Augusta-Richmond County, Georgia-South Carolina

The Augusta-Richmond County metropolitan area, on the Savannah River, consists of Burke, Columbia, McDuffie, and Richmond Counties in Georgia and Aiken and Edgefield Counties in South Carolina. The city of Augusta is nationally known for hosting the annual golf event, the Masters® Tournament at the Augusta National Golf Club. The metropolitan area is also home to Fort Gordon, headquarters of the U.S. Army Signal Corps, and the U.S. Department of Energy's Savannah River Site, a nuclear fuel-processing facility. As of January 1, 2013, the population of the metropolitan area was estimated at 570,600, reflecting an average annual increase of approximately 5,000, or 0.9 percent, since April 2010.

The economy of the metropolitan area has not sustained growth since 2007, when nonfarm payrolls peaked at 215,100 jobs. From 2007 through 2009, the economy lost an average of 3,500 jobs, or 1.6 percent, annually, bringing the number of nonfarm payrolls to 208,200 jobs. In 2010 and 2011, the labor market stabilized somewhat, adding an average of 800 jobs, a 0.4-percent increase, annually. The economic recovery stalled during 2012, when nonfarm payrolls decreased by 3,800 jobs, or 1.8 percent, to 206,100 jobs, the lowest level since 2002. During the 12 months ending November 2012, the unemployment rate averaged 9.1 percent, relatively unchanged from the previous 12 months. Approximately 40 percent of the total net job losses since 2007 occurred in the mining, logging, and construction sector. After peaking at 14,200 jobs in 2006, employment in this sector declined because of decreased building activity. During 2012, the mining, logging, and construction sector averaged 10,200 jobs, down 700, or 6.5 percent, from 2011.

The federal government and military have a large impact on the economy of the metropolitan area. The largest employer in the area, the Savannah River Site, employs nearly 12,000 federal government employees and contractors. The other major federal employer in the metropolitan area, Fort Gordon, is in both Richmond and Columbia Counties and has a workforce of approximately 15,700 military and 7,100 civilian personnel. The education and health services sector has led the metropolitan area in job growth since 2008, growing by an average of 300 jobs, or 1.1 percent, annually. During 2012, education and health services employment averaged 29,600 jobs, up 500 jobs, or 1.8 percent, from the previous year. According to the Augusta Metro Chamber of Commerce, the two largest nongovernment employers, the Medical College of Georgia and University Health Care System, are in this sector.

The sales housing market in the Augusta-Richmond County metropolitan area is soft because of weak economic conditions and an oversupply of existing homes. The current sales vacancy rate is estimated at 2.6 percent, down slightly from 2.7 percent in April 2010. According to Hanley Wood, LLC, during the 12 months ending October 2012, the number of existing home sales increased 6 percent, to 4,950 homes sold. From 2005 through 2007, an average of 8,875 existing homes sold annually, before existing home sales steadily decreased to 5,175 in 2011. Despite the drop in the number of sales, the average home price remained relatively constant, averaging $145,600 from 2006 through 2008 compared with the $142,700 average recorded during the 12 months ending October 2012. According to LPS Applied Analytics, in November 2012, 5.4 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO [Real Estate Owned], up from 5.1 percent in November 2011. In November 2012, the national rate was 7.2 percent.

Single-family construction activity, as measured by the number of single-family homes permitted, increased by 100 homes, or 5 percent, to 2,075 homes permitted during the 12 months ending November 2012, based on preliminary data. The current level of permitting activity remains well below the average of 3,150 homes permitted annually from 2000 through 2007. In 2008, single-family building activity declined sharply, to a low of 1,800 homes permitted, before increasing to an average of 2,550 homes permitted annually in 2010 and 2011. Most new single-family home developments are in eastern Columbia County, southern Richmond County, and along the US Route 1 corridor in Aiken County. According to Hanley Wood, LLC, the largest new development, as measured by the number of new single-family homes sold in 2012, was Hidden Creek in Grovetown, Georgia. This development, near Interstate 20 in Columbia County, has four-bedroom homes available from $180,000 and six-bedroom homes available from $320,000.

The rental housing market in the Augusta-Richmond County metropolitan area is soft but improving. The rental market has improved since 2009 because of limited apartment construction and an increased number of households seeking to rent instead of buy. The overall
rental vacancy rate is estimated at 7.6 percent, down from 9.1 percent in April 2010. As of the third quarter of 2012, Reis, Inc., reported a 6.1-percent apartment vacancy rate in surveyed properties, down from 7.3 percent during the third quarter of 2011. During the same period, the average apartment asking rent increased 3 percent, to approximately $650. Average apartment rents were $585 for a one-bedroom unit, $650 for a two-bedroom unit, and $850 for a three-bedroom unit. Based on preliminary data, during the 12 months ending November 2012, 20 multifamily units were permitted, a decrease of 150 units from the preceding 12 months, based on preliminary data. Most new market-rate properties are in eastern Columbia County and southern Richmond County. Sterlington Apartments, a 50-unit, market-rate apartment complex less than a mile from an entrance to Fort Gordon in Columbia County, opened in June 2012, with asking rents of $655 for one-bedroom units and $765 for two-bedroom units.