



RESIDENTIAL MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

City of Newnan, GA
June 20, 2019



CITY OF NEWNAN RESIDENTIAL MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

Project Overview

The City of Newnan retained Bleakly Advisory Group to provide a perspective on how current and future residential market trends will impact the city over the coming years.

The following report provides an analysis of how these market trends will impact Newnan and its population over the 2019-2040 horizon.

The study looks at demographics, housing supply, market trends, and other factors to develop a projection of future residential needs. These findings lead to a series of key findings and strategic recommendations.

As part of the project, the team also conducted a public outreach effort to gain a clearer understanding of the residential concerns, characteristics and community values of Newnan's community.

■ City of Newnan Staff:

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CITY OF NEWNAN RESIDENTIAL MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

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CITY OF NEWNAN RESIDENTIAL MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

EXECUTIVE SUMMARY

Overview

The City of Newnan, like many cities nationwide, is facing a distinct set of challenges that are likely to contribute to a mismatch between the supply of housing and the demand for housing in coming years.

- Newnan already has the distinction of being one of the fastest growing communities in the Atlanta metro area, due to the city's desirable combination of location and assets.
- National and global demographic trends suggest shifts in the housing and lifestyle preferences of families and individuals.
- National and global economies have shifted dramatically, largely shaken up by the 2008 housing crisis, leading to major shifts in household economics, savings, and housing finance.
- General and consumer preferences have shifted and large segments of the home-buying and home-renting market are looking for different home types than demonstrated previously.
- All of these trends and factors combine to create a new reality in housing markets, with demand that is distinctly different from the past 50 years. Today's home-building markets are optimized to deliver a product that is not necessarily in tune with the demand expected over the next 20 years.

CITY OF NEWNAN RESIDENTIAL MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

EXECUTIVE SUMMARY

Key Factors Driving Demand

- Improved health, longer lifespans, and generational trends means that the share of the country's population that is 65 or older is expected to increase significantly in coming decades.
- Young people are waiting longer to marry, have children and establish households.
- Household sizes are trending smaller.
- It is more difficult today for people to save for down-payments and qualify for mortgages.
- Economic trends are working together to make it more difficult for people, especially younger and moderate income households, to access home ownership.
- Consumer preferences have changed. People of all ages are becoming more interested in urban, walkable, and amenity-rich communities.

These related demographic, consumer, and economic trends combine to create demand for housing types that are fundamentally different from that which drove housing markets in the past:

- Less demand for large, single-family, owner-occupied homes
- More households without children
- More small households (one or two people)
- More demand for rental homes
- More interest in town centers, mixed-use areas, and urban walkable development
- More demand for affordable and workforce housing

This new version of housing demand can be met by a variety of housing types and models:

- Smaller Homes
- Loft Apartments
- Duplexes & Triplexes
- Cottage Homes
- Homes for Seniors
- Homes for 20-Somethings
- Small Townhomes
- Single-Family Suburban
- Urban Apartments
- Condominiums
- Affordable Housing
- Roommate Housing

CITY OF NEWNAN RESIDENTIAL MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

EXECUTIVE SUMMARY

Future Housing Demand

- Newnan can expect to see demand for a total of 16,538 new housing units by 2040, or an average of 788 new units/year each year for the next 20 years.
 - This demand will be distributed among households of different ages, different incomes, and different housing tenure preferences.
 - 88% of the new housing currently being delivered in Newnan is large single-family homes or garden apartments.
 - The housing market is not meeting the demand for smaller homes or homes available at price-points affordable to a large share of the growing population.
 - As the population grows, this mis-match will become more acute.

All New Households	All Households			
Average new HH/Year	788			
Total 2019-2040	16,538			
New Households by Age	Under 25	25-44	45-64	65+
Average new HH/Year	42	263	226	256
Total 2019-2040	883	3,849	3,942	4,814
% of total	5%	33%	29%	33%
New Households by Income	Less Than \$40,000	\$40,000-\$75,000	\$75,000-\$150,000	More than \$150,000
Average new HH/Year	288	188	229	83
Total 2019-2040	6,046	3,942	4,814	1,735
% of total	37%	24%	29%	10%
New Households by Tenure	Owner		Renter	
Average new HH/Year	348		439	
Total 2019-2040	7,316		9,222	
% of total	44%		56%	

MANAGING FUTURE RESIDENTIAL DEMAND

HOW HOUSING DEMAND RELATES TO HOUSING SUPPLY

How does today’s housing supply correlate with the projected demand for housing units between now and 2040 based on the comprehensive plan population target?

- Based on the past six years, Newnan’s housing market has delivered an average of 382 units a year, compared to a projected average demand for 788 new housing units needed based on our demand projections.
- Most of these units have been single-family homes priced above \$200,000 or large garden-style apartments.
- The number of new homes delivered, 382, is well below the long-term average number of new housing units needed.

- As the population grows, if new supply continues to arrive at the same rate, channeled in to the same housing categories, the lack of housing diversity will begin to impact quality of life and housing choices, especially for those looking for smaller units, units affordable at workforce wages (~\$50,000), and rental units.
- An increase in the production of housing, and a diversification of the types of housing units being delivered would begin to close the gap between housing supply and demand.
- The table below shows a hypothetical housing production target and apportionment that would begin to address Newnan’s mismatch between supply and demand.

Comparison of Current Residential Supply vs Balanced Supply based on Demand Projections

Housing Unit Type	Single Family			Detached		MultiFamily					Total Units
	Single Family 400K+	Single Family \$200-\$350K	Single Family \$150-\$200K	Townhome \$200+	Townhome \$100-\$200K	Condo /Loft	Large Apartment	Small Apartment (<30 Units)	Infill Duplex & Triplex	Infill Cottage & ADU	Total Units
Current Production Avg. (2013-2018)	24	200	5	2	21		130				382
Share of Market	6%	52%	1%	1%	5%	0%	34%	0%	0%	0%	100%
Recommended Target Units/Yr	24	276	39	55	39	32	197	95	16	16	788
Share of Market	3%	35%	5%	7%	5%	4%	25%	12%	2%	2%	100%

CITY OF NEWNAN RESIDENTIAL MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

EXECUTIVE SUMMARY: Key Findings

1. Housing market fundamentals have changed in recent years. Housing demand in the next 20 years will be driven towards smaller units, diverse housing types, and more affordability.
2. Newnan's current housing supply trends are roughly correlated with current demand, however the quantity and distribution of housing units will need to increase to keep pace with future demand.
3. Newnan's housing market is largely channeled into just two property types: single family homes and large garden-style apartments, leaving other housing demand sectors unmet.
4. Single-family homes will likely continue to be popular, and should continue to be built to meet demand, however other housing types should be allowed and encouraged where appropriate.
5. While a record-high number of apartments were permitted in 2018, most of that activity is a market correction, making up for 10+ years of under-supply after the 2008 recession stalled multifamily activity. In fact, the average number of apartments permitted annually in Newnan over the past decade is just 65% the number permitted annually in the previous decade.
6. Newnan's housing is still relatively affordable in relation to its peer cities, however as the population grows, the supply of housing accessible to moderate and lower income households will become scarce.
7. Newnan is going to continue to grow. Can the city manage that growth so it is sustainable and meets the needs of residents and employers?
8. Housing is an important element of the community fabric. Efforts to limit or restrict housing impact other elements of the community, such as jobs, traffic, infrastructure, finance, and education.
9. Newnan is not yet built out. There is room for growth. The housing units to support that growth will fit into one of two development formats: greenfield and infill development.

CITY OF NEWNAN RESIDENTIAL MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

EXECUTIVE SUMMARY: Key Findings

10. Traffic and congestion are driven by land use and employment as much as the quantity of housing units. Comprehensive and transportation planning are crucial to addressing congestion issues.
11. Low-density housing and separated land uses drive up per-capita costs for key public infrastructure such as roads and sewers. When pursuing new housing in Newnan, these impacts should be weighed against alternatives and potential mitigation needs.
12. Survey responses and stakeholder interviews suggest that there would be strong market demand for a diverse selection of housing types that are currently not offered in the Newnan or Coweta housing markets.
13. The demand and economic forecasts, as well as experiences in other communities (including listed peer cities such as Fayetteville, Lawrenceville, and Woodstock) indicate that there would be strong market demand for diverse housing options that are not currently offered in the Newnan or Coweta housing markets.
14. Downtown Newnan was cited by nearly every stakeholder and a majority of survey respondents as one of Newnan's strongest assets. Increasing housing options in or near downtown will enhance the viability of downtown business and make downtown a better and more vibrant place.
15. Newnan does not currently have an affordable and workforce housing crisis, but it is headed in that direction.
16. Housing affordability is not limited to lower income groups, but spans across all income groups. In 2017, one in three of Newnan's households had an affordable housing need.

CITY OF NEWNAN RESIDENTIAL MARKET ANALYSIS AND STRATEGIC RECOMMENDATIONS

EXECUTIVE SUMMARY: Policy Recommendations

P1. Review development regulations related to minimum floor and lot size. Land and construction costs are the two largest inputs that drive housing costs.

P2. Review zoning and permitting regulations to remove language, requirements and obstacles that restrict or inhibit small-scale infill development or redevelopment, particularly for “missing middle” housing options.

P3. Induce and support, through incentive and regulatory relief, small-scale residential infill and redevelopment by small-scale, local builders and developers.

P4. Establish zoning and land use guidelines that support equitable and sustainable housing and growth-goals through existing and land use processes. Support projects and proposals which support these guidelines even in the face of local opposition.

P5. Induce and support infill housing development and redevelopment in or near the downtown core.

P6. Develop programs to incentivize redevelopment and infill development of residential and residential mixed use projects on large aging commercial properties along primary and secondary commercial corridors.

RESIDENTIAL TRENDS DRIVING DEMAND

KEY FACTORS DRIVING DEMAND

The City of Newnan, like many cities nationwide, is facing a distinct set of challenges which are likely to contribute to the mismatch between the supply of housing and the demand for housing in coming years.

- Newnan already has the distinction of being one of the fastest growing communities in the Atlanta Metro area, due to the City's desirable combination of location and assets.
- National and global demographic trends suggest shifts in the housing and lifestyle preferences of families and individuals.
- National and global economic have shifted dramatically, largely shaken up by the 2008 housing crisis, leading to major shifts in economics, savings, and housing finance.
- General and consumer preference shifts have changed, and large segments of the home-buying and renting market are looking for different home types than previously.
- All of these trends and factors combine to create a new reality of housing markets and demand that is distinctly different from what we have been doing for the past 50 years. Our home-building markets are optimized to deliver a product that is not necessarily in tune with the demand we can expect over the next 20 years.

RAPID POPULATION GROWTH

Strong population and household growth is expected to continue through 2040.

- The City of Newnan's growth forecast, adopted in the 2016 Comprehensive Plan, anticipates the addition of 26,000 residents over next 21 years.
- The Comprehensive Plan growth forecast is relatively conservative compared to other county-wide forecasts and recent building permit activity.
- Based on the Comprehensive Plan growth scenario, Newnan can expect 1,240 new residents annually until 2040.



KEY FACTORS DRIVING DEMAND

AGING POPULATION

2019

5,340
residents
over 65

13% of
population



2040

12,800
residents
over 65

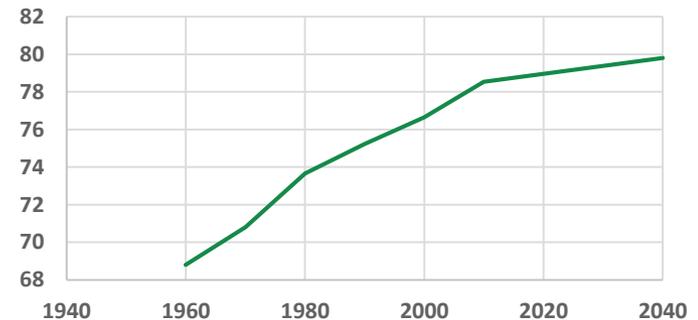
19% of
population



Improved health, longer lifespans, and generational trends means that the share of the county's population that is 65 or older is expected to increase significantly in coming decades.

- The Baby Boomers are aging into retirement.
- Older residents will become an increasingly larger share of the population over the next 25 years.

U.S. Life Expectancy

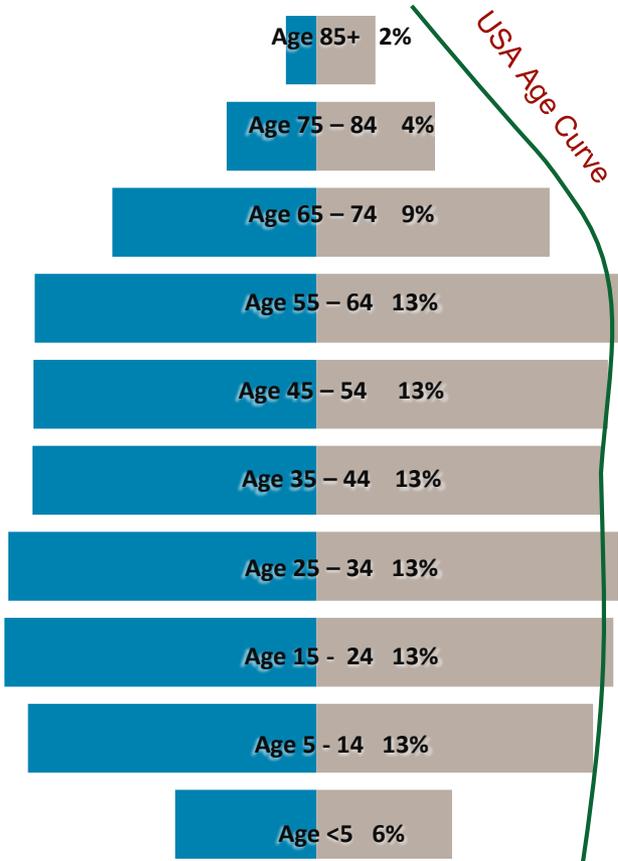


Source: Atlanta Regional Commission, World Bank, The Lancet.

KEY FACTORS DRIVING DEMAND

AGE & GENERATIONAL COHORT, NEWNAN & USA

USA



USA Age Curve

Population by Age & Sex, 2019

Newnan's age-distribution (right) is more concentrated than the national profile (left).

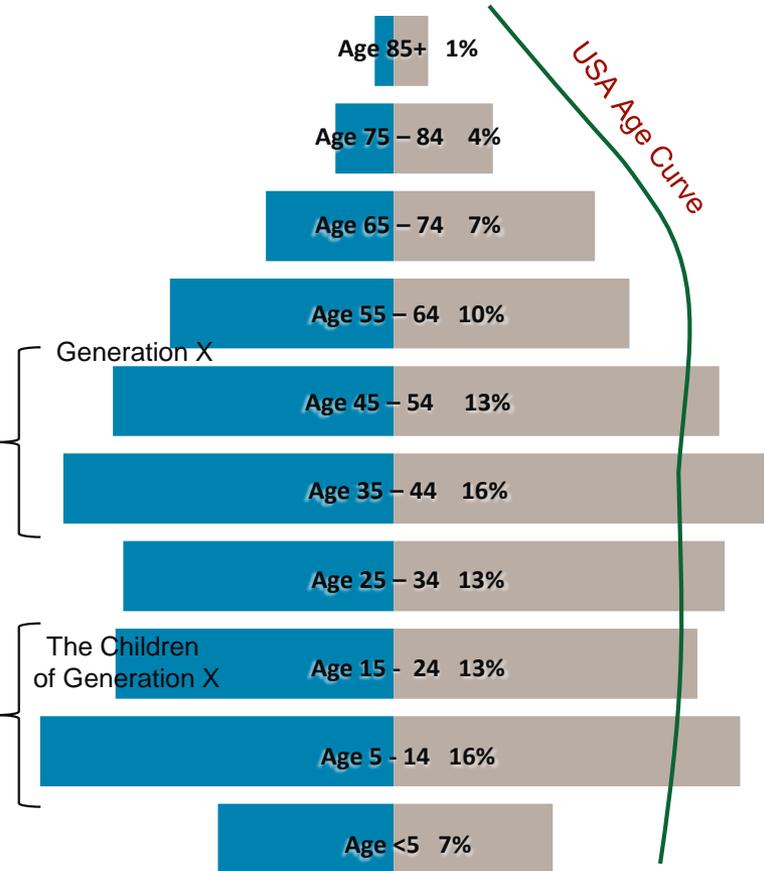
One feature is a wide band of young people (the children of Generation X) who will be aging into adulthood over the next 5 to 15 years.

Similarly the wide 45-54 band will be approaching retirement age in 10-15 years.

Will these younger and older adults find housing that is properly sized, desirable and affordable within Newnan?



City of Newnan



USA Age Curve

Generation X

The Children of Generation X

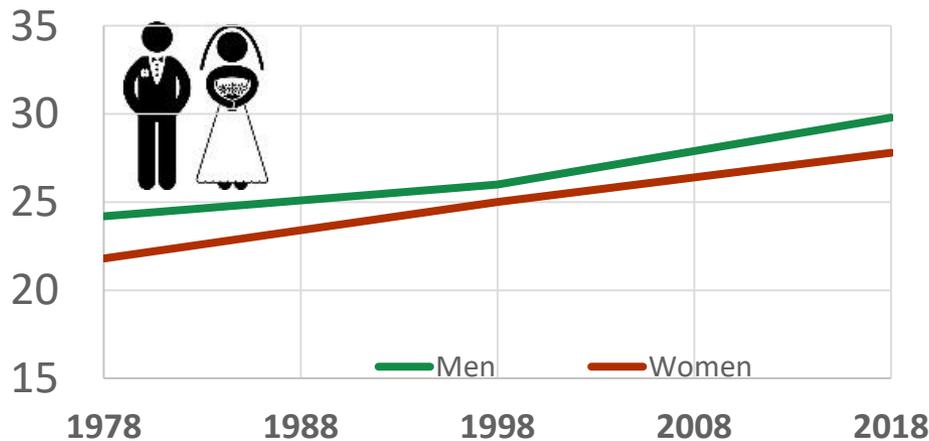
Source: BAG, US Census, Environics Analytics, Inc.

KEY FACTORS DRIVING DEMAND

DEMOGRAPHIC SHIFTS

Young people are waiting longer to marry, have children and establish households.

- The average age of first marriage has risen by 3 to 4 years since 1998.



- The mean age of mother at first birth has increased:
 - 1970 - 21.5
 - 2000 - 24.9
 - 2014 - 26.3



These trends, combined with others, mean that more people are living longer before forming family groups, leading to more years spent as singles, childless couples or other non-family groups.

This correlates with increased demand for smaller housing units (studios, one or two-bedrooms) or shared roommate homes.

KEY FACTORS DRIVING DEMAND

SMALLER HOUSEHOLDS ARE DRIVING GROWTH IN THE CITY

New households in the Atlanta Metro Area have trended smaller since 2000:

- 57% of Newnan residents live in households with just one or two people.
- By 2030, 83% of US households will have no children present.

At the regional level, this demographic shift towards fewer people per household represents demand for 378,000 additional housing units across the Atlanta Metro area. That is before considering additional demand from new households moving into the region.

- As an example: Imagine a young person moves from their parents' home to their own apartment. This represents demand for one new housing unit, without a change in the underlying population.

**Average Persons per household
Atlanta Region 2000-8018**

2000:

2.5 persons /HH



2018:

2.2 persons / HH



Source: Atlanta Regional Commission

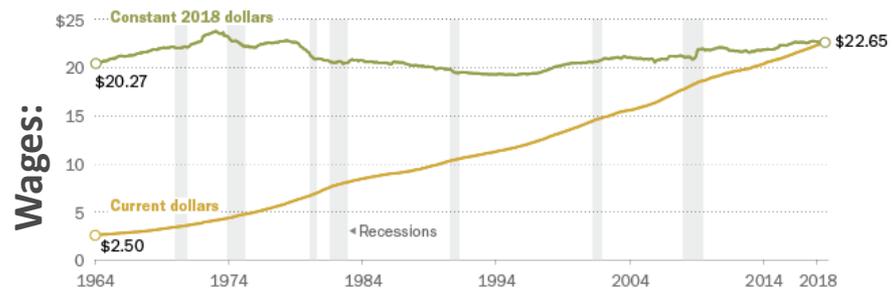
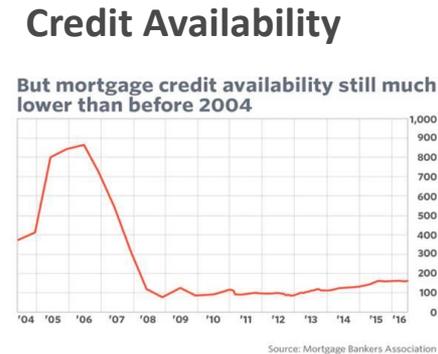
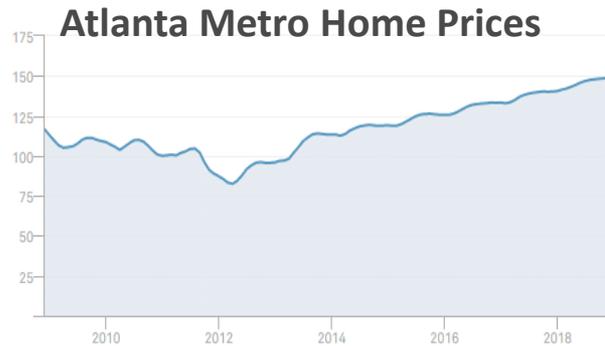
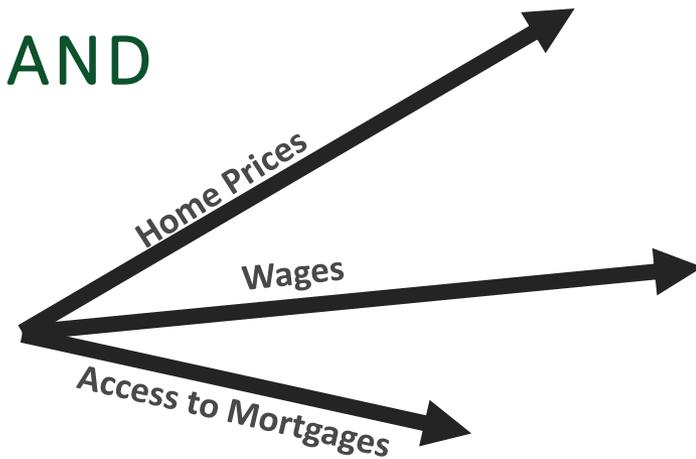
KEY FACTORS DRIVING DEMAND

ACCESS TO HOME FINANCE

It is more difficult for people to save for down payments and qualify for mortgages.

Three economic trends are working together to make it more difficult for people, especially younger and moderate income households, to access home ownership:

- Home prices are increasing steadily- The average Atlanta metro home sale price has increased by 50% since 2012.
- Wage growth and purchasing power are stagnant, with real inflation-adjusted purchasing power increasing by just 12% over 50 years.
- Access to mortgages has plummeted since lenders have tightened standards and personal savings have declined since the 2008 recession.



Note: Data for wages of production and non-supervisory employees on private non-farm payrolls. "Constant 2018 dollars" describes wages adjusted for inflation. "Current dollars" describes wages reported in the value of the currency when received. "Purchasing power" refers to the amount of goods or services that can be bought per unit of currency.
Source: U.S. Bureau of Labor Statistics.

PEW RESEARCH CENTER

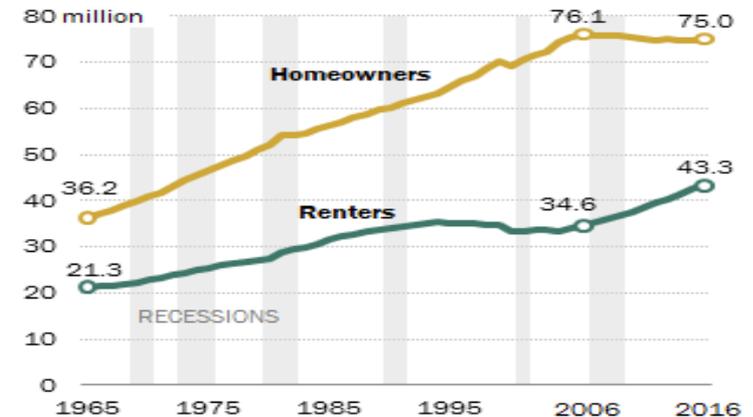
KEY FACTORS DRIVING DEMAND

DEMAND FOR RENTAL IS CLIMBING

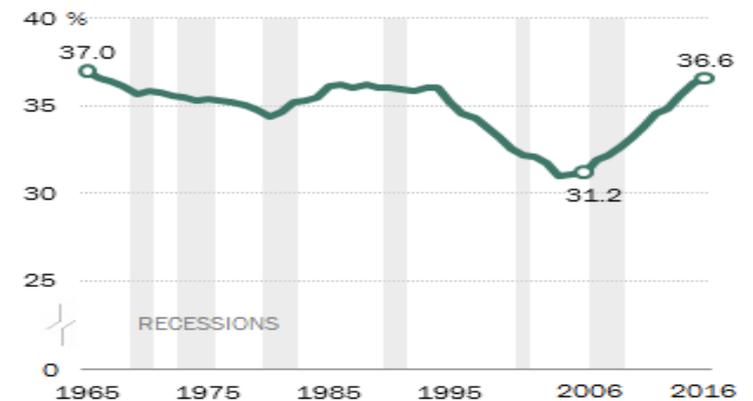
- Since the Recession in 2008, the share of households renting has increased to upwards of 37% – some renting by necessity, others by choice.
- Some housing experts posit that to meet growing demand for rental housing by 2030, 75% of new housing product added will need to be rental.*

Significant growth in the number and share of households renting their home since 2006

Number of household heads, in millions



% of household heads who rent their home



Note: Data labels are for 1965, 2006 and 2016. Figures for 1979, 1981, 1989, 1993 and 2000-2016 reflect revised estimates. Source: Pew Research Center analysis of U.S. Census Bureau estimates of housing inventory.

PEW RESEARCH CENTER

Based on data from US Census, Atlanta Regional Commission

* Arthur Nelson, Reshaping Metropolitan America, 2013

KEY FACTORS DRIVING DEMAND

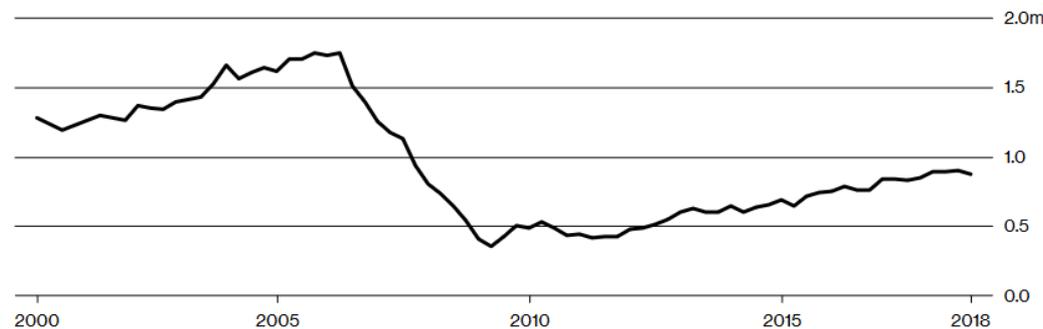
NATIONAL HOUSING SUPPLY SHORTAGE

Even though the United States emerged from the 2008 recession into one of the longest periods of economic expansion in American history, the housing sector never fully recovered. Most parts of the country have seen housing construction return to less than half-of prerecession construction activity.

- The 2008 crash wiped out smaller and more speculative homebuilder. The survivors are cautious about working on spec.
- A tight supply has caused housing prices to climb steadily.
- Tighter financial regulation has ended dangerous practices, such as no-documentation loans, which got people into houses they couldn't afford. These changes have also made it harder for people to buy a house.

U.S. Single-Family Housing Starts

Seasonally adjusted annual rate, shown quarterly



Data: U.S. Census Bureau

Bloomberg Businessweek

February 11, 2019, 5:00 AM EST

America Isn't Building Enough New Housing

● The long reach of the last crash.

“Rather than heading for another bust, we’re still feeling the effects of the last one.” - Bloomberg Businessweek, Feb 2019

KEY FACTORS DRIVING DEMAND

CONSUMER PREFERENCE

- Consumer preferences have changed. Younger first-time home-buyers are less likely to strive for the suburban model of a starter tract-home on a cul-de-sac.
- People of all ages are becoming more interested in urban, walkable, and amenitized communities.
- Quality urban design attracts households to vibrant urban areas. This includes:
 - walkability
 - quality public gathering places
 - transportation options to and through the site



KEY FACTORS DRIVING DEMAND

WHAT DOES IT ALL MEAN?

- These related demographic, consumer, and economic trends combine together to create demand from housing that is fundamentally different from that which has driven our housing markets in the past:

Less demand for large, single-family, owner-occupied homes

More households without children

More small households (one or two people)

More demand for rental homes

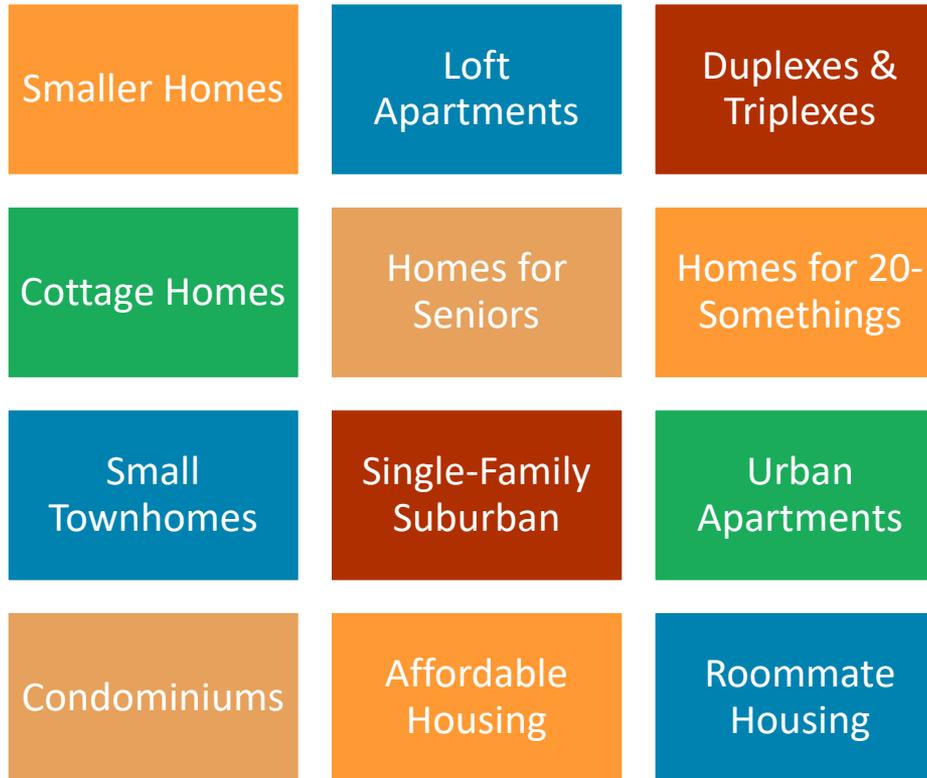
More interest in towns, mixed-use areas, and urban walkable development

More demand for affordable & workforce housing

KEY FACTORS DRIVING DEMAND

INCREASING DEMAND FOR A VARIETY OF HOUSING TYPES:

- This new model of housing demand can be met by a variety of housing types and models.



DEMOGRAPHIC ASSESSMENT

DEMOGRAPHIC ASSESSMENT

POPULATION & HOUSEHOLD GROWTH 2000-2019

- The City of Newnan currently has 39,900 residents and just over 15,000 households.
- Newnan has grown at compound annual growth rate of 4%; more than double the Atlanta region’s growth rate.
- Between 2000 and 2019, Newnan added an average of 1,094 new residents and 428 new households per year.

Population & Household Growth, 2000-2019

Population	City of Newnan	Coweta County	Atlanta MSA
2000 Census	19,108	89,220	4,263,447
2010 Census	33,039	127,317	5,286,728
2019 Estimate	39,898	146,795	6,017,552
Avg. Annual Growth 2000-2019	4.0%	2.7%	1.8%
Avg. Annual Growth (Fcst) 2019-2024	1.5%	1.4%	1.3%

Households	City of Newnan	Coweta County	Atlanta MSA
2000 Census	6,955	31,443	1,559,711
2010 Census	12,392	45,673	1,943,885
2019 Estimate	15,083	53,114	2,224,325
CAGR Growth 2000-2019	4.2%	2.8%	1.9%
CAGR (Fcst) 2019-2024	1.6%	1.4%	1.3%

Demographic Note:

The demographic data used in this report is the best available data, sourced primarily from the US Census American Community Survey (5-Year 2013-2017) and Environics Analytics, a private subscription-based demographic data company. All data points used here are estimates based on generally accepted demographic methodology.

There is a margin of error (MOE) inherent in each estimate, particularly in regards to data based of the ACS, which uses sampled data:

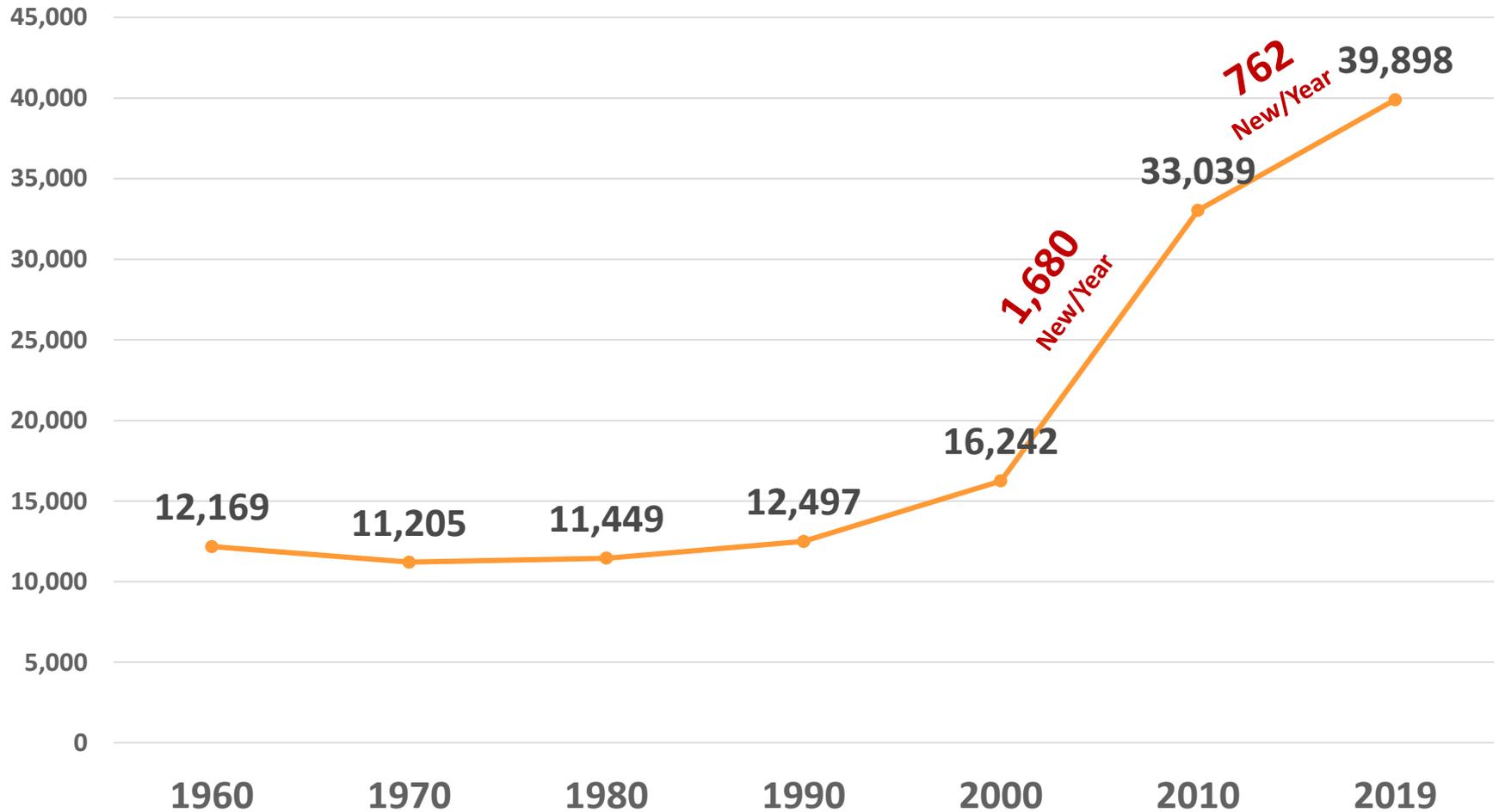
- At this point 2019, we are 9 years into a 10-year census cycle, leading to higher MOE.
- Newnan and its peer cities have relatively small household counts, leading to a comparatively high MOE, as high as +/- 10% in some cases based on ACS sampling.

Source: Environics Analytics, Inc.

DEMOGRAPHIC ASSESSMENT

POPULATION GROWTH

Newnan Population Growth, 1960-2019



Source: US Census, Envirionics Analytics, BAG

DEMOGRAPHIC ASSESSMENT

HOUSEHOLDS BY HOUSEHOLD INCOME LEVEL

Household incomes in the City of Newnan are below the regional average:

- The median income in the city is \$63,004, 92% of the regional median of \$68,395.
- 40% of Newnan households have incomes of \$50,000 or less compared to 37% in the Atlanta region and just 31% in Coweta County.
- Just 28% of Newnan households have incomes of \$100,000 or more compared to 36% in Coweta County and 33% in the Atlanta MSA.

Household Income, 2019

Households	City of Newnan		Coweta County		Atlanta MSA	
2019 Est. Median Household Income	\$63,004		\$76,772		\$68,395	
% of Regional Median Income	92%		112%		100%	
Households by Income						
HH with income <\$15K	1,535	10%	3,447	6%	195,508	9%
HH with income \$15K - \$35K	2,611	17%	6,929	13%	351,079	16%
HH with income \$35K - \$50K	2,004	13%	6,178	12%	272,230	12%
HH with income \$50K - \$100K	4,692	31%	17,545	33%	677,163	30%
HH with income >\$100K	4,241	28%	19,015	36%	728,345	33%

Source: Environics Analytics

DEMOGRAPHIC ASSESSMENT

HOUSEHOLD CHARACTERISTICS

Newnan residents tend to live in smaller households and are less likely to have children present.

- The average household size in Newnan is 2.6 persons, vs. 2.8 persons in Coweta County.
- Newnan households are slightly less likely to have children present: 39% of households have children under 18, compared to 41% in the county.

Household Characteristics

Household Characteristics	City of Newnan		Coweta County		Atlanta MSA	
Est. Households	15,083		53,114		2,224,325	
Small Households (1 or 2 people)	8,525	57%	27,765	52%	1,239,205	56%
Medium Households (3-4 people)	4,807	32%	18,933	36%	711,129	32%
Large Households (5+ people)	1,751	12%	6,416	12%	273,991	12%
Households with Children	5,907	39%	21,768	41%	848,150	38%
Households without Children	9,176	61%	31,346	59%	1,376,175	62%
Non-Family Households	4,881	32%	12,787	24%	711,855	32%
2019 Est. Average Household Size	2.6		2.8		2.7	

Source: Environics Analytics, Inc.

PEER CITIES ASSESSMENT

To get a clearer idea of how Newnan's housing market operates relative to its larger context, we compared several key data points with a set of peer cities. With the assistance of the steering committee, we selected a set of peer cities across the region that were similar to Newnan in terms of size, geography, character, and demographics.

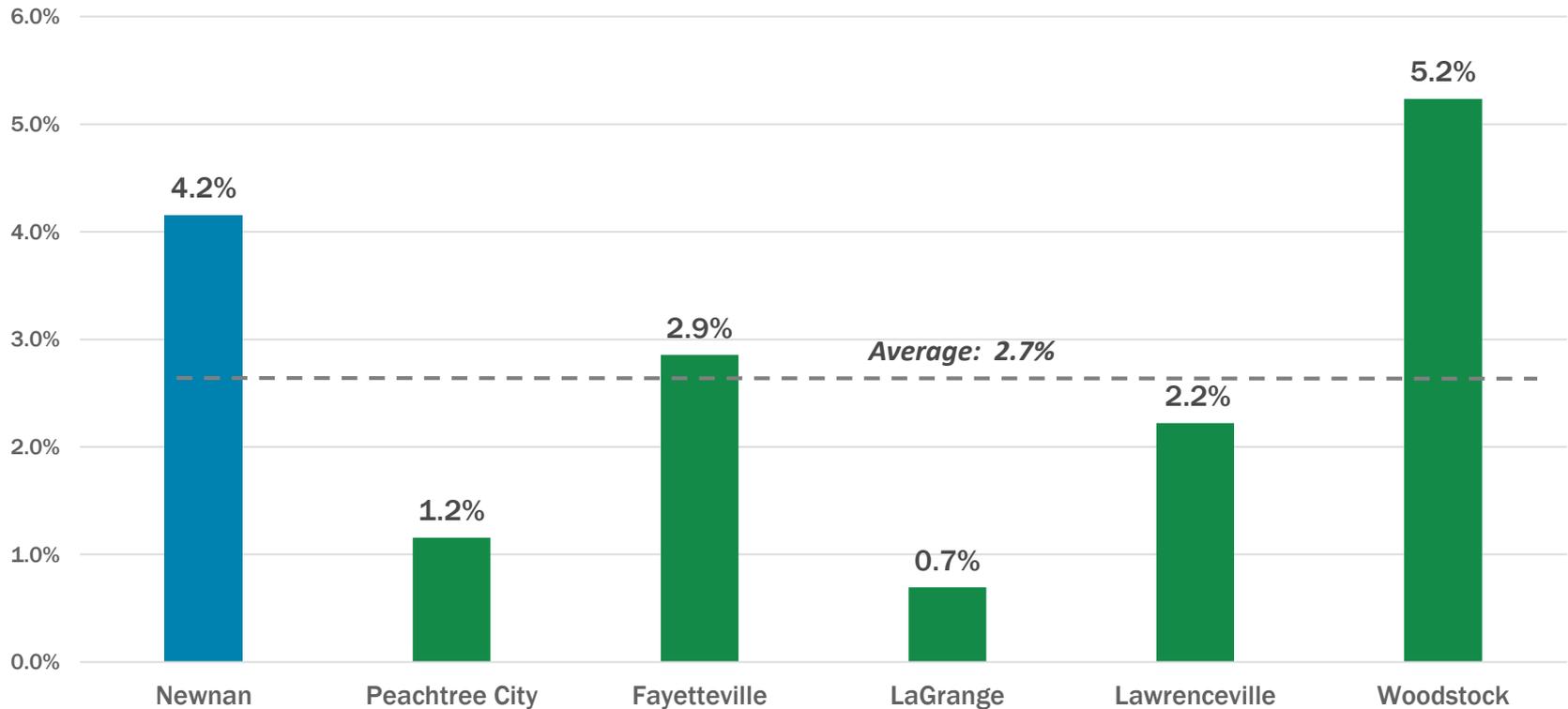
This section has been updated from a previous version of this report to correct a data error which misstated demographic data for several peer cities. Values for Newnan remain the same.

DEMOGRAPHIC PEER COMPARISON

HOUSEHOLD GROWTH

- Since 2000, Newnan’s household growth rate of 4.2% has exceeded all cities but Woodstock.

2000-2019 Compound Annual Household Growth Rate by City



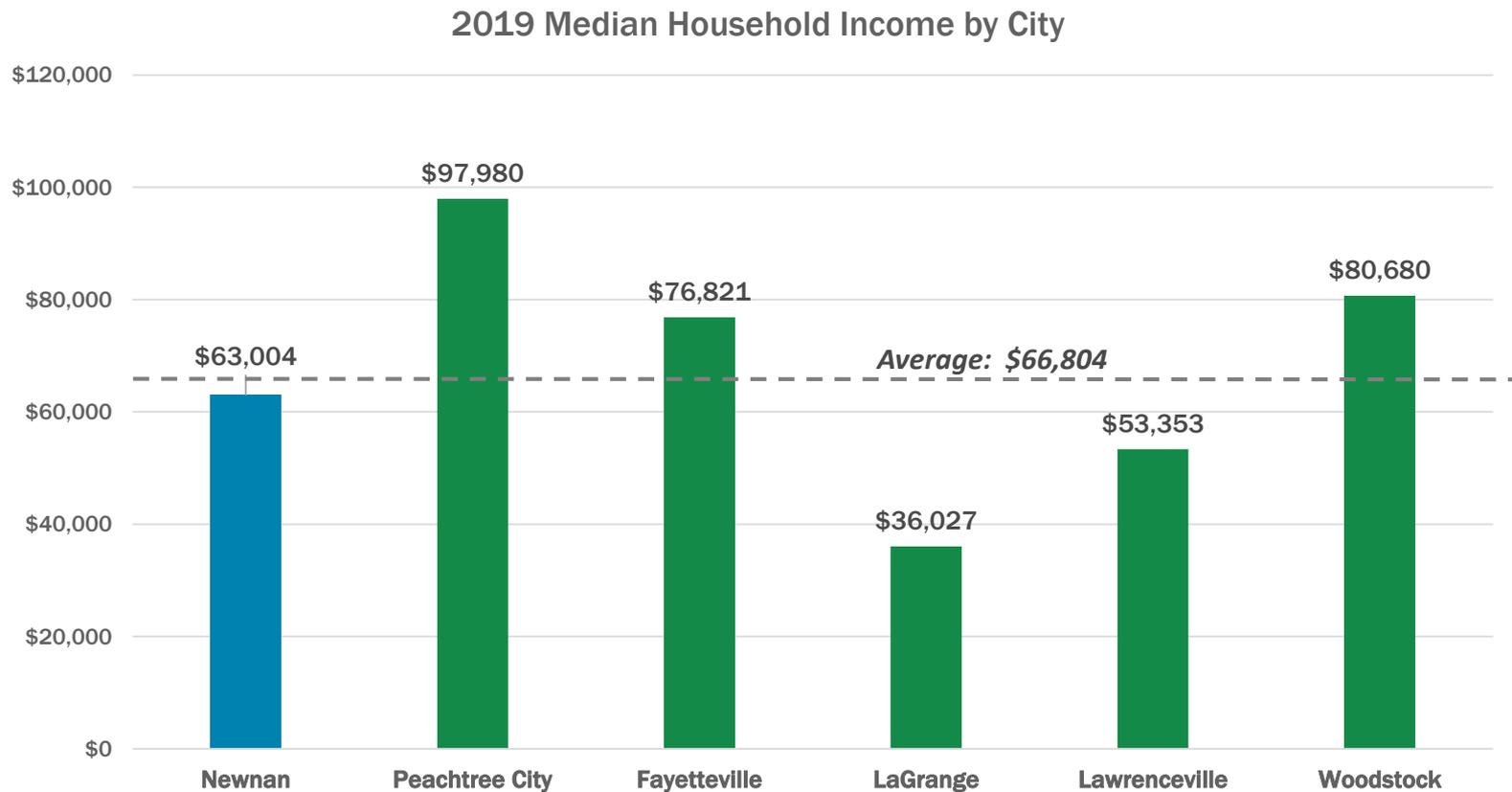
Source: Environics Analytics, Inc.

Data source: Claritas; U.S. Census

DEMOGRAPHIC PEER COMPARISON

HOUSEHOLD INCOMES

- In terms of Median Household Income, Newnan falls in the middle of the pack between Fayetteville and Lawrenceville.
- Median household incomes are highest in Peachtree City and Woodstock.

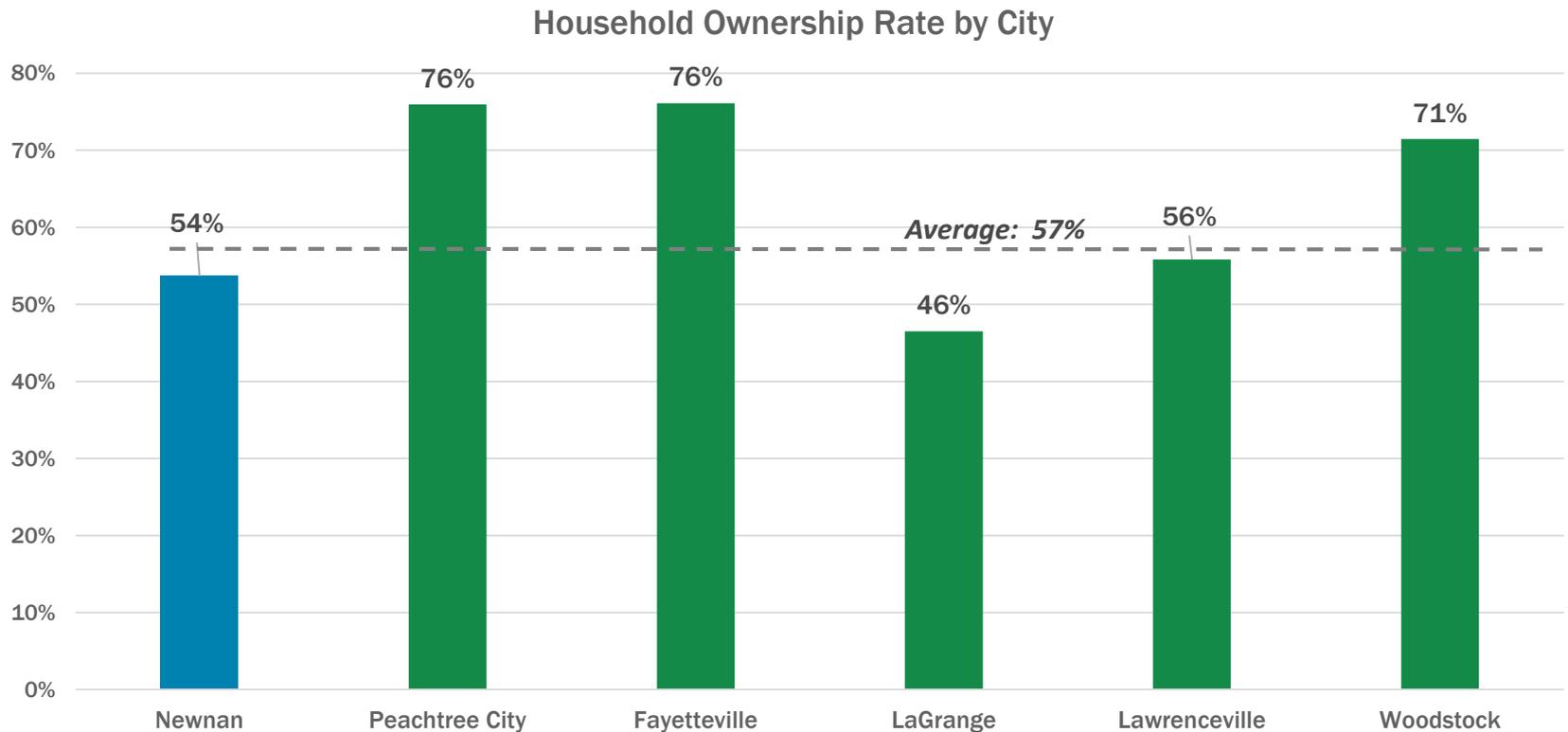


Source: Environics Analytics, Inc.

DEMOGRAPHIC PEER COMPARISON

TENURE

- Newnan's home ownership rate falls just below the average of the peer set at 54%. Fayetteville and Peachtree City have the highest ownership rate at 76%.
- The national homeownership rate is 64%.

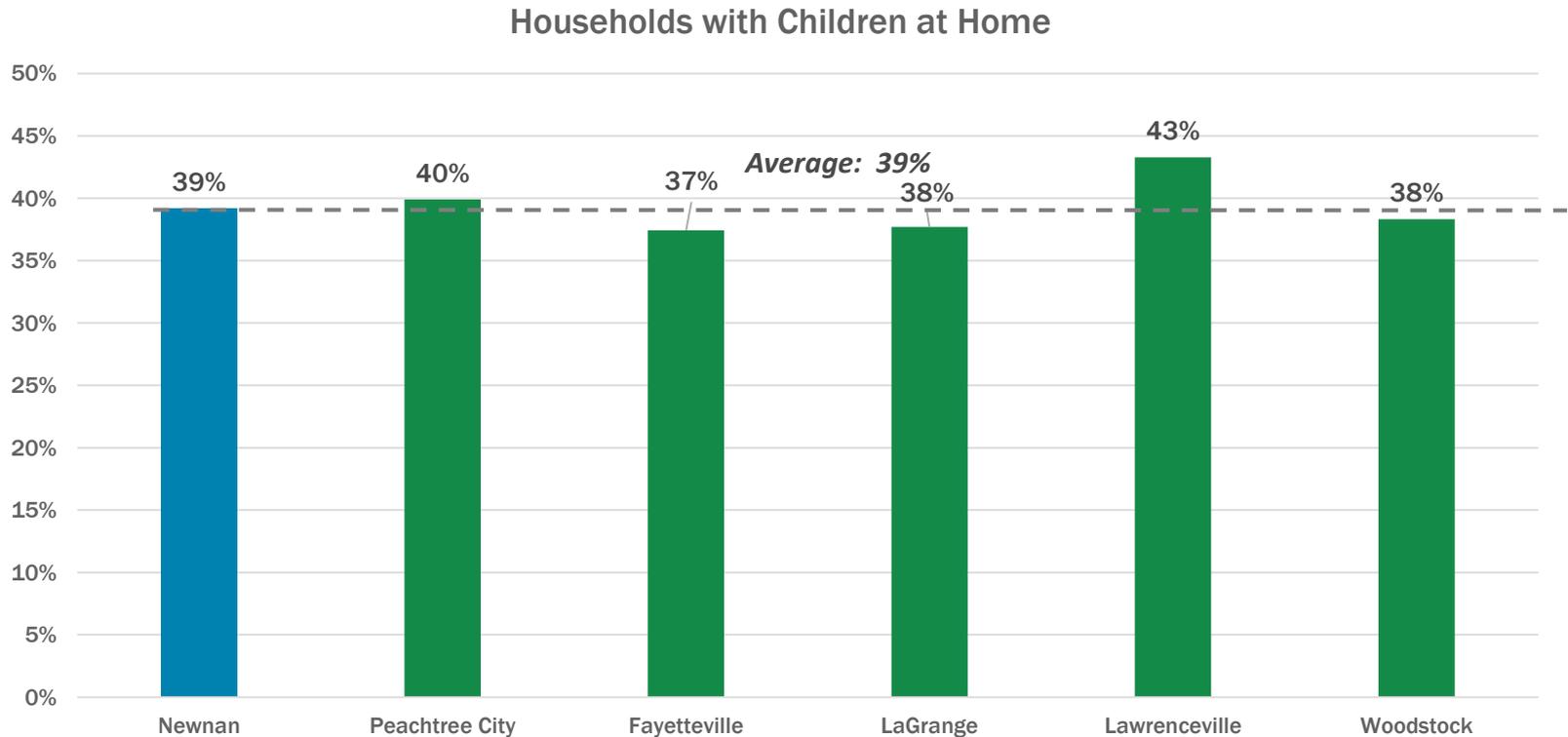


Source: Environics Analytics, Inc.

DEMOGRAPHIC PEER COMPARISON

HOUSEHOLDS WITH CHILDREN

- The share of households with children in Newnan is comparable to the other cities in the peer set; approximately two in every five households has children at home. This impacts size and character of housing that is in demand, as well as the importance of amenities like school quality.



Source: Environics Analytics, Inc.

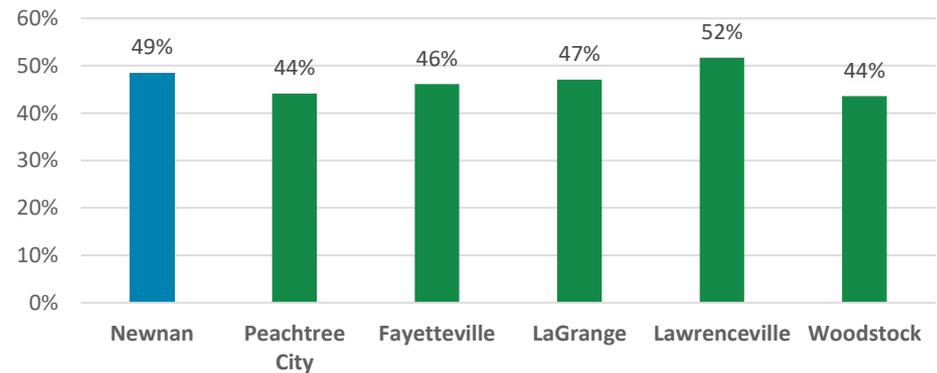
DEMOGRAPHIC PEER COMPARISON

HOUSING COST BURDEN

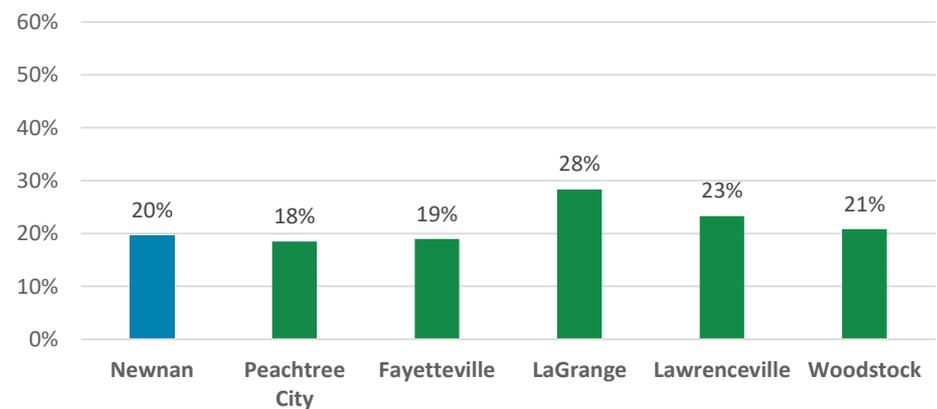
Housing cost burden is the relation to housing costs to household income. It demonstrates that housing affordability can be an issue to households across all income groups.

- The rule of thumb is that housing-related expenses such as rent, mortgage payment, and utilities should be less than 30% of household income to be considered affordable for that household. When a household pays more than 30% of their income toward housing costs, HUD considers that household “housing cost-burdened.”
- As the graphs at right show, levels of owner and renter cost burden are similar across the peer comparison set, with close to half of renters and one-fifth of owners experiencing housing cost burdens.
- The renter cost burden, while typical in relative terms, is still high in absolute terms: one out of every two renter households is spending more than they can afford on rent. This phenomenon is likely the result of multiple factors, including low wages, but also housing factors, such as the lack of quality affordable housing or the lack of right-sized housing options. For example, the lack of rental apartments in 2017 when this data was collected may have pushed some households to rent single-family detached homes, which may cost more to rent.

% of Renters that are Housing Cost-Burdened



% of Owners that are Housing Cost-Burdened



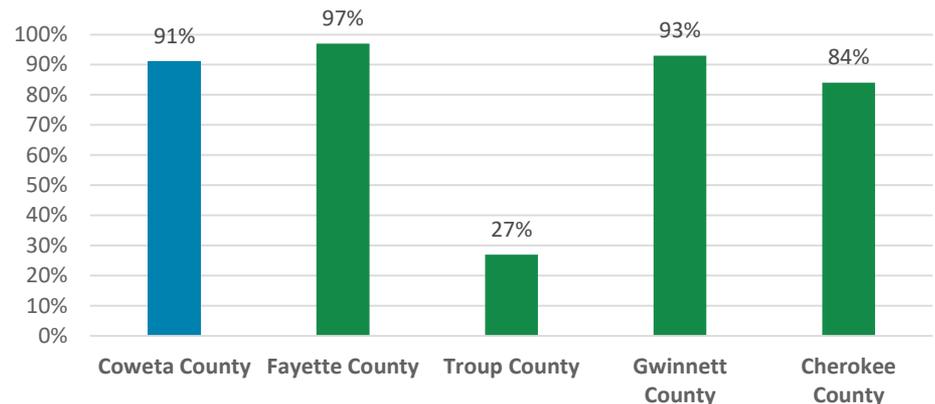
Source: U.S. Census American Community Survey 2017 5-Year Estimates

DEMOGRAPHIC PEER COMPARISON

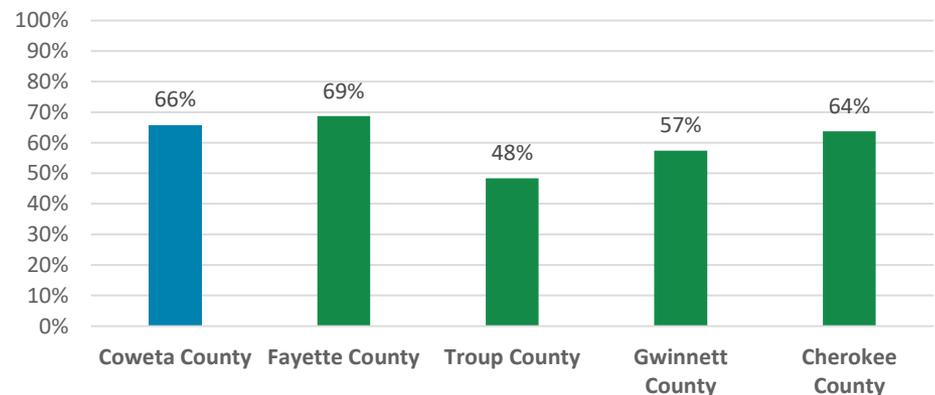
SCHOOL PERFORMANCE

- Research shows that access to quality schools is one of the strongest drivers of housing choice and home values.
- Coweta County public schools perform on par with most other county school districts in the peer set, and significantly better than most school districts in the state. Coweta County is in the 27th percentile for “overall performance,” as measured by the Georgia Governor’s Office of Student Achievement. Overall Performance is based on an index score that weights all of the schools in the district on various factors, including:
 - Student content master
 - School progress
 - Student readiness
 - Graduation rates
- Coweta County public schools have an 85% graduation rate. However, only approximately two-thirds of graduates are considered “college and career ready.” This measure accounts for factors such as:
 - Share of students entering the technical college or university system without needing remediating
 - Student ACT, SAT, or AP/IB course scores
 - Student participation in work-based learning programs
- Coweta County’s relatively high competitiveness on school performance is a significant benefit to attracting households with children.

District Percentile Rank for Overall Performance



Share of Graduates that are "College and Career Ready"



Source: Georgia Governor's Office of Student Achievement 2017-2018

POPULATION GROWTH FORECAST

POPULATION GROWTH FORECAST

GROWTH FORECAST METHODOLOGY

What do local planning agencies forecast for Population Growth in Newnan and Coweta County between now and 2040?

We looked at regional “Superdistrict” and County forecasts from Atlanta Regional Commission (ARC), Newnan’s own 2016-2036 Comprehensive Plan, and forecasts from several statewide planning agencies.

By comparing those forecasts, we determined that **Newnan’s 2016-2036 Comprehensive Plan** population forecast of 60,094 residents in 2036, which extrapolates to 65,900 residents by 2040, is prudent and reasonable. This forecast, developed and approved by Newnan’s Planning staff and elected officials, forms the basis of all housing demand projections in this study.

Interestingly, the forecast of housing units in the same 2016 Comprehensive Plan is not plausible, as it forecast the addition of fewer than 3,000 new housing units from 2016-2036 alongside over 22,000 new residents, a ratio of one new housing unit per 7.5 new residents. Instead, as a major element of this study, we derived a new model to project growth in demand for housing units.

Population and Housing Forecasts
City of Newnan Comprehensive Plan, 2016-2036

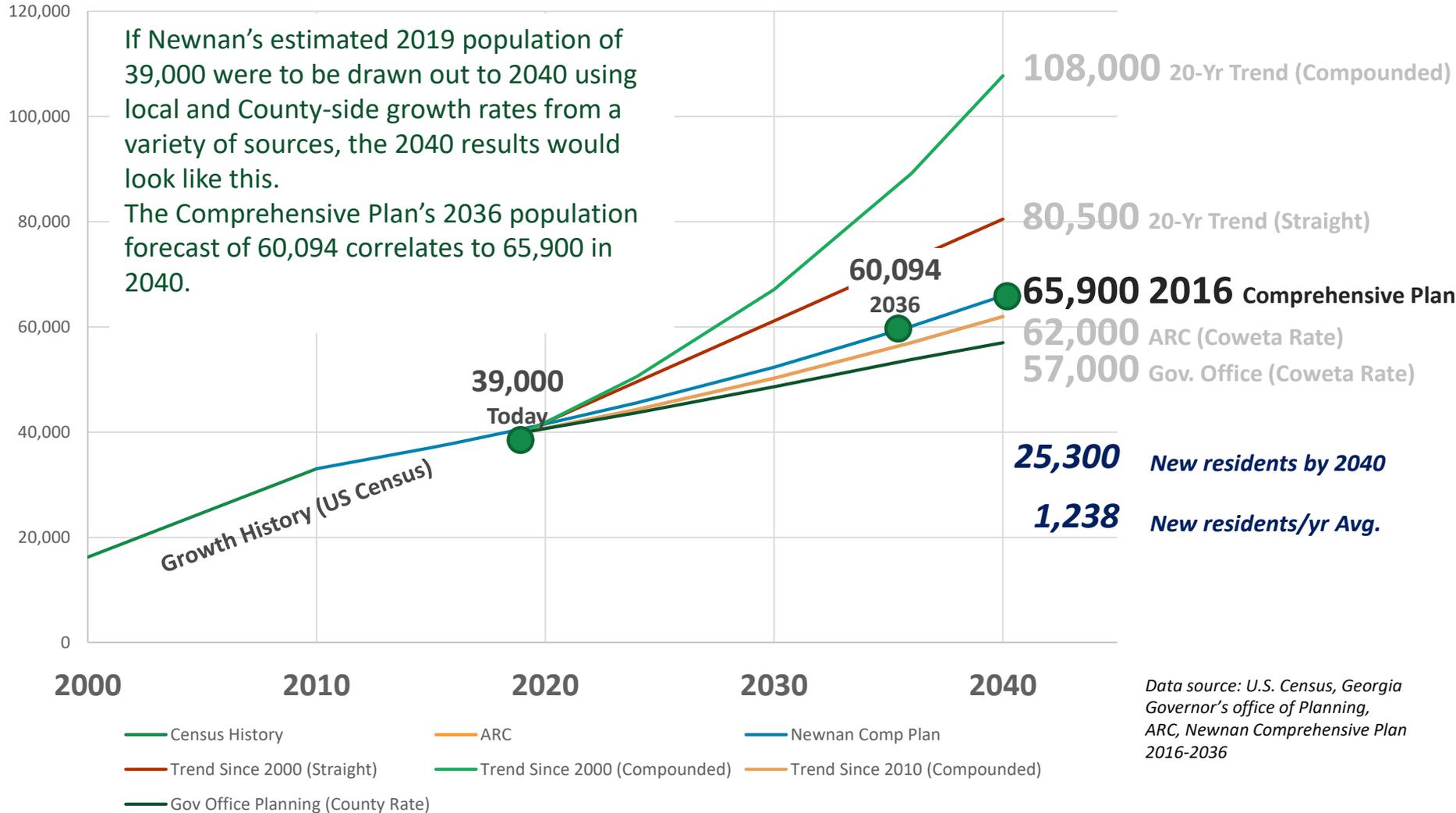
Year	Residential Population	Population Aged 18-65	Employment	Functional Population	Housing Units
2010	33,039*	20,791*	13,567*	46,606	13,275*
2013	34,836*	21,947	13,891*	48,727	13,700*
2014	36,203*	22,808	14,593*	50,796	13,783*
2015	37,047	23,340	14,866	51,913	13,915
2016	37,910	23,883	15,144	53,054	14,049
2017	38,793	24,440	15,427	54,220	14,184
2018	39,697	25,009	15,716	55,413	14,320
2019	40,622	25,592	16,010	56,632	14,458
2020	41,569	26,189	16,309	57,878	14,597
2021	42,538	26,799	16,614	59,152	14,737
2022	43,529	27,423	16,925	60,454	14,879
2023	44,543	28,062	17,242	61,785	15,022
2024	45,581	28,716	17,564	63,145	15,166
2025	46,643	29,385	17,893	64,536	15,312
2026	47,730	30,070	18,228	65,958	15,459
2027	48,842	30,771	18,569	67,411	15,607
2028	49,980	31,487	18,916	68,896	15,757
2029	51,145	32,221	19,270	70,415	15,908
2030	52,337	32,972	19,630	71,967	16,061
2031	53,557	33,741	19,997	73,554	16,215
2032	54,805	34,527	20,371	75,176	16,371
2033	56,082	35,332	20,752	76,834	16,528
2034	57,389	36,155	21,140	78,529	16,687
2035	58,726	36,997	21,535	80,261	16,847
2036	60,094	37,859	21,938	82,032	17,009

Source: U.S. Census Bureau and City of Newnan Department of Community Development
*Actual Numbers from Census Bureau

Source: City of Newnan 2016-2036 Comprehensive Plan

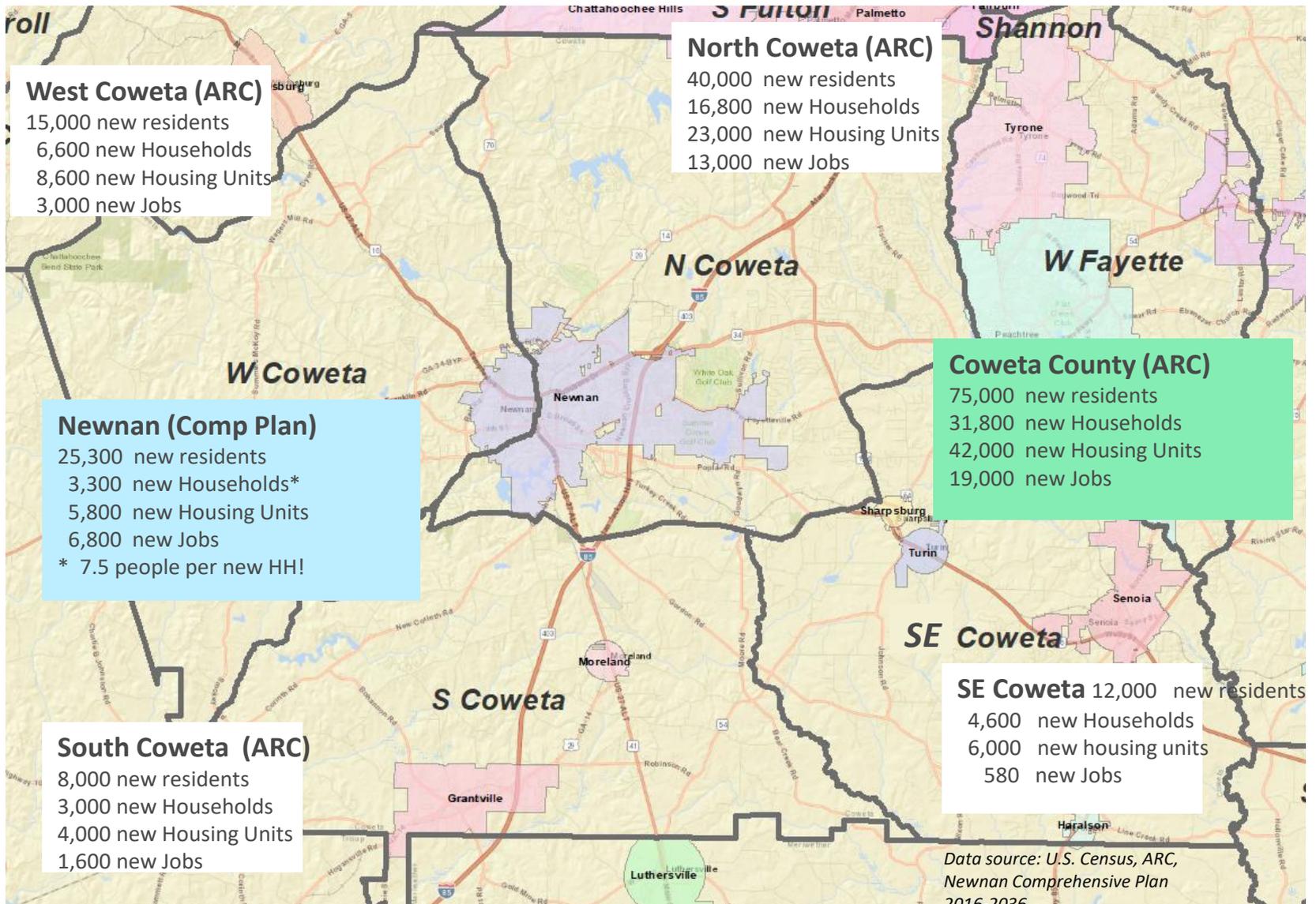
POPULATION GROWTH FORECAST

GROWTH FORECAST METHODOLOGY



DEMOGRAPHIC ASSESSMENT

ATLANTA REGIONAL COMMISSION & NEWNAN COMPREHENSIVE PLAN FORECASTS 2020-2040



DEMOGRAPHIC ASSESSMENT

HOUSEHOLD FORECAST BY AGE GROUP

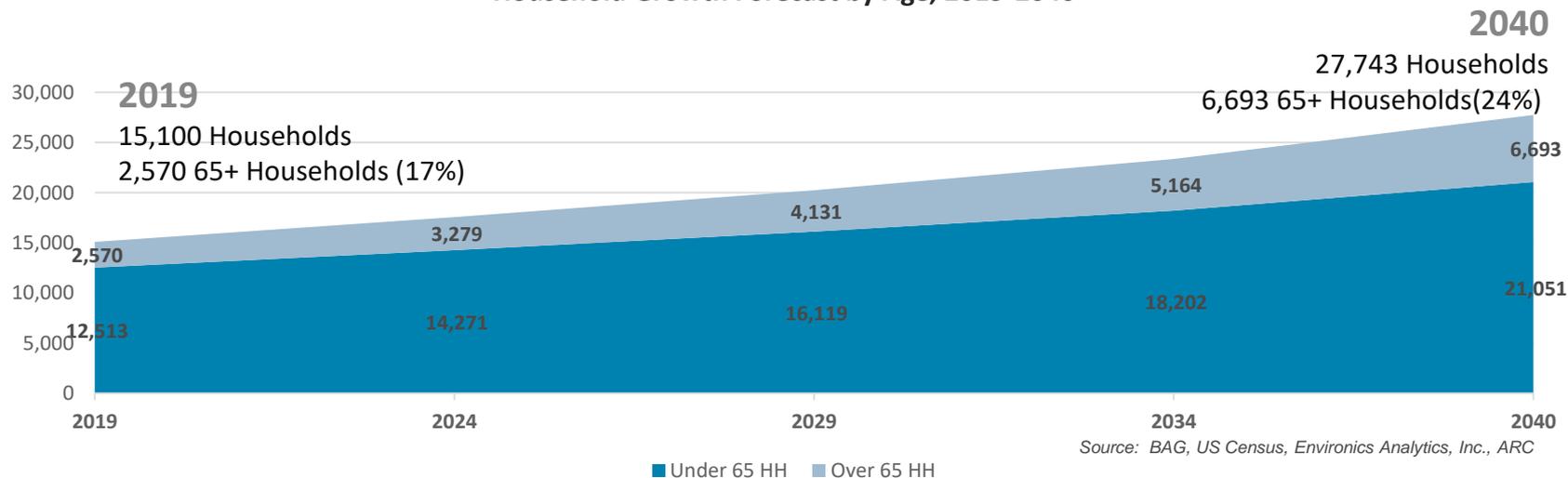
- If Newnan approaches the population targets in the Comprehensive Plan, the City will need to plan for an estimated 12,660 new households over the next 21 years.

- 613 new households/year
- 33% of demand for new housing will come from Seniors 65+

Total Households

	Under 65 HH	Over 65 HH	Total
2019	12,513	2,570	15,083
2024	14,271	3,279	17,550
2029	16,119	4,131	20,250
2034	18,202	5,164	23,366
2040	21,051	6,693	27,743
Net '19-'40	8,538	4,122	12,660
AVG. Chg. Yr.	407	196	603

Household Growth Forecast by Age, 2019-2040



DEMOGRAPHIC ASSESSMENT

HOUSEHOLD FORECAST BY INCOME GROUP

- If Newnan’s current distribution of households by income remains constant, the City will experience household growth across all income categories.
- By 2040 Newnan will add:
 - 4,600+ households earning less than \$40K
 - 3,000+ Households earning between \$40K and \$75K.
- For reference, a \$40K household should be able to afford:
 - \$850/month rent
 - \$154,000 home purchase

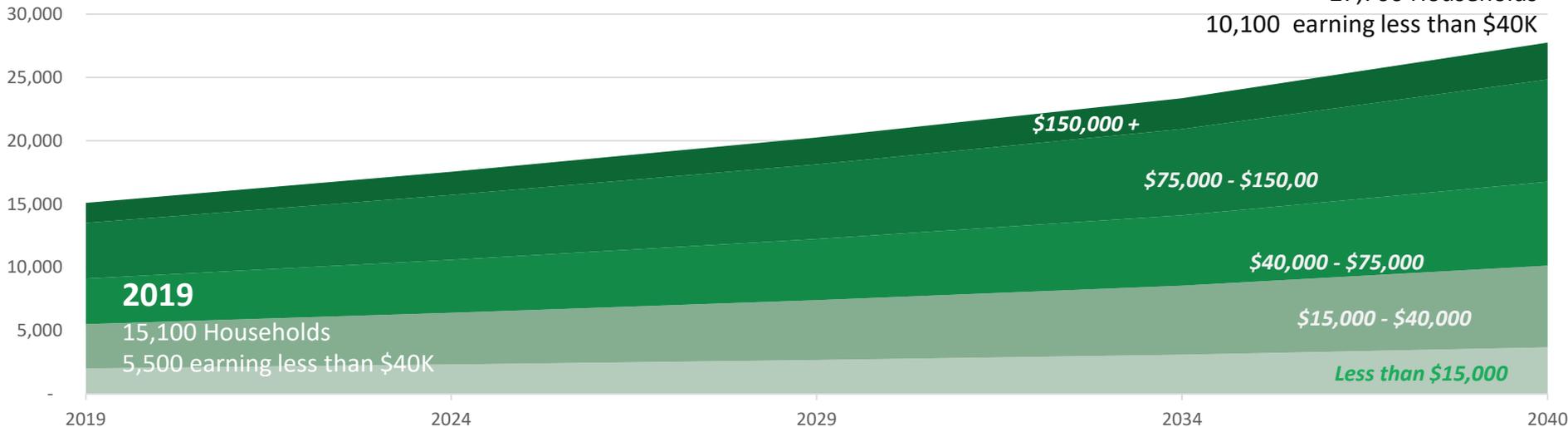
	Household by Income Group					Total
	Less than \$15,000	\$15,000 - \$40,000	\$40,000- \$75,000	\$75,000- \$150,000	150,000+	
2019	2,003	3,511	3,595	4,391	1,582	15,083
2024	2,331	4,085	4,183	5,109	1,841	17,550
2029	2,690	4,714	4,827	5,895	2,125	20,250
2034	3,104	5,439	5,570	6,802	2,451	23,366
2040	3,685	6,458	6,613	8,077	2,911	27,743
Net '19-'40	1,682	2,947	3,018	3,686	1,328	12,660
AVG. Chg. Yr.	80	140	144	176	63	603

Household Growth Forecast by Income Group, 2019-2040

2040

27,700 Households

10,100 earning less than \$40K



Source: BAG, US Census, Environics Analytics, Inc., ARC

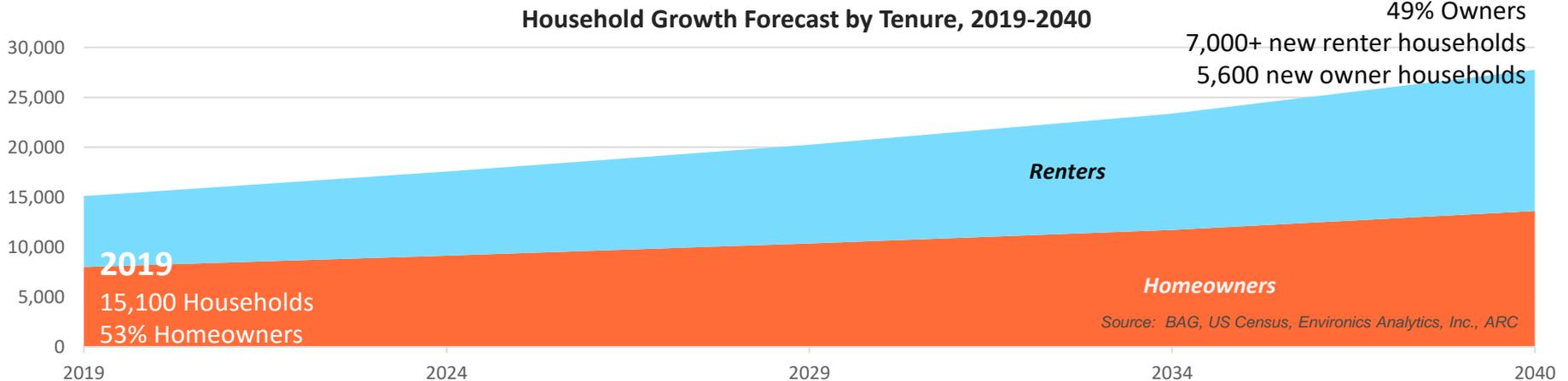
DEMOGRAPHIC ASSESSMENT

HOUSEHOLD FORECAST BY INCOME GROUP

- If Newnan’s distribution of households by tenure shifts from 53% owner to 49% owner, driven by the aforementioned market and economic trends, the City will experience more growth in renter households than owner households.
- By 2040 Newnan will add:
 - 5,060 owner households
 - Over 7,000 renter households
- It is important to bear in mind that housing tenure is independent of housing type, and any housing structure can be occupied by owners or renters.
 - Many single family houses are renter-occupied.
 - Tenure is flexible and can change quickly and easily based on economic and market trends.

Households by Tenure

	Owner	Renter	Total	% Owner
2019	7,994	7,089	15,083	53.0%
2024	9,134	8,416	17,550	52.0%
2029	10,347	9,903	20,250	51.1%
2034	11,716	11,650	23,366	50.1%
2040	13,594	14,149	27,743	49.0%
Net '19-'40	5,600	7,060	12,660	
AVG. Chg. Yr.	267	336.20	603	



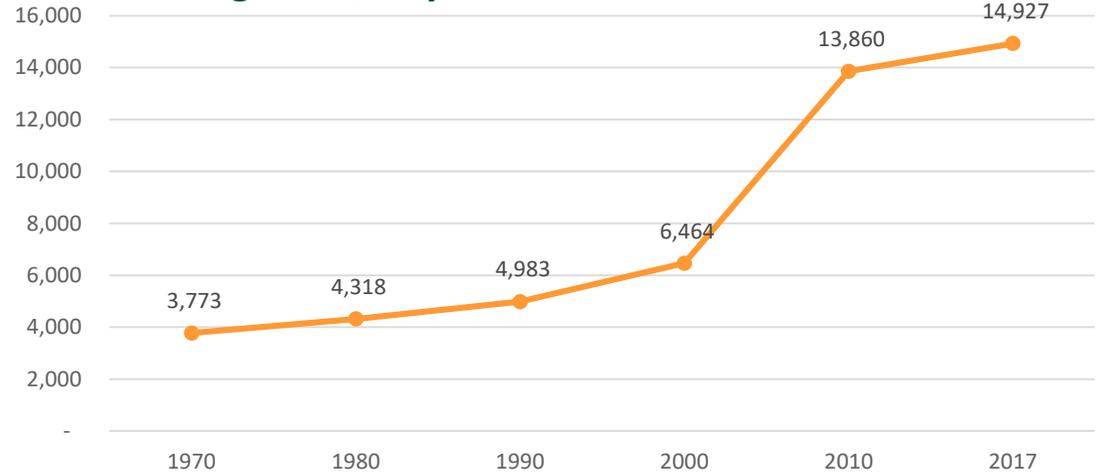
RESIDENTIAL SUPPLY ASSESSMENT

RESIDENTIAL SUPPLY ASSESSMENT

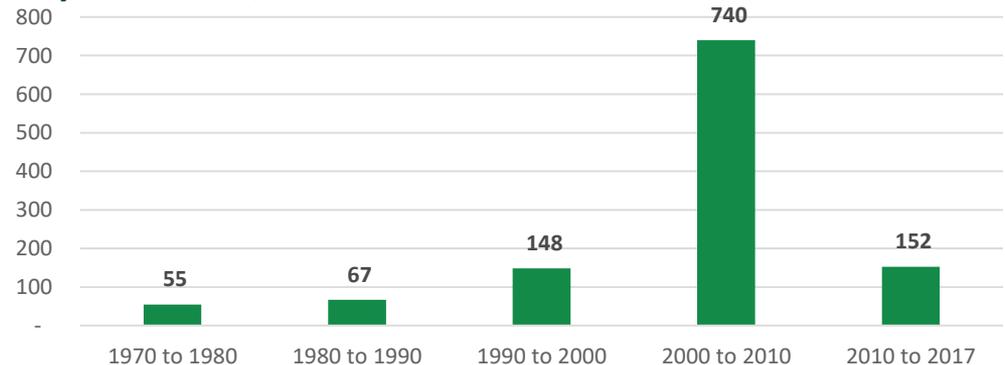
DISTRIBUTION OF NEW HOUSING

- Since 2000, the number of housing units in the City of Newnan more than doubled, from 6,464 in 2000 to just under 15,000 in 2017.
 - In 2017, Newnan had an estimated 14,927 housing units.
- From 2000 to 2017, Newnan added an average of over 445 new homes annually.
- The number of new homes added to Newnan’s housing inventory corresponds with other key growth indicators, indicating a balanced housing market:

Total Housing Units, City of Newnan, 1970-2017



Average Number of Housing Units Added Annually, City of Newnan, 1970-2017



Annual Growth Indicator	Estimate
New Housing Units 2000-2017	+/- 8,463
New Households 2000-2019	8,128
Building Permits 2000-2018	+/- 9,972
<i>Assume 88% Completion</i>	+/- 8,775

Source: BAG, US Census ACS 2015 %-Year, Environics Analytics, Inc

RESIDENTIAL SUPPLY ASSESSMENT

HOUSING TYPE

- 65% of Newnan’s housing units are single-family detached homes (compared to 83% in Coweta County and 67% for the Atlanta MSA).
- 22% of Newnan residents live in large multi-family buildings (5 or more units) compared to 8% in Coweta County and 21% of the Atlanta MSA.

Housing Structure Type, 2019

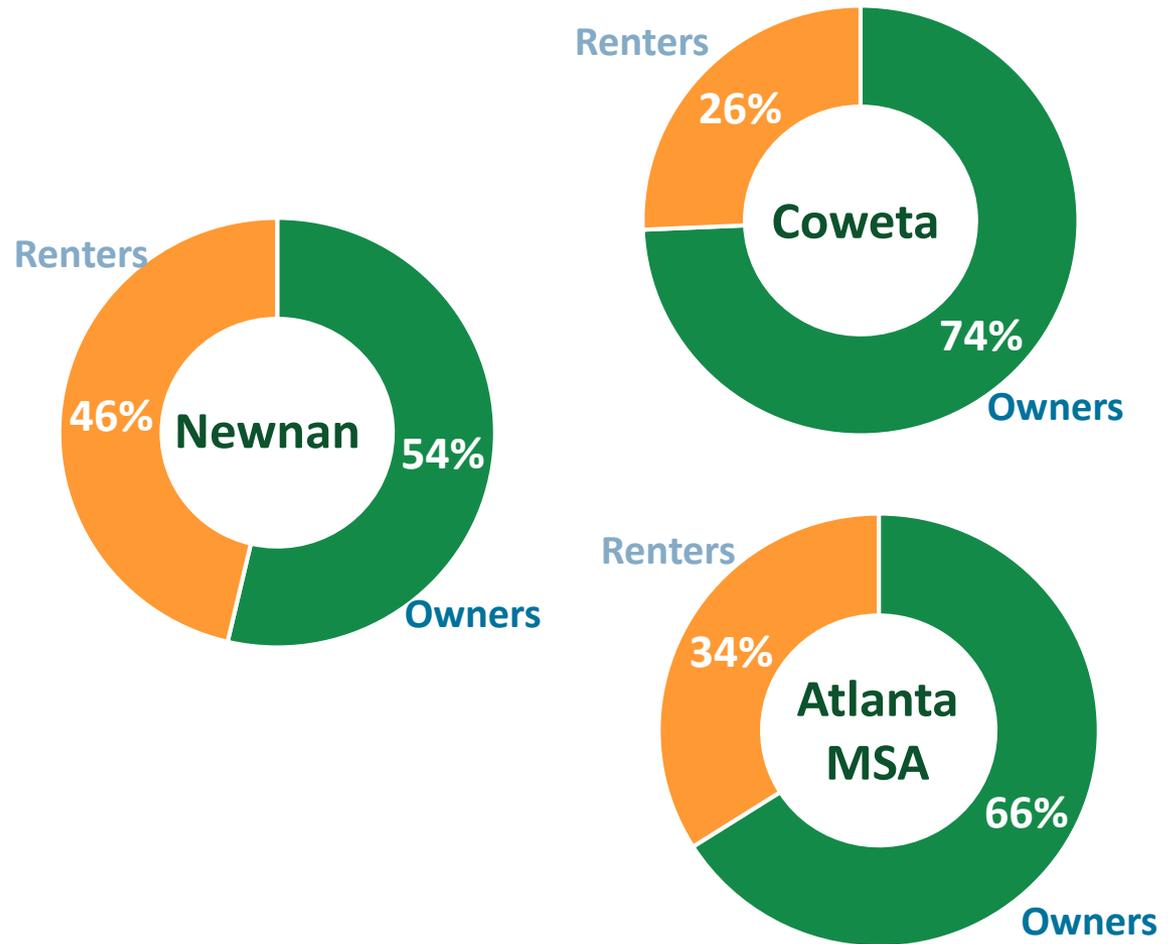
Type of Housing	City of Newnan		Coweta County		Atlanta MSA	
 <p>1 Unit Detached (SF)</p>	10,812	65%	47,997	83%	1,635,672	67%
 <p>1 Unit Attached (TH)</p>	840	5%	1,315	2%	126,591	5%
 <p>Small Multi-Family (2-4 Units/Bldg.)</p>	1,033	6%	1,513	3%	98,936	4%
 <p>Lg Multi-Family (5+ Units/Bldg.)</p>	3,622	22%	4,775	8%	521,358	21%
 <p>Trailer, RV & Boat</p>	287	2%	2,095	4%	75,356	3%

RESIDENTIAL SUPPLY ASSESSMENT

HOUSING TENURE

Housing Tenure, 2019

- The majority of Newnan households are owner-occupied
 - However, 46% of Newnan homes are renter-occupied -- significantly higher than the 26% of Coweta County and 34% Atlanta MSA.



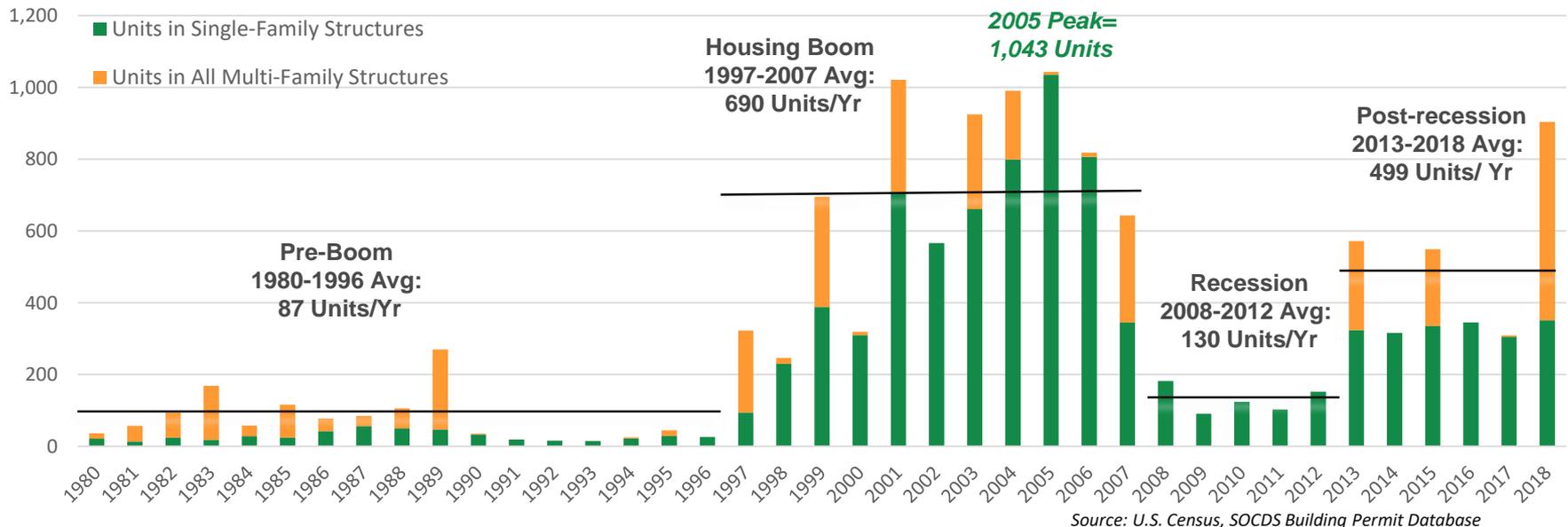
Source: US Census, Environics Analytics, Inc.

RESIDENTIAL SUPPLY ASSESSMENT

BUILDING PERMIT TRENDS

- Newnan’s strong residential growth trend began around 1997. Prior to that year, the city issued building permits for an average of 87 units annually. From 1997 through 2007, Newnan issued permits for 690 units annually, reaching a peak of 1,043 units permitted in 2005.
- When the Housing Bubble burst in 2006-2007, the growth in multi-family housing halted and single-family housing dropped to an average of just 130 units annually.
- Since the post-recession recovery began in 2013, permit issuances in Newnan quickly returned to an average of nearly 500 housing units permitted annually, with 2018 issuance of permits approaching the peak boom years of 2001-2005.

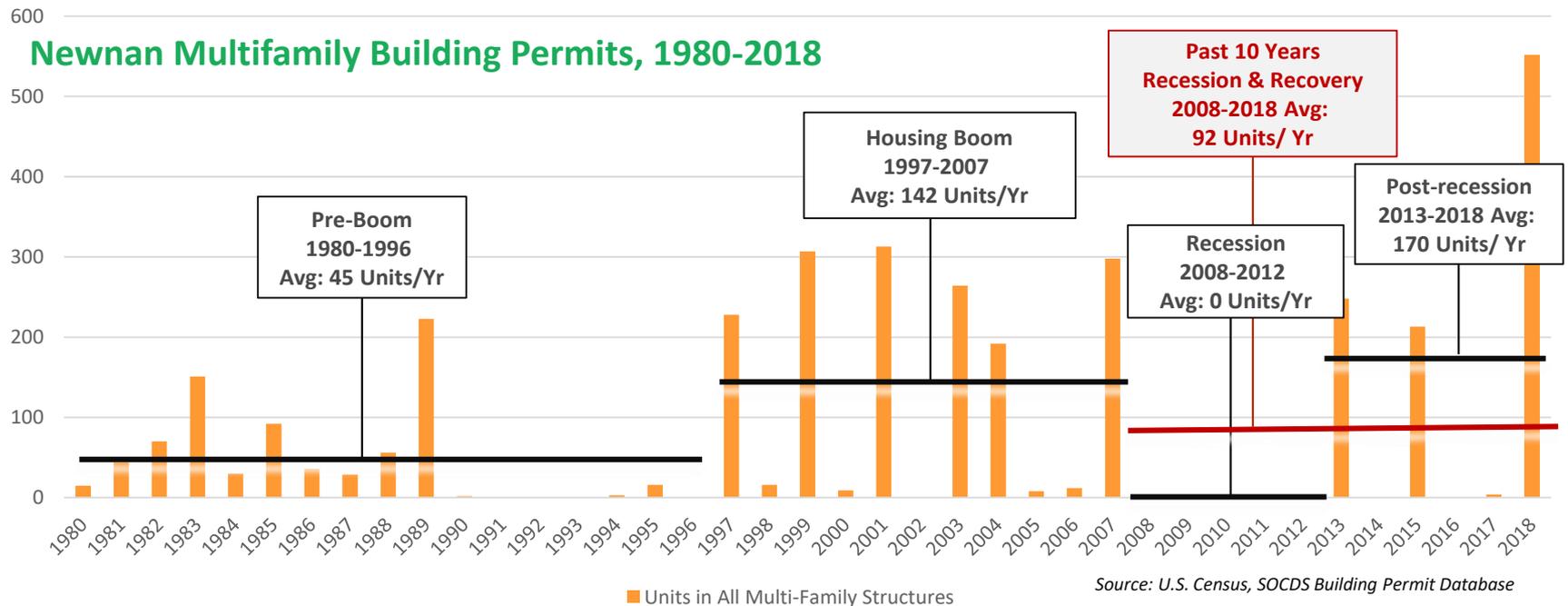
Newnan Building Permits by Permit Type, 1980-2018



RESIDENTIAL SUPPLY ASSESSMENT

MULTIFAMILY BUILDING PERMIT TRENDS

- A common theme of the stakeholder interview and public outreach process was a sense of concern about the large number of multifamily residential units, primarily apartments, that had been permitted in Newnan but not yet built.
- A record 552 multifamily units were permitted in Newnan in 2018, by far the most ever permitted in a single year.
- However, viewed in context, it becomes clear that the 2018 "boomlet" in multifamily permits is actually a market correction reacting to the previous 10-year period, in which 8 of 10 years showed zero or near-zero multi-family permits.
- Even with the 2018 surge in multifamily permits, the 11-year post recession average of multifamily units permitted has been just 92 units/year, well below the previous 10-year average of 142 units/year.



RESIDENTIAL SUPPLY ASSESSMENT

BUILDING PERMIT TRENDS

What housing has been delivered since 2000?



**53% Large
Single-Family
Homes**



**34% Large
Garden
Apartments**

**7% Large
Townhome**



**6% Other
Homes**



**0% Small Single
Family, Cottage
& Townhome**



0% Condo



**0% Duplex &
Triplex
(Loss of 322 Units)**



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

RESIDENTIAL SUPPLY ASSESSMENT

MINIMUM BUILDING SIZE

The city currently requires minimum residential building square footage in its zoning code. The current minimum building size varies from 2,000 SF in the RS-20 districts to 1,500 SF in the RU-2 district. RU-1 is the only zoning district with no minimum sq ft requirements.

There is a demonstrated connection between building size, construction costs, and sale price. The city's current regulations may be unnecessarily driving up the cost of new developments.

Unless there is a need that justifies requiring larger building sizes, the city should explore allowing smaller residential construction in its residential zoning districts, particularly RU-7 and RU-2, as well as the residual Urban Neighborhood-designated areas.

Minimum Principal Living Space (sq ft)	
Zoning District	Minimum SF
RS-20	2,000
RS-15	1,800
RU-7	1,600 (1,800 Urban Neighborhood)
RU-1	None
RU-2	1,500 (1,800 Urban Neighborhood)

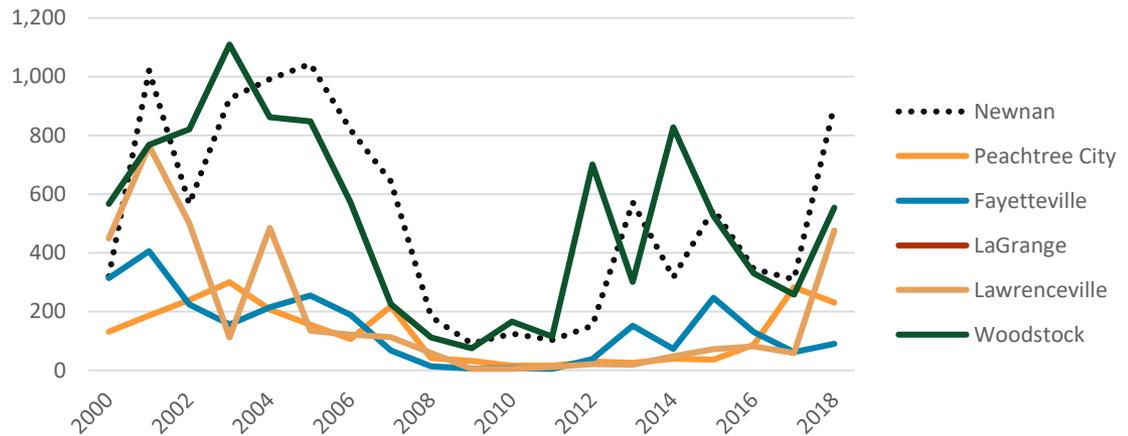
Newnan Zoning Ordinance effective Sept 2017

RESIDENTIAL SUPPLY PEER COMPARISON

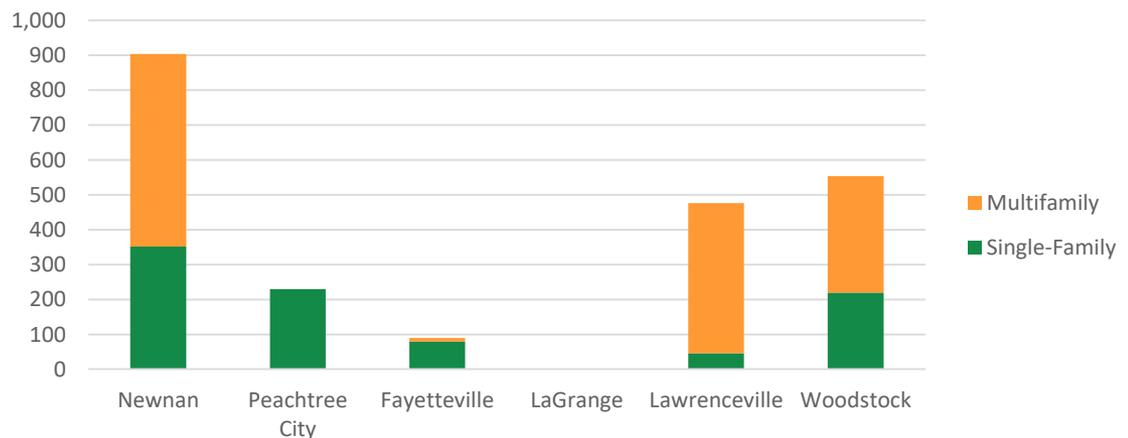
BUILDING PERMIT TRENDS

- Newnan has consistently ranked at the top of its peers for the number of building permits issued. Though permit issuances in all cities fell to near zero during the Great Recession, most of these cities have rebounded, with Newnan and Woodstock once again nearing pre-recession peaks.
- In 2018, Newnan issued nearly as many building permits as Lawrenceville and Woodstock – the next two highest cities – combined.
- 60% of the building permits issued in Newnan during 2018 were for multifamily projects, while the remaining 40%, or just over 350 permits, were for single-family construction.

Building Permits - All Types
(Permit data for LaGrange not available)



2018 Building Permits by Type
(Permit data for LaGrange not available)



Data source: HUD SOCDS

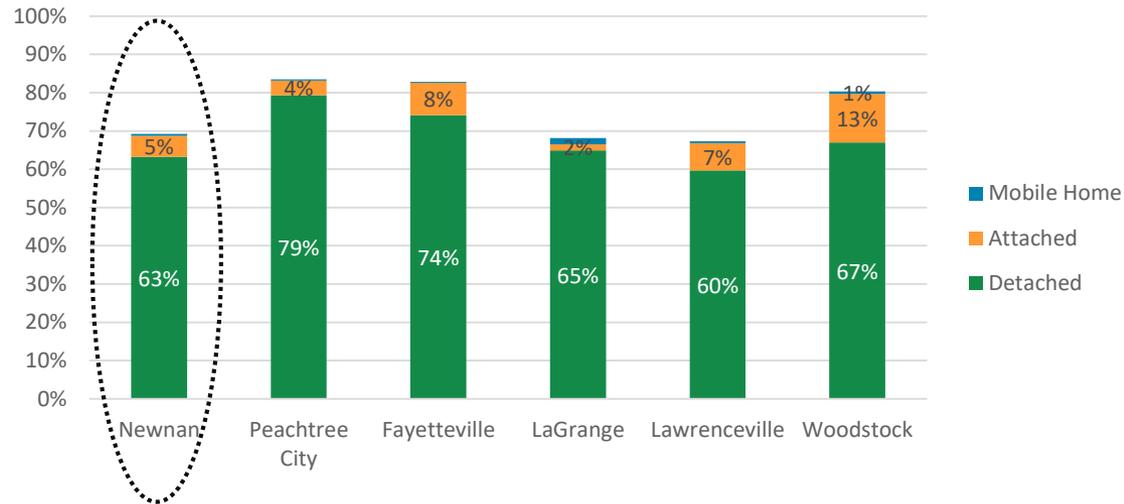
RESIDENTIAL SUPPLY PEER COMPARISON

HOUSING STOCK BY STRUCTURE TYPE

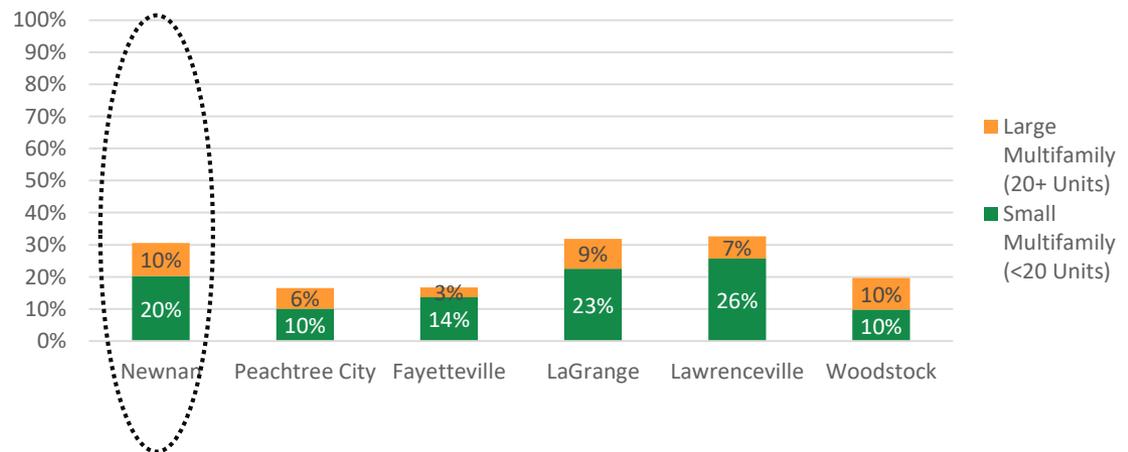
Newnan's housing stock composition is most similar to LaGrange and Lawrenceville:

- 63% of housing units are single-family detached homes.
- Historically, homes were either built as single-family detached or multifamily units, so there are only a handful of single-family attached units (i.e., townhomes) available.
- Multifamily units comprise approximately 30% of the housing stock, and two thirds of multifamily units are small complexes with less than 20 units. Units in small complexes are often more affordable, but also older, which makes them vulnerable to maintenance concerns or candidates for redevelopment. Preserving this stock is key.
- The city has a handful of larger apartment complexes, typically built in the 1980s to early 2000s. Quality and pricing vary considerably from complex to complex.

Single-Family Homes as Share of Total Housing Units



Multifamily Units as Share of Total Housing Units

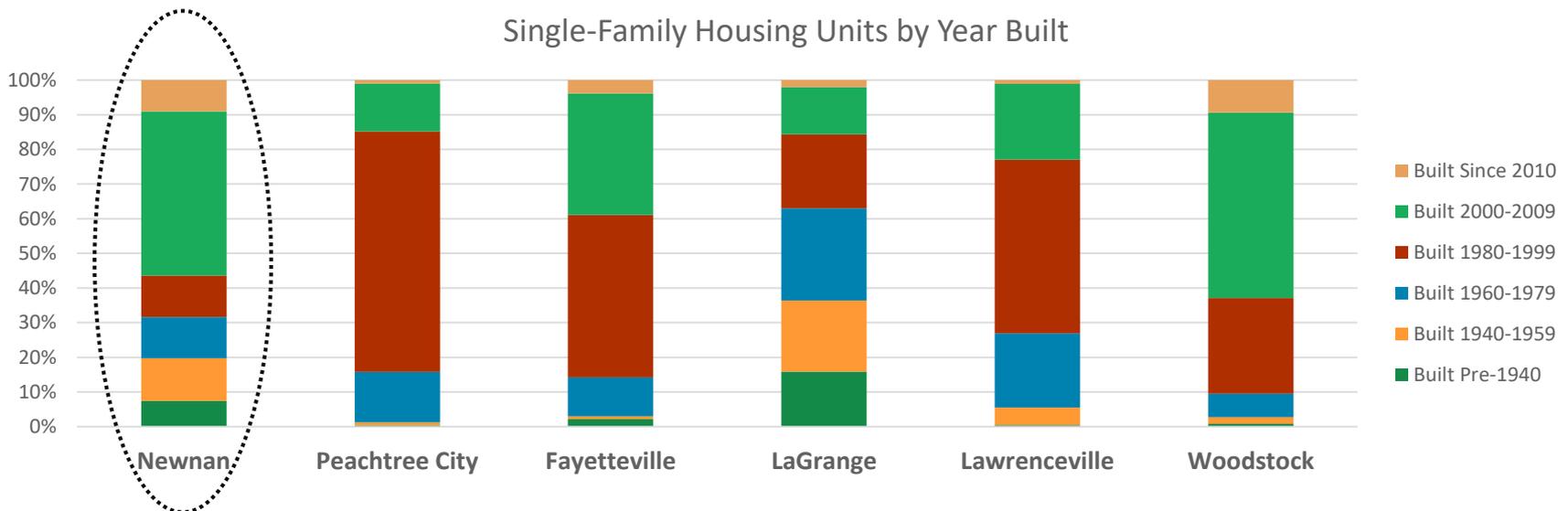


Data source: U.S. Census American Community Survey 2017 5-Year Estimates.

RESIDENTIAL SUPPLY PEER COMPARISON

SINGLE-FAMILY HOUSING STOCK BY YEAR BUILT

- Newnan’s single-family stock tends to be newer than the two cities with which Newnan directly competes for household growth: Peachtree City and LaGrange.
 - Homes built since 2000 account for nearly 40% of the Newnan market, but closer to 10% of the Peachtree City and LaGrange markets. Households that live in Newnan are more likely to live in a newer home.
 - Homes built since 2010 account for 7% of homes in Woodstock. Even though new construction levels are considerably lower than pre-recession 2000-2010 levels, this housing market has rebounded and new homes are being built at a relatively faster clip than in other comparable cities.

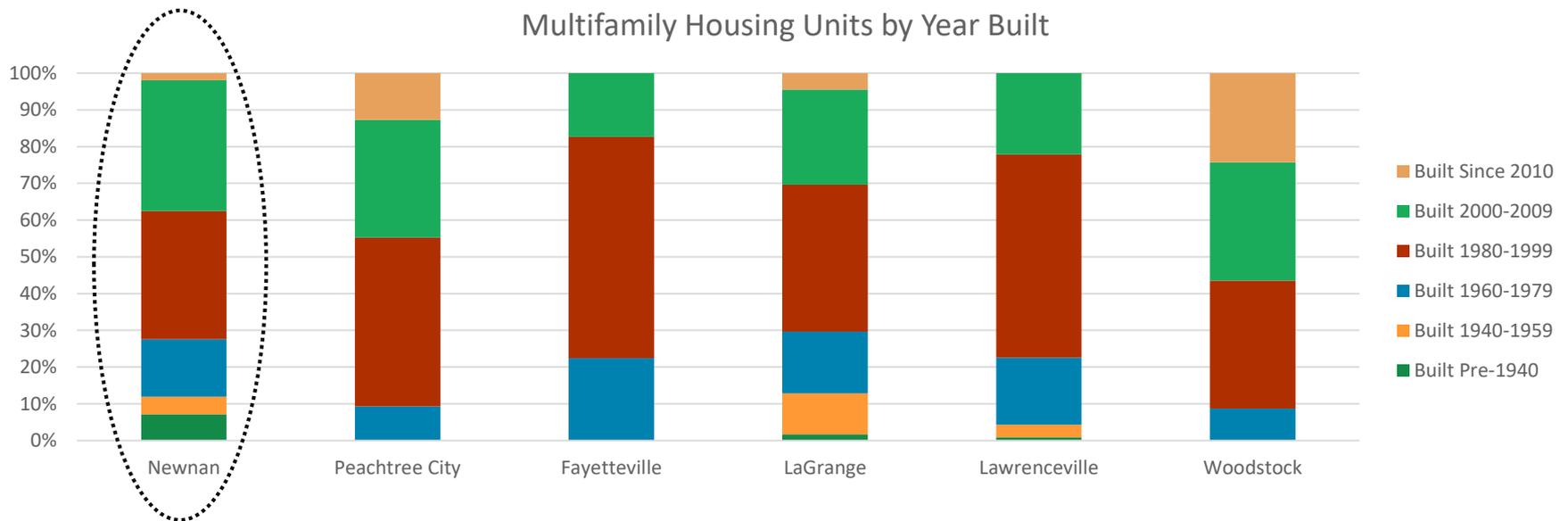


Data source: U.S. Census American Community Survey 2017 5-Year Estimates. Note: excludes mobile homes.

RESIDENTIAL SUPPLY PEER COMPARISON

MULTIFAMILY HOUSING STOCK BY YEAR BUILT

- Woodstock has expanded its multifamily stock the most since 2010.
- Newnan is third, behind Woodstock and Peachtree City, for having the highest share of multifamily units built since 2000. Almost 40% of Newnan’s multifamily stock was built in the last 20 years, as compared to 45% in Peachtree City and 55% in Woodstock. Fayetteville and Lawrenceville have the lowest shares of new multifamily housing stock.



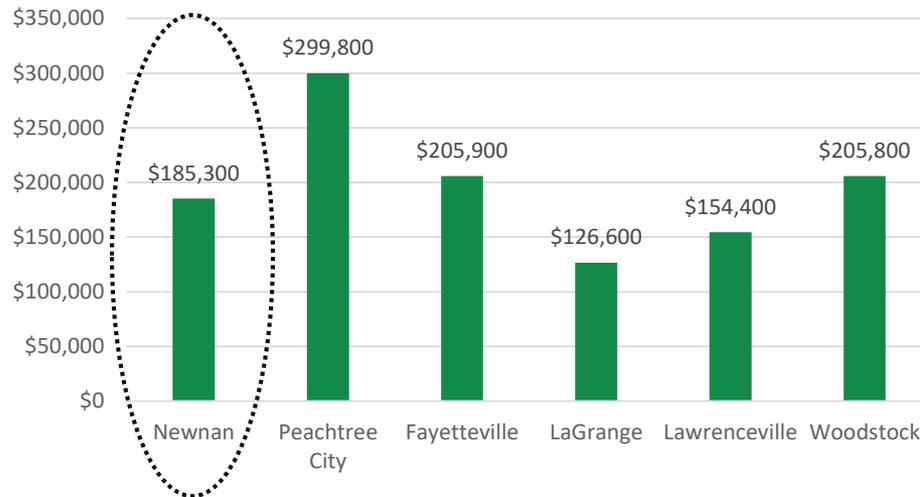
Data source: U.S. Census American Community Survey 2017 5-Year Estimates. Note: excludes mobile homes.

RESIDENTIAL SUPPLY PEER COMPARISON

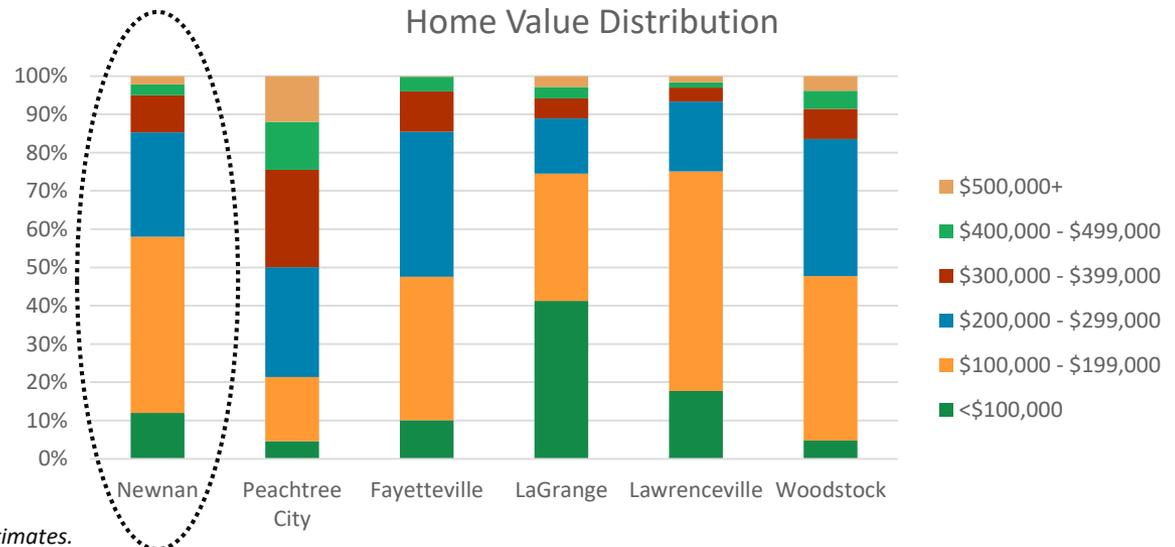
HOME VALUES

- The median home value in Newnan is approximately \$185,000.
- This is similar to their peers Fayetteville and Woodstock, but considerably lower than Newnan’s direct competitor peer, Peachtree City:
 - This difference is driven in large part by the share of homes valued at less than \$200,000. These homes account for nearly 60% of the Newnan market, but only 20% of the Peachtree City market.
 - Peachtree City has a more evenly distributed range of home values, which translates into greater consumer choice at each price tier. While Newnan may be relatively more affordable, households making good wages within Coweta County or elsewhere may prefer homes in the \$200,000+ range, particularly if a less expensive home in Newnan tends to be older, require more upgrades to be move-in ready, come with a lower rated school system, etc.

Median Home Value for Owner-Occupied Homes



Home Value Distribution



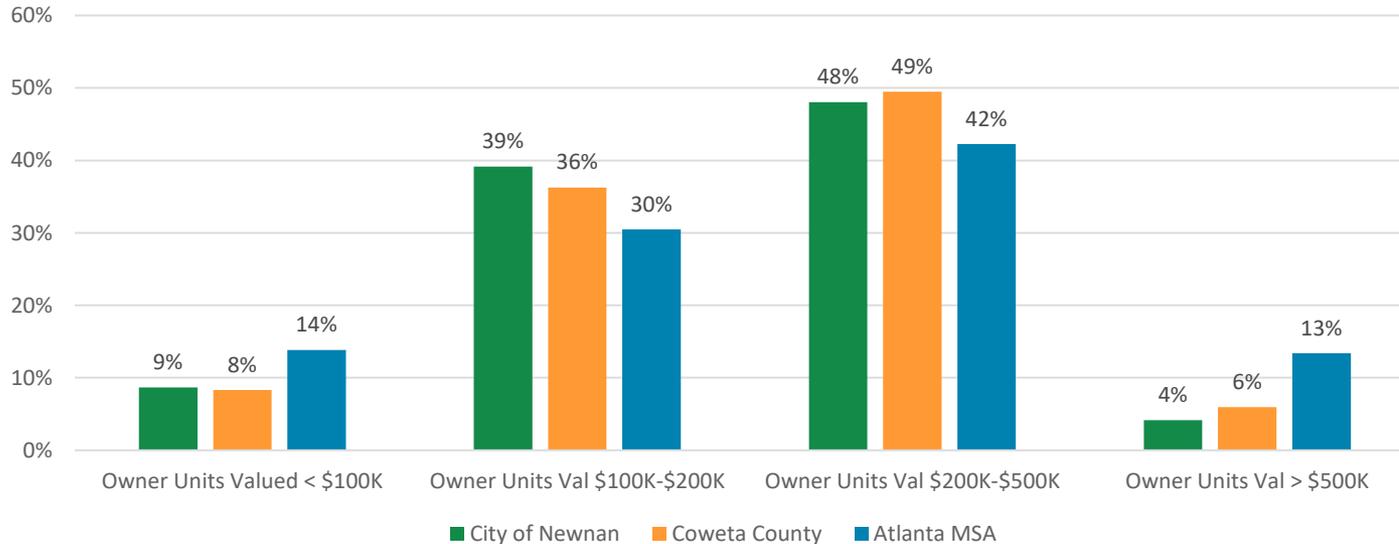
Data source: U.S. Census American Community Survey 2017 5-Year Estimates.

RESIDENTIAL SUPPLY ASSESSMENT

HOME VALUES

- The median value (self-reported) of owner-occupied households in Newnan at \$205,159 is lower than both Coweta County's median value (\$215,428) and the Atlanta MSA median (\$221,370)
- Newnan's home values are well below county and regional values. 48% of owner-occupied households in Newnan are valued below \$200,000, compared to 45% for Coweta County & 44% in the Atlanta MSA.

Housing Value by Price Range, 2019



Source: BAG, Environics Analytics, Inc.

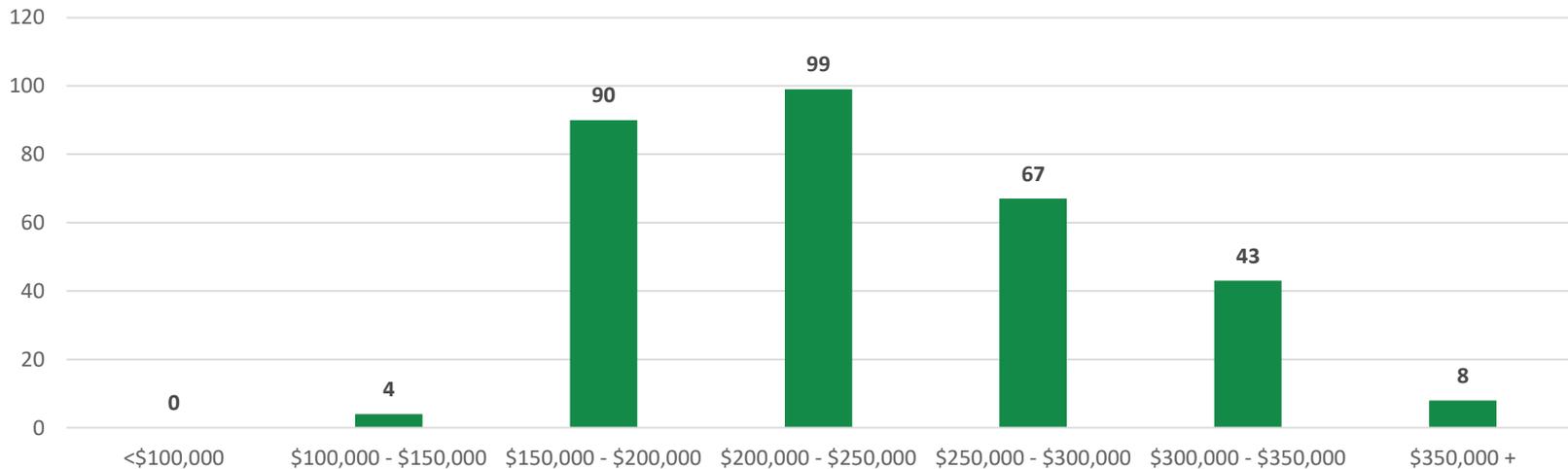
RESIDENTIAL SUPPLY ASSESSMENT

SUPPLY OF NEW HOMES

New Home Sales Price Distribution

- The average price of all new homes in Newnan in 2018 was \$240,810.
- Just 1% of homes (both single-family and townhome) in the city sold for less than \$150,000, which is approximately the upper limit of affordability of a household earning \$40,000 annually.
- Due to the rapid growth of the City of Newnan, which is expected to continue, the city has relatively small supply of older or smaller existing homes for sale or rent, which typically serve as housing for moderate income households in other communities.

Distribution of All Newnan New Home Sales by Price, 2018



Source: BAG, smartREdata

RESIDENTIAL SUPPLY ASSESSMENT

SUPPLY OF NEW HOMES

New Home Sales

311 New Homes were sold in Newnan in 2018

- 89% Single-family (2018 Average Price \$245,850)
- 11% Townhome (2018 Average Price \$201,050)
- 0% Multifamily or Condo
- 2018 Average Price of all new homes: \$240,800

Summary of New Home Sales, Newnan, 2013-2018

New Home Type	2013	2014	2015	2016	2017	2018
Single Family						
Volume	217	204	229	199	248	276
Average Price	\$210,359	\$211,998	\$247,104	\$234,438	\$239,199	\$245,853
Townhome						
Volume	3	0	33	39	32	35
Average Price	\$113,833	\$0	\$145,143	\$162,218	\$188,870	\$201,039
All New Homes						
Volume	220	204	262	238	280	311
Average Price	\$209,043	\$211,998	\$234,262	\$222,604	\$233,447	\$240,810

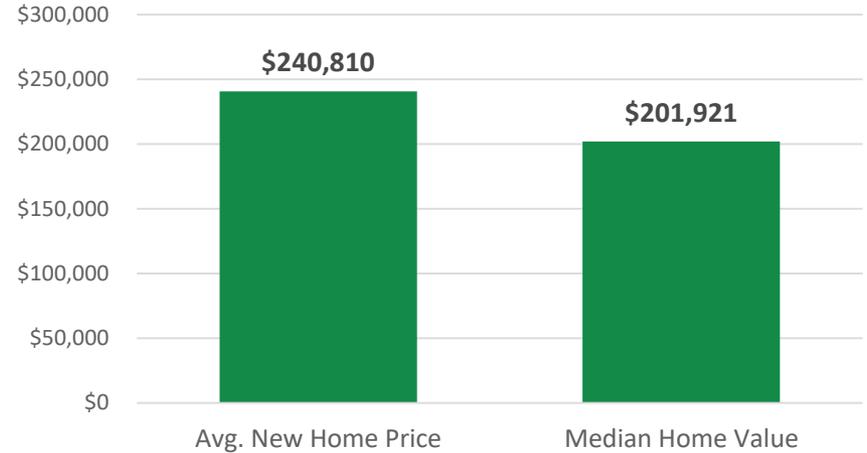
Source: BAG, smartREdata

RESIDENTIAL SUPPLY ASSESSMENT

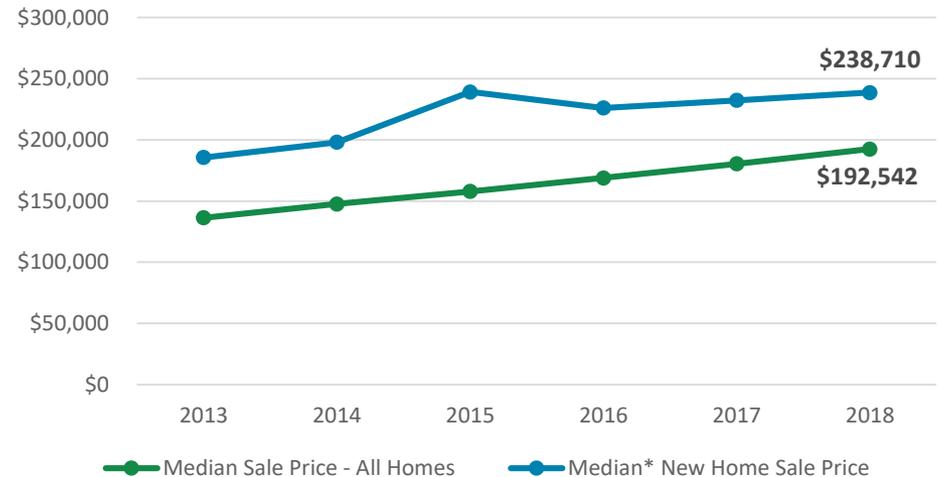
NEW HOME PRICING

- Not surprisingly, new homes are priced significantly higher than the citywide median home value.
- In Newnan, new homes in 2018 sold at a \$40,000 premium to the citywide median home value.
- Another way to analyze new home pricing is to compare current new construction sale prices to median sale prices. Again, there is a large premium for new construction, even as the overall median sale price rises upward and new construction makes up a growing share of the overall market.

Newnan New Construction Home Price vs. Median Home Value, 2018



Newnan Home Sales 2013-2018



*=Weighted Median from SmartREData home range

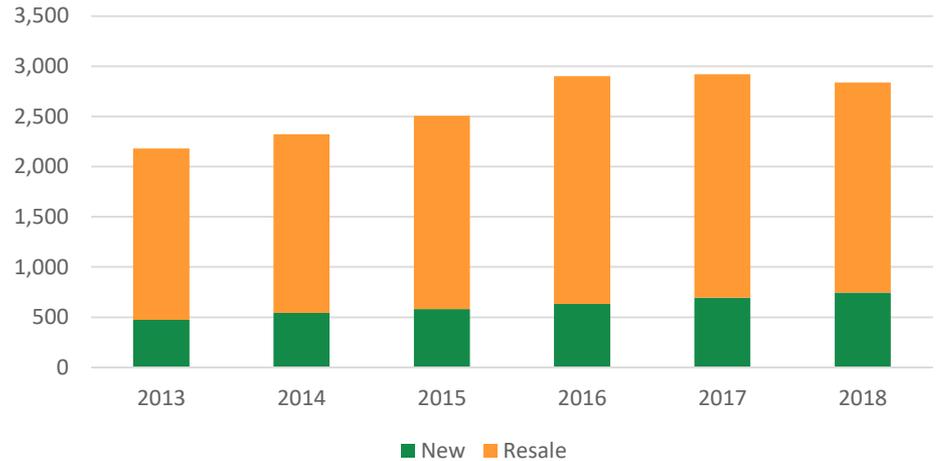
Data source: SmartREData, Envionics Analytics, Zillow Data

RESIDENTIAL SUPPLY ASSESSMENT

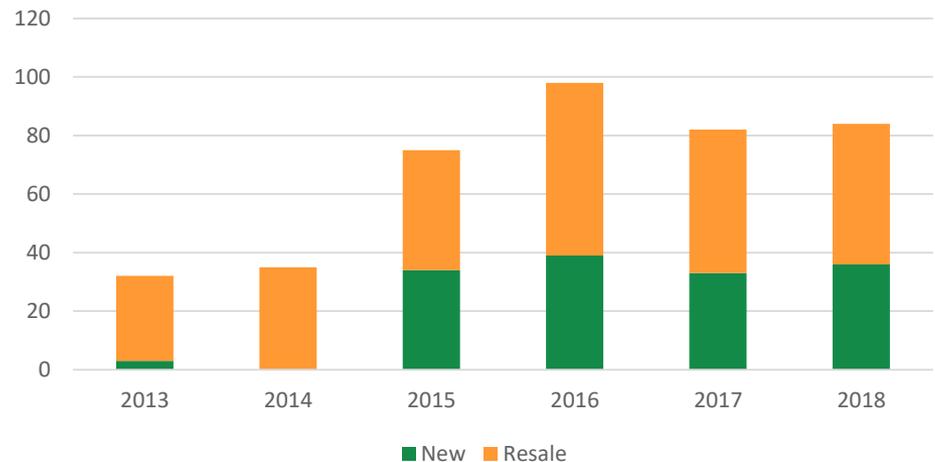
HOME SALES VOLUME

- The volume of annual home sales has trended slightly upward in Coweta County, a reflection of the increasing strength of the market after the recession. There are now approximately 3,000 sales annually countywide, of which 700-800 are new homes (+/-25% of total sales).
- New home sales have made up an increasing share of both Coweta's single family market (26% in 2018) and townhome market (43% in 2018).

Coweta Single Family Sales



Coweta Townhome Sales

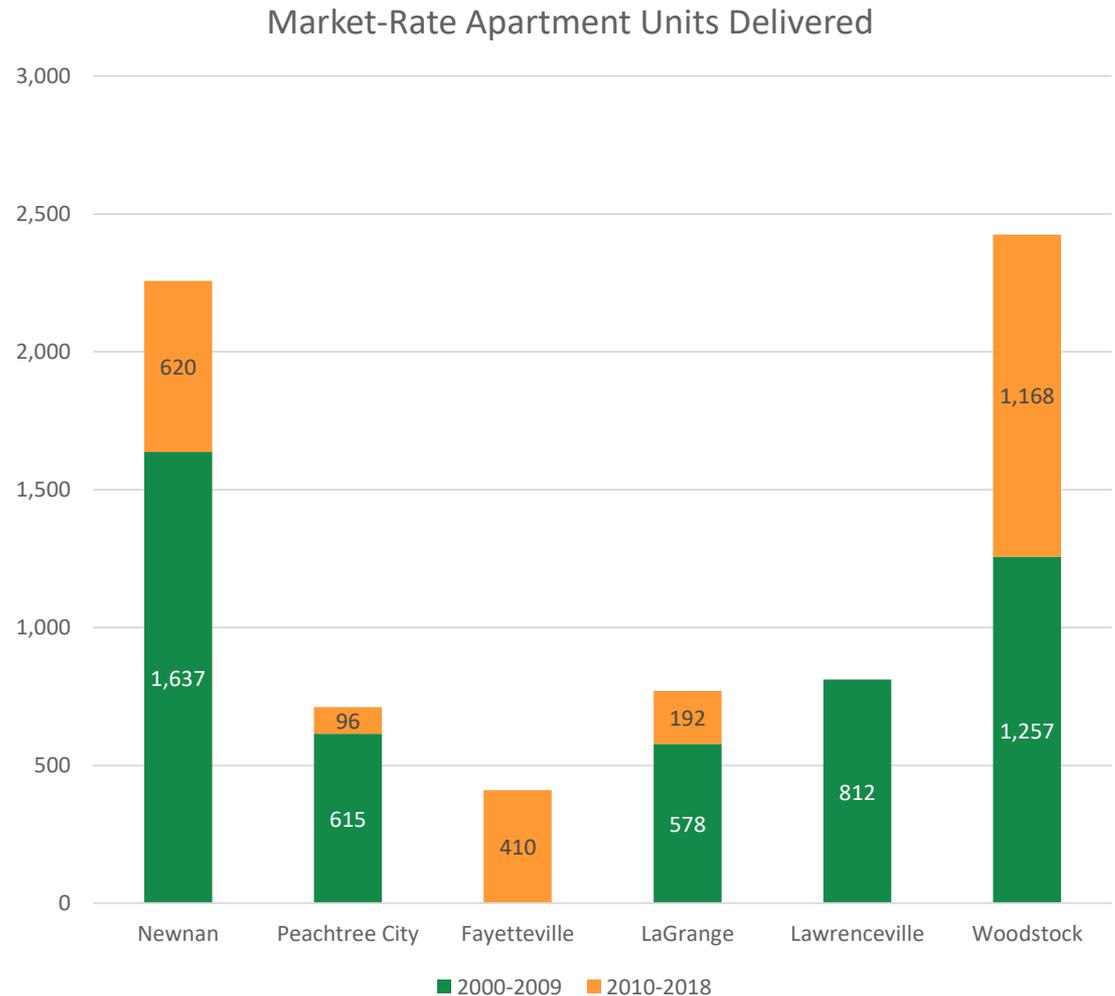


Data source: MLS

RESIDENTIAL SUPPLY PEER COMPARISON

MARKET-RATE APARTMENT DELIVERIES

- Newnan has also out performed many of its peers in new market-rate apartment construction.
- This increase is significant not only in the sense that Newnan is adding more housing units, but also in the sense that it is adding more housing *options*. Why? Because apartments being built today are different from their predecessors: they are more likely to be highly amenitized and positioned as “luxury” properties that target more affluent renters. So when Newnan builds more new apartment units, it is taking advantage of the opportunity to broaden its local housing choices and appeal to these previously untapped renter markets.



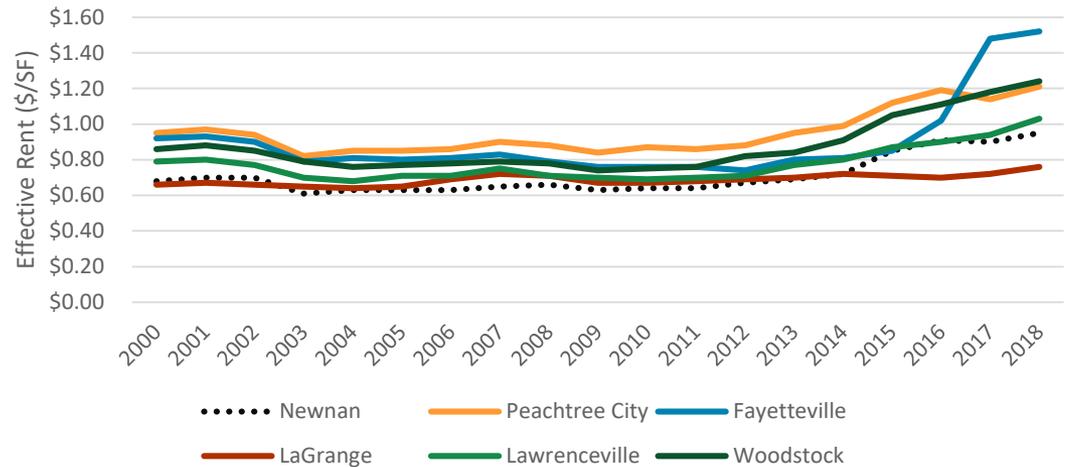
Data source: CoStar.

RESIDENTIAL SUPPLY PEER COMPARISON

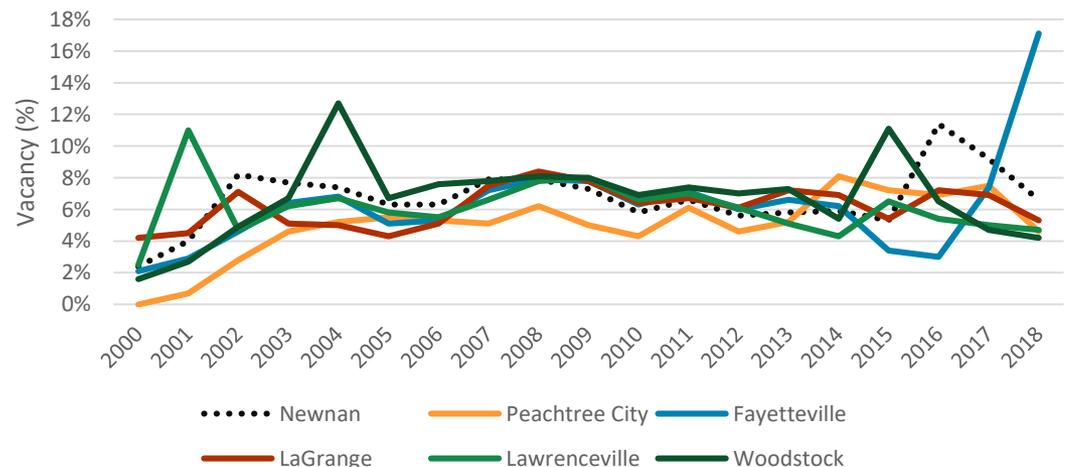
MARKET-RATE APARTMENT FUNDAMENTALS

- Among the existing market-rate apartment inventory, Newnan has middling rents relative to its peers.
- It is worth noting that the rent uptick in Fayetteville is attributable to the completion of new “luxury” apartment buildings that are priced at a significant premium to existing apartments.
- Apartment vacancy is similar in most of the peer cities, hovering around 4-6%. The rule of thumb for a “healthy” market vacancy rate is approximately 5%, and this falls close to that benchmark. Fayetteville currently has a spike in vacancy due to new apartments coming to market, as Newnan did in 2016.

Average Market-Rate Apartment Rents



Market-Rate Apartment Vacancy



Data source: CoStar.

HOUSEHOLD & HOUSING UNIT DEMAND FORECAST

HOUSEHOLD & HOUSING UNIT DEMAND FORECAST

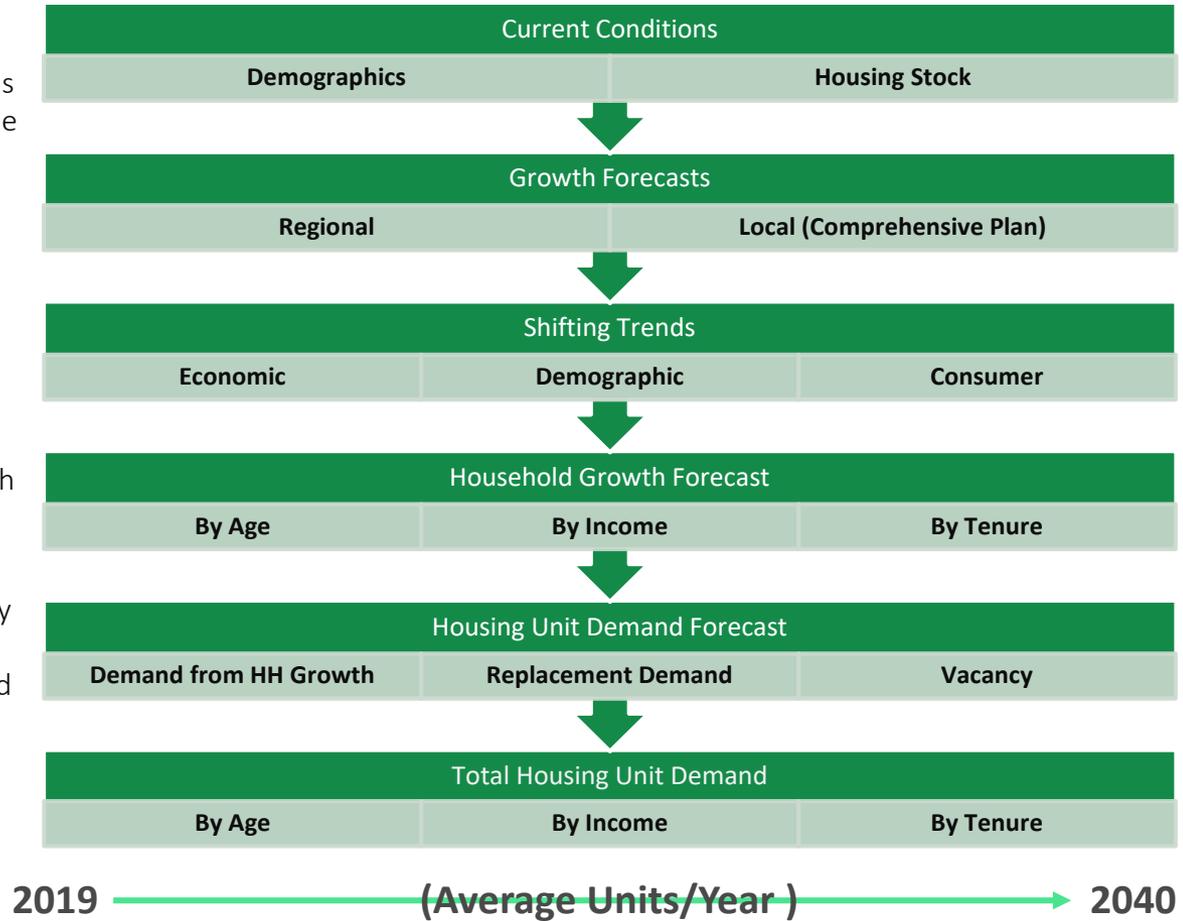
HOUSEHOLD GROWTH & HOUSING DEMAND MODEL

All of the demographic data, demographic trends, economic trends and consumer trends mentioned in the previous sections form the basis of a household growth and housing unit demand model.

This model projects the growth of households and demand for housing units from today through 2040. The model is fundamentally based on today's demographic and housing conditions and the population growth forecast contained within the 2016 City of Newnan Comprehensive Plan.

These projections can be used by city planners, staff and elected officials to get a sense of the total (21-year) and average annual projected change in households and housing demand, broken out by:

- Age
- Household Income
- Tenure (Renter or Owner)



HOUSEHOLD & HOUSING UNIT DEMAND FORECAST

PROJECTED HOUSEHOLD GROWTH

The table to the right breaks out projected new household formation in the City of Newnan from the year 2019 through 2040.

This table is based on several assumptions:

- Newnan’s 2040 population growth as forecast in the 2016 Comprehensive Plan
- Share of population 65+ increases from 13% in 2019 to 19% in 2040 (per ARC)
- Avg household size decreases from 2.54 to 2.2 for households under 65. 65+ remains at 1.9.
- Homeownership rate shifts from 53% to 49% by 2040.
- All other factors remain constant at 2019 rates.

Newnan can expect to add 12,600 new households by 2040, an average of 603 new households each year for 21 years.

- For each income group, the table illustrates the range of housing unit rents & prices that would be considered “affordable” to that income group based on generally accepted standards of affordability

All New Households	All Households			
Average new HH/Year	603			
Total 2019-2040	12,660			
New Households by Age	Under 25	25-44	45-64	65+
Average new HH/Year	32	202	173	196
Total 2019-2040	676	2,947	3,018	3,686
% of total	5%	33%	29%	33%
New Households by Income	Less Than \$40,000	\$40,000-\$75,000	\$75,000-\$150,000	More than \$150,000
Average new HH/Year	220	144	176	63
Total 2019-2040	4,629	3,018	3,686	1,328
% of total	37%	24%	29%	10%
Affordable Rent *	Less than \$850	\$850 to \$1,724	\$1,725 to \$3,599	\$3,600+
Affordable Purchase **	Less than \$154K	\$154K to \$312K	\$312K to \$662K	\$662K+
New Households by Tenure	Owner		Renter	
Average new HH/Year	267		336	
Total 2019-2040	5,600		7,060	
% of total	44%		56%	

*Rent includes monthly shelter cost at 30% of household income, less HUD-determined stipend for utilities.

**Purchase indicates home value factoring in monthly shelter cost at 30% of household income, less HUD-determined stipend for utilities/property tax, inclusive of monthly mortgage and PMI.

HOUSEHOLD & HOUSING UNIT DEMAND FORECAST

PROJECTED HOUSING DEMAND

Household growth, driven by new households forming within the city and new households moving into the city, is the primary driver of demand for new housing units.

Two more factors contribute to maintaining a sustainable housing market:

- Replacement housing-** If we assume that housing units have an average lifespan of 50 years, then we can assume that 2% of existing housing units should be replaced with new units each year. Since most of Newnan's housing stock is relatively new, we have modeled a 0.5% replacement rate for 2019-2030, and 1% from 2030-2040, representing demand for **3,684 replacement units** by 2040.
- Vacant Units-** In a typical residential market, 3% to 5% of units will be vacant due to transition (moving or sale). We have conservatively modeled an allowance of 2% of new housing units to allow for vacancy, for an additional 253 units.

Newnan can expect to see demand for a total of 16,538 new housing units by 2040, or an average of 788 new units/year.

Net New Housing Units	All Housing Units			
Average new HU/Year	788			
Total 2019-2040	16,538			
New Units by Age of HH	Under 25	25-44	45-64	65+
Average new HH/Year	42	263	226	256
Total 2019-2040	883	3,849	3,942	4,814
% of total	5%	33%	29%	33%
New Units by Income of HH	Less Than \$40,000	\$40,000-\$75,000	\$75,000-\$150,000	More than \$150,000
Average new HU/Year	288	188	229	83
Total 2019-2040	6,046	3,942	4,814	1,735
% of total	37%	24%	29%	10%
Affordable Rent *	Less than \$850	\$850 to \$1,724	\$1,725 to \$3,599	\$3,600 +
Affordable Purchase **	Less than \$154K	\$154K to \$312K	\$312K to \$662K	\$662K +
New Units by Tenure of HH	Owner		Renter	
Average new HU/Year	348		439	
Total 2019-2040	7,316		9,222	
% of total	44%		56%	

*Rent includes monthly shelter cost at 30% of household income, less HUD-determined stipend for utilities.

**Purchase indicates home value factoring in monthly shelter cost at 30% of household income, less HUD-determined stipend for utilities/property tax, inclusive of monthly mortgage and PMI.

MANAGING FUTURE RESIDENTIAL DEMAND

HOW HOUSING DEMAND RELATES TO HOUSING SUPPLY

How does today’s housing supply correlate with the projected demand for housing units between now and 2040 based on the comprehensive plan population target?

- Based on the past six years, Newnan’s housing market has delivered an average of 382 units a year, compared to a projected average demand for 788 new housing units needed based on our demand projections.
- Most of these units have been single-family homes priced above \$200,000 or large garden-style apartments.
- The number of new homes delivered, 382, is well below the long-term average number of new housing units needed.
- As the population grows, if new supply continues to arrive at the same rate, channeled in to the same housing categories, the lack of housing diversity will begin to impact quality of life and housing choices, especially for those looking for smaller units, units affordable at workforce wages (~\$50,000), and rental units.
- An increase in the production of housing, and a diversification of the types of housing units being delivered would begin to close the gap between housing supply and demand.
- The table below shows a hypothetical housing production target and apportionment that would begin to address Newnan’s mismatch between supply and demand.

Comparison of Current Residential Supply vs Balanced Supply based on Demand Projections

Housing Unit Type	Single Family			Attached		MultiFamily					Total Units
	Single Family 400K+	Single Family \$200-\$350K	Single Family \$150-\$200K	Townhome \$200+	Townhome \$100-\$200K	Condo /Loft	Large Apartment	Small Apartment (<30 Units)	Infill Duplex & Triplex	Infill Cottage & ADU	Total Units
Current Production Avg. (2013-2018)	24	200	5	2	21		130				382
Share of Market	6%	52%	1%	1%	5%	0%	34%	0%	0%	0%	100%
Recommended Target Units/Yr	24	276	39	55	39	32	197	95	16	16	788
Share of Market	3%	35%	5%	7%	5%	4%	25%	12%	2%	2%	100%

MANAGING FUTURE RESIDENTIAL DEMAND

HOW HOUSING DEMAND RELATES TO HOUSING SUPPLY

The target housing unit production and allocation on the preceding page would shift Newnan’s new housing supply in a direction that correlates with the projected housing demand and preference shifts towards smaller units, more affordable units, and rental units.

Housing Category	Current Production		Target Units	
	Units Delivered	Share of Mkt.	Units Delivered	Share of Mkt.
Large Units (3+ BR)	209	55%	349	44%
Small Units (2- BR)	173	45%	439	56%
Affordable to WF	125	33%	356	45%
Priced above WF	257	67%	432	55%
Renter Units	190	50%	384	49%
Owner Units	192	50%	404	51%

- As housing markets are flexible and dynamic, and any single channel of demand for housing can be met in multiple ways. Policy action that is supportive of these housing goals could lead the private housing market to drive towards specific price points, unit types and tenure.

From a public policy perspective, it is crucial to create a balanced regulatory and incentive environment that results in a supply of new housing that meets the broad and diverse housing needs of Newnan's current and future population. This means that City housing policy must be able to:

- Simplify regulation to allow a diverse housing types for which there is demonstrated market demand, which are

compatible with community goals and standards, but which are currently not allowed due to zoning or building codes.

- Incentivize projects, through a combination of regulatory relief and financial subsidy, to promote the construction of housing that supports with community goals and standards.

It is important to bear in mind that ensuring a supply of housing that meets diverse community needs is not just a housing issue, but a broader quality of life issue that impacts many aspects of social, economic, fiscal, and political life in the City of Newnan including:

- Efficient use of existing and new infrastructure
- Efficient delivery of public services
- Support of economic development and employment goals
- Traffic and transportation
- Social and economic equity
- Participation in public life by vulnerable populations, including the elderly, children, and the disabled.

The following pages present an overview of different housing types that could help Newnan meet its housing needs, and archetypes of development patterns that would incorporate a diverse housing mix into the existing community fabric while protecting elements of the community that are cherished.

MANAGING FUTURE RESIDENTIAL DEMAND

SPECTRUM OF HOUSING TYPES – FOR-SALE

In a healthy housing market, we expect to see a variety of housing types, both rental and for-sale, on offer for the variety of needs and desires present in a given community.

For sale housing types:



Large-lot single family

Can be developed as master-planned community (100+ units), builder community (20+ units), or infill



Small-lot single family

Can be developed as master-planned community (100+ units), builder community (20+ units), or infill



Townhomes

Attached single-family products
Can be incorporated as one element in larger developments or as townhome-only development



Duplex / Quadplexes

Attached single-family products
Rarely built in new construction



Condominiums

For-sale multifamily product
Can be single-story or multiple stories



Lofts over commercial space

For-sale multifamily product
Can be part of a mixed-use development or incorporated into a commercial district

MANAGING FUTURE RESIDENTIAL DEMAND

SPECTRUM OF HOUSING TYPES – RENTAL

In a healthy housing market, we expect to see a variety of housing types, both rental and for-sale, on offer for the variety of needs and desires present in a given community.

Rental housing types:



Mid- or High-rise Multifamily

4-20 story podium-built apartment buildings, generally having 200+ units



Garden Apartments

50+ unit apartment complexes, generally in several smaller buildings of 2-3 stories



“Town Center” Apartments

50+ units in street-fronted apartment building

Mimics style of mixed-use district



Townhomes

Attached single-family products

Can be designated rental community or as one element of a larger planned development



Small Multifamily

20 or fewer units in a single building or cluster of buildings

Rarely built in new construction



Apartments over commercial space

Rental multifamily product

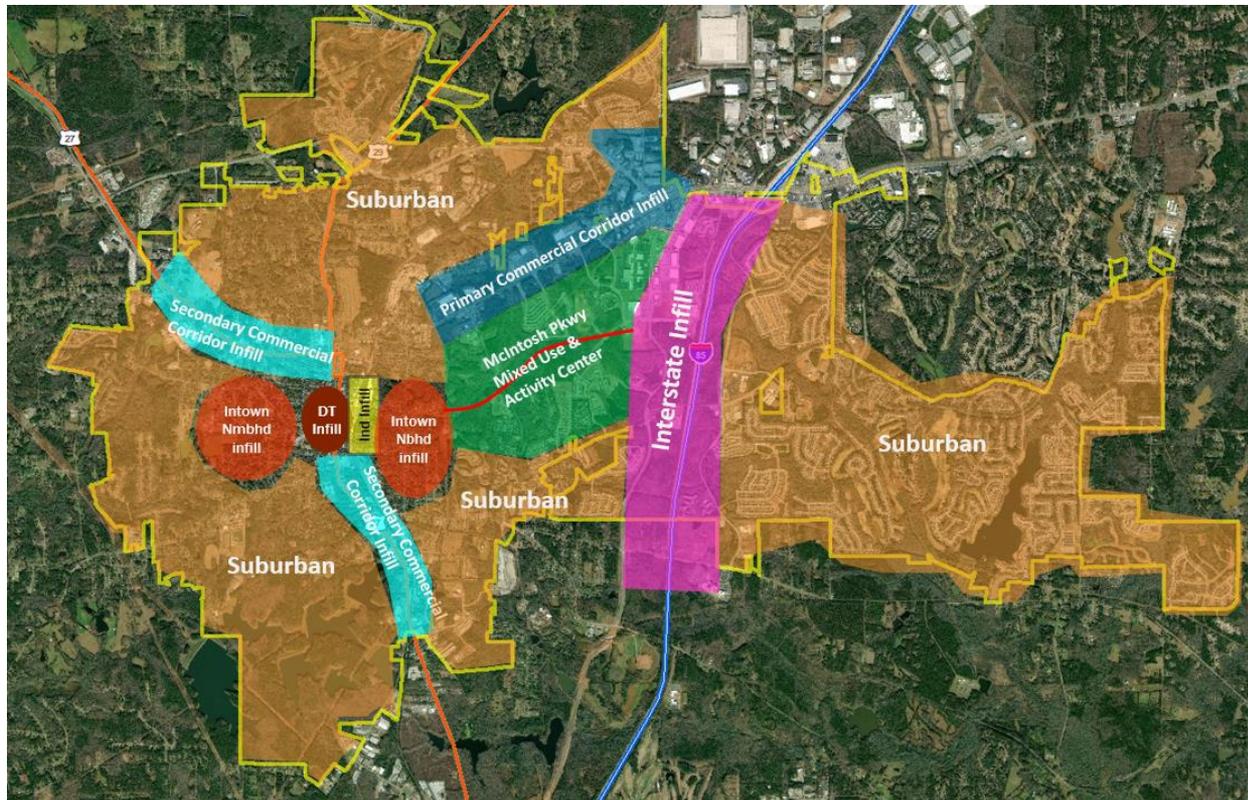
Can be part of a mixed-use development or incorporated into a commercial district

FUTURE RESIDENTIAL DEMAND

HOUSING CHARACTER AREAS AND OPPORTUNITIES

The City of Newnan has a variety of areas with the potential to absorb additional housing at different rates with different characteristics. The map below shows several housing character areas, each of which could accommodate a variety of new housing types through a combination of green-field and infill development.

The following pages are meant to be illustrative of the types of opportunities available for each type of subarea. It will be necessary for a community planning exercise to determine specific locations within these general areas where residential development is desired.



FUTURE RESIDENTIAL DEMAND

HOUSING CHARACTER AREAS AND OPPORTUNITIES

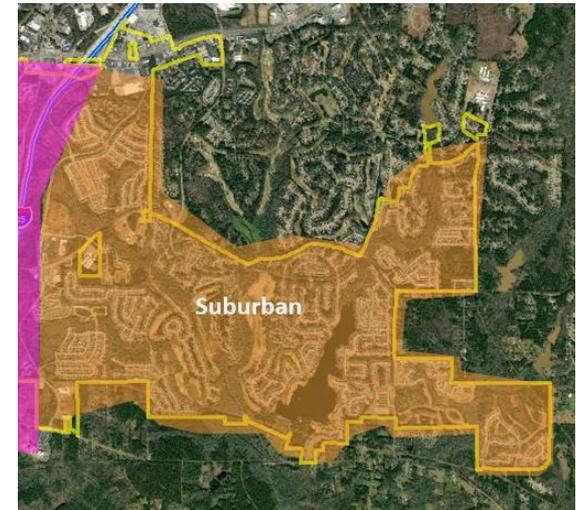
Subarea 1: Suburban

These areas are typified by large lot sizes, lower density, and segregated land uses. There are few opportunities for new development.

It is appropriate to maintain these areas as highly residential, with uses that match with the existing character, zoning and land use of the area.

The development patterns of Newnan's suburban character areas are not conducive to infill development, most homes are relatively recent, and there is little available space for additional greenfield development.

Thus it is unlikely that suburban character areas are currently poised to absorb a significant number of new housing units.



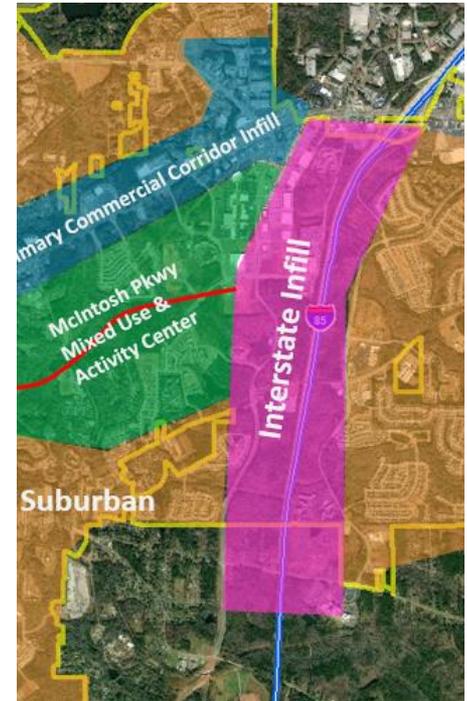
FUTURE RESIDENTIAL DEMAND

HOUSING CHARACTER AREAS AND OPPORTUNITIES

Subarea 2: Interstate Infill

This character area is characterized by its proximity to Interstate 85. It includes large parcels of potential greenfield development and established arterial road infrastructure with existing capacity.

These areas are well positioned for commercial uses and multi-family residential uses, particularly large-scale town center-style condominiums and apartments. Mixed-use development, combining higher-density housing, commercial services and retail, and offices should be encouraged when possible.



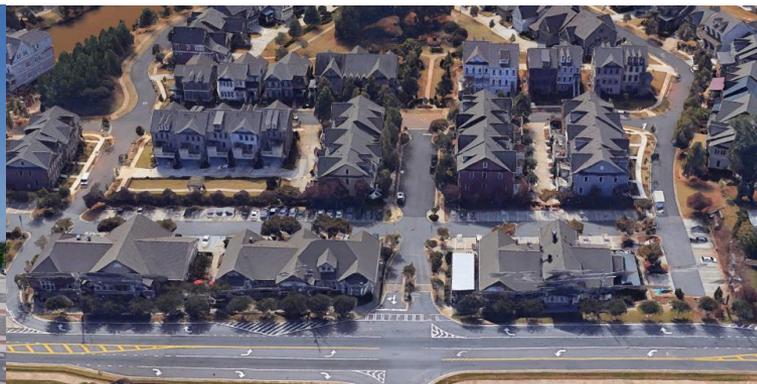
FUTURE RESIDENTIAL DEMAND

HOUSING CHARACTER AREAS AND OPPORTUNITIES

Subarea 3: Primary Commercial Corridor Infill

This area is characterized by the presence of large commercial parcels with aging or obsolete commercial buildings, vacant land and strip commercial development. These parcels present strong opportunities for redevelopment.

New developments along the corridor could include town center-style condominiums and apartments as well as townhome developments. These would benefit from taking an “activity center” approach, mixing commercial and residential uses to create desirable destinations, rather than segregated uses.



FUTURE RESIDENTIAL DEMAND

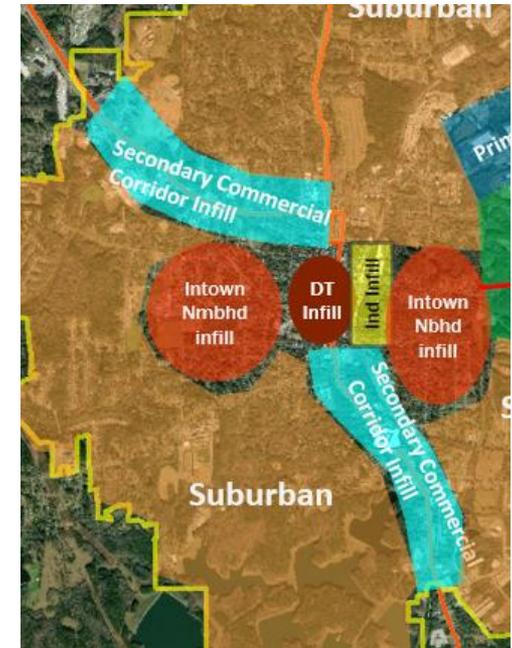
HOUSING CHARACTER AREAS AND OPPORTUNITIES

Subarea 4: Secondary Commercial Corridor Infill

These secondary commercial corridors are currently host to small-scale commercial uses with redevelopment opportunities.

Many of the commercial properties along these secondary commercial corridors are already, or are becoming, obsolete.

These present opportunities for moderate density infill development. From a housing perspective, these infill opportunities could be mixed use residential over commercial, or 100% residential with town center-style condominiums, apartments, townhomes, or small-lot single family homes.



FUTURE RESIDENTIAL DEMAND

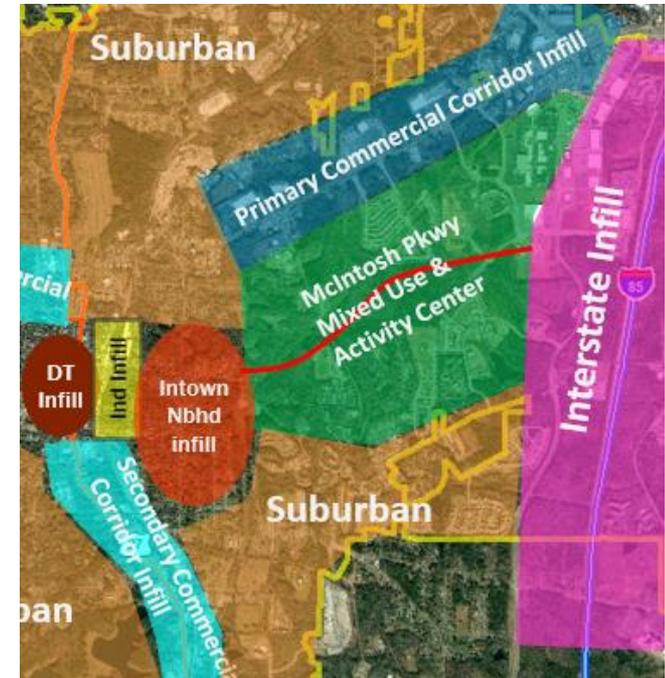
HOUSING CHARACTER AREAS AND OPPORTUNITIES

Subarea 5: Mixed Use & Activity Center

This area is typified by the new opportunity provided by McIntosh Parkway, with significant areas of potential greenfield development.

New developments in this area should take an “activity center” approach, supporting a mix of uses and interconnectivity that support live/work/play. These could include “town center” style apartments, townhomes, and residential lofts or apartments over commercial space.

A good archetype of this type of development is the City of Milton, Georgia’s “Downtown Crabapple” plan, which created a successful moderate density mixed-use activity center in the midst of a lower-density suburban context.



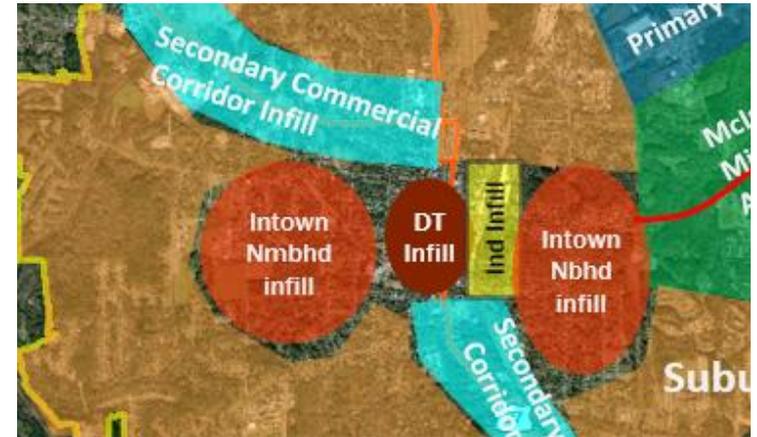
FUTURE RESIDENTIAL DEMAND

HOUSING CHARACTER AREAS AND OPPORTUNITIES

Subarea 6: Intown Neighborhood Infill

These areas are heavily residential, with smaller lot sizes and higher densities. Infill development opportunities currently exist. As demand increases, redevelopment of aging housing stock is likely.

New development and redevelopment should emphasize smaller footprint homes to match the existing character of the neighborhoods. Missing-middle housing types, including duplexes, quadplexes, and accessory dwelling units (ADUs) and small multifamily-should be encouraged when possible.



FUTURE RESIDENTIAL DEMAND

HOUSING CHARACTER AREAS AND OPPORTUNITIES

Subarea 7: Downtown Infill

This area is highly dense with primarily commercial uses.

New housing opportunities will be limited to small infill, but redevelopment should be supported for “town center” apartments, condominiums, and renovations to include lofts/apartments over commercial space.

During the public outreach process of this study, Newnan’s downtown was consistently identified as one of the most cherished elements of the communities. Increasing the residential density of the downtown area through infill and the adaptive reuse of existing commercial buildings would help to support the viability of downtown businesses.



FUTURE RESIDENTIAL DEMAND

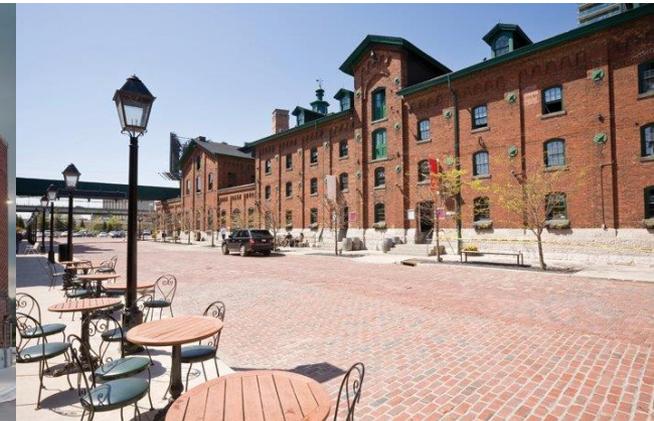
HOUSING CHARACTER AREAS AND OPPORTUNITIES

Subarea 8: Industrial Infill

This area is typified by existing industrial infrastructure. Opportunities exist for adaptive reuse and brownfield development.

Adaptive reuse may include adaptive reuse and traditional ware-house & mill-style multifamily residential, or a mix of uses to incorporate small-scale retail and loft office.

Like downtown infill development, the adaptive reuse and infill development of former industrial and manufacturing properties adjacent to downtown Newnan would help strengthen the economic viability of the Downtown area by adding residents and activity.



HOUSING AFFORDABILITY

HOUSING AFFORDABILITY

DEFINING AFFORDABILITY

- The U.S. Department of Housing and Urban Development (HUD) defines housing as affordable if the occupants pay no more than 30% of their income for gross housing costs, including utilities.
- If a household pays more than 30% of income on housing costs, they are considered to be **cost burdened**.
- While all households need a home they can afford, most subsidy programs focus on households earning 80% or less of the Area Median Income (AMI).
- In 2019, the AMI for a Newnan family of 4 is **\$79,700**.

RENTS AND HOME PRICES AFFORDABLE TO WORKFORCE HOUSEHOLDS, 2019					
AMI Target	30% AMI	50% AMI	60% AMI	80% AMI	100% AMI*
Household Income (2.6 Person)	\$ 21,550	\$ 35,900	\$ 43,050	\$ 57,400	\$ 71,750
Rental Housing Cost					
Monthly Shelter Cost at 30%	\$ 539	\$ 898	\$ 1,076	\$ 1,435	\$ 1,794
Monthly Utilities	\$150	\$150	\$ 150	\$ 150	\$ 150
Monthly Rent	\$ 389	\$ 748	\$ 926	\$ 1,285	\$ 1,644
Ownership Cost					
Monthly Shelter Cost at 30%	\$ 539	\$ 898	\$ 1,076	\$ 1,435	\$ 1,794
Monthly Utilities/Property Tax	\$ 200	\$ 200	\$ 250	\$ 300	\$ 300
Monthly Mortgage/PMI**	\$ 339	\$ 698	\$ 826	\$ 1,135	\$ 1,494
Home Value**	\$ 65,040	\$ 133,920	\$ 158,640	\$ 217,920	\$ 286,800

* The Average Median Income was calculated for a household of 3 persons, approximating the city's average household size

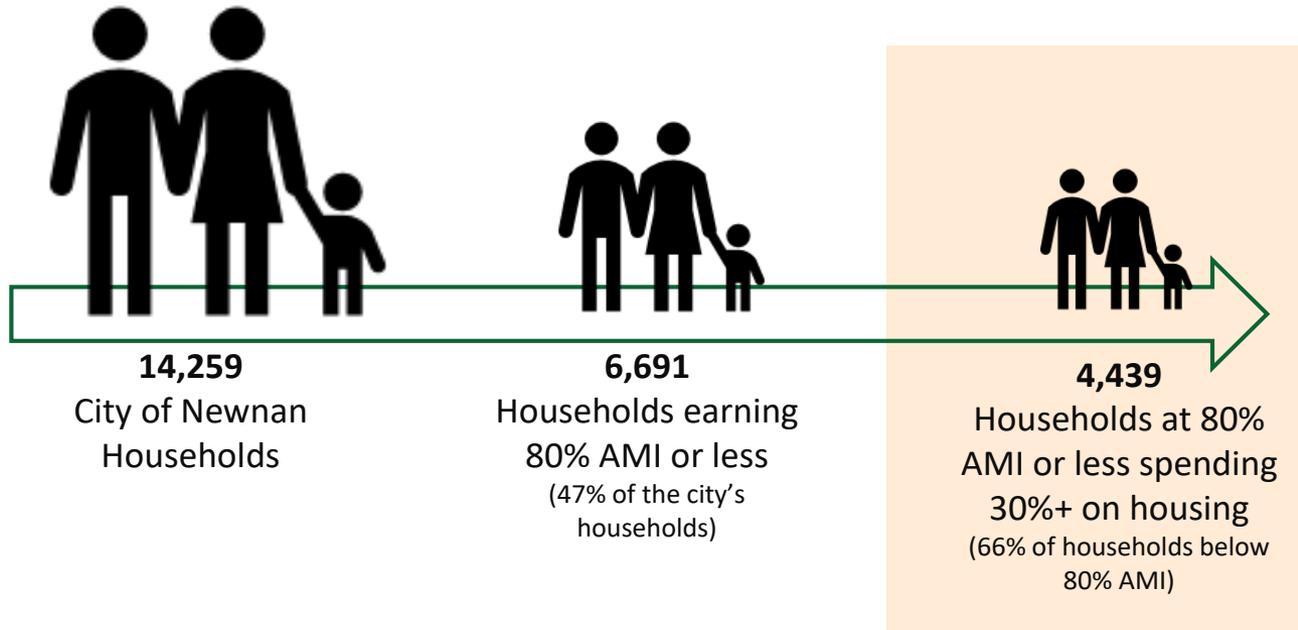
** based on 30 year mortgage at 5% interest and 3% down payment

Source: HUD: FY 2019 Income Limits Documentation System, BAG

HOUSING AFFORDABILITY

DEFINING THE AFFORDABLE HOUSING NEED IN NEWNAN

In 2017, one in three of Newnan’s households had an affordable housing need:



Defining Affordable Households in Newnan, 2017						
Income Classification	Extremely	Very		Middle Income	Above Median	Total HH's
	Low Income	Low Income	Low Income			
Percent of Area Median Income	<30% AMI	31% - 50% AMI	51%-80% AMI	81%-100% AMI	100+ AMI	
Household Income Range	<\$20,420	\$20,420 - \$31,400	\$31,400 - \$50,201	\$50,201 - \$62,750	\$62,750+	
Number of Households	2,620	1,440	2,631	933	6,634	14,259
Percent of Newnan Households	18%	10%	18%	7%	47%	100%

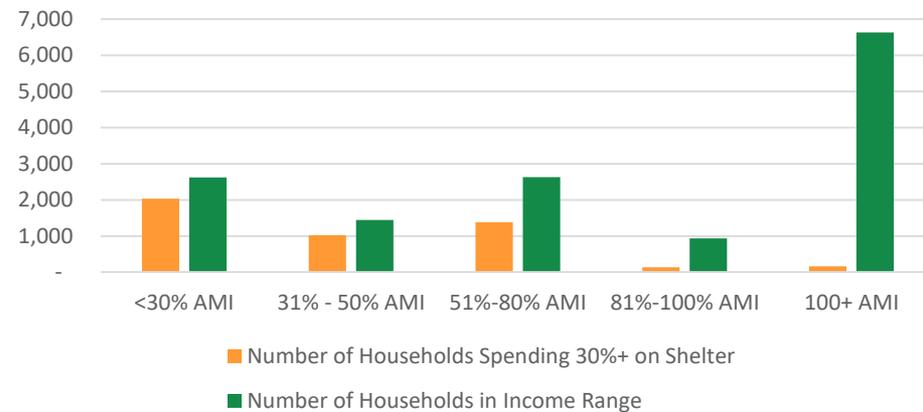
Source: US Census American Community Survey 2017/HUD/BAG

HOUSING AFFORDABILITY

COST BURDEN BY INCOME

- Cost burdens are not equally shared by all residents in a city, with lower-income households more likely to experience a cost burden.
- In the City of Newnan, 78% of households in the lowest income band (<30% AMI) and 71% of households in the next income band (31-50% AMI) experienced cost burdens in 2017.

Newnan Cost-Burdened Households by Income Band, 2017



Classification of Newnan Households by Income Groups and Spending 30%+ of Income on Shelter						
Income Classification	Extremely	Very		Middle Income	Above Median	Total HH's
	Low Income	Low Income	Low Income			
Percent of Area Median Income	<30% AMI	31% - 50% AMI	51%-80% AMI	81%-100% AMI	100+ AMI	
Household Income Range	<\$20,420	\$20,420 - \$31,400	\$31,400 - \$50,201	\$50,201 - \$62,750	\$62,750+	
Number of Households in Income Range	2,620	1,440	2,631	933	6,634	14,259
% HH's Spending 30%+ on Shelter	78%	71%	53%	14%	3%	33%
Number of Households Spending 30%+ on Shelter	2,035	1,019	1,385	133	166	4,738

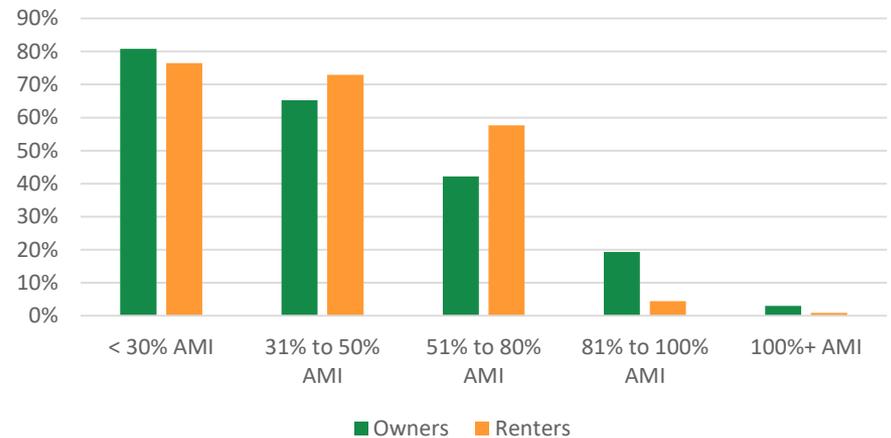
Source: US Census American Community Survey 2017/HUD/BAG

HOUSING AFFORDABILITY

COST BURDEN BY TENURE

- Cost burdens are likewise not often equally shared between owners and renters.
- A large share of Newnan’s lower-income owners experienced cost burdens in 2017, including 81% of owners with incomes below 30% of AMI.
- Newnan’s renters earning below 80% of AMI were significantly more likely to experience a cost burden than renters earning above 80% of AMI.

Newnan % Cost Burdened Owners and Renters by AMI, 2017



Households by Tenure and Income Paying 30%+ for Housing, 2017			
Household Income	All		
	Households	Owners	Renters
< 30% AMI	78%	81%	76%
31% to 50% AMI	71%	65%	73%
51% to 80% AMI	53%	42%	58%
81% to 100% AMI	14%	19%	4%
100%+ AMI	3%	3%	1%

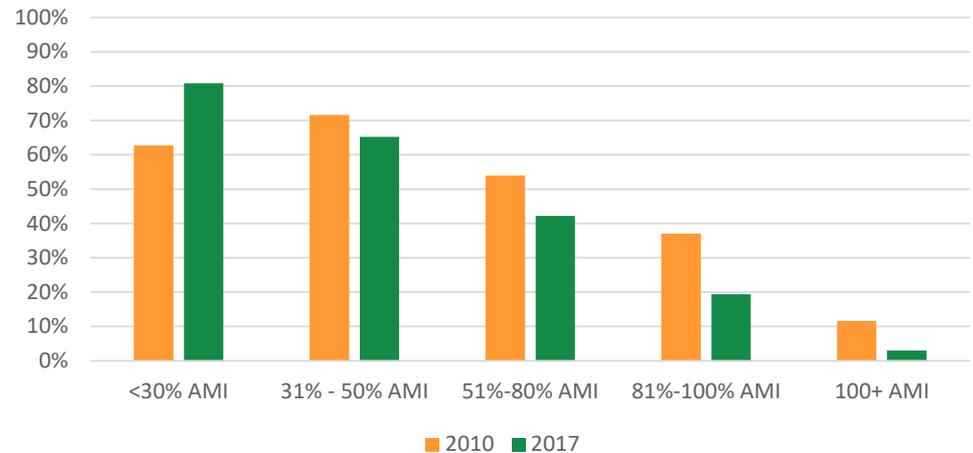
Source: US Census American Community Survey 2017/HUD/BAG

HOUSING AFFORDABILITY

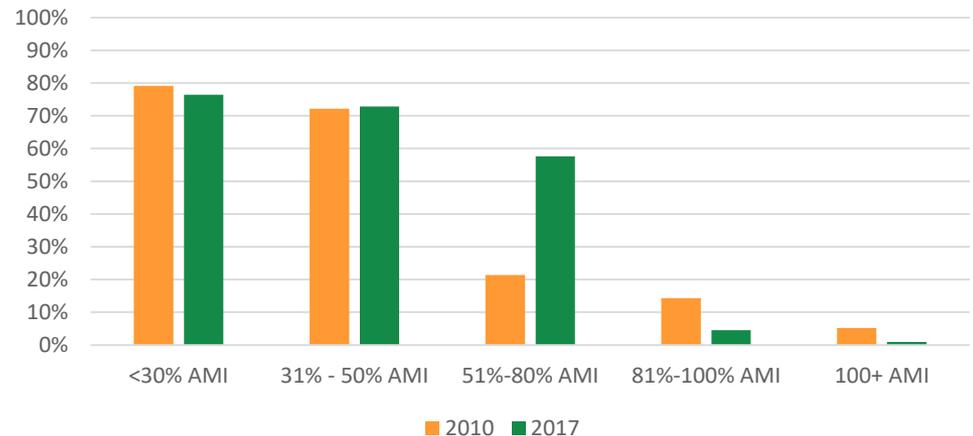
COST BURDEN OVER TIME

- The number of Newnan households experiencing a cost burden has increased since 2010, especially among households earning below 80% AMI.
- Despite an overall decrease in the number of cost-burdened owners, the percent of the lowest-income owners (<30% AMI) experiencing a cost burden has increased.
- In the same period, the percentage of cost-burdened renters increased significantly to almost 70% of renter households who earn below 80% AMI, and nearly 50% of all renter households in the city.

% Cost Burdened Owners



% Cost Burdened Renters



Source: US Census American Community Survey 2017/HUD/BAG

KEY FINDINGS AND STRATEGIC RECOMMENDATIONS

KEY FINDINGS

1. Housing market fundamentals have changed in recent years. Housing demand in the next 20 years will be driven towards smaller units, diverse housing types, and more affordability.

- Changing demographics, economics, and consumer preferences have altered the demand for housing products compared to the patterns that drove housing markets in the past. This includes:
 - While single family detached homes will still be the dominant housing type, demand for large, single-family, owner-occupied homes will decrease.
 - The increase in households without children alongside the increase in senior households is changing the marketplace to increase the number of smaller (1 or 2-person) households.
 - Demand is increasing for more rental options, including both multifamily apartments as well as rental single-family detached products.
 - There is increased interest in towns, mixed-use areas, and urban walkable development.
 - The demand for affordable & workforce housing is increasing and will continue to grow.

KEY FINDINGS

2. Newnan's current housing supply trends are roughly correlated with current demand, however the quantity and distribution of housing units will need to increase to keep pace with future demand.

- As Newnan residents gradually transition to smaller homes, more diverse housing types, and more rental homes, the new home pipeline will need to be adjusted to compensate for these shifts.
- Currently there is enough naturally occurring affordable housing in the supply of older housing stock. However, this supply is rapidly being consumed.

3. Newnan's housing market is largely channeled into just two property types: single family homes and large garden-style apartments, leaving other housing demand sectors unmet. This is due to primarily to three factors:

1. Market economics and land costs
2. Local regulations, especially density and unit size
3. Local opposition to multifamily housing as a class of housing is driving multifamily development towards large-scale garden apartments in outlying areas while inhibiting development of smaller and diverse projects incorporated into existing neighborhoods and existing infrastructure.

KEY FINDINGS

4. Single-family homes will likely continue to be popular, and should continue to be built to meet demand, however other housing types should be allowed and encouraged where appropriate.

- Single-family suburban homes have long been the preferred housing option in many parts of America, including Newnan. This is likely to continue into the coming decades.
- However, increasing demand exists for additional housing options, which are currently under-represented in the local housing supply.

5. While a record-high number of apartments were permitted in 2018, most of that activity is a market correction, making up for 10+ years of under-supply after the 2008 recession stalled multifamily development activity. In fact, the average number of apartments permitted annually in Newnan over the past decade is just 65% the number permitted annually in the previous decade.

KEY FINDINGS

6. Newnan's housing is still relatively affordable in relation to its peer cities, however as the population grows, the supply of housing accessible to moderate and lower income households will become scarce.

- 61% of Newnan's households earn less than \$75,000, which corresponds to an affordable home price of less than \$225,000.
- While Newnan currently has a pool of existing homes available in that price range, very few new homes are being added at that price point.

7. Newnan is going to continue to grow. Can the city manage that growth so it is sustainable and meets the needs of residents and employers?

- Often cities attempt to manage population and economic growth by manipulating the supply of housing through zoning and building regulations, often with the intention of promoting growth primarily in high-income home and employment sectors.
- The addition of a single higher-income job or household will necessarily drive corresponding demand for new jobs at lower income levels to support the community's business, commercial, and household needs.
- Even if growth management and economic development priorities favor high-income households and employment, the result is that the needs of households at all income levels must be addressed.

KEY FINDINGS

8. Housing is an important element of the community fabric. Efforts to limit or restrict housing impact other elements of the community, such as jobs, traffic, infrastructure, finance, and education.

- Historically, many communities have introduced policies conceived to address a single narrow policy goal – for example, implementing large minimum lot sizes to attempt to attract only higher-income households to the community. Often, these policies fail to account for the wide range of secondary impacts.
- Housing, along with food, transportation, employment, and education, is one of the basic needs of all members of a community.
- Any policy that restricts or shapes housing supply, choice, or affordability will have a ripple effect that will be felt in all sectors of the community, including economic and fiscal viability, tax and infrastructure, and economic competitiveness.

KEY FINDINGS

9. Newnan is not yet built out. There is room for growth. The housing units to support that growth will fit into one of two development-formats:

- A. **Green-field development**, in which large vacant or mostly vacant parcels are developed by large-scale developers. This has been the format of much of Newnan and Coweta's housing expansion over the past 30 years.
- B. **Infill development**, in which existing properties in existing neighborhood contexts are repurposed and/or redeveloped as housing, usually at a higher density. This can happen lot-by-lot within neighborhoods, or along commercial or former industrial areas as larger and obsolete properties are repurposed as residential or mixed use properties.

KEY FINDINGS

10. Traffic and congestion are driven by land use and employment as much as the quantity of housing units. Comprehensive and transportation planning are crucial to addressing congestion issues.

- Much of the stated opposition to higher density and multifamily housing is driven by the conception that more housing units means more traffic.
- In fact, increasing residential density and planning for growth intelligently can often result in a reduction of trips and vehicle miles travelled. Increased household density, when developed alongside commercial development nodes, can support a wider range of options for commercial goods and services, reducing the requirement for long car trips for basic errands and commuting to work.
- Additionally, household and employment growth at all price-points drives demand for support employment (such as landscapers, clerks, retail workers, and foodservice workers), generally with lower salaries. Without access to local affordable housing choices, these workers will still generate traffic by driving longer distances on local roads to local jobs.

KEY FINDINGS

11. Low-density housing and separated land uses drive up per-capita costs for key public infrastructure like roads and sewers.



Lower densities & separation of uses.

Longer Trips for services, work. More miles driven, more infrastructure used/taxpayer.
Car required. Entire costs of infrastructure is borne by two homes and one business.



Higher densities and diversity of uses

Shorter trips for services & work. Fewer miles driven.
Same infrastructure costs shared by more taxpayers.
Choice of modes transportation modes available to diverse users

KEY FINDINGS

12. Survey responses and stakeholder interviews suggest that there would be strong market demand for a diverse selection of housing types that are currently not offered in the Newnan or Coweta housing markets.

- These include townhomes, small-footprint single-family and attached homes, “cluster homes” or cottages, downtown lofts and apartments, PUD-style walkable communities with small lots, and duplexes.

13. The demand and economic forecasts, as well as experiences in other communities (including listed peer cities such as Fayetteville, Lawrenceville, and Woodstock) indicate that there would be strong market demand for diverse housing options that are not currently offered in the Newnan or Coweta housing markets.

- A number of real estate and planning professionals indicated that Newnan’s minimum square footage regulations for housing units were in many cases preventing the delivery of these types of products.

KEY FINDINGS

14. Downtown Newnan was cited by nearly every stakeholder and a majority of survey respondents as one of Newnan's strongest assets.

- Increasing housing options in or near downtown will enhance the viability of downtown business and make downtown a better and more vibrant place.
- More downtown residents and workers will drive more sales at local business.
- This will increase opportunities for local business and property owners, which in turn will lead to more options for dining, retail, services and entertainment in Downtown Newnan.
- A stronger Downtown with more options and activity benefits a wide range of people- downtown residents and workers, those who live or work elsewhere in the city but who come downtown for food, shopping or entertainment, and visitors drawn to Newnan's historic downtown.



KEY FINDINGS

15. Newnan does not currently have an affordable and workforce housing crisis, but it is headed in that direction

- At this point, Newnan has a healthy inventory of older existing homes affordable to the 58% of households earning “workforce” incomes of \$75,000 and below.
- As the population grows, that supply of affordable older homes will not be sufficient to house new moderate income population.
 - 37% of new housing demand will come from households earning less than \$40,000, representing demand for 4,600+ units, or 220 units a year.
- Newnan’s housing market is not delivering nearly enough housing to keep up with demand for household growth in the moderate income brackets.

16. Housing affordability is not limited to lower income groups, but spans across all income groups. In 2017, one in three of Newnan’s households had an affordable housing need.

- Cost burdens are not equally shared by all residents in a city, with lower-income households more likely to experience a cost burden.
- The number of Newnan households experiencing a cost burden has increased since 2010, especially among households earning below 80% Area Median Income (AMI).

POLICY AND REGULATORY RECOMMENDATIONS

P1. Review development regulations related to minimum floor and lot size. Land and construction costs are the two largest inputs that drive housing costs. Regulations that drive lot and unit sizes above market preferences also drive housing costs above the market equilibrium. Review rationales for minimum unit sizes to determine whether benefits are worth the added costs.

P2. Review zoning and permitting regulations to remove language, requirements and obstacles that restrict or inhibit small-scale infill development or redevelopment, particularly for “missing middle” housing options such as duplexes, triplexes, accessory dwelling units, and cottage homes.

P3. Induce and support, through incentive and regulatory relief, small-scale residential infill and redevelopment by local builders and developers. Small, local builders are the key to reinvigorating housing in existing neighborhoods with redevelopment potential. Small, local builders are more likely to take risks with more unconventional development and housing styles to fill “missing middle” gaps in the market.

P4. Establish zoning and land use guidelines that support equitable and sustainable housing and growth-goals through existing and land use processes. Support projects and proposals which support these guidelines even in the face of local opposition. The risk and expense of protracted approval processes with unpredictable outcomes drives up the cost of housing, and inhibits ability of homebuilders to deliver a quality, diverse supply of housing units that meets the housing needs of the City.

P5. Induce and support, through incentive and regulatory relief, infill housing development and redevelopment in or near the downtown core. Use economic incentives and public-private partnerships to strengthen the viability of Downtown Newnan by increasing the downtown residential population.

P6. Develop programs to incentivize redevelopment and infill development of residential and residential mixed use projects on large aging commercial properties along primary and secondary commercial corridors.

SURVEY RESULTS

As part of this study, the consultants, working with the City of Newnan put out a survey asking residents and employees questions related to housing needs and preferences.

- The survey was posted online (through SurveyMonkey).
- The survey was open through the month of February, 2019.
- Distribution targeted residents and workers of the City of Newnan and Coweta County.
- The survey was accessible through links posted on the City of Newnan web page and Facebook

page, and also distributed via email to local employers and partners.

- 1,183 individuals responded to the survey.
- 659 of those individuals live in the City of Newnan.
- 472 of those individuals live elsewhere in Coweta County.
- 49 of those individuals live outside of Coweta County.
- 607 of those individuals worked full or part time in Coweta County.

Sample survey page

Newnan Residential Study Survey

8. If you live IN the City of Newnan, please select your top three reasons for choosing to live in your location:

<input type="checkbox"/> Your employment	<input type="checkbox"/> Public services (fire, police, water/sewer, transportation, libraries)
<input type="checkbox"/> Other household member's employment	<input type="checkbox"/> Nearby retail, restaurants, nightlife, or other desired amenities
<input type="checkbox"/> Schools	<input type="checkbox"/> Close to other family members
<input type="checkbox"/> Community and historic/cultural sites	<input type="checkbox"/> Parents (born and raised here)
<input type="checkbox"/> Recreation (golf courses, parks, etc.)	<input type="checkbox"/> I do not live in Newnan
<input type="checkbox"/> Other (please specify)	

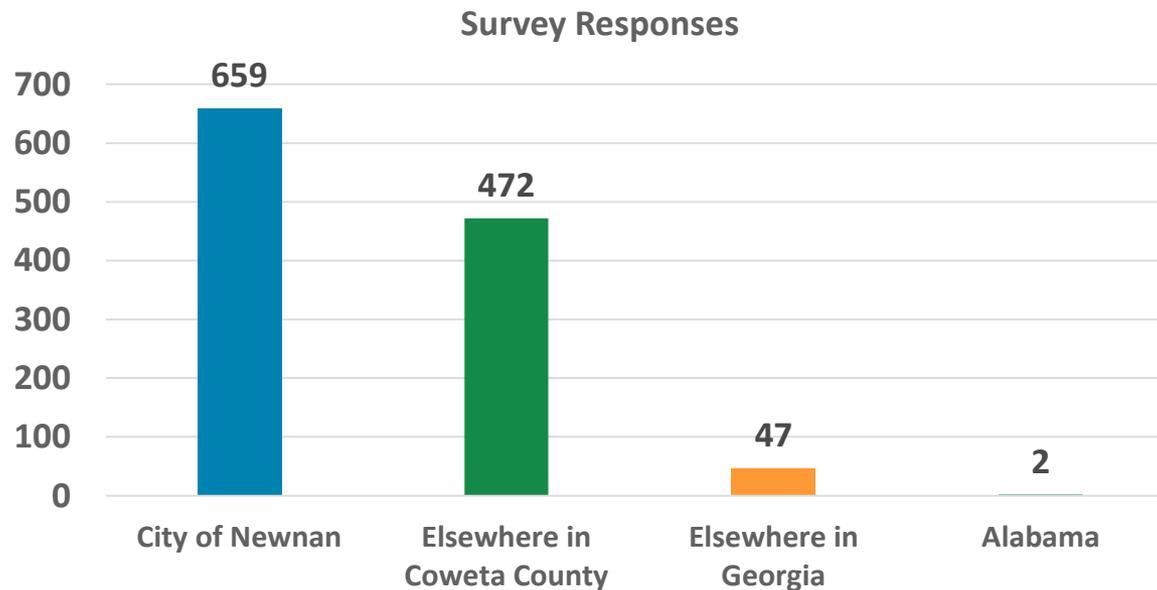
SURVEY RESULTS

OVERVIEW

Bleakly Advisory opened an online survey targeted at residents and employees in Newnan and Coweta County.

Of the **1,183 responses** received:

- **56%** live in Newnan
- **40%** live elsewhere in Coweta County
- **4%** live outside Coweta County

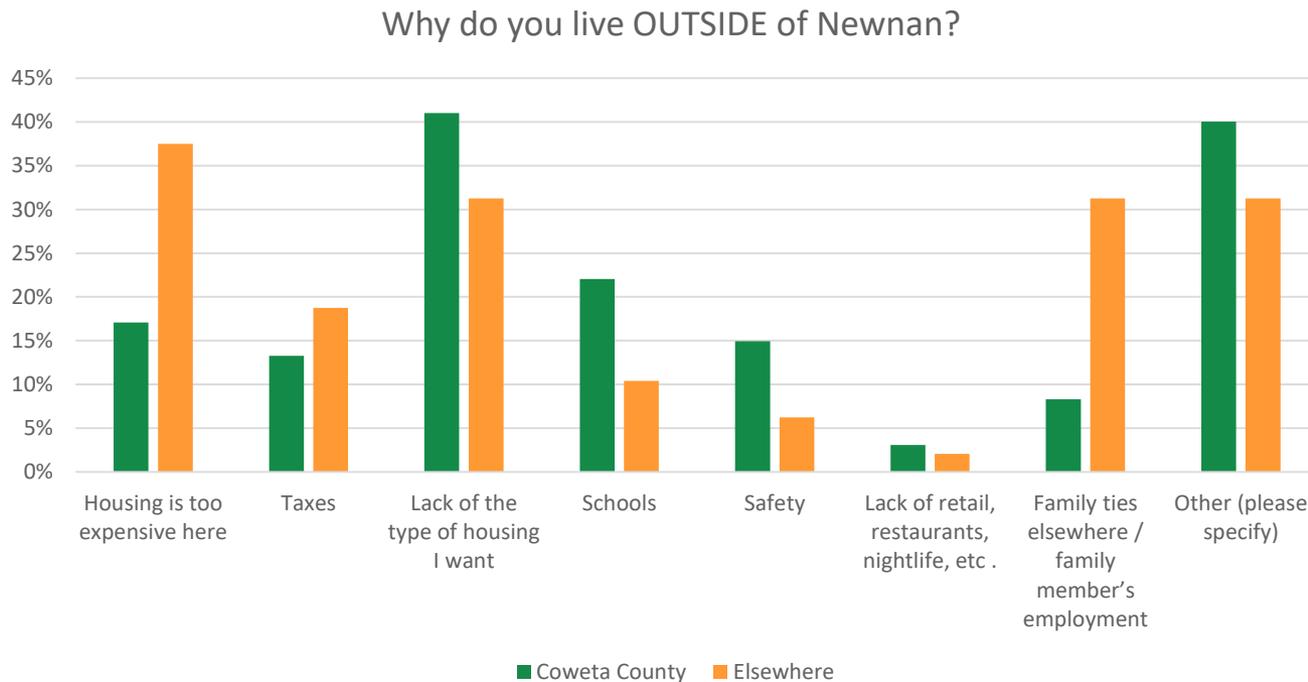


SURVEY RESULTS

WHAT FACTORS DRIVE DEMAND OUT OF NEWNAN?

The key reasons for choosing to live outside of Newnan varied by location.

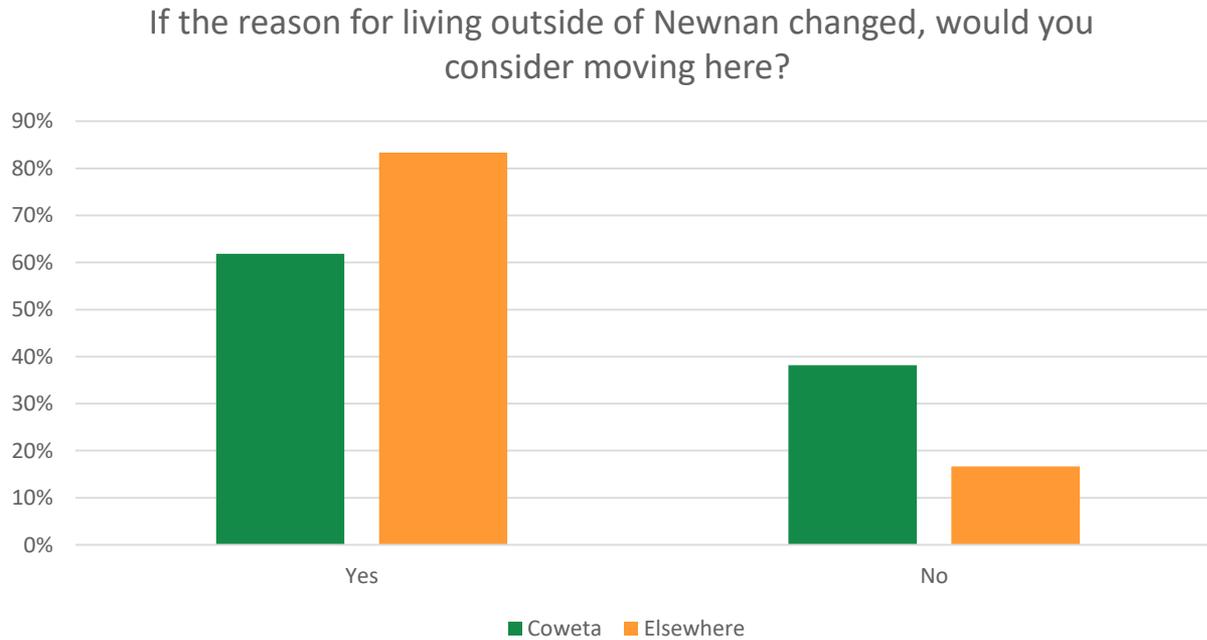
- A plurality (41%) of Coweta County residents cited the lack of the type of housing they want.
- Respondents living outside of Newnan also primarily pointed to housing expense (38%) family ties elsewhere (31%)
- Some of these factors can be changed, while others cannot.



SURVEY RESULTS

CAN THIS DEMAND BE RECAPTURED?

- While some of the factors driving demand out of Newnan are difficult to change, others can be addressed through policy.
- Based on the survey results, if those factors did change, Newnan would be more likely to capture new residents from outside of Coweta than from elsewhere within the county.



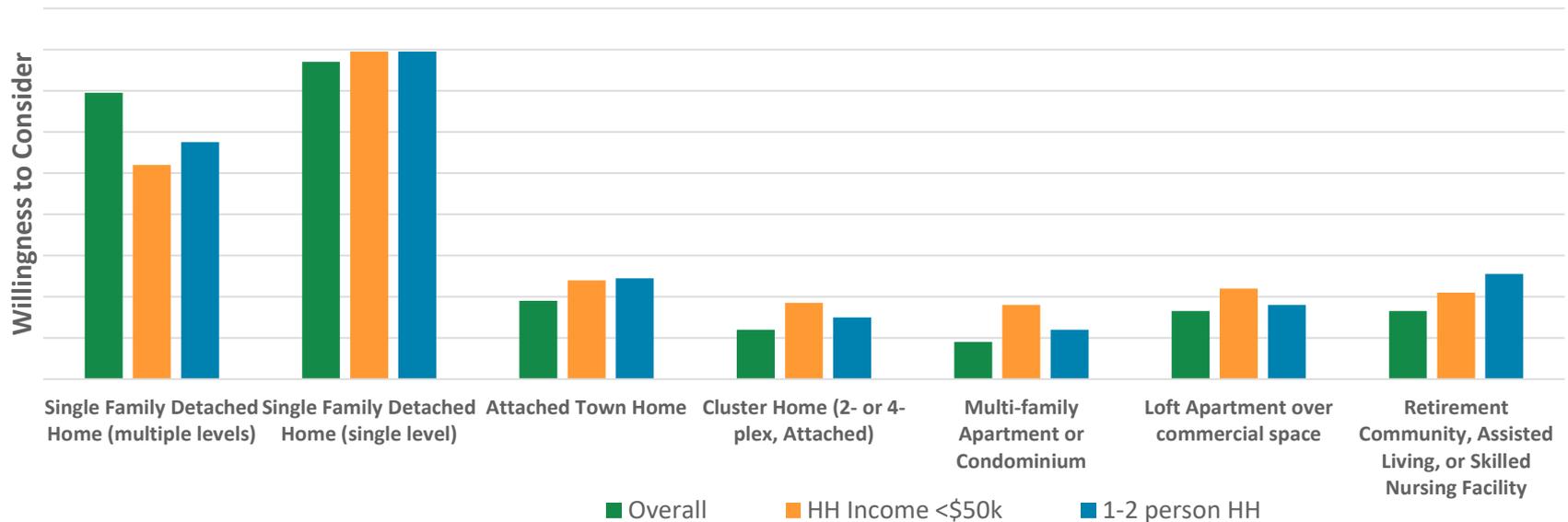
SURVEY RESULTS

HOW DOES INCOME AND HOUSEHOLD SIZE AFFECT HOUSING TYPE PREFERENCE?

Smaller households and households with lower incomes are more open to housing types beyond single family.

Though single family housing types remained the most popular, attached townhomes, loft apartments over commercial space, and multifamily apartments or condos all were much more favorably received by respondents with **1-2 person households** or with household **incomes below \$50,000**.

Please select the degree to which you may consider another housing type if these options were available within the Coweta community.



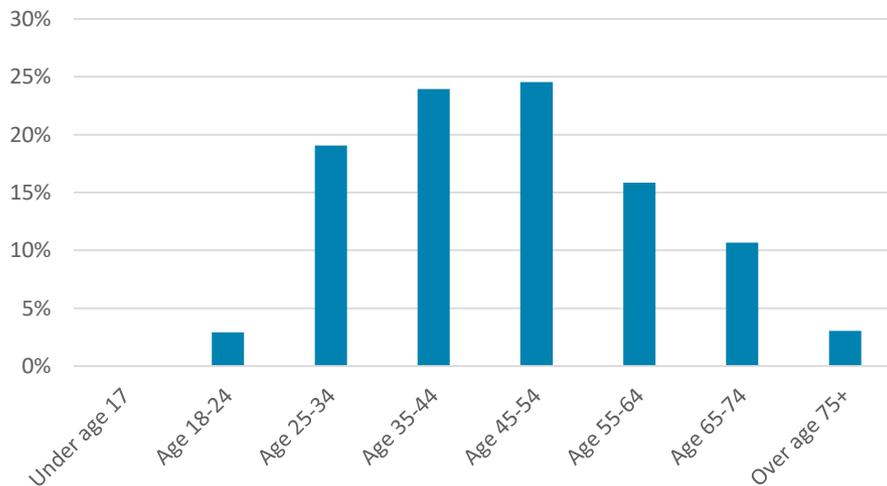
SURVEY RESULTS - NEWNAN

CHARACTERISTICS OF NEWNAN RESPONDENTS

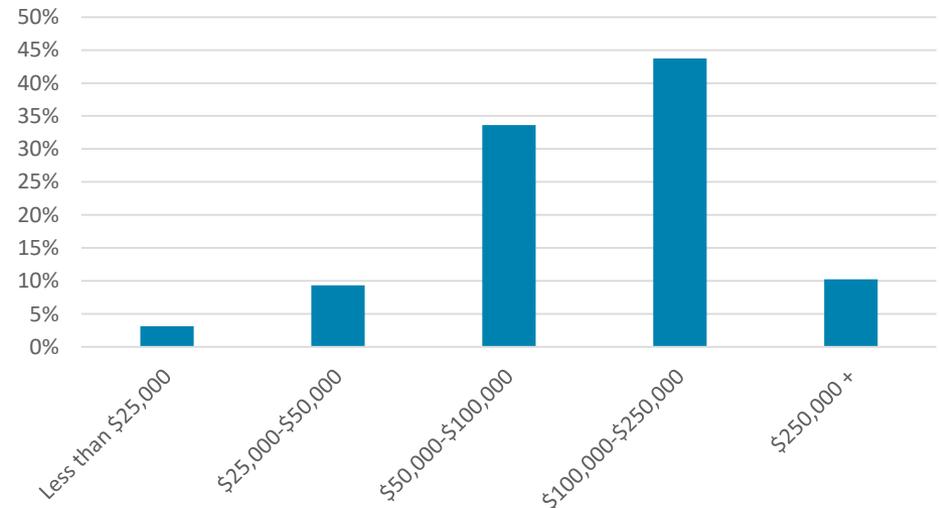
Of respondents who live in Newnan:

- 85% are Owners
- 15% are Renters
- Well-represented range of ages and household incomes:
- 47% live in 1-2 person households
- 41% live in 3-4 person households
- 12% live in 5+ person households

Which age group fits your current age?



What is your combined household's income?

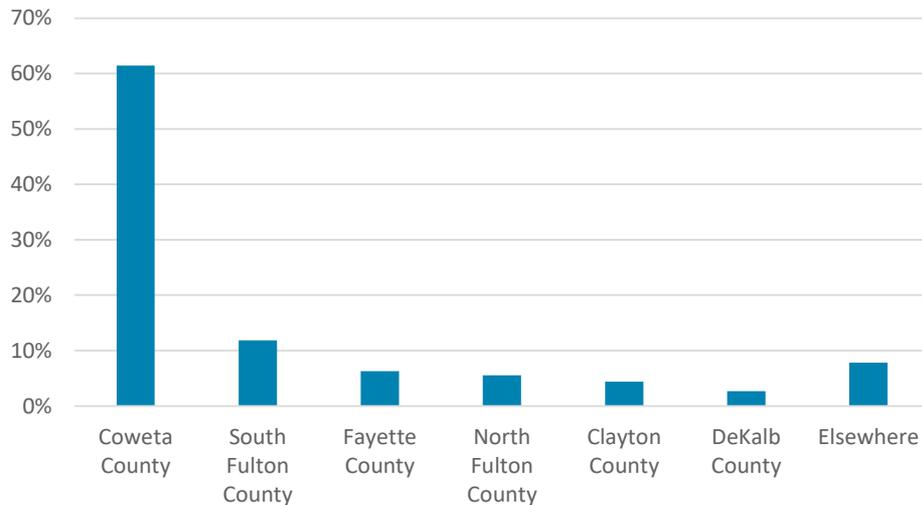


SURVEY RESULTS - NEWNAN

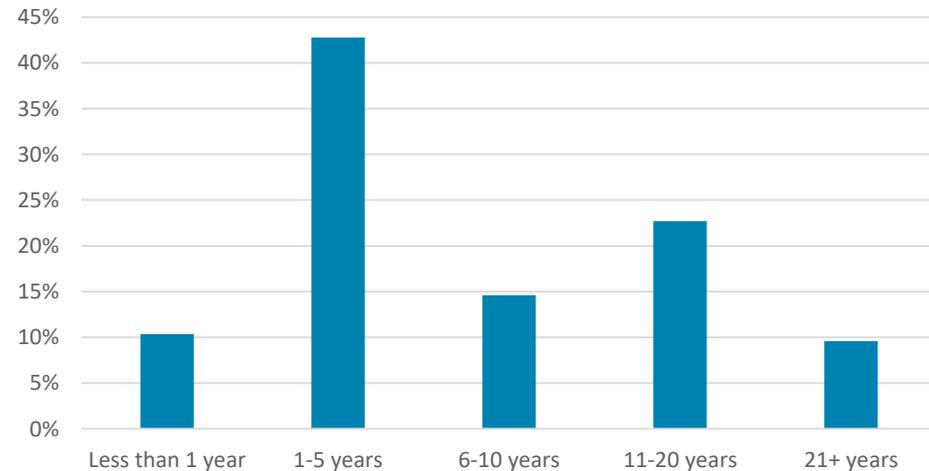
CHARACTERISTICS OF NEWNAN RESPONDENTS

- 20% of respondents work from home, are retired, or are stay-at-home parents.
- Of the remainder, 60% work in Coweta County and 18% work in Fulton County.
- 53% of Newnan respondents moved within the past 5 years.

In which county are you employed?
(Of those who work outside the home)

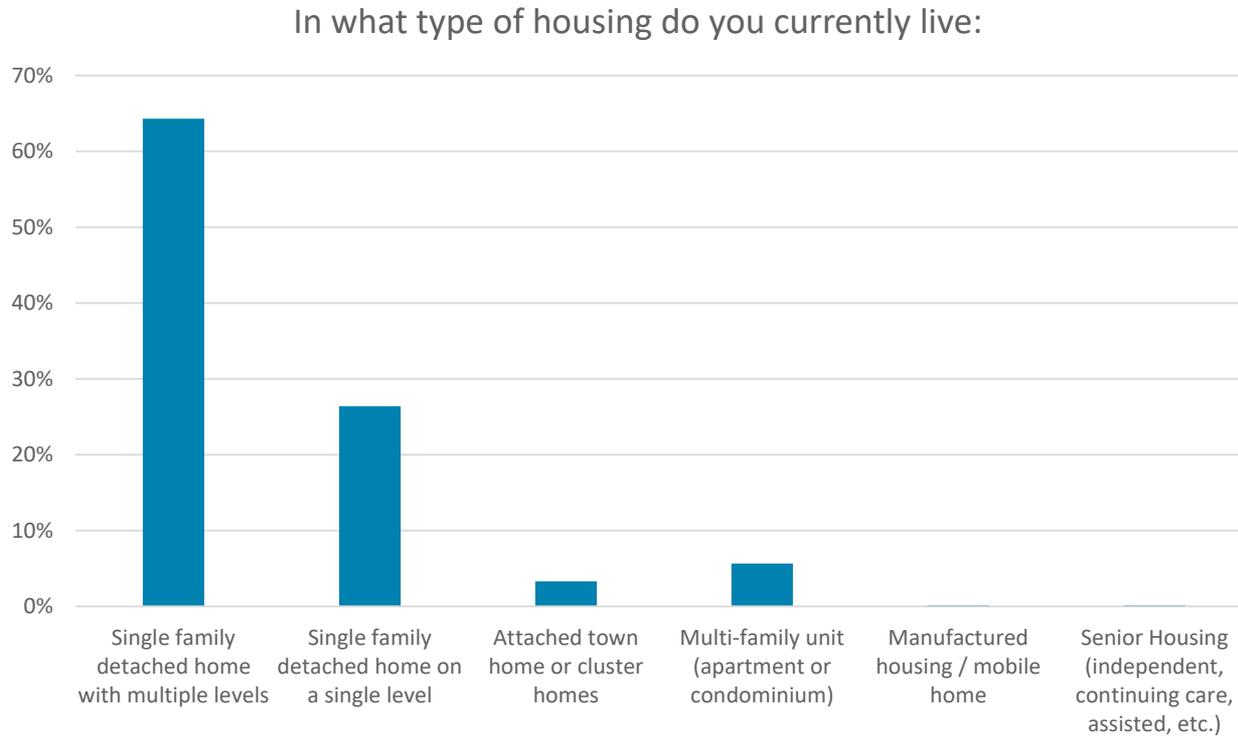


How long have you lived in your current location?



SURVEY RESULTS - NEWNAN

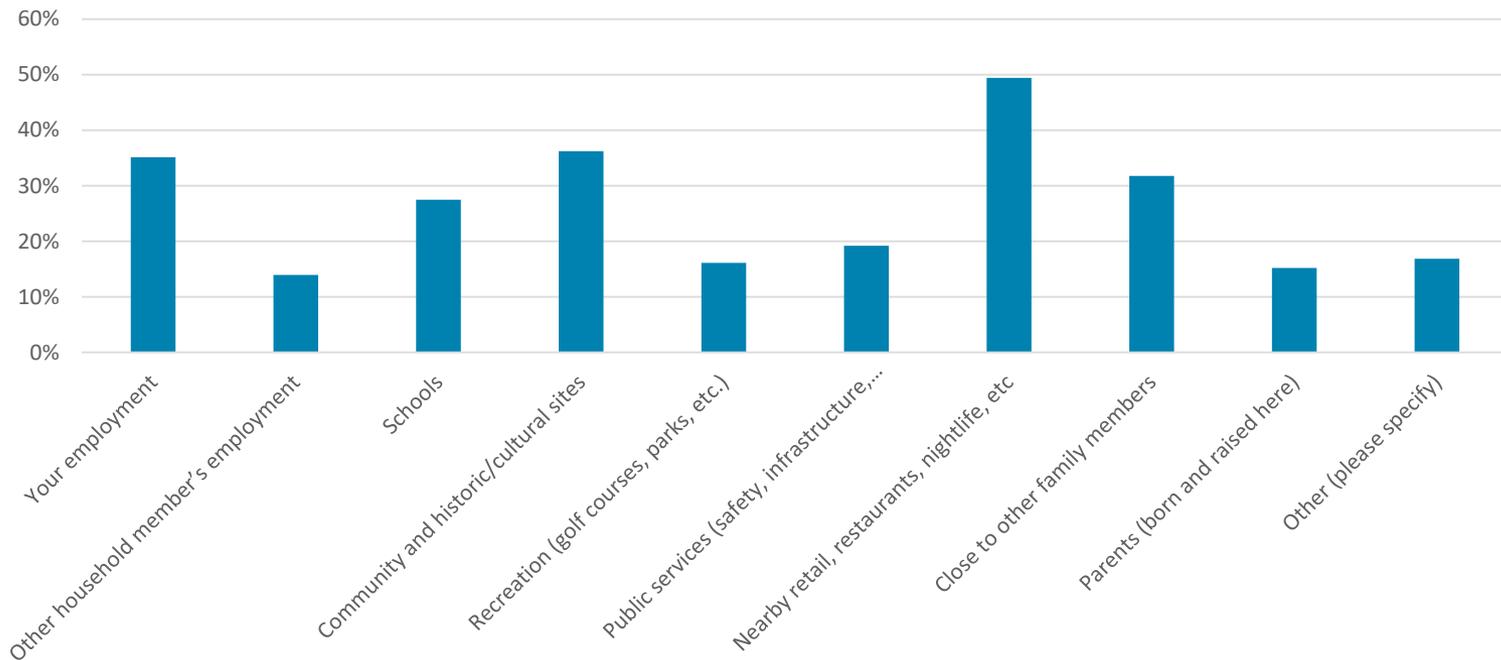
- Over 90% of respondents currently live in single family detached homes. 65% said their homes have multiple levels, while 26% said their homes have a single level.



SURVEY RESULTS - NEWNAN

- Of those who live in Newnan, 49% of survey respondents pointed to “Nearby retail, restaurants, nightlife, and other amenities” as a key factor in choosing to live in the city.
- Other top responses included Employment, Community and historic/cultural sites, and Close to other family members, all identified by over 30% of respondents.
- “Other” responses included proximity to Hartsfield-Jackson Atlanta International Airport, feeling of community, and cost of living.

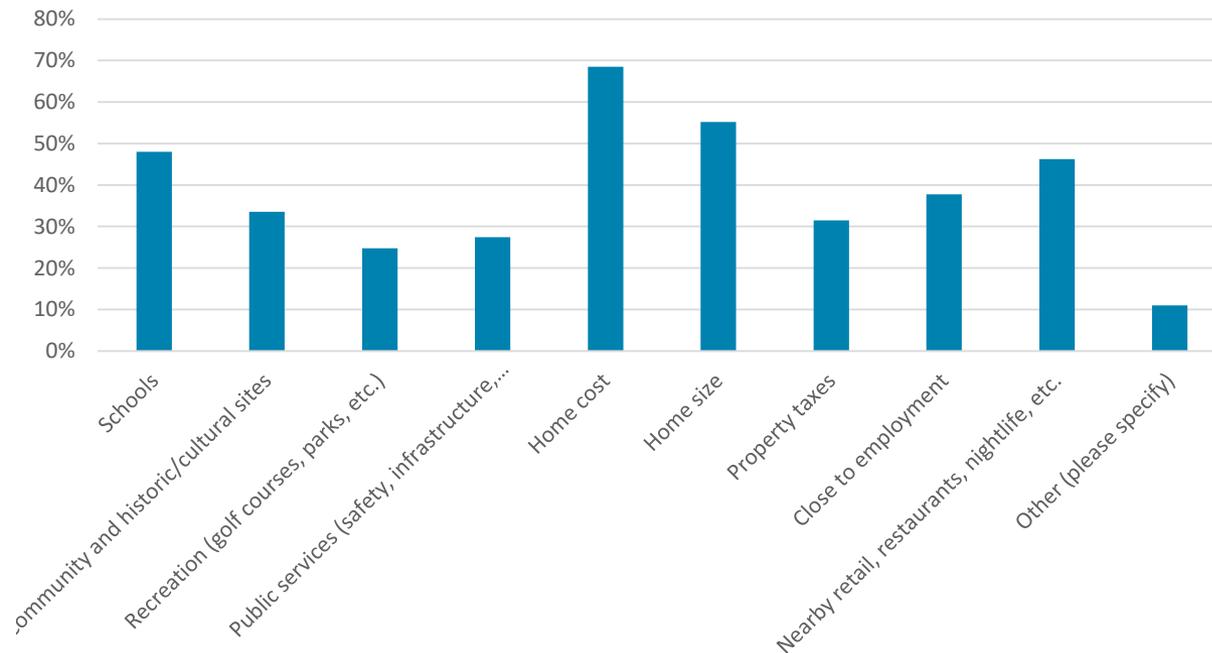
If you live IN the City of Newnan, please select your top three reasons for choosing to live in your location:



SURVEY RESULTS - NEWNAN

- 69% of respondents said that home cost most influenced their decision when making a choice about housing.
- 55% of respondents also identified home size, while just under half identified schools and “Nearby retail, restaurants, nightlife, and other desired amenities” as influencing their decisions.
- “Other” responses included safety of community and proximity to the interstate.

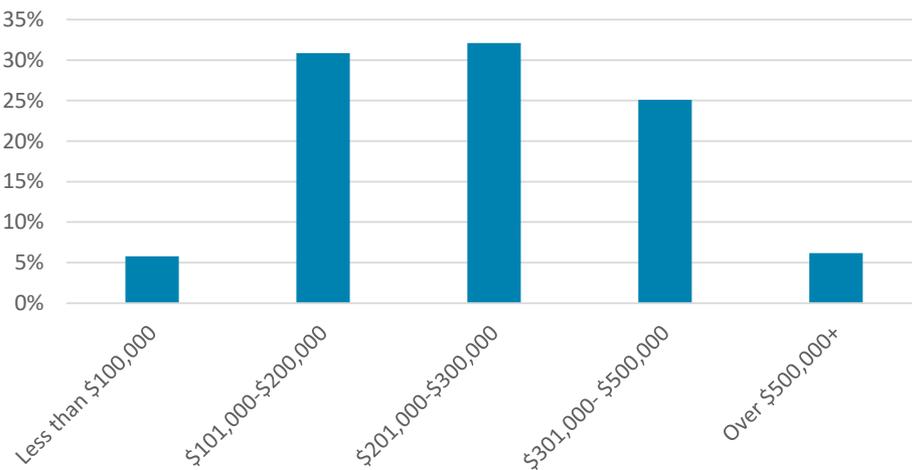
Which factors most influence your decision when making a choice about housing? (choose all that apply)



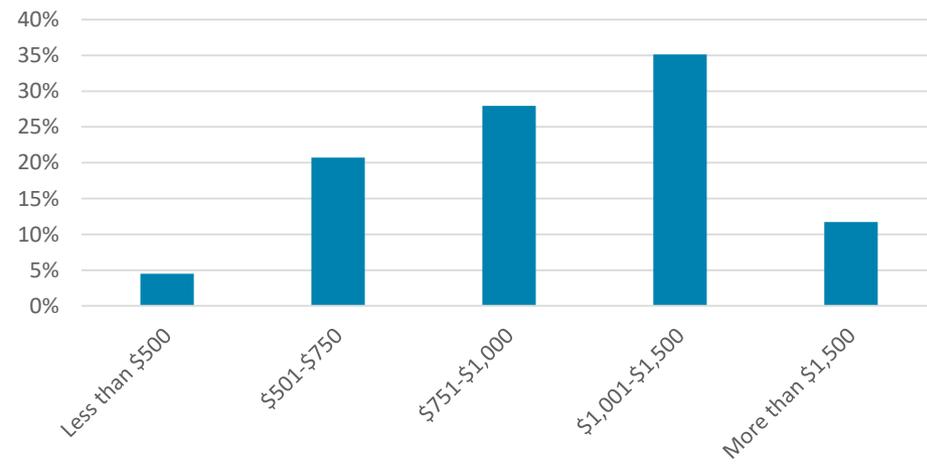
SURVEY RESULTS - NEWNAN

- Of the 170 residents who planned to change residence in the next 12-18 months, 82% planned to own their homes.
- 63% of those who planned to buy a home expected to purchase a home valued between \$100,000 - \$300,000.
- 35% of those who planned to rent expected to pay between \$1,000 - \$1,500 per month.

If you are likely to buy a home in the next 12-18 months, in which price range would you likely purchase?



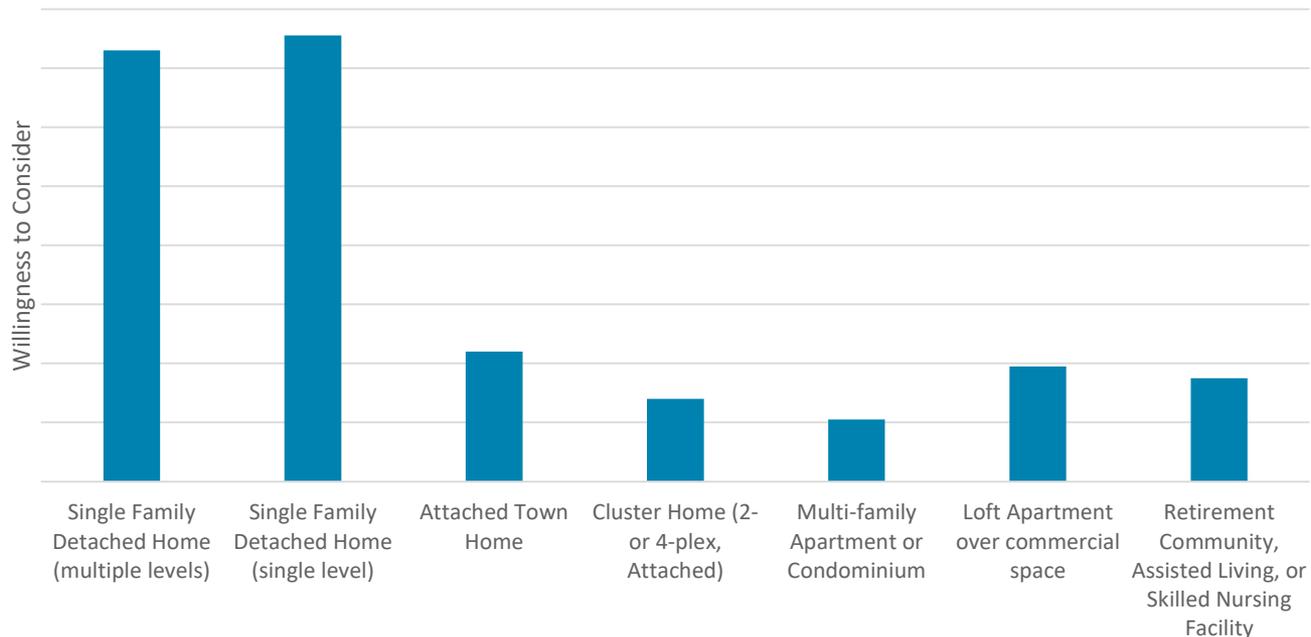
If you are likely to rent a home in the next 12-18 months, in which price range would you likely pay for rent each month?



SURVEY RESULTS - NEWNAN

- Single family products were by far the most popular with survey respondents.
- Of attached products, town homes were more popular with survey respondents than duplexes or quadplexes.
- Loft apartments over commercial space were the most popular multifamily survey choice.

Please select the degree to which you may consider another housing type if these options were available within the Coweta community.



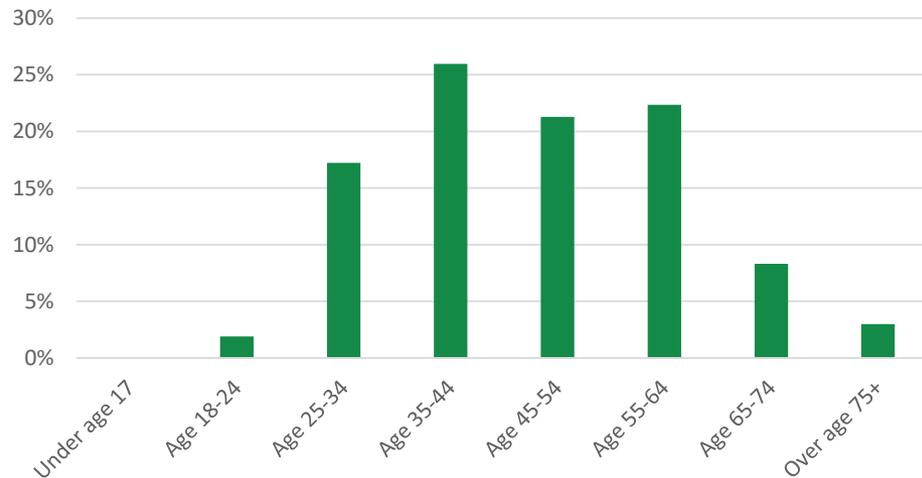
SURVEY RESULTS - COWETA

CHARACTERISTICS OF COWETA RESPONDENTS

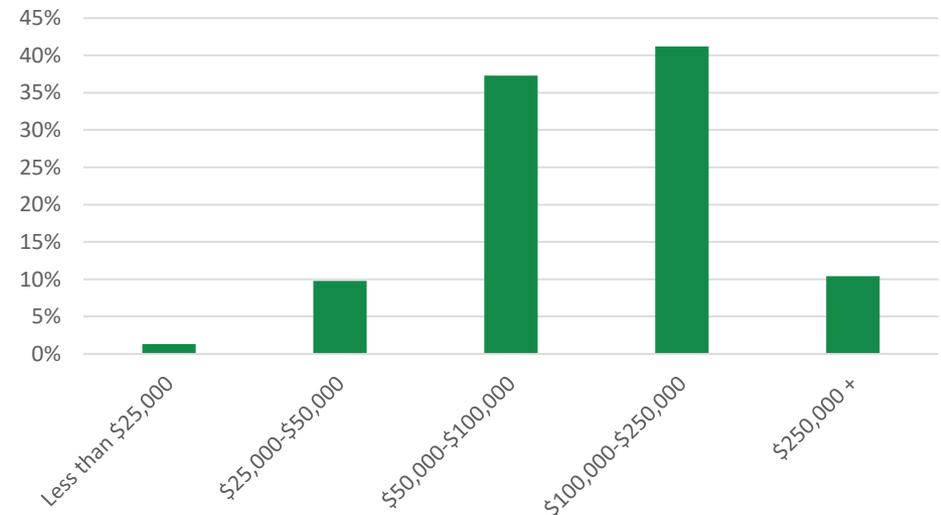
Of respondents who live elsewhere in Coweta County:

- 92% are Owners
- 8% are Renters
- 39% live in 1-2 person households
- 45% live in 3-4 person households
- 16% live in 5+ person households
- Well-represented range of ages and household incomes:

Which age group fits your current age?



What is your combined household's income?

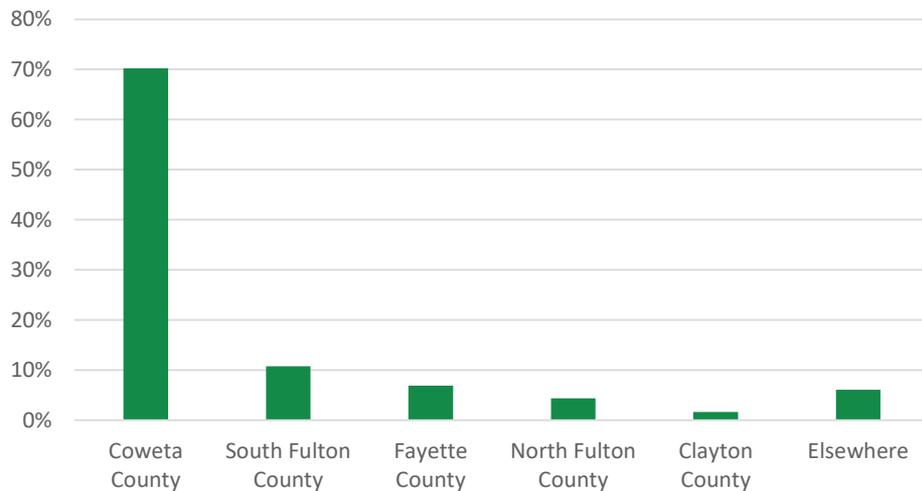


SURVEY RESULTS - COWETA

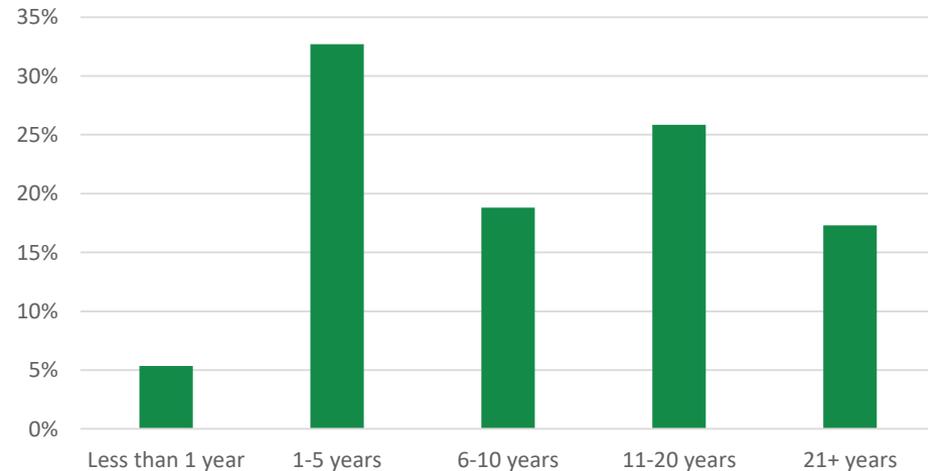
CHARACTERISTICS OF COWETA RESPONDENTS

- 203 of respondents work from home, are retired, or are stay-at-home parents.
- Of the remainder, 70% work in Coweta County, 15% work in Fulton County, and 7% work in Fayette County.
- 38% of Coweta respondents moved within the past 5 years. 43% have lived in the same location for more than 10 years.

In which county are you employed?
(Of those who work outside the home)

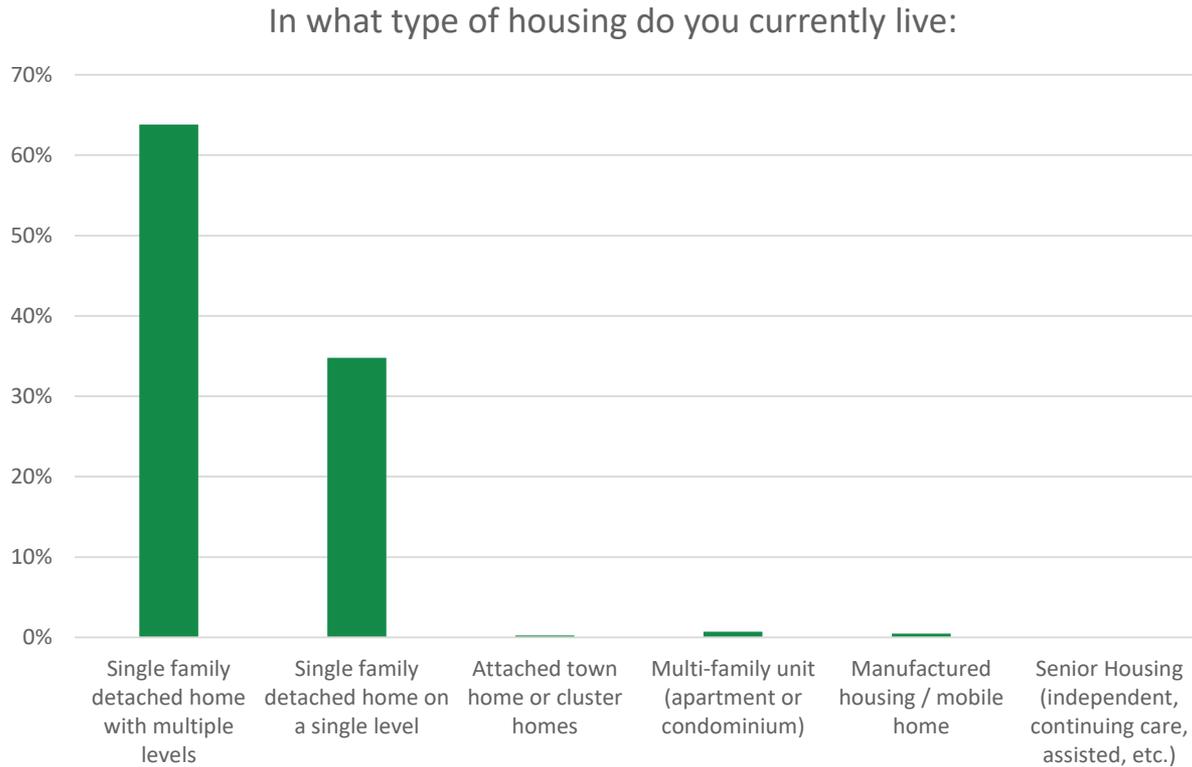


How long have you lived in your current location?



SURVEY RESULTS - COWETA

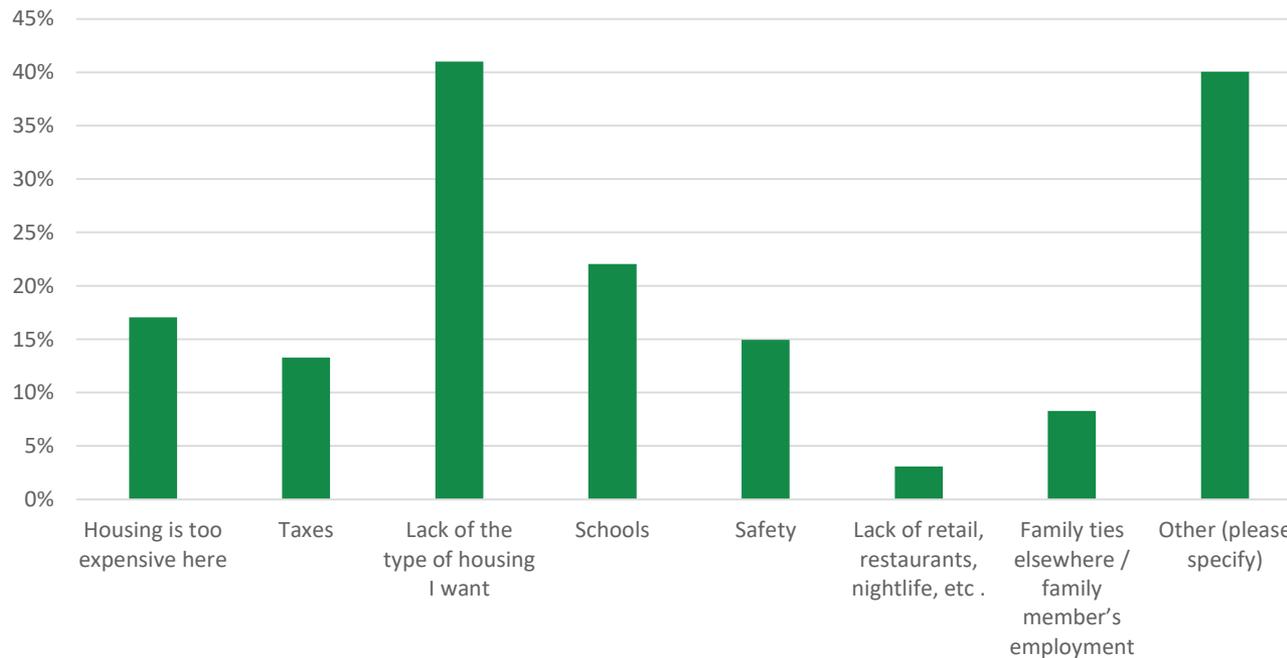
- 99% of respondents currently live in single family detached homes. 64% said their homes have multiple levels, while 35% said their homes have a single level.



SURVEY RESULTS - COWETA

- Of those who live elsewhere in Coweta County, 41% pointed to “lack of the type of housing I want” as a key reason they chose to live outside of Newnan.
- 22% also pointed to schools as a major contributing factor for their decision to live outside of Newnan.
- “Other” responses included desire for acreage, a rural lifestyle, and the lake.

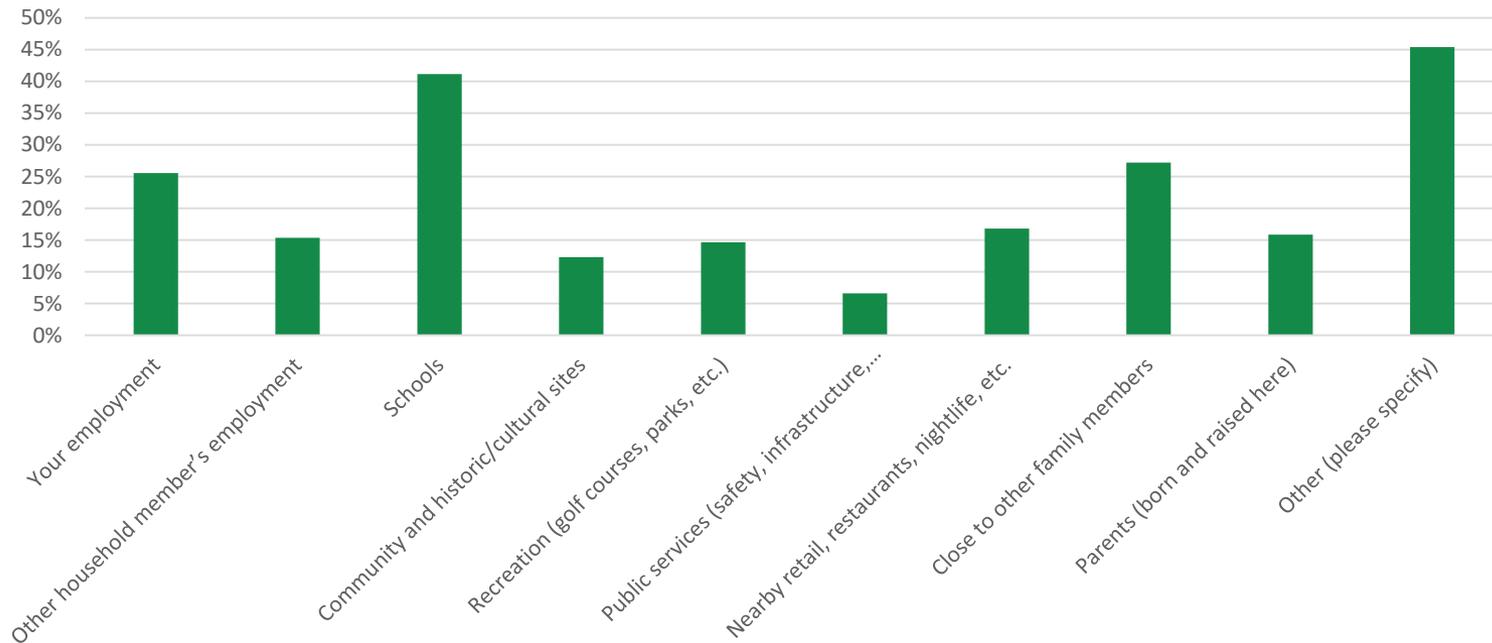
If you live ELSEWHERE in Coweta County, why do you live OUTSIDE of Newnan? (choose all that apply)



SURVEY RESULTS - COWETA

- Of those who live elsewhere in Coweta County, 41% said schools were a top reason for choosing where they live.
- Other top responses included employment and proximity to other family members.
- “Other” responses pointed to acreage and avoidance of traffic/overcrowding as key factors.

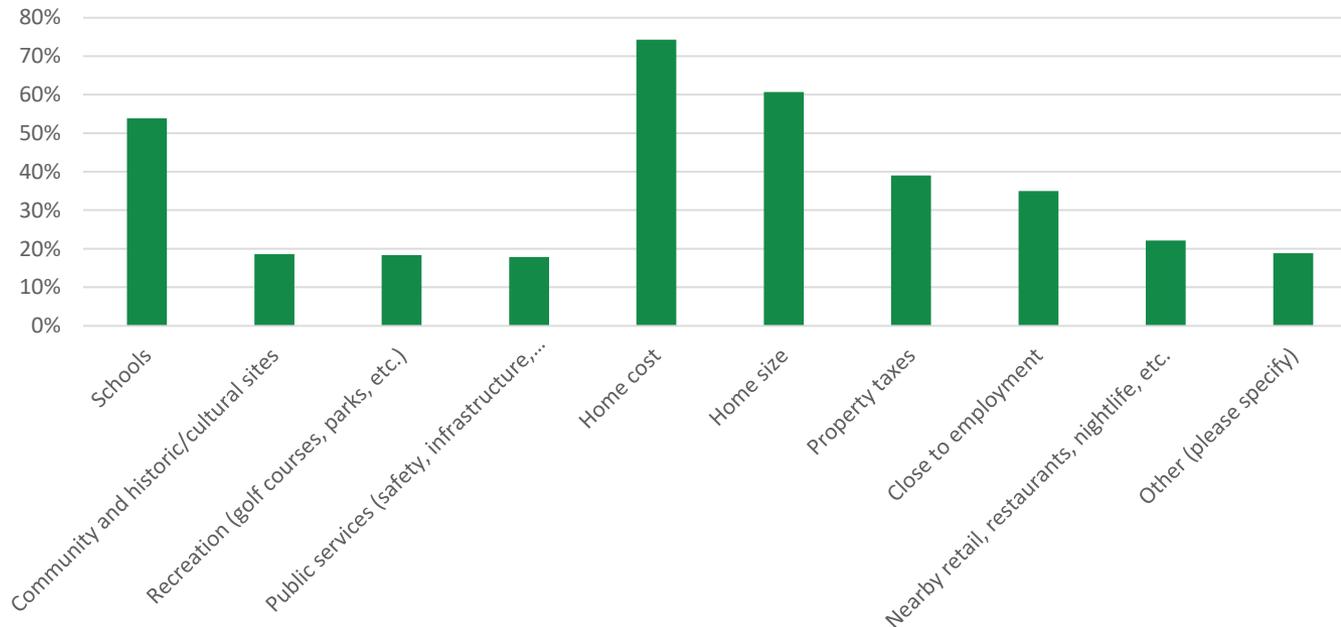
If you live ELSEWHERE in Coweta County, please select your top three reasons for choosing to live in your location:



SURVEY RESULTS - COWETA

- 75% of respondents said that home cost most influenced their decision when making a choice about housing. 61% of respondents also identified home size as a key factor.
- 54% of respondents identified schools as a key influence, while 40% said property taxes were important and 35% pointed to proximity to employment as influencing their decisions.
- “Other” responses included acreage, rural nature of the area, and the lake.

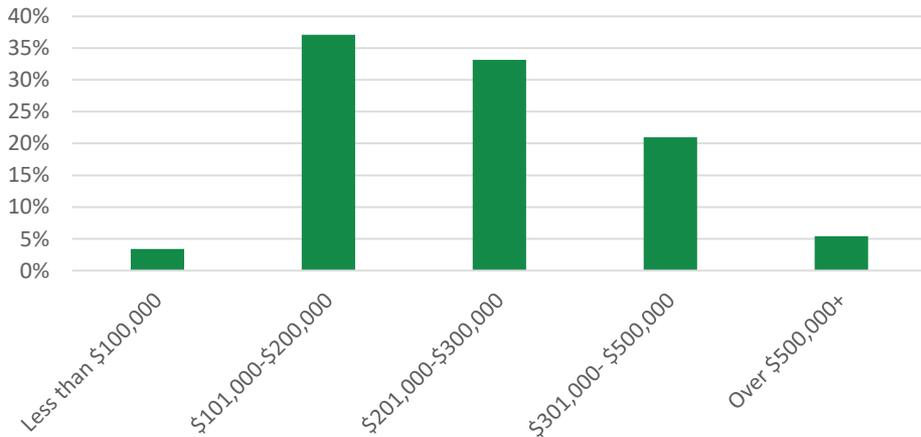
Which factors most influence your decision when making a choice about housing? (choose all that apply)



SURVEY RESULTS - COWETA

- Of the 81 residents who planned to change residence in the next 12-18 months, 92% planned to own their homes.
- 70% of those who planned to buy a home expected to purchase a home valued between \$100,000 - \$300,000.
- 36% of those who planned to rent expected to pay between \$750 - \$1,000 per month.

If you are likely to buy a home in the next 12-18 months, in which price range would you likely purchase?



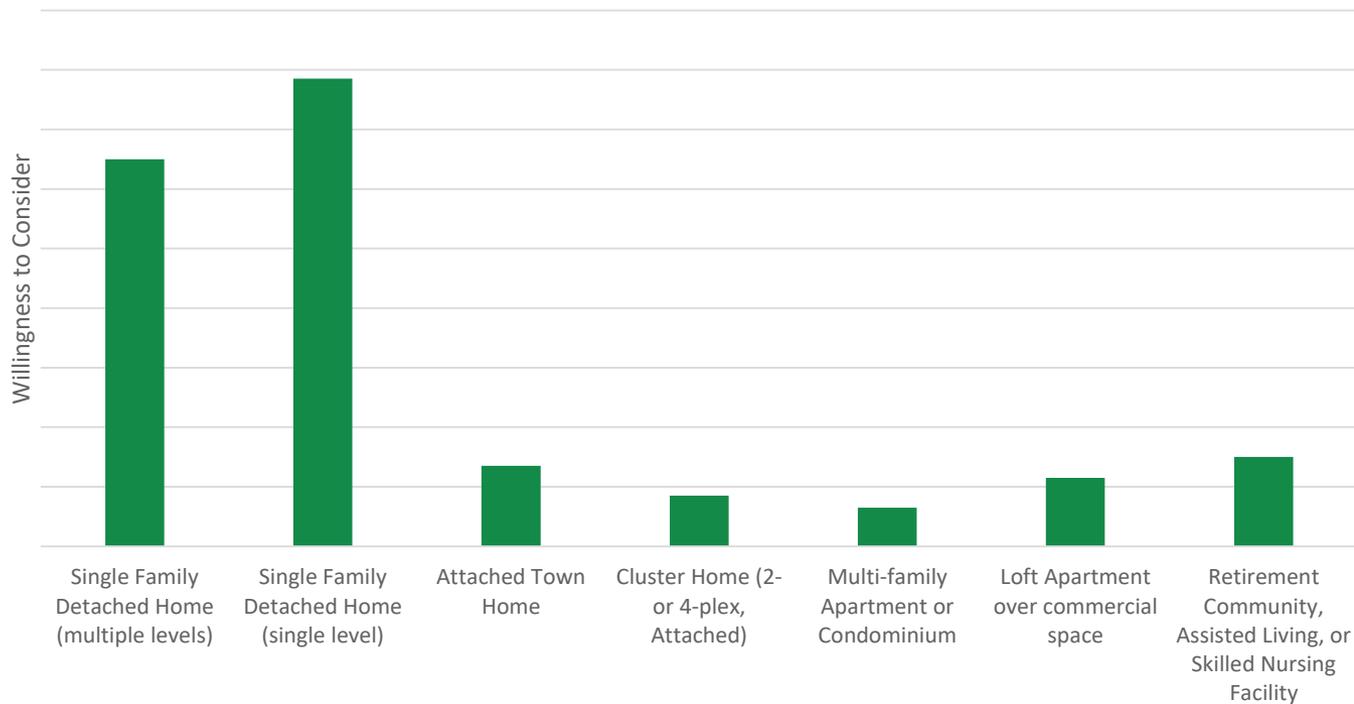
If you are likely to rent a home in the next 12-18 months, in which price range would you likely pay for rent each month?



SURVEY RESULTS - COWETA

- Single family products were by far the most popular with survey respondents.
- Of attached products, town homes were more popular with survey respondents than duplexes or quadplexes.
- Loft apartments over commercial space were the most popular multifamily survey choice.

Please select the degree to which you may consider another housing type if these options were available within the Coweta community.



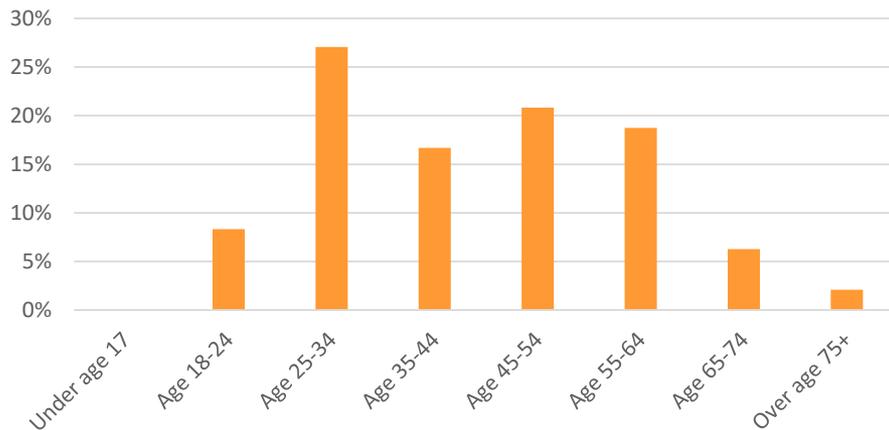
SURVEY RESULTS – OUTSIDE COWETA

CHARACTERISTICS OF NON-COWETA RESPONDENTS

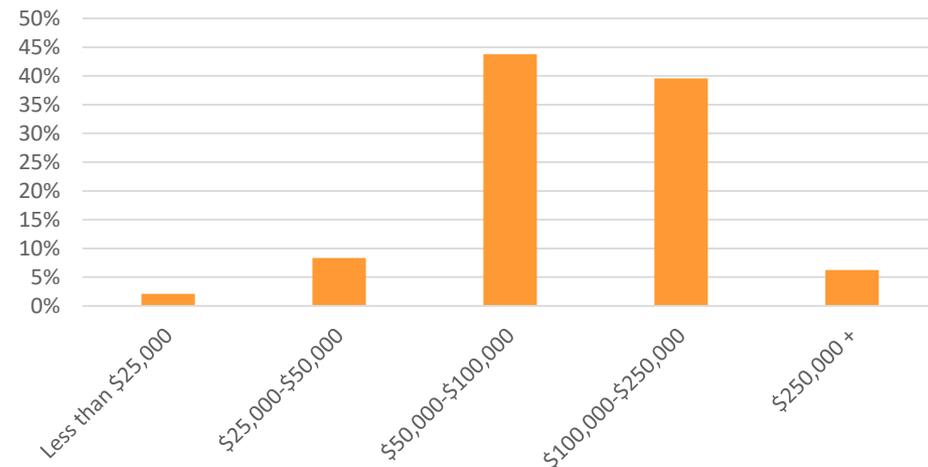
Of respondents who live outside of Coweta County:

- 79% are Owners
- 21% are Renters
- 48% live in 1-2 person households
- 44% live in 3-4 person households
- 8% live in 5+ person households
- Well-represented range of ages and household incomes:

Which age group fits your current age?



What is your combined household's income?

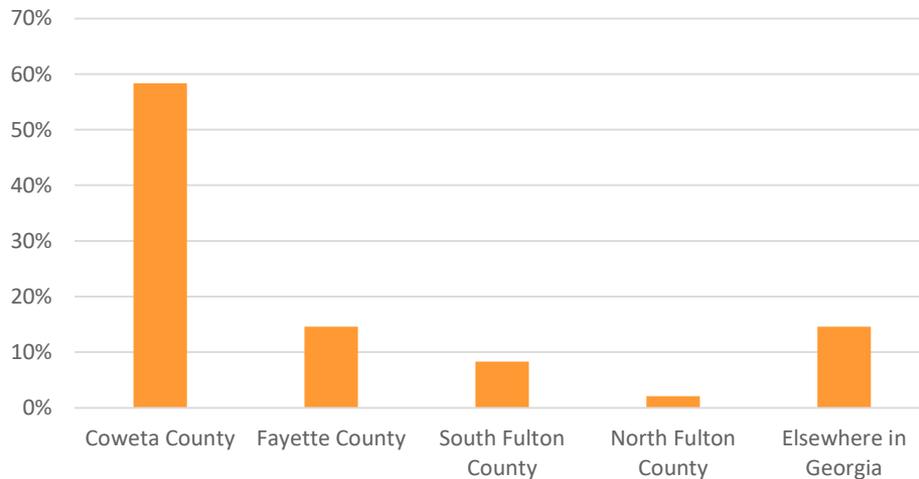


SURVEY RESULTS – OUTSIDE COWETA

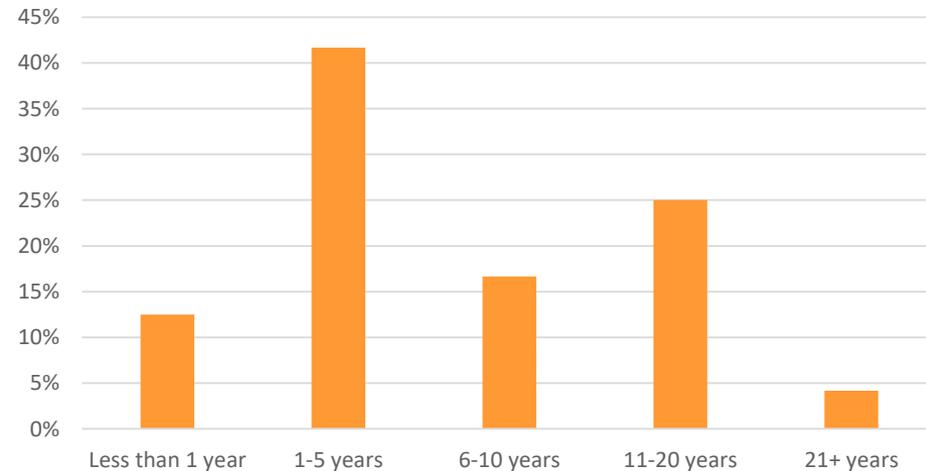
CHARACTERISTICS OF NON-COWETA RESPONDENTS

- 69% of respondents work in Coweta County, 15% work in Fayette County, and 10% work in Fulton County.
- 54% of respondents moved within the past 5 years.

In which county are you employed?
(Of those who work outside the home)

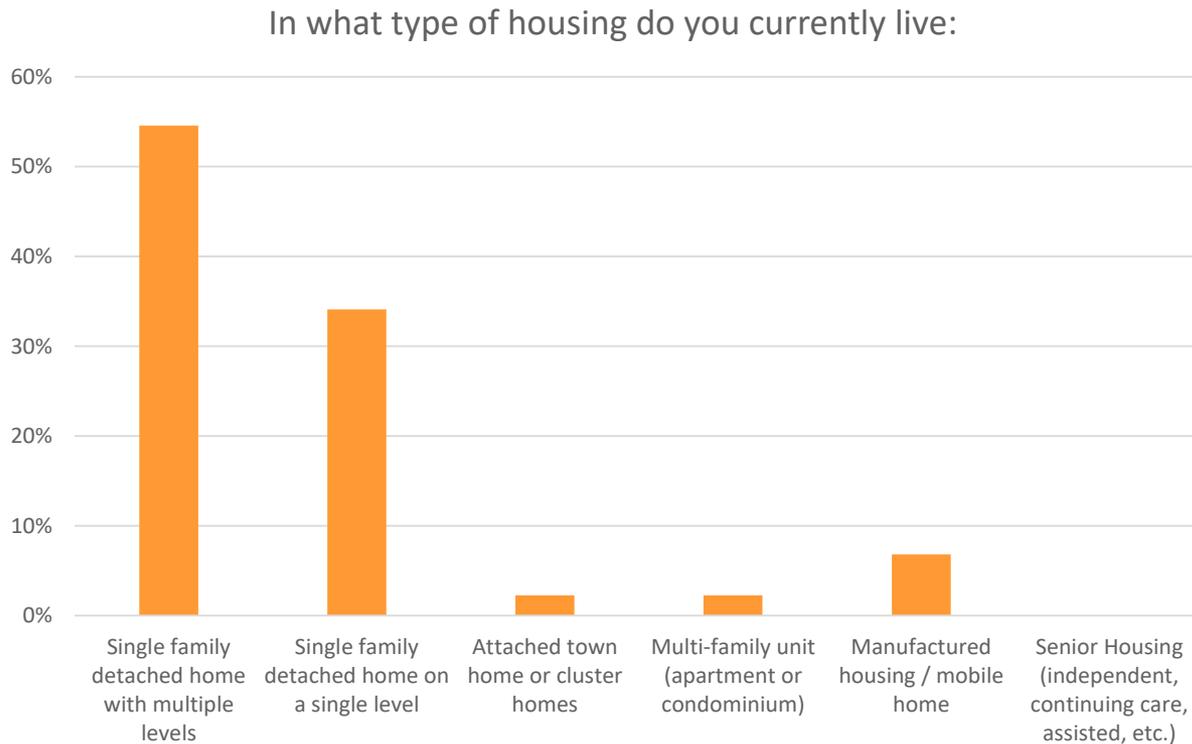


How long have you lived in your current location?



SURVEY RESULTS – OUTSIDE COWETA

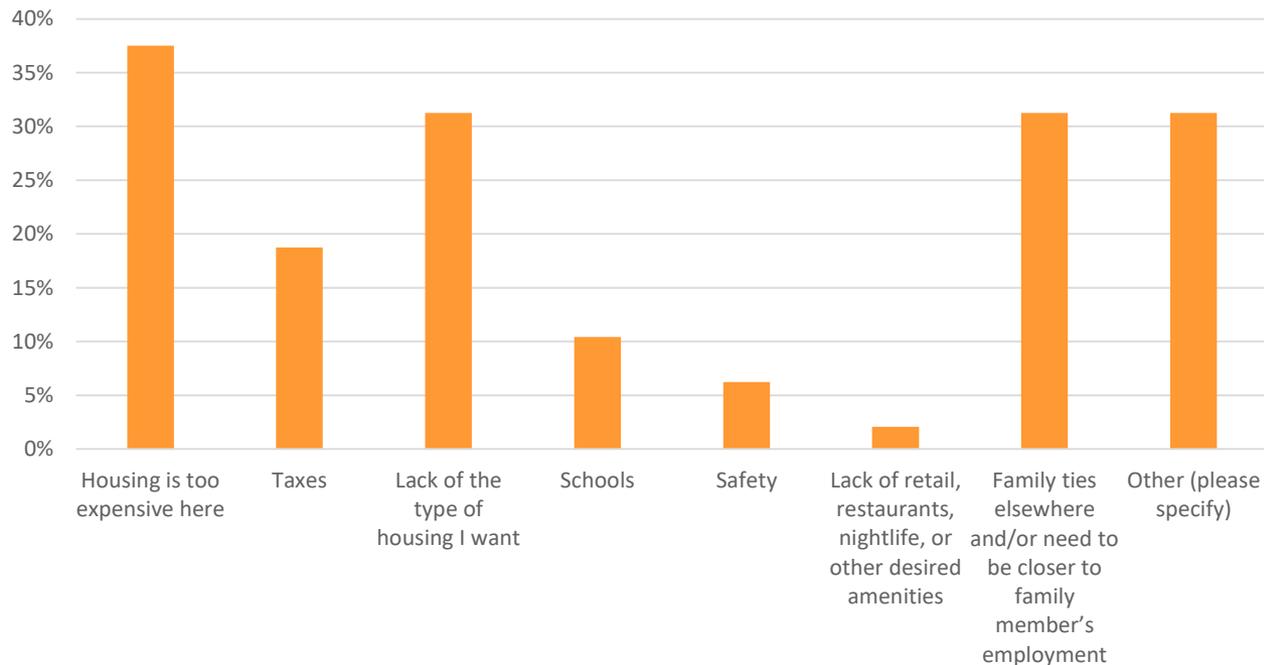
- 89% of respondents currently live in single family detached homes. 55% said their homes have multiple levels, while 34% said their homes have a single level.



SURVEY RESULTS – OUTSIDE COWETA

- Of those who live outside of Coweta County, 38% said “housing is too expensive here” is a key reason they chose to live outside of Coweta.
- 31% also pointed to lack of the type of housing they wanted, and family ties elsewhere / need to be closer to a family member’s employment as major contributing factors to their decision to live outside of the county.
- “Other” responses included too much traffic and crowding in Coweta and a desire to be in Peachtree City.

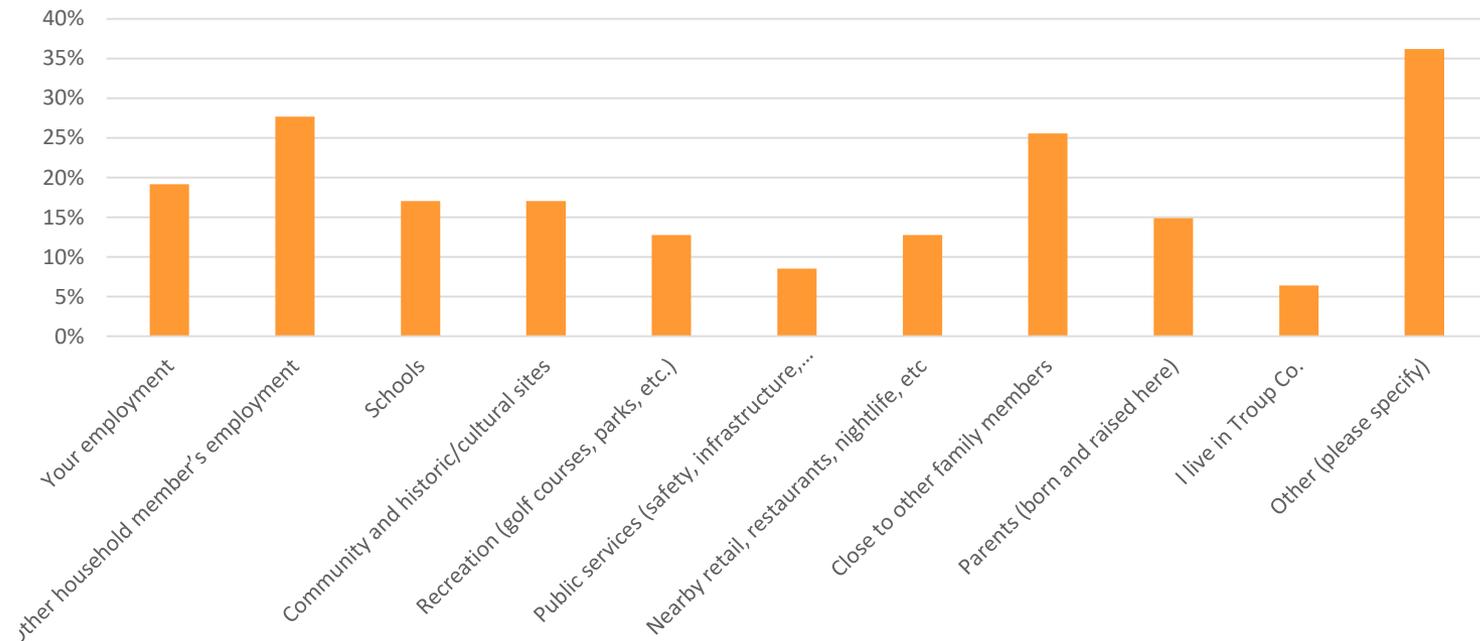
If you live OUTSIDE of Coweta County, why do you live OUTSIDE of Coweta County? (choose all that apply)



SURVEY RESULTS – OUTSIDE COWETA

- Of those who live outside of Coweta County, 27% said a household member’s employment and 26% said proximity to family members were top reasons for choosing where they live.
- Other top responses included employment, schools, and community and historic/cultural sites.
- “Other” responses pointed to acreage and affordability as key factors.

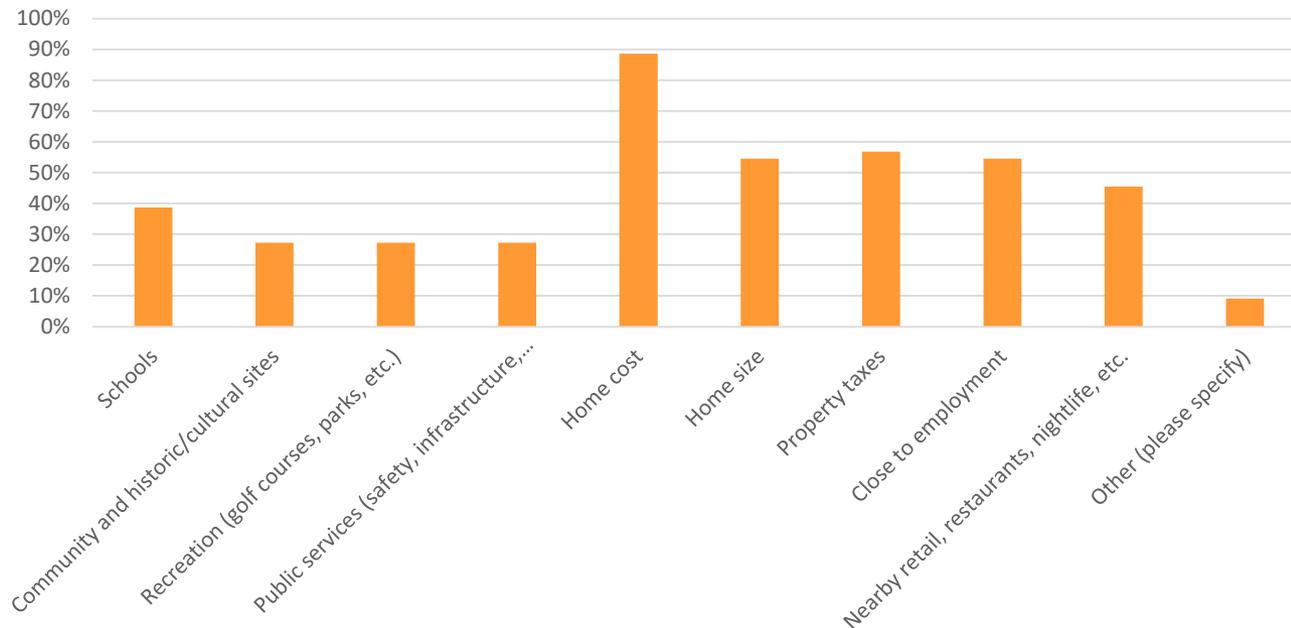
If you live OUTSIDE of Coweta, please select your top three reasons for choosing to live in your location:



SURVEY RESULTS – OUTSIDE COWETA

- 89% of respondents said that home cost most influenced their decision when making a choice about housing. 55% of respondents also identified home size and 57% pointed to property taxes as key factors.
- 55% of respondents identified proximity to employment as a key influence, while 45% said nearby retail, restaurants, nightlife, and other desire amenities drove their decision making.
- “Other” responses included acreage, friendly neighbors, and resale potential.

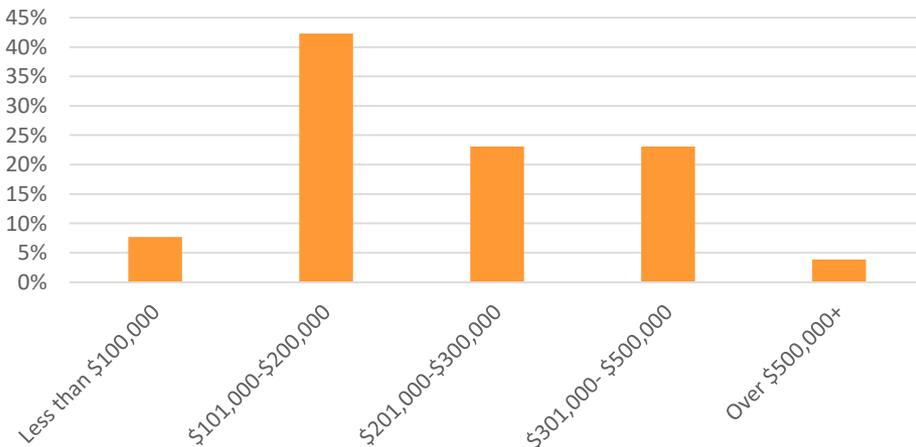
Which factors most influence your decision when making a choice about housing? (choose all that apply)



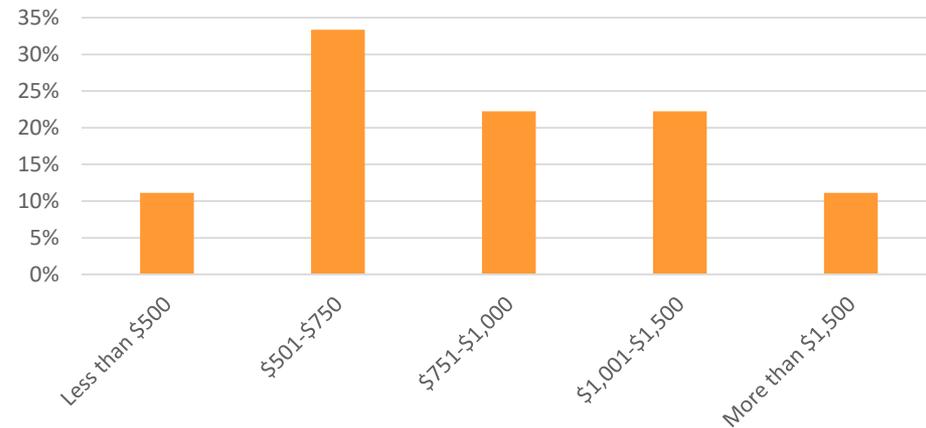
SURVEY RESULTS – OUTSIDE COWETA

- Of the 18 residents who planned to change residence in the next 12-18 months, 70% planned to own their homes.
- 42% of those who planned to buy a home expected to purchase a home valued between \$100,000 - \$200,000.
- 33% of those who planned to rent expected to pay between \$750 - \$1,000 per month.

If you are likely to buy a home in the next 12-18 months, in which price range would you likely purchase?



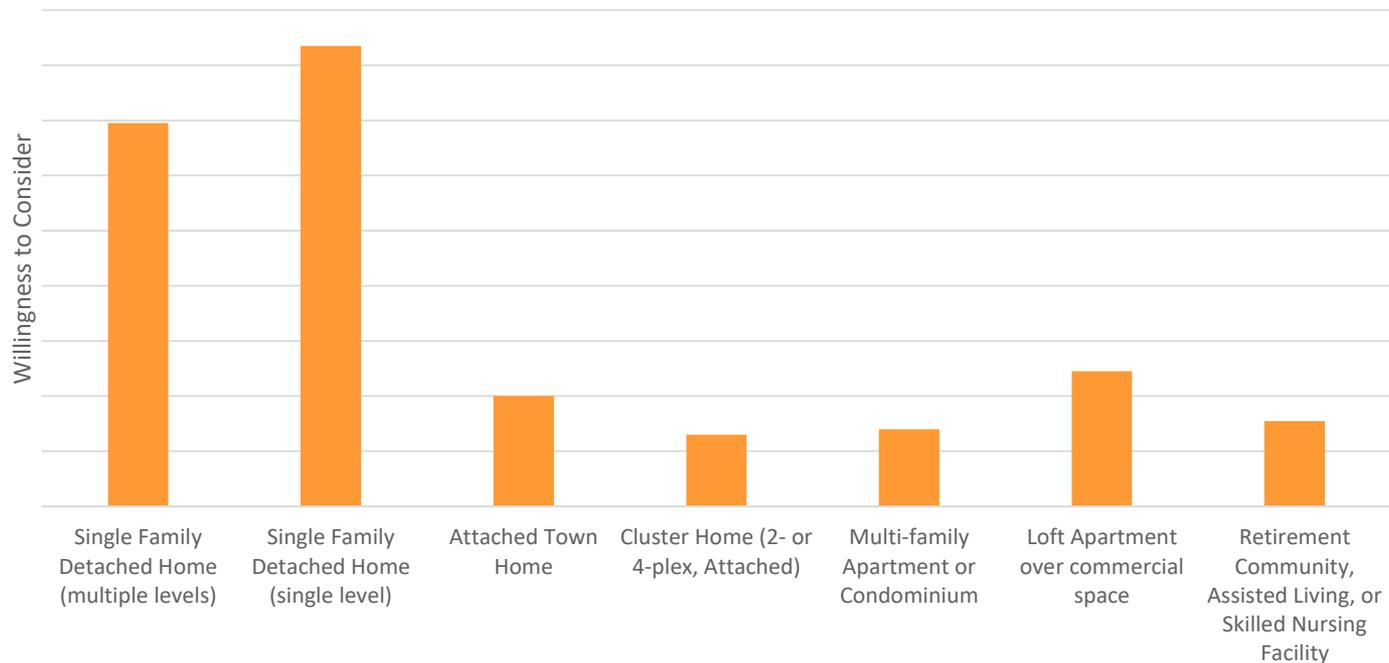
If you are likely to rent a home in the next 12-18 months, in which price range would you likely pay for rent each month?



SURVEY RESULTS – OUTSIDE COWETA

- Single family products were by far the most popular with survey respondents.
- Of attached products, town homes were more popular with survey respondents than duplexes or quadplexes.
- Loft apartments over commercial space were the most popular multifamily survey choice.

Please select the degree to which you may consider another housing type if these options were available within the Coweta community.



SURVEY OVERVIEW

Q22: WHAT WOULD YOU MOST LIKE TO SEE IN HOUSING OPTIONS OFFERED IN NEWNAN?

Top responses included:

- Townhouse options
- Larger lot sizes
- Fewer apartments
- Home affordable for seniors and low-income households
- Homes affordable to young/working people
- Mixed-use housing
- Options for seniors (55+ communities, single-level homes)
- Starter home options (\$100,000-\$200,000)
- Downtown options
- Concern that traffic/transportation infrastructure cannot support more housing

SURVEY OVERVIEW

Q23: DO YOU HAVE ANY OTHER COMMENTS FOR US AS WE CONTINUE THIS PROJECT?

Top responses included:

- Concerns about traffic/parking
- Desire to maintain small-town feel
- Need to manage growth
- Thank you for soliciting community input

SURVEY OVERVIEW

MAJOR THEMES OF RESPONDENT COMMENTS

- Senior living options
- Affordable housing
- Affordable single family homes
- Bigger lots/homes/yards
- More starter homes
- More downtown living options
- Fewer apartments & “cluster developments”
- More townhome/ condo/ senior/ loft homes
- No more growth! Shut the gate
- More smaller home options
- Infrastructure/roads can’t support any more housing
- Too much regulation
- Not enough regulation
- Let the free market decide
- More single family homes
- Better quality/looking homes
- Apartments lead to more traffic/crime
- Preserve green space/rural character
- No more apartments
- No high-density housing
- Stop annexing land
- The taxes are too high

STAKEHOLDER INTERVIEWS

STAKEHOLDER INTERVIEWS

Several common themes were heard at all four sessions:

5. Concerns with City regulatory processes

- Developers and builders who participated in the interviews repeatedly expressed frustration at the entitlements process.
- They said the current regulations have too many layers, take too long, and are often convoluted.
- Some specifically pointed to instances where they were told incorrect information or not told about issues early in the approvals process, increasing costs.

6. Overall optimism for Newnan's future

- Stakeholders pointed to key development opportunities for adaptive reuse, gray field, and greenfield projects throughout the city.
- They also stated the desire for renovation and rehabilitation of dilapidated properties.
- Several of these projects would need incentives or infrastructure support to come to fruition.



STAKEHOLDER INTERVIEWS

Several common themes were heard at all four sessions:

7. Health and vitality of downtown is increasingly becoming recognized as a key identity & asset for city

- The historic downtown was noted as a beautiful amenity that brings people to the city
- People want to live downtown, but there is currently little inventory to offer.

8. Strong support for LINC

- LINC was lauded as a great new asset that will improve connectivity and add value to Newnan.
- LINC will also help attract Millennials and those who value lifestyle and experiences in making decisions about where to live.

9. Target aging buildings & shopping centers for new multifamily housing

- The aging shopping centers on Bullsboro Rd. / Hwy 34 were identified as a potential location for new multifamily housing development.
- Doing so may help avoid the worst of neighborhood pushback against proposed projects.



- ▶ Bleakly Advisory Group, Inc. is an Atlanta, Georgia based market and economic consulting firm
 - ▶ Founded in 2001
 - ▶ Six member professional team

- ▶ Our practice covers six areas in both public and private sectors:

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- ▶ Housing Analysis



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