

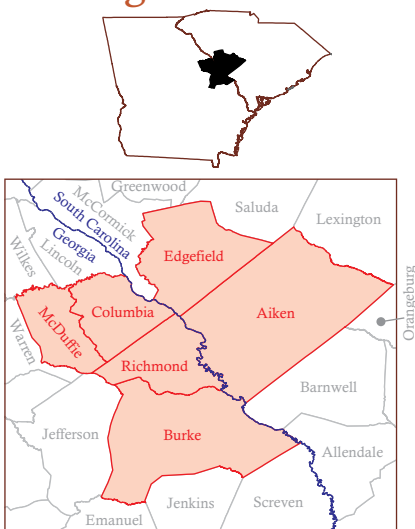


# Augusta-Richmond County, Georgia-South Carolina

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of July 1, 2013

PD&R

## Housing Market Area



The Augusta-Richmond County Housing Market Area (HMA), on the Savannah River on the border between Georgia and South Carolina, is coterminous with the Augusta-Richmond County Metropolitan Statistical Area. For purposes of this analysis, the HMA is divided into two submarkets: the Georgia submarket consists of Burke, Columbia, McDuffie, and Richmond Counties in Georgia, and the South Carolina submarket includes Aiken and Edgefield Counties in South Carolina. Since World War II, the HMA has been home to Fort Gordon, which currently employs 22,800 uniformed and civilian personnel.

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## Summary

### Economy

The economy of the Augusta-Richmond County HMA is weak, with nonfarm payrolls 1.6 percent less than the 2007 peak of 218,400 jobs. The local economy improved during the 12 months ending June 2013, adding 1,100 jobs, a 0.5-percent increase, to 215,000 jobs, compared with the number of jobs recorded during the 12 months ending June 2012. During the same 2013 period, the unemployment rate averaged 8.6 percent, down from 9.1 percent during the previous 12 months. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 1.1 percent annually.

### Sales Market

The sales housing market in the HMA is soft, with an estimated sales vacancy rate of 2.6 percent. During the 12 months ending June 2013, the number of existing home sales in the HMA increased

12 percent, to 5,350 homes, and the average home sales price increased 5 percent, to \$148,600 (Metrostudy, A Hanley Wood Company). During the 3-year forecast period, demand is expected for approximately 7,575 new homes, including 400 mobile homes (Table 1). A portion of the 13,150 other vacant units may return to the market and satisfy some of the demand.

### Rental Market

The rental housing market in the HMA is soft but improving, with an estimated 8.0-percent vacancy rate, down from the 9.1-percent rate recorded in April 2010. The rental market has improved because apartment construction has been limited since 2010. During the next 3 years, demand is expected for 770 new market-rate rental units (Table 1). The 240 units currently under construction will meet a portion of the demand.

**Table 1. Housing Demand in the Augusta-Richmond County HMA, 3-Year Forecast, July 1, 2013, to July 1, 2016**

	Augusta-Richmond County HMA		Georgia Submarket		South Carolina Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	7,575	770	5,000	510	2,575	260
Under construction	890	240	670	240	220	0

*Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2013. A portion of the estimated 13,150 other vacant units in the HMA will likely satisfy some of the forecast demand. Includes an estimated demand for 200 mobile homes in the Georgia submarket and 200 mobile homes in the South Carolina submarket.*

*Source: Estimates by analyst*

# Economic Conditions

Nonfarm payrolls in the Augusta-Richmond County HMA remained steady, at an average of 216,200 jobs, from 2004 through 2006; they then peaked at 218,400 jobs in 2007. During 2008 and 2009, the HMA lost an average of 3,500 jobs, or 1.6 percent, annually, bringing the number of nonfarm payrolls to 211,500 jobs. The construction subsector and the manufacturing sector accounted for the most job losses. The labor market stabilized in 2010, increasing by 1,200 jobs, or 0.6 percent, and

in 2011 increasing by 1,600 jobs, or 0.8 percent. Increased payrolls in the professional and business services sector led recovery during this period. The economic recovery continued during the 12 months ending June 2013, with nonfarm payrolls increasing by 1,100 jobs, or 0.5 percent, to 215,000 jobs (Table 2). Nonfarm payrolls remain 3,400 jobs, or 1.6 percent, less than the 2007 peak.

During the 12 months ending June 2013, the unemployment rate averaged 8.6 percent, down from 9.1 percent during the previous 12 months. Some of the decline in the unemployment rate is because of people leaving the labor force, which declined by 240 people, or 0.1 percent. By comparison, the unemployment rate averaged 9.2 percent from 2009 through 2011 and 5.9 percent from 2005 through 2008 (Figure 1).

The federal government and military have a significant economic impact on the HMA. During the 12 months ending June 2013, 9,200 federal government subsector jobs, excluding uniformed military personnel and contractors, were in the HMA, up 100 jobs, or 1.6 percent, from the 12 months ending June 2012. The largest employer in the HMA is Fort Gordon, home to the U.S. Army Signal Center of Excellence (Table 3). Fort Gordon is in Columbia and Richmond Counties and employs approximately 15,700 military and 7,100 civilian personnel. Fort Gordon has an annual economic impact of \$1.2 billion dollars on the HMA (Alliance for Fort Gordon study). Unlike many other military bases, Fort Gordon was not affected by the 2005 Defense Base Closure and Realignment (BRAC) Commission Report. In 2012, the National Security Agency Central Security Service facility opened at

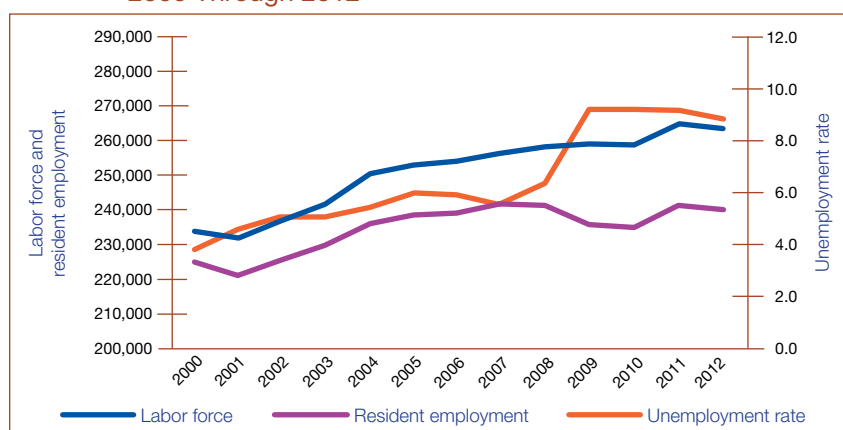
**Table 2.** 12-Month Average Nonfarm Payroll Jobs in the Augusta-Richmond County HMA, by Sector

	12 Months Ending June 2012	12 Months Ending June 2013	Percent Change
Total nonfarm payroll jobs	213,900	215,000	0.5
Goods-producing sectors	30,900	31,000	0.3
Mining, logging, & construction	11,100	11,200	0.9
Manufacturing	19,900	19,800	-0.5
Service-providing sectors	183,000	184,000	0.5
Wholesale & retail trade	29,400	29,400	0.0
Transportation & utilities	7,000	7,300	4.3
Information	2,500	2,600	4.0
Financial activities	7,600	7,700	1.3
Professional & business services	30,600	30,800	0.7
Education & health services	29,600	30,100	1.7
Leisure & hospitality	21,400	22,000	2.8
Other services	8,000	8,000	0.0
Government	46,600	46,000	-1.3

Notes: Based on 12-month averages through June 2012 and June 2013. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

**Figure 1.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Augusta-Richmond County HMA, 2000 Through 2012



Source: U.S. Bureau of Labor Statistics

**Table 3.** Major Employers in the Augusta-Richmond County HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Fort Gordon	Government	22,800
Savannah River Site	Government	12,000
Medical College of Georgia	Government	7,800
University Hospital	Education & health services	3,860
Augusta-Richmond County	Government	2,600
Charlie Norwood VA Medical Center	Government	2,000
East Central Regional Hospital (Gracewood Campus)	Government	1,600
E-Z-GO/Textron, Inc.	Manufacturing	1,276

*Notes:* Excludes local school districts. Savannah River Site and Fort Gordon employment figures include uniform military personnel, federal civilian personnel, and contractors.

*Sources:* Augusta Metro Chamber of Commerce; Savannah River Site; Fort Gordon

Fort Gordon. Although no official employment data have been released, the *Augusta Chronicle* reported that about 4,000 civilian and military personnel will be stationed at the facility. Many of these new jobs are already staffed, but a net increase in personnel is likely during the 3-year forecast period. The Savannah River Site (SRS), a nuclear site that is located partly in Aiken County (South Carolina) and that specializes in processing nuclear fuel, is the second largest employer in the HMA, with nearly 12,000 federal and contract employees. American Reinvestment and Recovery Act stimulus funding enabled the SRS to hire about 2,000 additional employees in 2009 and 2010. One-half of the workers at SRS reside in Aiken County and approximately one-fourth reside in Columbia and Richmond Counties (Georgia) (SRS Community Reuse Organization 2011 economic impact report).

For most of the history of the Augusta-Richmond County HMA, the manufacturing sector was the base of the economy. The textile industry was the largest part of this sector, and the city of Augusta was a center of cotton milling, cloth manufacturing, and fabric trade. Employment in the textile industry began to drop precipitously in

the 1970s because of intense competition from foreign manufacturers. This trend continued into the current decade; jobs in textile mills and apparel manufacturing decreased from 5,675 in 2002 to 2,650 in 2011. From 2000 through 2010, the manufacturing sector declined by 10,000 jobs, or 33 percent, to 19,900 jobs. During the 12 months ending June 2013, manufacturing sector payrolls averaged 19,800 jobs, relatively unchanged from the previous 12 months (Table 2). Despite the decline in this sector, reasons to be optimistic remain. Starbucks Corporation is building a coffee-roasting factory in the city of Augusta, which is scheduled to open in 2014 and expected to employ 140 people. Bridgestone Americas Tire Operations, LLC, is building a tire factory in Aiken County, which is expected to open in 2015 and employ 850 employees.

Approximately 40 percent of the total net job losses since 2007 occurred in the mining, logging, and construction sector. About 90 percent of jobs in this sector are in the construction subsector (Quarterly Census of Employment and Wages). After peaking at 14,200 jobs in 2006, the number of jobs in this sector declined because of decreased residential and commercial building activity. During the 12 months ending

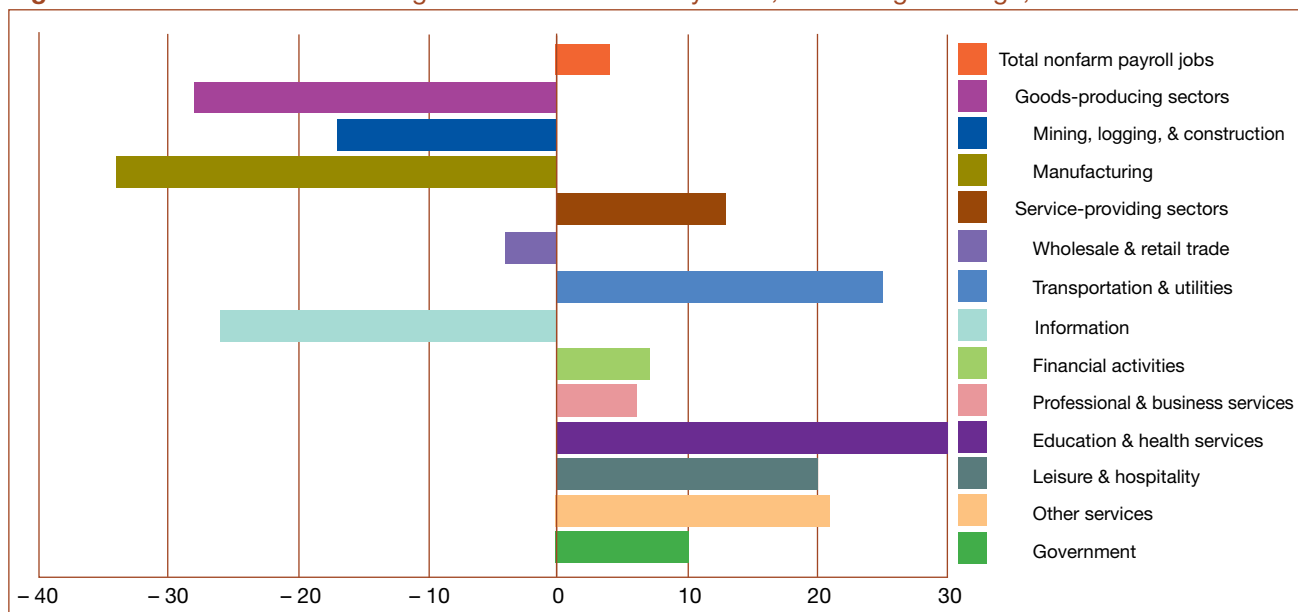
June 2013, nonfarm payrolls in this sector averaged 11,200 jobs, up 100 jobs, or 0.9 percent, from the preceding 12 months.

The education and health services sector has led the HMA with consistent job growth since 2000, averaging gains of 600 jobs, or 2.1 percent, annually, and it is the only sector to not have a single year of net job losses (Figure 2). During the 12 months ending June 2013, payrolls in the sector averaged 30,100 jobs, up 500 jobs, or 1.7 percent, from the previous 12 months. The

largest nongovernment employer in the HMA is in this sector, which is the second greatest source of non-government payrolls (Figure 3). The education and health services sector is projected to become the greatest source of jobs in the HMA during the 3-year forecast period because of long-term growth in healthcare spending and an aging population.

The HMA is best known for the Masters® Tournament, an annual professional golf event held at the Augusta National Golf Club. This

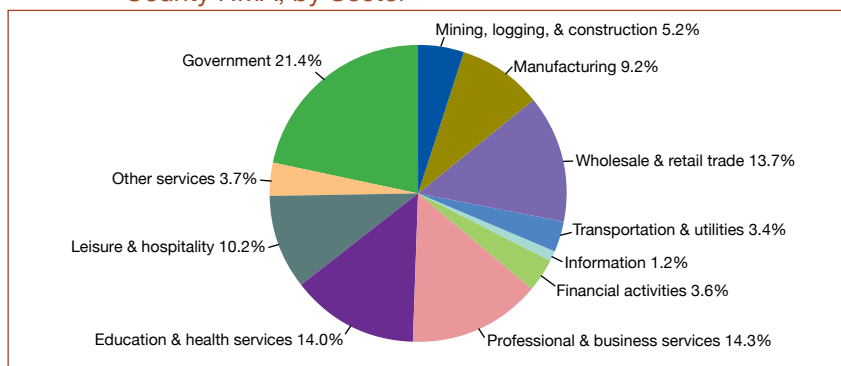
**Figure 2. Sector Growth in the Augusta-Richmond County HMA, Percentage Change, 2000 to Current**



Note: Current is based on 12-month averages through June 2013.

Source: U.S. Bureau of Labor Statistics

**Figure 3. Current Nonfarm Payroll Jobs in the Augusta-Richmond County HMA, by Sector**



Note: Current is based on 12-month averages through June 2013.

Source: U.S. Bureau of Labor Statistics

tournament has an annual economic impact of \$123 million in the state (professors at Georgia State University, 2003 study) and, together with other events and destinations in the HMA, supports the leisure and hospitality sector, which averaged 22,000 jobs during the 12 months ending June 2013, up 600 jobs, or 2.8 percent, from June 2012. Employment in this sector grew by an average of 400 jobs, or 1.8 percent, during the past 10 years.

During the next 3 years, nonfarm payrolls are expected to increase 1.2 percent annually, with steadily increasing employment growth

throughout the forecast period. The education and health services and the manufacturing sectors are expected to lead employment growth.

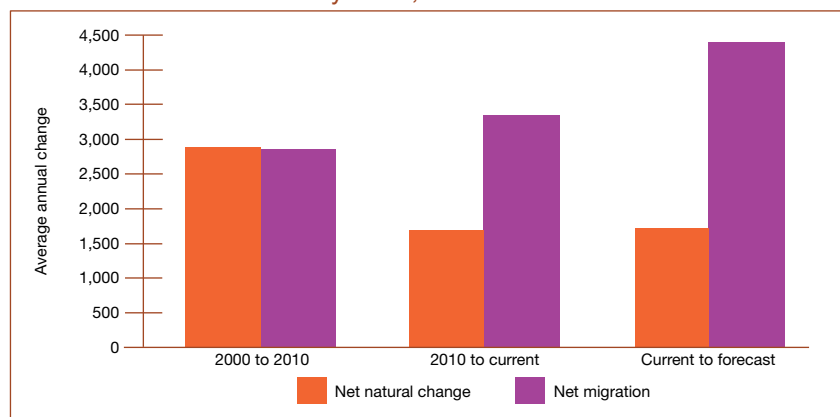
## Population and Households

Population growth in the Augusta-Richmond County HMA has been moderate since 2000, with consistently positive net natural change (resident births minus resident deaths) and net in-migration (Figure 4). From 2000 through 2005, the HMA's population increased by 4,500, or 0.9 percent, annually. Population growth increased from 2005 through 2009,

with the HMA's population growing by 6,750, or 1.2 percent, annually. Approximately 80 percent of the change in population growth between these two periods is a result of increased in-migration. As of July 1, 2013, the estimated population of the HMA was 573,300, an increase of 5,050, or 0.9 percent, annually since April 2010 (Figure 5). The populations of the two submarkets grew at an equal rate from 2000 through 2010 but, since April 2010, population growth in the South Carolina submarket has decreased to a rate about one-half that of the Georgia submarket. During the 3-year forecast period, an average annual population growth of 6,100 people, or 1.1 percent, is expected in the HMA, with an increasing rate of growth during the forecast period.

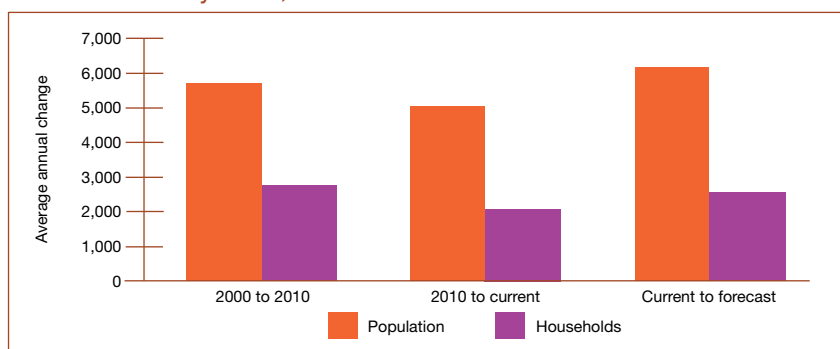
The Georgia submarket is home to the city of Augusta and most of the older urban areas in the HMA. Job opportunities in the city and at Fort Gordon lead many young families to make the submarket home. Approximately 55 percent of the population growth in the Georgia submarket was a result of positive net natural change, which has stayed relatively stable at an average 2,350 people annually since 2000. The substantial military presence in the submarket causes net migration to be erratic, because deployments and reassignments lead to inflows and outflows

**Figure 4.** Components of Population Change in the Augusta-Richmond County HMA, 2000 to Forecast



Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 5.** Population and Household Growth in the Augusta-Richmond County HMA, 2000 to Forecast



Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst



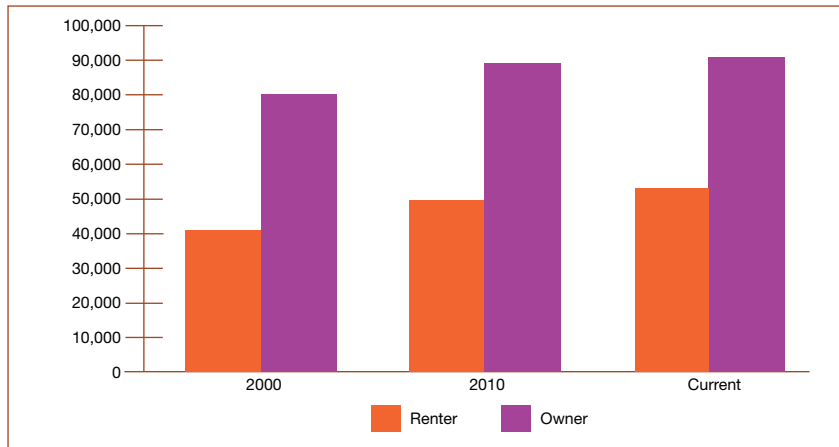
of residents. Since 2000, net migration has been positive in all but 1 year but has also registered annual changes of nearly 3,000 people. Because of its convenient access to the city of Augusta and Fort Gordon and new residential development and infrastructure, more than 90 percent of the submarket's net population growth between 2000 and 2010 occurred in Columbia County.

The population of the South Carolina submarket is older and more rural than that of the Georgia submarket.

Along with suburban areas adjacent to the city of Augusta, the submarket also includes the city of Aiken, an economically and demographically distinct city. Aiken and the surrounding areas include several developments targeted toward retirees, and approximately 19 percent of the city's population is 62 years old or older, more than the national and state averages of 16 and 17 percent, respectively. Because of suburban development near the city of Augusta and the demographic effect of retirees moving to the submarket, approximately 75 percent of the population growth in the submarket is caused by net in-migration.

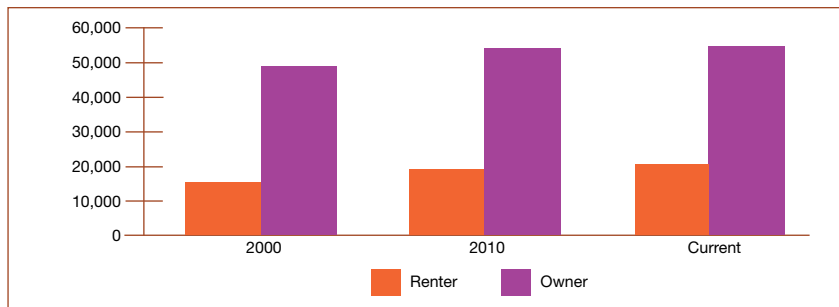
The HMA is currently home to an estimated 218,900 households (Table DP-1 at the end of this report). The rate of household growth is greater than the rate of population growth because of an aging population that is less likely to have children and a national trend of smaller household sizes. The decreased home sales prices in the HMA from 2007 through 2011 and the related increase in foreclosures caused the homeownership rate to decrease; as a result, since 2000, the number of renter households has grown faster than the number of owner households. Figures 6 and 7 show the number of households by tenure in the Georgia and South Carolina submarkets, respectively. During the forecast period, the number of households is expected to increase by 2,500, or 1.1 percent, annually to 226,400 households in 2015.

**Figure 6. Number of Households by Tenure in the Georgia Submarket, 2000 to Current**



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

**Figure 7. Number of Households by Tenure in the South Carolina Submarket, 2000 to Current**



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

# Housing Market Trends

## Sales Market—Georgia Submarket

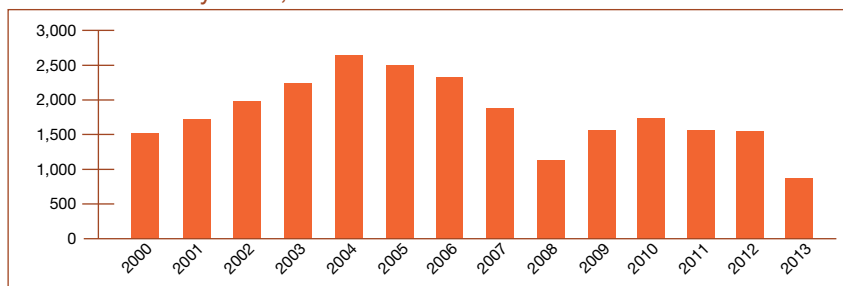
The sales housing market in the Georgia submarket is soft because of weak economic conditions. The estimated sales vacancy rate is 2.8 percent, down from 3.0 percent in 2010 (Table DP-2 at the end of the report). During the 12 months ending June 2013, 3,275 existing homes (including single-family homes and townhomes) sold, unchanged from the preceding 12 months (Metrostudy, A Hanley Wood Company). From 2005 through 2007, an average of 6,175 existing homes sold annually, before existing home sales steadily decreased to 3,200 homes sold in 2011. During the past 12 months, the average sales price for existing homes increased 6 percent, from \$146,500 to \$154,700. Existing home sales prices were steadier than sales volume, reaching an average of \$147,700 in 2007 before declining to a low of \$144,100 in 2011.

Distressed properties had a moderate effect on home sales in the submarket. In June 2013, 5.1 percent of all mortgage loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) compared with 5.5 percent of all mortgage loans in June 2012 (LPS Applied Analytics). REO sales put downward pressure on overall home sales prices; in the 12

months ending June 2013, 34 percent of all existing home sales were REO sales, at an average sales price of \$92,500 compared with the corresponding figures of 37 percent and \$91,800, respectively, during the previous 12 months (Metrostudy, A Hanley Wood Company). By comparison, REO sales comprised only 7 percent of all existing home sales in 2005.

Because of the soft sales market, new home construction activity, as measured by the number of single-family homes permitted, is less than the activity from 2000 through 2007 (Figure 8). During the 12 months ending June 2013, single-family construction totaled 1,650 homes permitted, an increase of 200 homes, or 14 percent, compared with the number permitted during the previous 12-month period (preliminary data). Single-family building permitting averaged 2,100 homes from 2000 through 2007 before declining to 1,475 homes from 2008 through 2010. The number of new homes sold during the 12 months ending June 2013 decreased 41 percent, to 490 homes sold, but the average sales price of a new home increased 3 percent, to \$212,600 (Metrostudy, A Hanley Wood Company). New single-family home development in the submarket is mostly occurring in Columbia County and southern Richmond County, outside the Interstate 520 (I-520) loop. The most active new development, as measured by the number of new homes sold in 2012, was Hidden Creek in Grovetown. This development, near I-20 in Columbia County, has homes available for prices from \$180,000 to \$320,000 (Metrostudy, A Hanley Wood Company). No significant condominium construction has been completed in the submarket since 2000.

**Figure 8.** Single-Family Homes Permitted in the Augusta-Richmond County HMA, 2000 to 2013



Notes: Includes townhomes. Includes data through June 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

### Sales Market—Georgia Submarket *Continued*

During the 3-year forecast period, demand is expected for approximately 5,000 new homes, including 200 mobile homes, in the Georgia submarket, with demand increasing in the second and third years of the forecast period (Table 1). The 670 homes currently under construction will meet a portion

of the demand. Most demand for new homes will be at prices from \$150,000 to \$250,000 (Table 4). In addition, some of the estimated 7,250 other vacant units in the submarket may reenter the sales market and satisfy a portion of the forecast demand.

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Georgia Submarket, July 1, 2013, to July 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
75,000	99,999	140	3.0
100,000	149,999	820	17.0
150,000	199,999	1,625	34.0
200,000	249,999	1,200	25.0
250,000	299,999	670	14.0
300,000	399,999	240	5.0
400,000	and higher	95	2.0

*Notes: The 670 homes currently under construction and a portion of the estimated 7,250 other vacant units in the submarket will likely satisfy some of the forecast demand. Excludes mobile homes.*

*Source: Estimates by analyst*

## Rental Market—Georgia Submarket

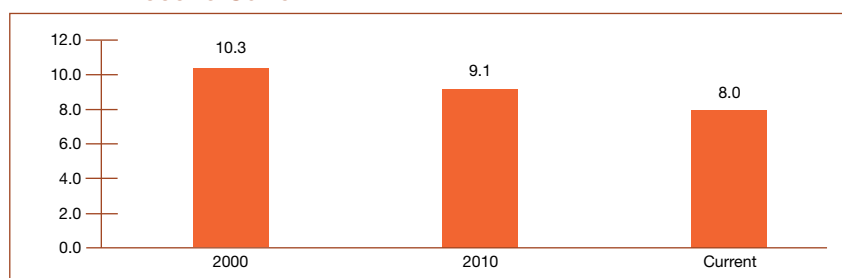
The rental housing market in the Georgia submarket is soft but improving. Because of limited rental housing construction since 2009 and increased demand for rental units, the estimated overall vacancy rate is 8.0 percent, down from 9.1 percent in April 2010 (Figure 9).

As of the second quarter of 2013, the apartment market is balanced, with an apartment vacancy rate in surveyed properties of 8.7 percent, up from 8.2 percent during the second quarter of

2012 (Reis, Inc.). During the same 2013 period, average apartment asking rents increased 2 percent, to approximately \$660. Average apartment rents are \$600 for a one-bedroom unit, \$660 for a two-bedroom unit, and \$870 for a three-bedroom unit. Single-family and mobile homes comprise approximately 50 percent of the rental housing stock (2007–2011 American Community Survey 5-year estimates).

Military households comprise an estimated 10 percent of all rental households in this submarket, because approximately 8,600 uniformed personnel and 17,500 family members live off base. About 90 percent of all military families at Fort Gordon live off base, and an additional 1,000 military personnel and 2,800 family members rent on-base, single-family homes. Grovetown and adjacent areas in Columbia County attracted

**Figure 9.** Rental Vacancy Rates in the Georgia Submarket, 2000 to Current



*Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst*



# Housing Market Trends

## Rental Market—Georgia Submarket *Continued*

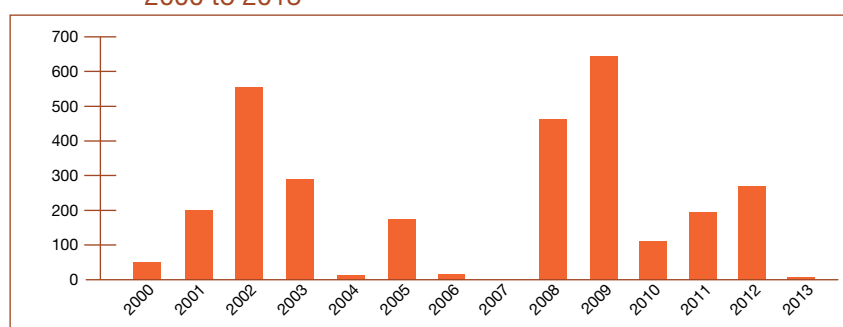
apartment development in the past decade because of their proximity to Fort Gordon.

Multifamily construction, as measured by the number of multifamily units permitted, has been inconsistent since 2000 (Figure 10). Construction activity peaked at more than 500 units in 2002 and again in 2009, but decreased substantially after both peak years as new apartments were absorbed. Most new market-rate properties are in eastern Columbia County and western Richmond County, near Fort Gordon, and in southern Richmond County. Sterlington Apartments, a 50-unit,

market-rate apartment complex near the entrance to Fort Gordon in Grovetown, opened in 2012 and offers rents of \$655 for one-bedroom units and \$765 for two-bedroom units. Several income-restricted properties were recently built or are in development in Richmond County, including Legacy at Walton Oaks Apartments, a mixed-income, 75-unit, age-restricted complex. Currently under way in the Laney-Walker District in the city of Augusta is a large-scale urban revitalization program, which includes single-family and multifamily income-restricted sales and rental housing. The district has 240 market-rate units under construction.

Demand is estimated for 510 new market-rate rental units in the submarket during the 3-year forecast period. The 240 units under construction will meet a portion of the demand (Table 1). Table 5 provides an estimate of demand for new market-rate rental housing in the submarket during the forecast period by rent level and number of bedrooms.

**Figure 10.** Multifamily Units Permitted in the Georgia Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through June 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Georgia Submarket, July 1, 2013, to July 1, 2016

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
700 or more	10	800 to 999	130	900 to 1,099	120	1,000 to 1,199	30
		1,000 to 1,199	20	1,100 to 1,299	80	1,200 to 1,399	20
		1,200 or more	15	1,300 to 1,499	35	1,400 to 1,599	15
				1,500 or more	20	1,600 or more	10
Total	10	Total	170	Total	250	Total	75

Notes: Numbers may not add to totals because of rounding. The 240 units currently under construction will likely satisfy some of the estimated demand.

Source: Estimates by analyst

## Sales Market—South Carolina Submarket

The sales housing market in the South Carolina submarket is soft, with a current estimated vacancy rate of 2.2 percent, down slightly from the 2.3-percent rate reported in the 2010 Census (Table DP-3 at the end of the report). Like the Georgia submarket, the South Carolina submarket is soft because of the weak economy. During the 12 months ending June 2013, 1,725 existing homes (including single-family homes and townhomes) sold, a 14-percent increase compared with the 1,500 existing homes sold during the preceding 12 months (Metrostudy, A Hanley Wood Company). From 2005 through 2007, existing home sales averaged 2,675 homes annually before decreasing every year thereafter to a low of 1,575 homes in 2011. The average sales price of an existing home increased 3 percent, to \$139,500, during the most recent 12 months. Existing home sales prices peaked in 2008 at \$149,300.

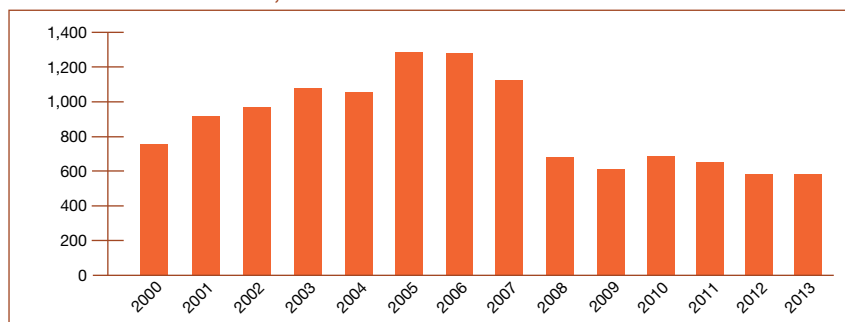
Foreclosures occurred at a lower rate in the South Carolina submarket than in the Georgia submarket. In June 2013, the percentage of mortgage loans that were 90 or more days delinquent, were in foreclosure, or transitioned into REO was 5.0 percent, unchanged from June 2012 (LPS Applied Analytics). In the 12 months ending June 2013,

REO sales comprised 18 percent of all existing home sales, at an average price of \$103,700, up from 17 percent during the previous 12 months at an average price of \$86,700 (Metrostudy, A Hanley Wood Company).

Single-family home construction, as measured by the number of single-family homes permitted, increased during the most recent 12-month period. During the 12 months ending June 2013, 600 homes were permitted, an increase of 20 homes, or 3 percent, from the previous 12 months (preliminary data). Single-family construction activity peaked in 2005 and 2006, when 1,275 homes were permitted annually. Construction activity declined sharply in 2008 and plateaued, averaging 660 homes permitted annually, from 2008 through 2011 (Figure 11). The trend in new home sales in the submarket was similar to that of the Georgia submarket; the number of new home sales during the 12 months ending June 2013 decreased 34 percent, but the average sales price increased 18 percent, to \$221,400 (Metrostudy, A Hanley Wood Company). The several retirement communities in and around the city of Aiken include the 2,800-acre Woodside Plantation and the 1,600-acre Cedar Creek. During 2012, 19 new homes sold at Woodside Plantation and 3 sold at Cedar Creek (Metrostudy, A Hanley Wood Company). Most recent development has occurred in Aiken and along the US Route 1 corridor between the cities of Aiken and Augusta.

During the 3-year forecast period, demand is expected for approximately 2,575 new homes, including 200 mobile homes, in the South Carolina submarket (Table 1). The 220 homes

**Figure 11. Single-Family Homes Permitted in the South Carolina Submarket, 2000 to 2013**



Notes: Includes townhomes. Includes data through June 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

Sales Market—South Carolina Submarket *Continued***Table 6.** Estimated Demand for New Market-Rate Sales Housing in the South Carolina Submarket, July 1, 2013, to July 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
80,000	99,999	210	9.0
100,000	149,999	590	25.0
150,000	199,999	710	30.0
200,000	249,999	480	20.0
250,000	299,999	210	9.0
300,000	399,999	120	5.0
400,000	and higher	50	2.0

Notes: The 220 homes currently under construction and a portion of the estimated 5,900 other vacant units in the submarket will likely satisfy some of the forecast demand. Excludes mobile homes.

Source: Estimates by analyst

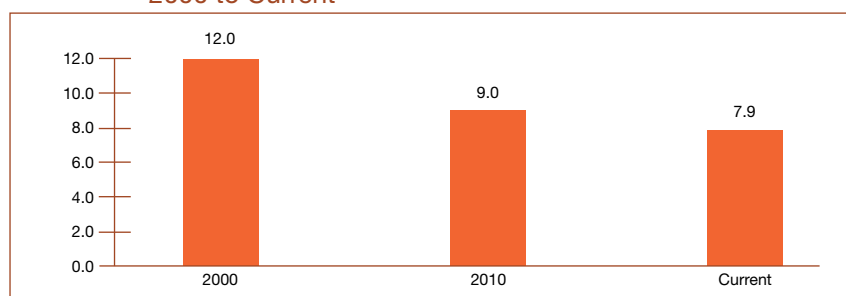
under construction and some of the estimated 5,900 other vacant units in the submarket that may reenter the market will likely meet a portion of the demand. Table 6 shows the estimated demand, by price range, for new market-rate sales housing during the forecast period.

## Rental Market—South Carolina Submarket

The rental housing market in the South Carolina submarket, like that of the Georgia submarket, is soft but improving. The estimated overall rental vacancy rate is 7.9 percent, down from 9.0 percent in the 2010 Census (Figure 12). As of the second quarter of 2013, the apartment market in this submarket was soft, with a vacancy rate of 7.7 percent, up from 5.8 percent in the second quarter of 2012 (Reis, Inc.). Military households have a lesser economic impact in this submarket because it is farther from Fort Gordon. Single-family and mobile homes available for rent comprise a greater portion of rental units in this submarket; only about one-third of all rental households live in apartments,

which are estimated to have a lower average vacancy rate than single-family or mobile homes (2007–2011 American Community Survey 5-year estimates). The estimated average apartment rents are \$575 for a one-bedroom unit, \$670 for a two-bedroom unit, and \$820 for a three-bedroom unit.

Multifamily building activity, as measured by the number of multifamily units permitted, has been inconsistent since 2000. Permits were issued for more than 100 multifamily units in only 2 years between 2000 and 2010, in 2006 and 2007. From 2008 through 2010, multifamily construction averaged 35 units permitted annually as builders responded to excess vacancies among existing apartment complexes. Multifamily building activity increased to 160 units in 2011 (Figure 13). Most recent projects are in North Augusta, across the Savannah River from the city of Augusta, or in the city of Aiken. New London Apartments, a 64-unit development with rents of \$695 for one-bedroom units and \$795 for two-bedroom units, opened in Aiken in the spring of 2013.

**Figure 12.** Rental Vacancy Rates in the South Carolina Submarket, 2000 to Current

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

## Housing Market Trends

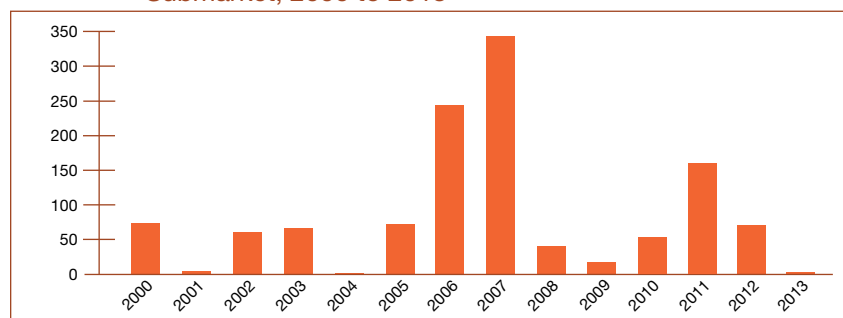
### Rental Market—South Carolina Submarket *Continued*

During the forecast period, demand is expected for 260 new market-rate rental units in the submarket (Table 1).

Table 7 shows estimated demand by

rent level and number of bedrooms for new market-rate rental housing in the submarket during the forecast period.

**Figure 13.** Multifamily Units Permitted in the South Carolina Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through June 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 7.** Estimated Demand for New Market-Rate Rental Housing in the South Carolina Submarket, July 1, 2013, to July 1, 2016

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
750 to 949	50	850 to 1,049	55	950 to 1,149	10
950 to 1,149	40	1,050 to 1,249	40	1,150 to 1,349	10
1,150 or more	15	1,250 to 1,449	15	1,350 or more	10
		1,450 or more	10		
Total	110	Total	120	Total	30

Note: Numbers may not add to totals because of rounding.

Source: Estimates by analyst

**Table DP-1.** Augusta-Richmond County HMA, Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	225,375	233,807	232,900	0.4	- 0.2
Unemployment rate	3.8%	9.3%	11.9%		
Nonfarm payroll jobs	206,700	209,300	215,000	0.1	1.1
Total population	499,684	556,877	573,300	1.1	0.9
Total households	184,801	212,245	218,900	1.4	1.0
Owner households	128,807	142,816	145,200	1.0	0.5
Percent owner	69.7%	67.3%	66.3%		
Renter households	55,994	69,429	73,700	2.2	1.9
Percent renter	30.3%	32.7%	33.7%		
Total housing units	204,601	236,949	242,300	1.5	0.7
Owner vacancy rate	2.5%	2.7%	2.6%		
Rental vacancy rate	10.7%	9.1%	8.0%		
Median Family Income	\$45,200	\$55,500	\$55,600	2.1	0.2

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through June 2013. Median Family Incomes are for 1999, 2009, and 2011.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

**Table DP-2.** Georgia Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	332,537	369,793	383,200	1.1	1.1
Total households	120,944	138,644	143,500	1.4	1.1
Owner households	80,112	88,748	90,600	1.0	0.6
Percent owner	66.2%	64.0%	63.1%		
Rental households	40,832	49,896	52,950	2.0	1.8
Percent renter	33.8%	36.0%	36.9%		
Total housing units	133,391	154,141	158,000	1.5	0.8
Owner vacancy rate	2.5%	3.0%	2.8%		
Rental vacancy rate	10.3%	9.1%	8.0%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

**Table DP-3.** South Carolina Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	167,147	187,084	190,100	1.1	0.5
Total households	63,857	73,601	75,350	1.4	0.7
Owner households	48,695	54,068	54,600	1.1	0.3
Percent owner	76.3%	73.5%	72.5%		
Rental households	15,162	19,533	20,750	2.6	1.9
Percent renter	23.7%	26.5%	27.5%		
Total housing units	71,210	82,808	84,250	1.5	0.5
Owner vacancy rate	2.4%	2.3%	2.2%		
Rental vacancy rate	12.0%	9.0%	7.9%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst



## Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census  
 2010: 4/1/2010—U.S. Decennial Census  
 Current date: 7/1/2013—Analyst's estimates  
 Forecast period: 7/1/2013–7/1/2016—Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated December, 1, 2009, and does not reflect changes defined by the OMB Bulletin dated February 28, 2013.

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.

For additional data pertaining to the housing market for this HMA, go to [http://www.huduser.org/publications/pdf/CMARtables\\_Augusta-RichmondCountyGA-SC\\_13.pdf](http://www.huduser.org/publications/pdf/CMARtables_Augusta-RichmondCountyGA-SC_13.pdf).

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to [www.huduser.org/publications/econdev/mkt\\_analysis.html](http://www.huduser.org/publications/econdev/mkt_analysis.html).