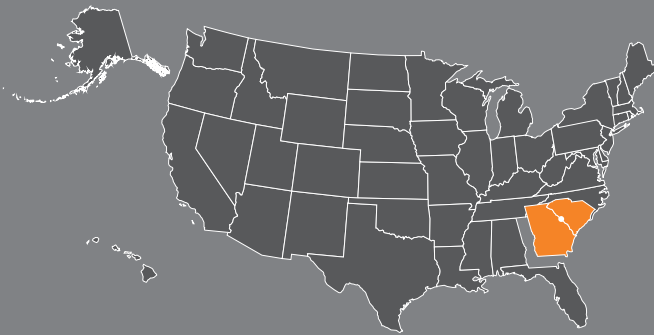


# HUD PD&R Housing Market Profiles

## Augusta-Richmond County, Georgia-South Carolina

### Quick Facts About Augusta-Richmond County

- **Current sales market conditions: balanced.**
- **Current rental market conditions: balanced.**
- **Since the Second World War, the foundation of the local economy has been federal spending, in particular military- and defense-related spending.**



By Adam Tubridy | As of June 1, 2017

### Overview

The Augusta-Richmond County metropolitan area consists of Burke, Columbia, Lincoln, McDuffie, and Richmond counties in Georgia and Aiken and Edgefield Counties in South Carolina. The metropolitan area hosts the Masters Tournament, an annual professional golf event held at the Augusta National Golf Club. The tournament draws an estimated 250,000 visitors to the metropolitan area and has an economic impact of \$117.5 million (Wallethub.com).

- As of June 1, 2017, the estimated population of the Augusta-Richmond County metropolitan area is 599,700, reflecting an average annual increase of 4,855, or 0.8 percent, since 2010.
- Population growth peaked from 2005 to 2010, averaging increases of 7,050, or 1.3 percent, annually, despite weak economic conditions. The large military presence in the metropolitan area helped stabilize the economy during the national recession, which led to strong population growth despite job losses in the private sector.
- Net in-migration has averaged 2,675 people annually and has accounted for 55 percent of total population growth since 2010. By comparison, net in-migration averaged 4,025 people annually from 2005 to 2010, accounting for 57 percent of total population growth.



Nonfarm payrolls declined in only one economic sector in the Augusta area during the 3 months ending May 2017.

	3 Months Ending		Year-Over-Year Change	
	May 2016 (thousands)	May 2017 (thousands)	Absolute (thousands)	Percent
<b>Total nonfarm payrolls</b>	234.6	237.7	3.1	1.3
Goods-producing sectors	32.9	33.2	0.3	0.9
Mining, logging, and construction	11.9	11.9	0.0	0.0
Manufacturing	21.0	21.3	0.3	1.4
Service-providing sectors	201.6	204.6	3.0	1.5
Wholesale and retail trade	32.4	32.7	0.3	0.9
Transportation and utilities	7.4	7.7	0.3	4.1
Information	2.7	2.7	0.0	0.0
Financial activities	7.4	7.6	0.2	2.7
Professional and business services	37.1	36.8	-0.3	-0.8
Education and health services	32.6	34.4	1.8	5.5
Leisure and hospitality	26.2	26.4	0.2	0.8
Other services	8.2	8.2	0.0	0.0
Government	47.6	48.1	0.5	1.1
	<b>(percent)</b>	<b>(percent)</b>		
Unemployment rate	5.3	4.7		

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

## Economic Conditions

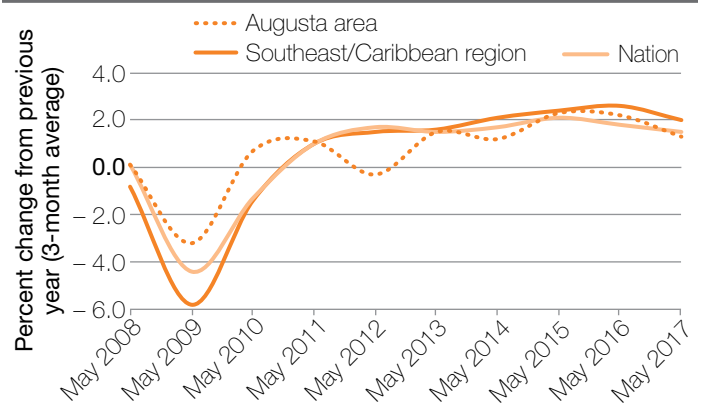
Economic conditions in the Augusta-Richmond County metropolitan area have strengthened each year since 2010, after 2 years of job losses. Nonfarm payroll growth averaged 1,300, or 0.6 percent, from 2010 through 2012, and accelerated to 4,100, or 1.8 percent, from 2013 through 2016. The past 4 years had the highest nonfarm payroll growth of any 4 consecutive years since 1990, the earliest year for which data are available.

During the 3 months ending May 2017—

- Nonfarm payrolls increased by 3,100 jobs, or 1.3 percent, to an average of 237,700 jobs, from the 3 months ending May 2016. Nearly all growth occurred in the service-providing sectors.
- The education and health services sector led job growth in both number and rate of increase, expanding by 1,800 jobs, or 5.5 percent, to 34,400. Augusta University, a public health sciences university and hospital, is building a new cancer center in Augusta and a new hospital in Grovetown.
- The largest economic sector, government, added 500 jobs, or 1.1 percent, to average 48,100 jobs from a year earlier, comprising 20 percent of total nonfarm payrolls. The sector includes

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### The Augusta area experienced a slower rate of job losses in the 2009-to-2010 period than the national average.



Note: Nonfarm payroll jobs.  
Source: U.S. Bureau of Labor Statistics

### Largest employers in the Augusta area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Fort Gordon	Government	26,000
Savannah River Site	Government	10,000
Augusta University and Augusta University Hospital	Government	7,700

Notes: Excludes local school districts. Savannah River Site and Fort Gordon employment figures include uniform military personnel, federal civilian personnel, and contractors.  
Source: Augusta Economic Development Authority, with estimates by the analyst



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the three largest employers in the metropolitan area, including the Savannah River Site, a U.S. Department of Energy nuclear reservation created to manufacture nuclear material.

- The unemployment rate averaged 4.7 percent, down from 5.3 percent during the 3 months ending May 2016 and far less than the average of 9.5 percent from 2009 through 2012. The jobless rate has fallen every year since 2012 and is below the 2004-to-2007 average of 5.7 percent.

Fort Gordon, the home of the U.S. Army Signal Corps and U.S. Army Cyber Command, is the metropolitan area's largest employer, with approximately 26,000 military, civilian, and contractor employees and an estimated economic impact of \$2.26 billion (Fort Gordon Alliance). Between 2012 and 2017, Fort Gordon added 3,900 service members and civilians and is expected to add another 1,200 military and civilian personnel by 2020.

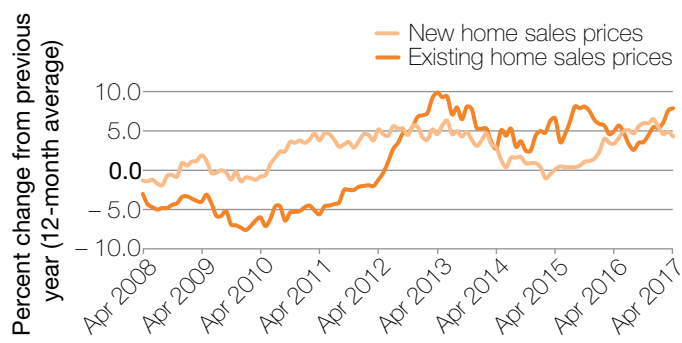
## Sales Market Conditions

Sales housing market conditions in the Augusta-Richmond County metropolitan area are currently balanced, with an estimated vacancy rate of 2.5 percent, down from 2.7 percent in 2010. Consistent economic and population growth in the metropolitan area supported increasing home sales, causing a decline in the volume of available inventory. During May 2017, approximately 3,725 homes were listed for sale, down from 4,450 during May 2016 and 5,450 in May 2010 (Trulia). The tightening sales market caused the rate of seriously delinquent loans (those 90 or more days delinquent or in foreclosure) and real estate owned (REO) properties to decline. As of April 2017, the proportion of home loans in the area that were seriously delinquent or had transitioned into REO status decreased to 2.7 percent from 3.2 percent a year earlier and slightly above the national average of 2.3 percent (CoreLogic, Inc.).

During the 12 months ending April 2017 (the best representative data available)—

- Sales of existing homes totaled 10,850, up 5 percent compared with a year earlier. Existing home sales increased an average of 10 percent from 2013 through 2016, following a low of only 7,500 homes sold a year during 2011 and 2012 (CoreLogic, Inc., with adjustments by the analyst).

### New and existing home sales prices in the Augusta area have increased in the past 2 years.

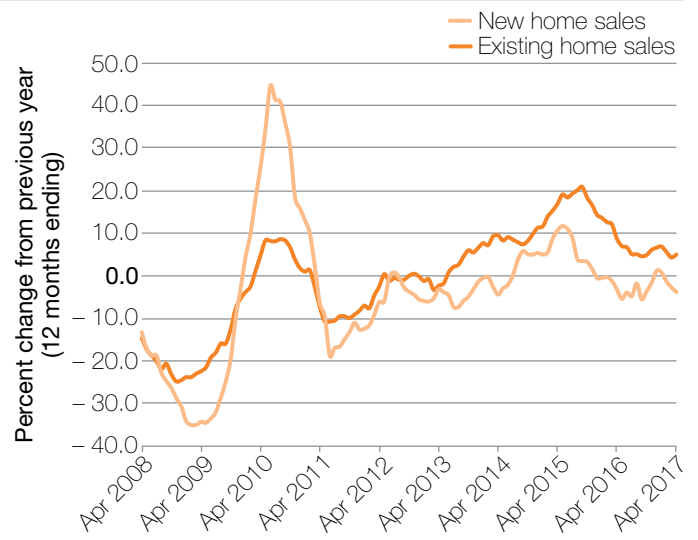


Note: Includes single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

- The average sales price for existing homes was \$139,400, an increase of 8 percent compared with the average price during the 12 months ending April 2016. Increased competition among buyers for existing homes caused existing home prices to increase an average of 6 percent annually from 2012 through 2016.
- New home sales, which accounted for 14 percent of all home sales in the metropolitan area, decreased 4 percent to 1,700, and the average sales price of a new home increased 4 percent to \$232,700. The number of new home sales has not increased since 2010 because of overproduction during the first years of the decade in anticipation of the expansion of Fort Gordon. Slow sales and an excess inventory of speculatively built homes outpaced new home demand in the early years of the decade, decreasing the need for new construction in subsequent years.

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### New home sales in the Augusta area have not increased substantially since 2010.



Note: Includes single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

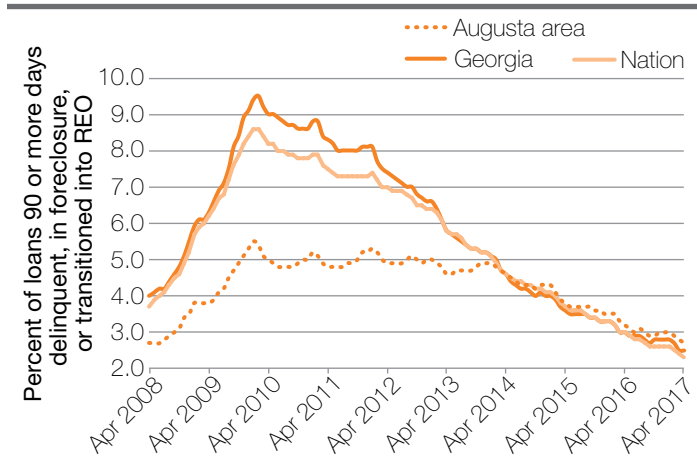


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Single-family homebuilding activity, as measured by the number of homes permitted, has been relatively stable since 2010 because of limited demand for new homes and steady population growth.

- The number of single-family homes permitted grew to 2,750 homes during the 12 months ending May 2017, up 5 percent from the 2,600 homes permitted a year earlier (preliminary data).

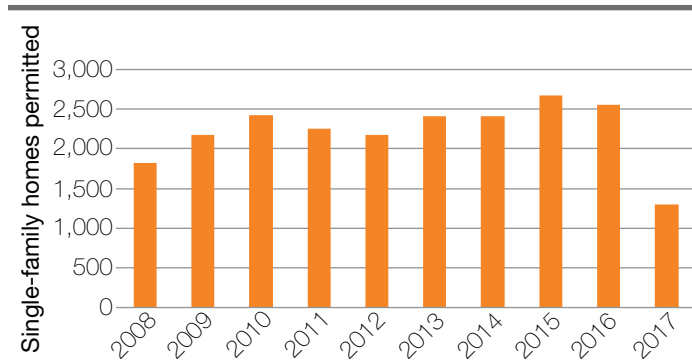
**The percentage of seriously delinquent loans and REO properties in the Augusta area is similar to the Georgia and national averages.**



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

- Single-family construction activity peaked from 2003 through 2007, averaging 3,525 homes permitted annually, but declined to an average of 2,275 homes permitted a year since 2009 because of decreased population growth.
- Most of new home construction occurs in subdivisions in the suburban cities of Evans and Grovetown, in Columbia County, Georgia. Canterbury Farms is a 400-acre, master-planned community in Grovetown, the city closest to Fort Gordon, with prices starting at \$130,000 for townhomes and \$190,000 for detached homes.

**Single-family construction activity in the Augusta area has been stable since 2010.**



Note: Includes preliminary data from January through May 2017.  
Source: U.S. Census Bureau, Building Permits Survey

## Rental Market Conditions

Rental housing market conditions in the Augusta-Richmond metropolitan area currently are balanced, with an estimated vacancy rate for all rental units (including single-family homes, mobile homes, and apartment units) of 5.5 percent as of June 1, 2017, a decrease from 9.1 percent in 2010. The rental market has improved since 2010, in part, because of the increasing propensity of households to rent and an influx of military personnel. As of 2015, approximately 50 percent of renter households lived in single-family homes, and 40 and 10 percent lived in apartments and mobile homes, respectively (American Community Survey 1-year data).

- The apartment market is also balanced. The apartment vacancy rate in the metropolitan area was 5.1 percent during the first quarter of 2017, down from 5.3 percent during the first quarter of 2016 (Reis, Inc.).

- During the first quarter of 2017, the average apartment rent increased more than 4 percent from a year earlier to \$749. Annual rent growth averaged 4 percent from 2014 through 2016.
- The average rents were \$674, \$764, and \$962 for one-, two-, and three-bedroom apartments, respectively, during the first quarter of 2017.
- Fort Gordon has a large effect on the rental market, with military households estimated to comprise approximately 15 percent of all rental households in the metropolitan area. Approximately 510 single-family homes at Fort Gordon are available to rent for active-duty service members, military retirees, and U.S. Department of Defense civilian employees.

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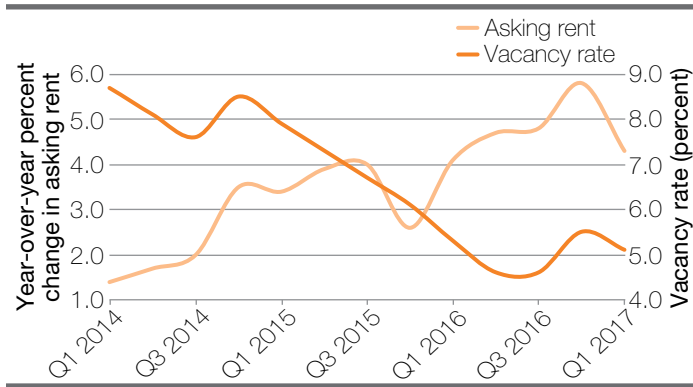


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Multifamily building activity has been somewhat elevated since 2013. Developers began construction on new apartment complexes in anticipation of the announced increased staffing levels at Fort Gordon after 2012.

- Approximately 360 multifamily units were permitted during the 12 months ending May 2017, a decrease of 130 units, or 27 percent, from the 12 months ending May 2016 (preliminary data).
- Multifamily construction activity was very low from 2010 through 2012 because of weak labor market conditions. During these years, an average of only 270 units were permitted annually.
- As the economy improved and Fort Gordon expanded, apartment construction increased. From 2013 through 2015, an average of 600 apartments were built annually.

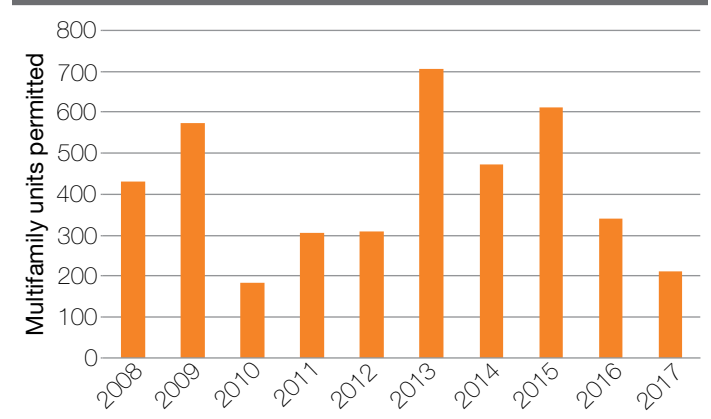
**Apartment vacancy rates in the Augusta area have fallen over the past 3 years.**



Q1 = first quarter. Q3 = third quarter.  
Source: Reis, Inc.

- Riverwatch Apartments will be on the Augusta canal near downtown Augusta. When open in late 2017, 260 one- and two-bedroom apartments will be available at rents ranging from \$950 to \$1,375.
- Gardens at Harvest Point, an income-restricted apartment community, is currently under construction and expected to open in September 2017. When open, 256 one-, two-, and three-bedroom apartments will be available at \$540, \$646, and \$730, respectively, for applicants with incomes below 60 percent of area median income.

**2013 and 2015 were the 2 highest years of multifamily construction in the Augusta area since 2000.**



Note: Includes preliminary data from January through May 2017.  
Source: U.S. Census Bureau, Building Permits Survey, with adjustments by the analyst

