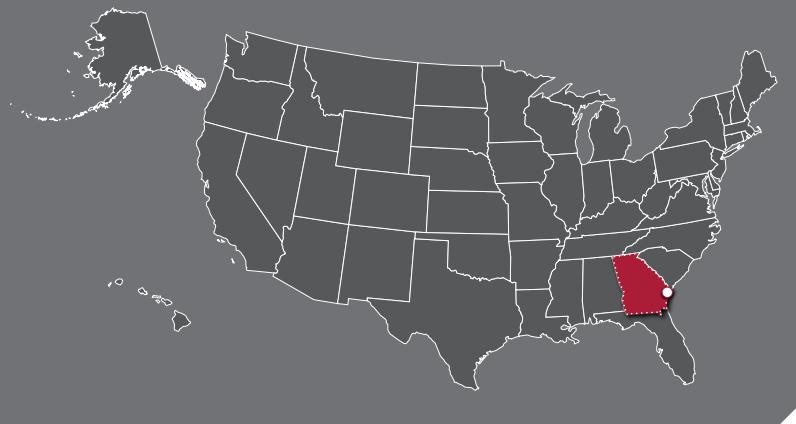
# HUD PD&R Housing Market Profiles

## Savannah, Georgia



### Quick Facts About Savannah

- Current sales market conditions: tight but easing
- Current rental market conditions: balanced
- In 1733, the city of Savannah was designed with a grid layout centered around 24 public squares, creating the first planned city in the nation. Of the 24 original public squares near the riverfront, the remaining 22 are tourist destinations and part of the largest National Historic Landmark District in the United States.



By [Maciej D. Misztal](#) | As of September 1, 2023

### Overview

The Savannah, GA Metropolitan Statistical Area (hereafter, Savannah metropolitan area) consists of Bryan, Chatham, and Effingham Counties south of the Savannah River along the southeast coast of Georgia. The largest university in the metropolitan area by enrollment is the Savannah College of Art and Design (SCAD); the campus includes 67 buildings, including museums and galleries, many of which are in the historic district. The transportation and utilities sector is anchored by the Port of Savannah, the fourth busiest container port in the nation, moving 5.8 million TEUs (twenty-foot equivalent units) in 2022, up 8 percent from 2021 (Georgia Ports Authority). The home sales market is tight but easing; rising mortgage interest rates have suppressed home sales and slowed price growth. Rental market conditions are balanced, but apartment market conditions are slightly soft, following significant construction activity in 2022.

- As of September 1, 2023, the population of the Savannah metropolitan area is estimated at 427,700, reflecting an average increase of 1.6 percent annually since April 1, 2020, with 87 percent attributable to net in-migration.

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By comparison, from July 2016 to April 2020, population growth averaged 1.0 percent a year, with 57 percent attributable to net in-migration (U.S. Census Bureau decennial census count, population estimates as of July 1, and estimates by the analyst).

- Since 2020, net natural change has slowed to an estimated 880 people annually, compared with an

average of 1,675 people annually from 2016 to 2020, due in part to an aging population.

- Net in-migration averaged 2,250 people annually from 2016 to 2020 and has increased to an estimated average of 5,850 people annually since 2020. Net in-migration has been the primary component of population growth every year since 2014.

## Economic Conditions

Nonfarm job growth remains strong but has slowed since July 2021, when the economy in the Savannah metropolitan area recovered the 31,300 jobs lost at the beginning of the COVID-19 pandemic (monthly data, not seasonally adjusted). Nonfarm payrolls as of the 3 months ending August 2023 were up by 4,600 jobs, or 2.3 percent, from a year earlier to 204,200 and up by 14,600 jobs, or 7.7 percent, from the 3 months ending August 2019 before the pandemic. By comparison, payrolls in Georgia and the nation during the most recent 3 months were 6.1 percent and 3.5 percent higher from the 3 months ending August 2019, respectively.

As of the 3 months ending August 2023—

- The leisure and hospitality sector increased by 2,200 jobs, or 7.9 percent, from a year earlier and was the fastest growing sector during the period. In 2022, overnight trips by people reached a record of approximately 9.7 million, with visitor

spending in the metropolitan area increasing to \$4.4 billion that year, up from \$3.3 billion the year before and \$3.1 billion during 2019 before the pandemic (Longwoods International).

- Nonfarm payroll growth moderated compared with a year ago, primarily because of losses in the professional and business services, the transportation and utilities, and the wholesale and retail trade sectors, which declined by 700, 400, and 300 jobs, or 2.6, 2.2, and 1.0 percent, respectively. Cargo volume at the Port of Savannah decreased 28 percent since it peaked in August 2022, partly due to construction activity at the port temporarily reducing capacity.
- The education and health services and the government sectors expanded by 1,800 and 600 jobs, or 6.5 and 2.6 percent, respectively, from a year ago. Seven of the 10 largest employers in the Savannah metropolitan area are in these sectors, including two universities, two

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**Nonfarm payroll growth in the Savannah metropolitan area was strong as of the 3 months ending August 2023, with gains in 7 of 11 sectors from a year ago.**

	3 Months Ending		Year-Over-Year Change	
	August 2022 (Thousands)	August 2023 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	199.6	204.2	4.6	2.3
Goods-Producing Sectors	28.5	29.5	1.0	3.5
Mining, Logging, & Construction	9.1	9.6	0.5	5.5
Manufacturing	19.4	19.9	0.5	2.6
Service-Providing Sectors	171.1	174.7	3.6	2.1
Wholesale & Retail Trade	30.0	29.7	-0.3	-1.0
Transportation & Utilities	18.4	18.0	-0.4	-2.2
Information	1.8	1.7	-0.1	-5.6
Financial Activities	6.9	7.0	0.1	1.4
Professional & Business Services	27.2	26.5	-0.7	-2.6
Education & Health Services	27.5	29.3	1.8	6.5
Leisure & Hospitality	27.9	30.1	2.2	7.9
Other Services	8.0	8.3	0.3	3.8
Government	23.5	24.1	0.6	2.6
<b>Unemployment Rate</b>	3.1%	3.2%		

Note: Numbers may not add to totals due to rounding.  
Source: U.S. Bureau of Labor Statistics



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hospitals, and the civilian employees of Fort Stewart and Hunter Army Airfield combined.

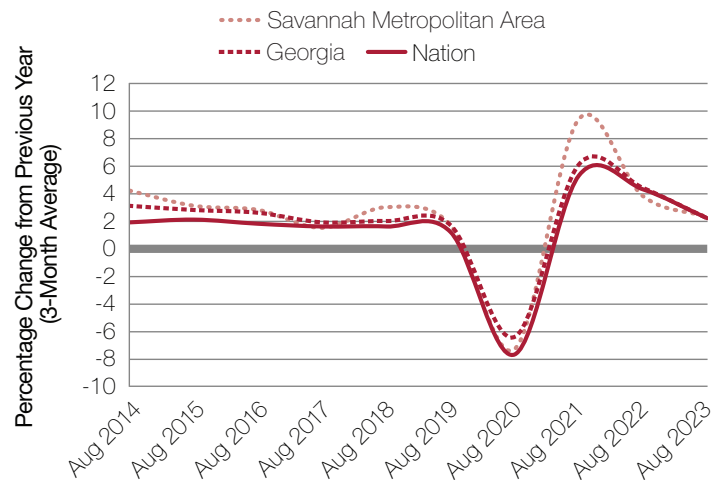
- The unemployment rate increased to 3.2 percent from 3.1 percent during the same period a year earlier.

During the past year, job growth in the goods-producing sectors has been strong. The mining, logging, and construction and the manufacturing sectors added 500 jobs each, or 5.5 and 2.6 percent, respectively, as of the third quarter of 2023, compared with 2.8 and 0.9 percent for the nation. In October 2022, Hyundai Motor Group (hereafter, Hyundai) began construction on a \$6.9 billion electric vehicle assembly and battery plant (hereafter, Metaplant) near the unincorporated community of Ellabell in Bryan County, which is expected to open in January 2025. Other investments in anticipation of the plant opening include an additional \$2 billion from parts supply manufacturers, \$650 million for local infrastructure, and \$63 million for a quick-start training facility. Construction is ongoing in the metropolitan area to meet the residential and commercial needs of the expected 13,000 employees needed to operate the plant at full capacity. The Gulfstream Aerospace Corporation is headquartered and the largest employer in the Savannah metropolitan area. Manufacturing in the metropolitan area is diverse and includes the SNF Holding Company, Georgia-Pacific LLC, and J C Bamford Excavators Ltd, which produce chemicals, paper products, and construction equipment, respectively. Construction activity has increased, largely because of growth in manufacturing and residential development, supporting growth in the mining, logging, and construction sector.

## Sales Market Conditions

The home sales market in the Savannah metropolitan area is slightly tight. Market conditions eased from very tight after mortgage interest rates started to rise in January 2022. As of December 30, 2021, the average interest rate for a 30-year fixed-rate mortgage was 3.1 percent; by August 24, 2023, the rate was 7.2 percent (Freddie Mac). This rate has increased the cost of home ownership and slowed sales but has not yet led to a balanced market. The months of supply of for-sale inventory is low in the metropolitan area, mainly because the rise in interest rates has deterred many owners who purchased or refinanced at lower rates from selling their homes. In August 2023, the inventory of homes for sale represented a 1.7-month supply, down from 1.9 months a year earlier and significantly lower than the 5.3-month supply as of August 2019, before the pandemic (Redfin, a national real estate brokerage). Seriously delinquent mortgages and real estate owned (REO) properties rose because of the impacts of the COVID-19 pandemic but are declining.

As of the 3 months ending August 2023, nonfarm payrolls in the Savannah metropolitan area increased at a slightly faster pace on a year-over-year basis than for the state of Georgia and the nation.



Source: U.S. Bureau of Labor Statistics

## Largest Employers in the Savannah Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Gulfstream Aerospace Corporation	Manufacturing	11,300
St. Joseph's/Candler Health System, Inc.	Education & Health Services	4,650
Fort Stewart-Hunter Army Airfield	Government	4,300

Notes: Excludes local school districts. Includes civilian employees only. Fort Stewart-Hunter Army Airfield figures include Liberty County.  
Source: Savannah Area Chamber of Commerce

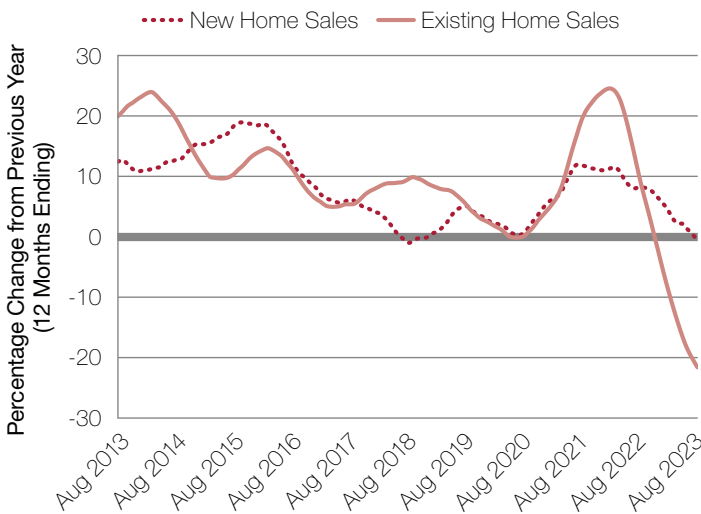
- Existing home sales decreased 21 percent during the 12 months ending August 2023 to 105,500 homes sold, following a 10-percent increase during the previous 12 months. Price growth is slowing for existing home sales; the average existing home sales price increased 12 percent year over year to \$336,500, compared with 16 percent during the previous 12 months.
- New home sales totaled 22,250, a decrease of less than 1 percent compared with a year earlier, whereas the 22,400 new home sales during the 12 months ending August 2022 were more than 8 percent higher than new home sales a year earlier. Price growth continues to accelerate for new home sales; the average price increased nearly 19 percent year over year to \$383,600, compared with 14 percent in the previous 12 months.

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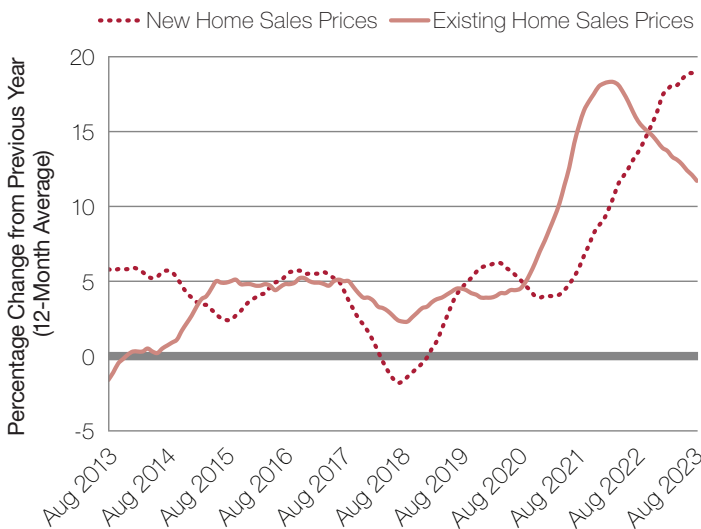
- The shares of seriously delinquent mortgages and REO properties in the metropolitan area in August 2023 and August 2022 were 1.1 and 1.6 percent, respectively, compared with 1.0 and 1.3 percent for the nation (CoreLogic, Inc.). The shares increased from a low of 1.7 percent during March 2020 to a high of 5.4 percent during August 2020, compared with 1.3 and 4.4 percent, respectively, for the nation.

**During the 12 months ending August 2023, home sales in the Savannah metropolitan area slowed.**



Note: New and existing sales include single-family homes, townhomes, and condominium units.  
Source: CoreLogic, Inc., with adjustments by the analyst

**During the 12 months ending August 2023, only existing home sales price growth in the Savannah metropolitan area slowed.**



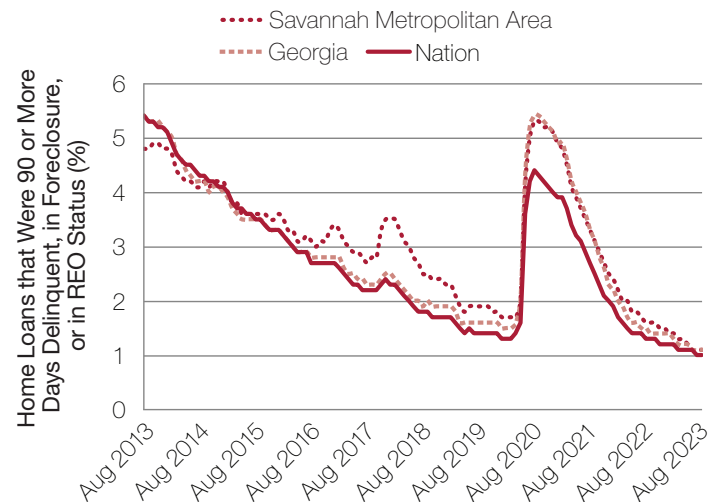
Note: New and existing prices include single-family homes, townhomes, and condominium units.  
Source: CoreLogic, Inc.

Single-family home construction, as measured by the number of homes permitted, was relatively steady during the most recent 12 months despite rising mortgage interest rates because builders anticipate population growth due to the construction of the Metaplant.

- The number of single-family homes permitted increased less than 1 percent from a year earlier to approximately 2,350

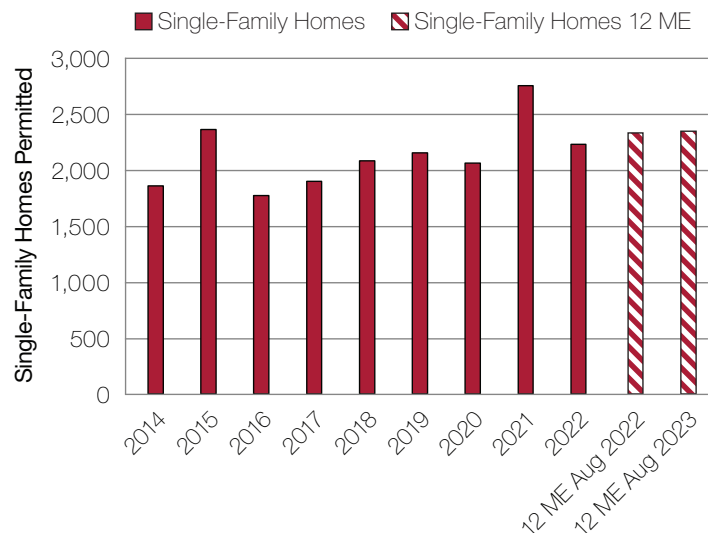
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**The rate of mortgages that are seriously delinquent or in REO status in the Savannah metropolitan area is lower than at any time in the past decade.**



REO = real estate owned.  
Source: CoreLogic, Inc.

**Single-family homebuilding in the Savannah metropolitan area was relatively strong during the past 12 months.**



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



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during the 12 months ending August 2023 (preliminary data). For context, an average of 2,075 single-family homes were permitted annually from 2016 through 2019.

- During the 12 months ending August 2023, 54 percent of single-family home construction in the metropolitan area occurred in Chatham County, 31 percent in Effingham County, and 15 percent in Bryan County.

- The largest active master-planned community, 2,588-acre Savannah Quarters, is in the city of Pooler in Chatham County. Currently, 243 attached and detached homes are under development or for sale, and 163 homes have been sold during the past year, with prices ranging from \$305,000 to \$600,000.

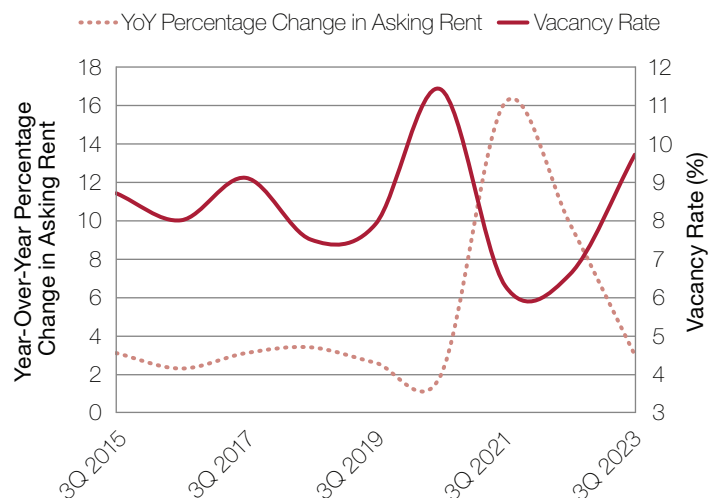
## Rental Market Conditions

The rental market in the Savannah metropolitan area is currently balanced, with an estimated 8.9-percent vacancy rate, down slightly from 9.1 percent in April 2020. Single-family homes accounted for 37 percent of all occupied rental units during 2022, down from 41 percent in 2010 (2010 and 2022 American Community Survey [ACS] 1-year data). The average vacancy rate for professionally managed single-family rental homes in August 2023 was 2.3 percent, unchanged from a year ago and down from 2.9 percent during August 2019, before the pandemic (CoreLogic, Inc.). Structures with five or more units, typically apartments, are the most common type of rental units in the metropolitan area, accounting for 39 percent of all occupied rental units in 2022, up from 36 percent in 2010 (ACS 1-year data). As of the third quarter of 2023, the apartment market was slightly soft, with a vacancy rate of 9.7 percent, up from 6.6 percent a year earlier (CoStar Group), partly because of increased inventory when many units entered the market. The average apartment rent increased 3 percent to \$1,610 as of the third quarter of 2023 from the same quarter a year earlier. By comparison, the average apartment rent rose 10 and 16 percent as of the third quarters of 2022 and 2021, respectively, compared with the same quarters a year earlier.

As of the third quarter of 2023—

- Of the seven CoStar Group-defined market areas with the greatest number of units, the downtown Savannah market area, which contains the National Historic Landmark District and much of SCAD, had the highest average rent and vacancy rate. The average rent increased 2 percent from a year earlier to \$2,188, and the vacancy rate was 20.4 percent, partly due to the recent addition of 520 units during the past year.
- The Pooler-Bloomingdale market area in northwest Chatham County, which has the best access to the Hyundai Metaplan, had the greatest increase in inventory during the past year, 710 units, contributing to a vacancy rate of 13.6 percent. Despite the high vacancy rate, the average rent, which was already the second highest at \$1,746, grew 2 percent year over year.

### An increase in apartment vacancies in the Savannah metropolitan area during the past year contributed to slower rent growth.



3Q = third quarter. YoY = year-over-year.  
Source: CoStar Group

- The East Savannah market area, which is between the National Historic Landmark District and Tybee Island, had the lowest vacancy rate at 4.8 percent and the highest annual rent growth at 3 percent as of the third quarter of 2023. Relatively few units were added during the past year, contributing to higher rent growth and an average rent of \$1,556.
- The Southside Savannah market area, which contains Hunter Army Airfield and the largest mall in the Savannah metropolitan area, had the lowest rent of \$1,335. The vacancy rate was the second lowest at 5.8 percent, and no units were added in the past year.

As measured by the number of multifamily units permitted, multifamily construction activity was strong despite softening apartment market conditions during the past 12 months. Permitting reached unprecedented levels in 2022 at 3,600 units, nearly double the previous record-setting year of 2018. For context, permitting during 2022 accounted for almost

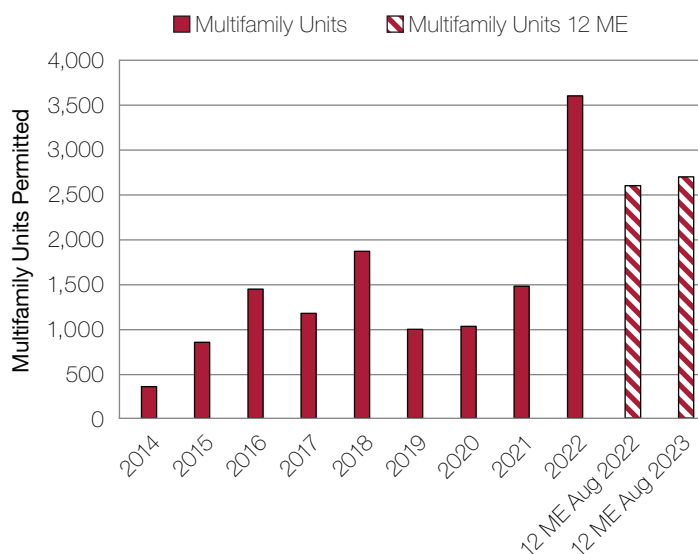
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28 percent of all multifamily permitting from 2014 through 2022. Multifamily construction was already relatively strong before Hyundai made the official Metaplant announcement in May 2022, which reinvigorated construction partially in response to the announcement despite softening conditions.

- During the 12 months ending August 2023, multifamily permitting increased 4 percent year over year to approximately 2,700 units (preliminary data, with adjustments by the analyst).
- Since 2020, multifamily homebuilding activity has been elevated in the Downtown Savannah and Pooler-Bloomingtondale market areas. The cities of Savannah and Pooler accounted for 67 and 13 percent, respectively, of multifamily units permitted in the Savannah metropolitan area during this period.
- Botanic Luxury Apartments were completed in April 2023 in the Pooler-Bloomingtondale market area. The 391-unit property averaged rents of \$1,784 for one-bedroom units, \$2,135 for two-bedroom units, and \$2,870 for three-bedroom units.
- Students are estimated to account for 4 percent of renter households in the Savannah metropolitan area. With a vacancy rate of 6.7 percent as of the third quarter of 2023, off-campus student housing accommodates approximately 42 percent of students at an average rent of \$1,108 a bed (CoStar Group).

**Multifamily permitting activity in the Savannah metropolitan area during 2022 was significantly higher than during any year since 2014.**



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

## Terminology Definitions and Notes

### A. Definitions

Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and REO sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

### B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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