



GWINNETT COUNTY
BOARD OF COMMISSIONERS

75 Langley Drive | Lawrenceville, GA 30046-6935

O: 770.822.7000 | F: 770.822.7097

GwinnettCounty.com

Nicole L. Hendrickson, Chairwoman

Kirkland Dion Carden, District 1

Ben Ku, District 2

Jasper Watkins III, District 3

Marlene M. Fosque, District 4

Official

Informal Presentation Minutes

Tuesday, October 19, 2021 – 3:00 PM

Present: Nicole L. Hendrickson, Kirkland D. Carden, Ben Ku, Jasper Watkins III, Marlene M. Fosque

1. Planning & Development

Housing Study

Jonathan Gelber of KB Advisory Group provided an overview of the Gwinnett County Comprehensive Housing Study. No official action taken.

Gwinnett County Comprehensive Housing Study

Board of Commissioners Briefing

October 19, 2021



KB | ADVISORY GROUP



Gwinnett



Background

Housing study background and project oversight

- Study initiated in August 2020
- Study process managed by an internal Project Management Team composed of members from the Planning and Development Department
- Draft deliverables reviewed by an internal Project Advisory Committee composed of members from various County Departments
- Project Scope expanded in early 2021 to augment aggregate County data with detailed municipal and unincorporated Gwinnett County data and analysis

Purpose

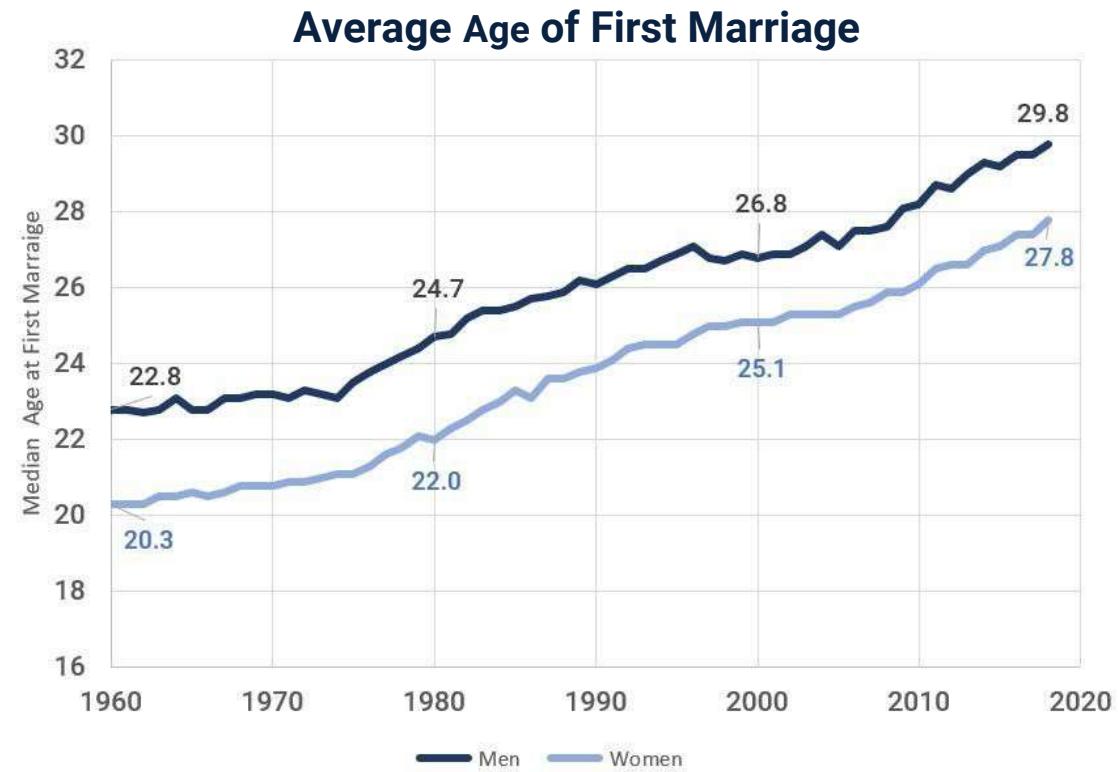
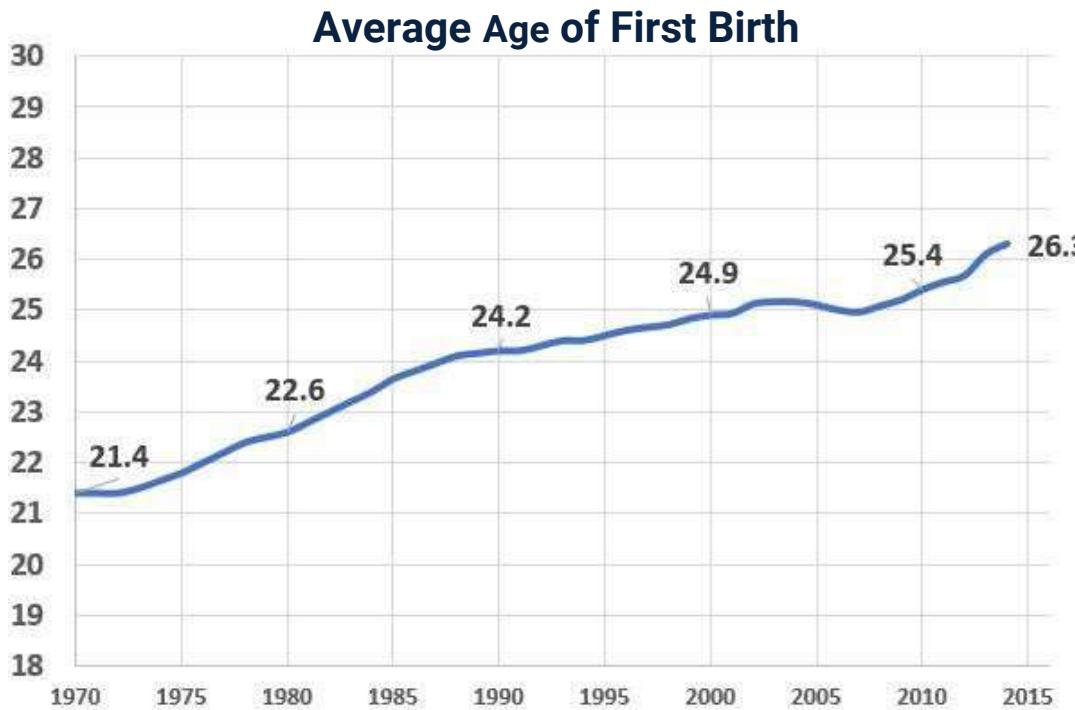
Top priorities of the study

- Identify the essential characteristics of Gwinnett's housing inventory, demographics, and housing needs
- Deliver data-driven findings regarding housing supply and demand in Gwinnett to the Board of Commissioners
- Analyze housing-related data and findings in a way that helps Gwinnett provide safe and diverse housing opportunities to meet the needs of current and future residents
- Provide housing data and analysis to inform Gwinnett elected officials, administration, and staff for future planning and budgeting activities

Trends Driving Housing Demand

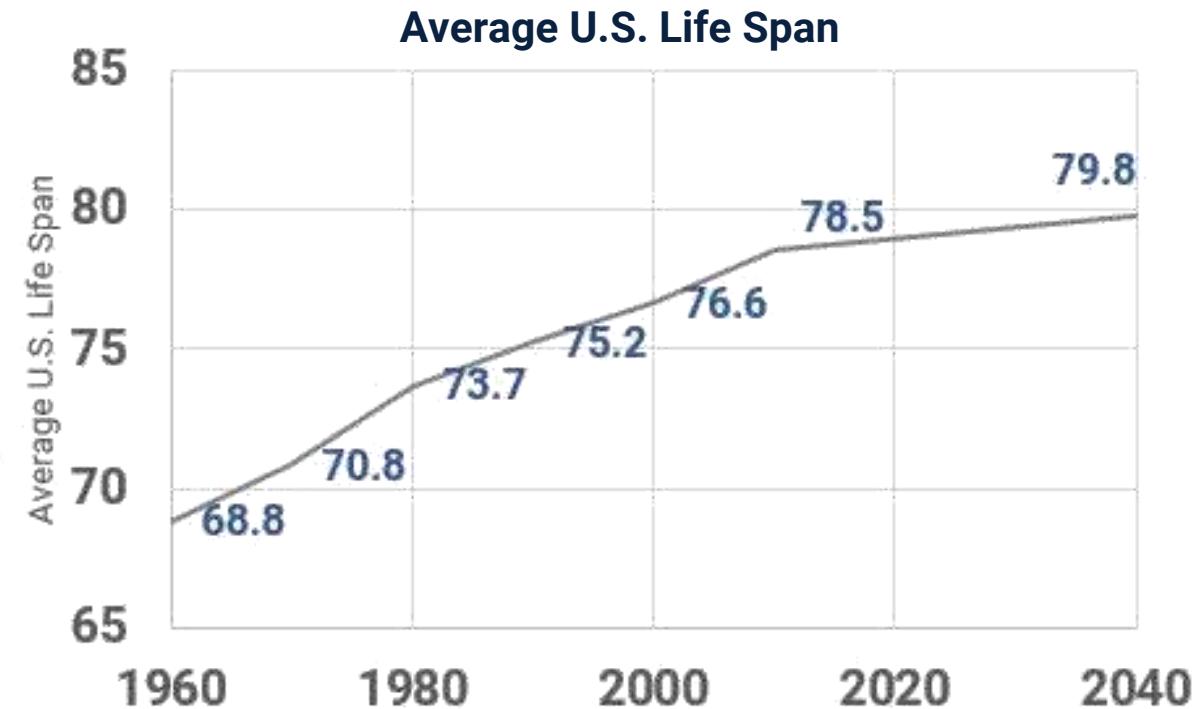
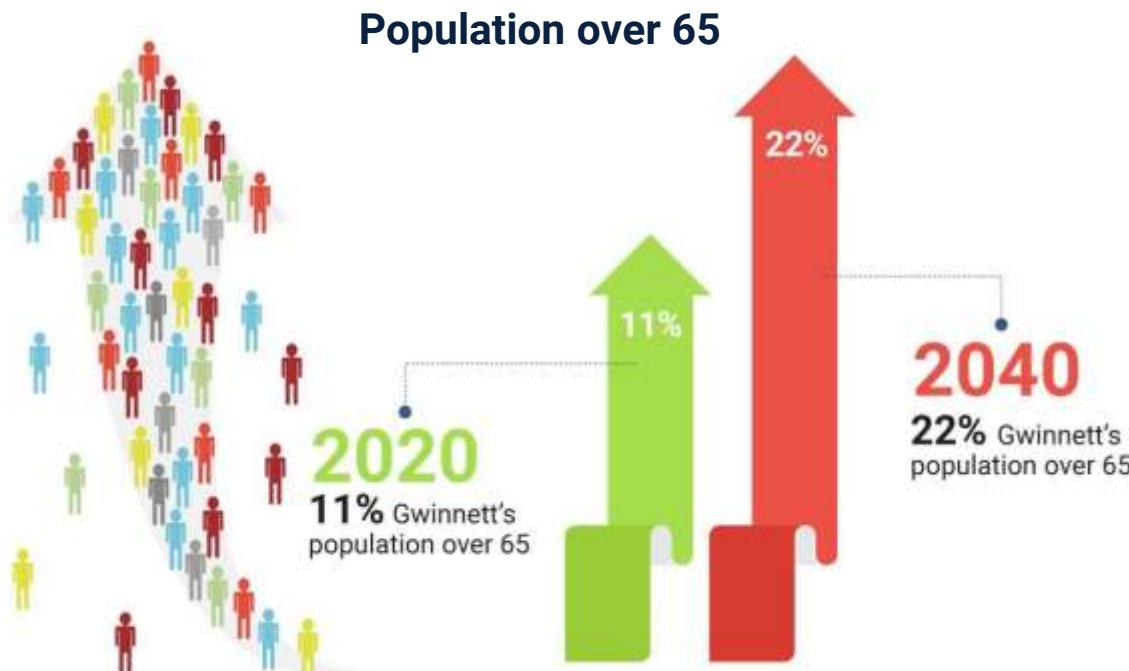
Global demographic and economic shifts are changing the way people and households relate to housing.

Marriages and Births: Households are smaller and are forming later in life.



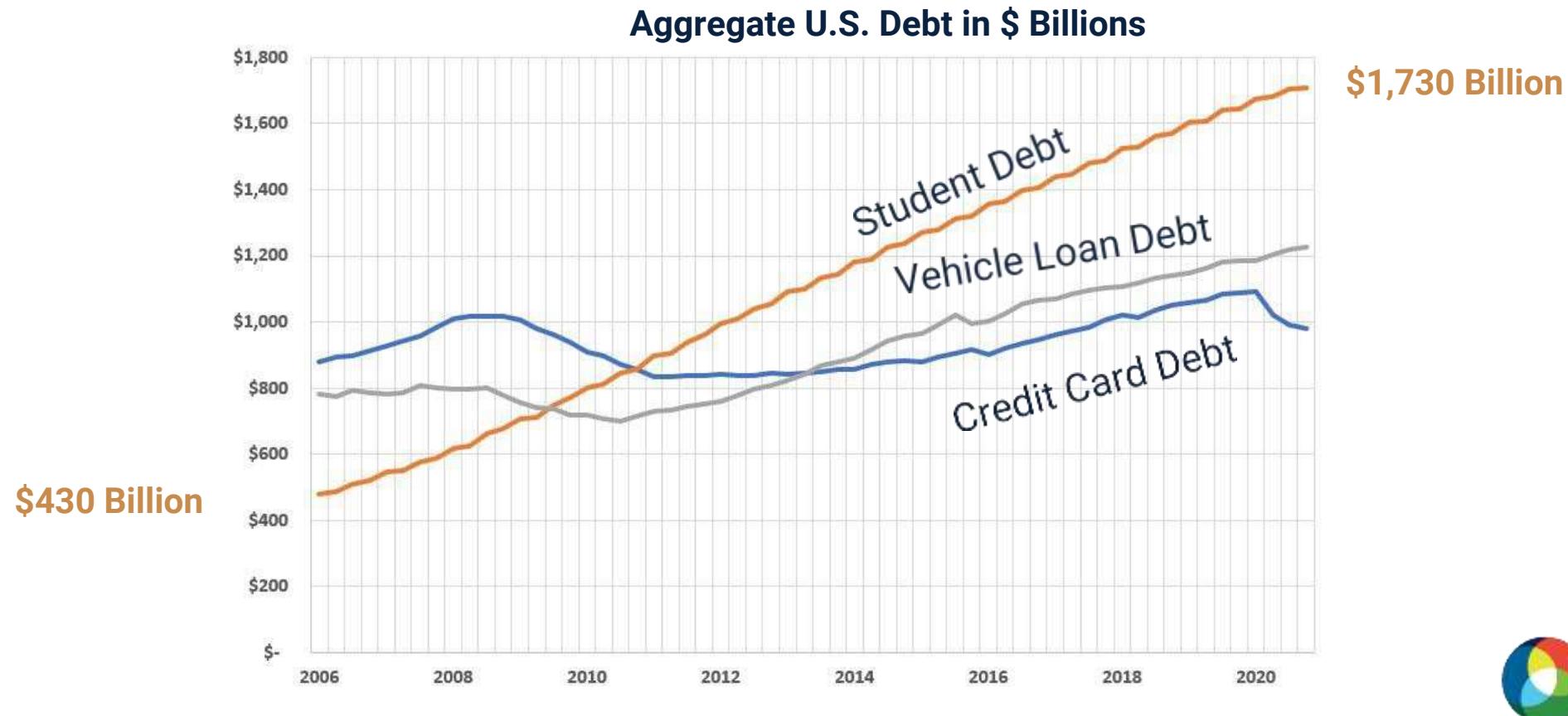
Trends Driving Housing Demand

The “Silver Avalanche”: Baby Boomers are aging, and people are living longer.



Trends Driving Housing Demand

Student debt and slow wage growth are making it harder for young people to buy homes.



Trends Driving Housing Demand

Other notable housing trends

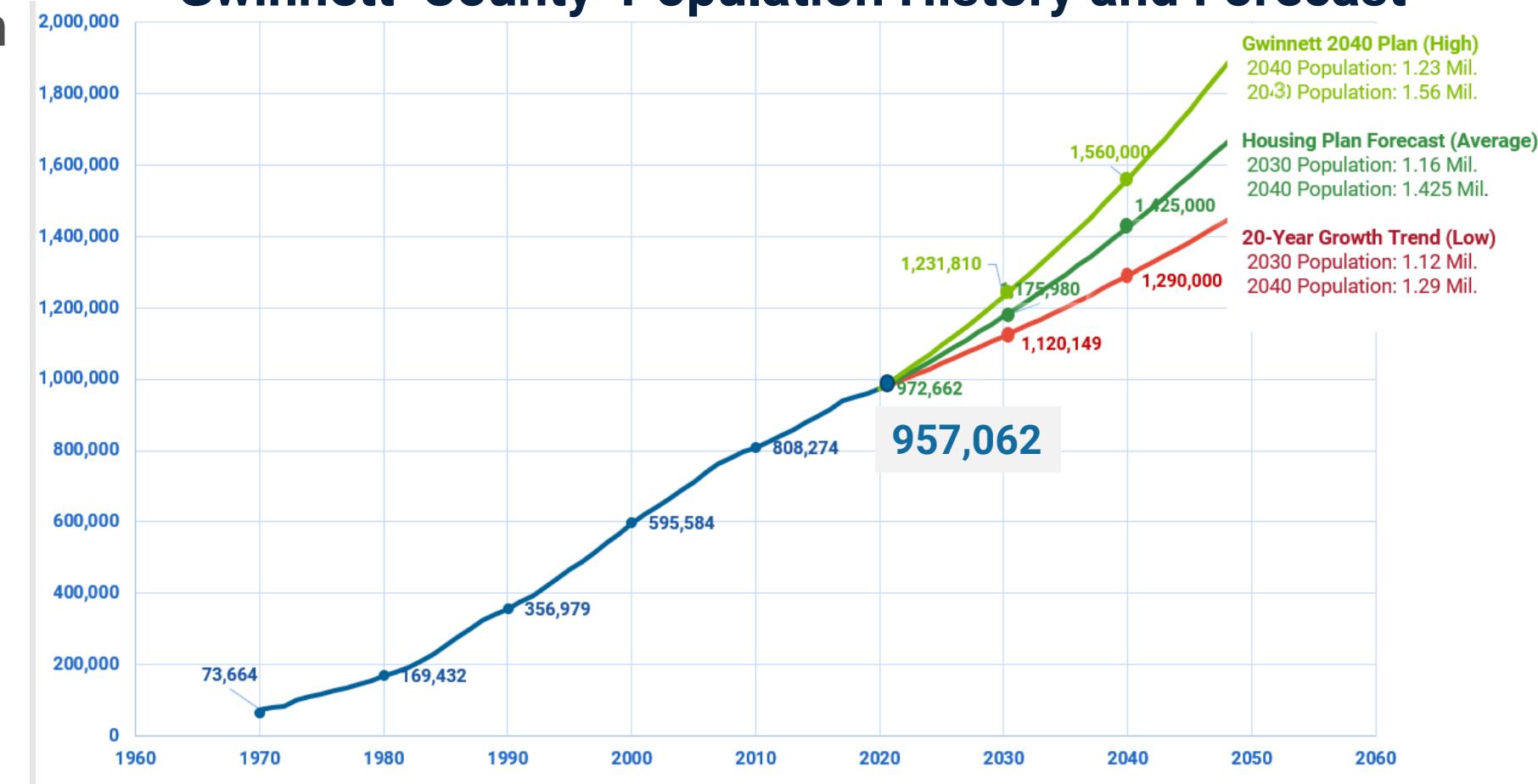
- Fewer households have children
- Households are generally getting smaller (but not always)
- New economic trends in home ownership are disrupting the market (corporate ownership of rental single-family housing stock and build-to-rent housing)
- Economic and regulatory factors tend to channel home production into just a few products: single-family, townhome, large apartment, and senior housing

Demographic Trends

Gwinnett's population has transformed dramatically over the past 50 years.

- In 1970, Gwinnett had **73,664** residents;
- Today, Gwinnett has **957,062** residents; and
- The housing study's demand model is based on a forecast of **1,425,000** residents in 2040, derived from the 2040 Unified Plan.

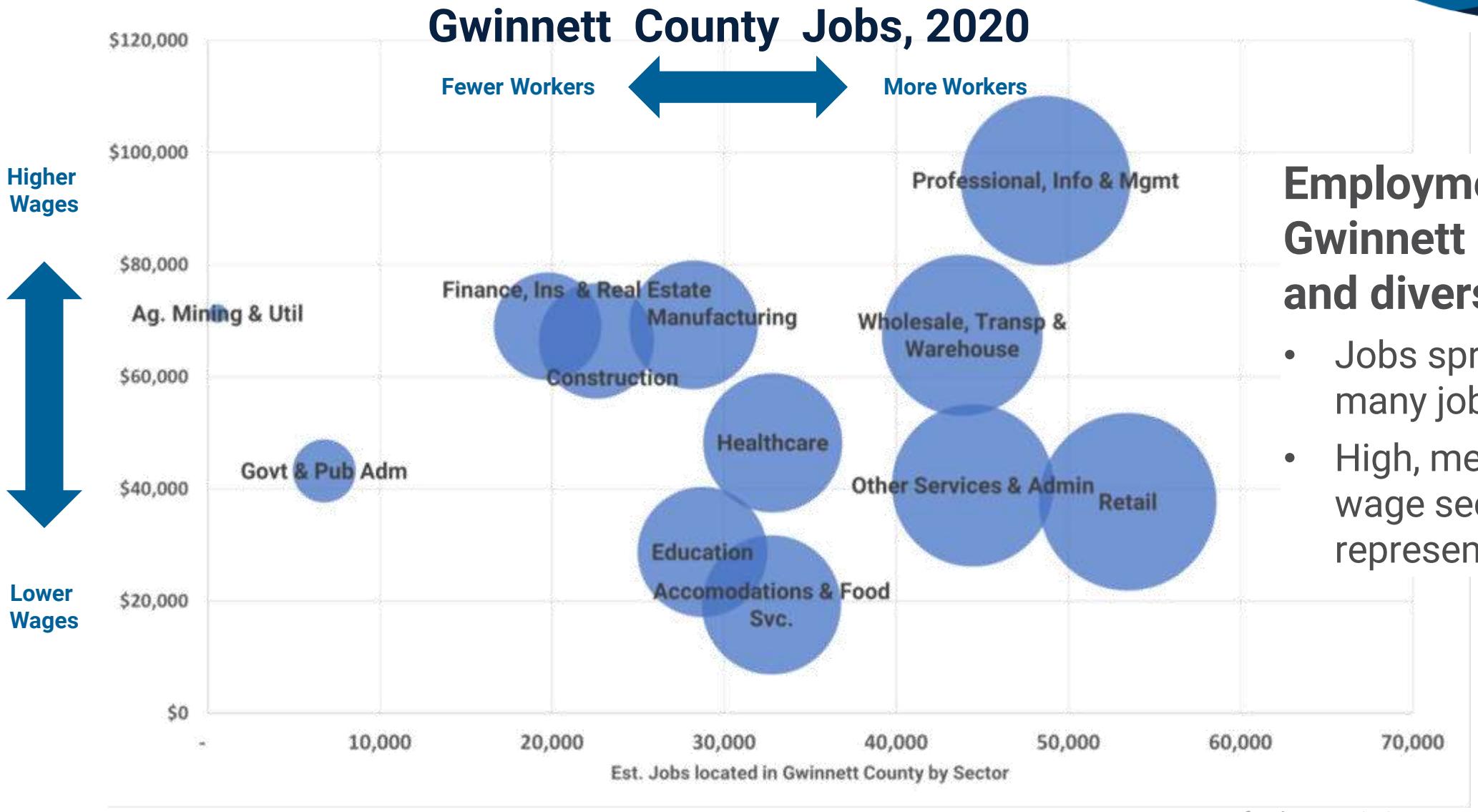
Gwinnett County Population History and Forecast



Source: Gwinnett County Unified Plan 2040, US Census, KB Advisory

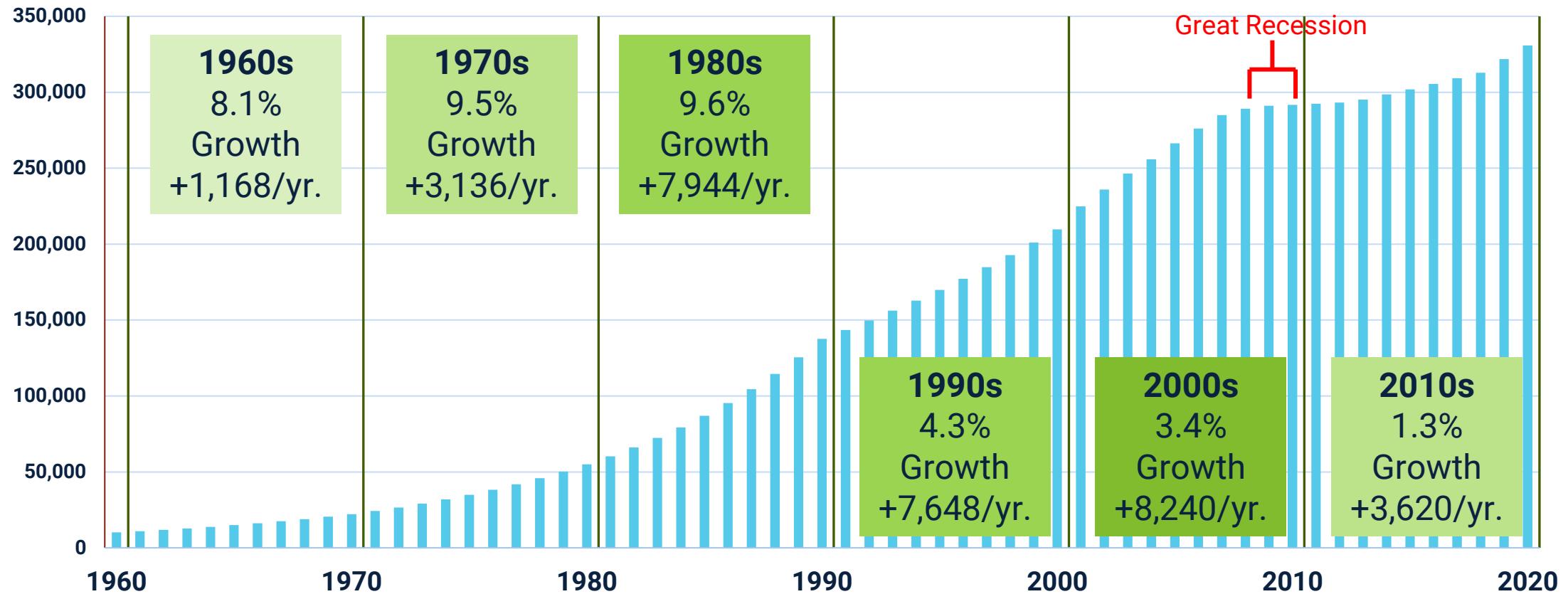


Demographic Trends



Baseline Conditions: Housing Supply

Gwinnett County: Total Housing Units by Year 1960-2020



Source: US Census, Decennial & ACS



Baseline Conditions: Housing Supply

Gwinnett County Housing Units by Type

Housing Units by Type	Gwinnett Municipalities	Unincorporated Gwinnett	Gwinnett County Total
Single-family			
Single-family	51,862	177,745	229,607
Townhome	7,122	8,229	15,351
Multifamily			
Duplex, Triplex, Quadplex	2,819	3,832	6,651
Apartment	20,658	40,785	61,443
Condominium	3,241	5,570	8,811
Other			
Mobile	963	2,460	3,423
Senior & Special Needs	2,590	2,707	5,297
Total	89,255	241,328	330,583

People Living in Group Quarters	4,347
Homeless (2019, "Point in Time")	282
Shelter Beds	397

Housing Inventory

- 330,583 Units - All Gwinnett
- 241,328 Units - Unincorporated

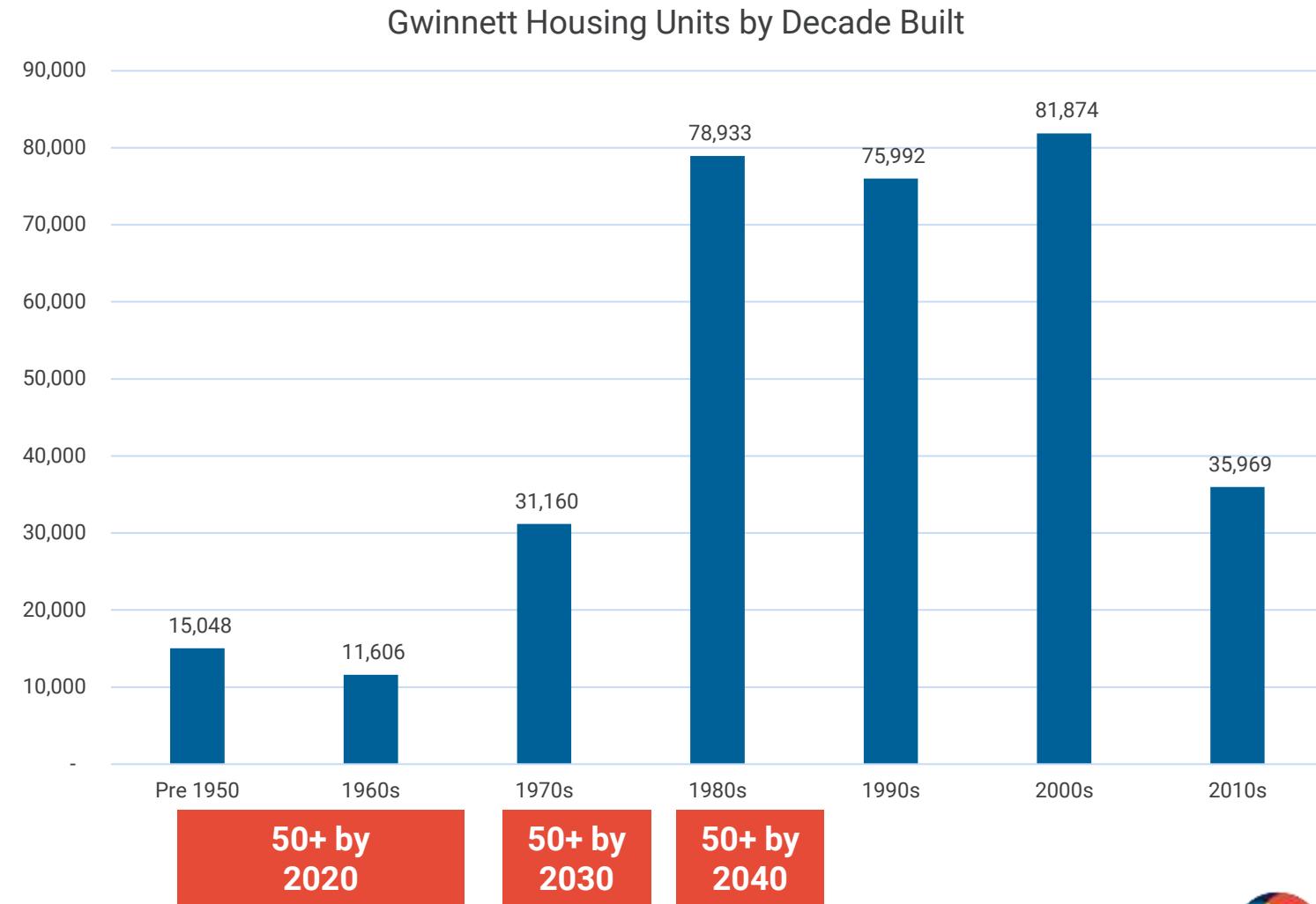
Gwinnett (Unincorporated only)

- 69% Single-Family (74%)
- 5% Townhome (3%)
- 19% Apartment (17%)
- 3% Condominium (2%)

Baseline Conditions: Housing Supply

Age of Housing

Housing units built during Gwinnett's housing boom of the 1970s to the 2000s are now starting to age into retirement.

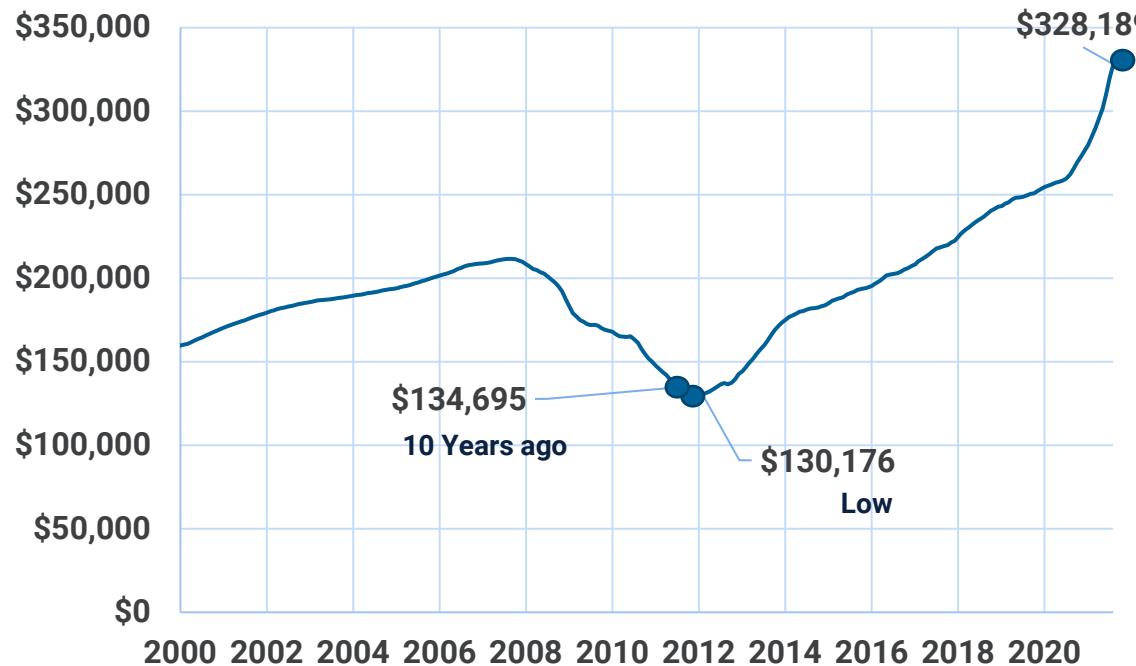


Baseline Conditions: Housing Supply

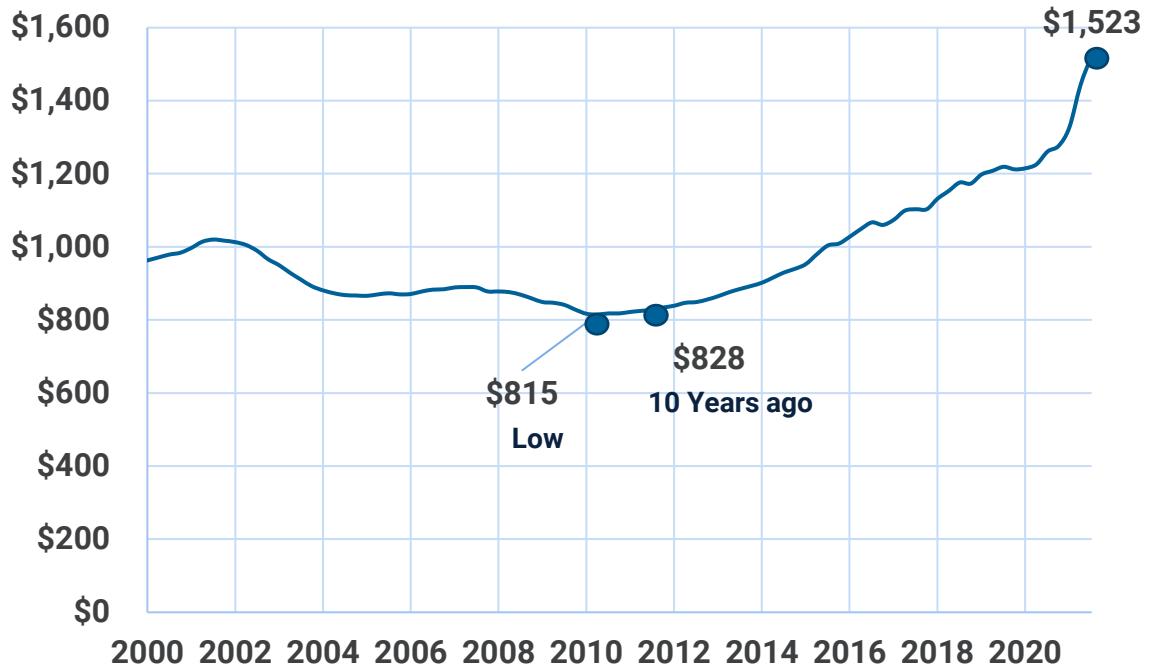
Home prices and rental rates have increased dramatically over the past 10 years.

Average Home Sale Price, Gwinnett County 2000-2021

(Single Family, Townhome & Condo; New & Existing; Blended)



Average Apartment Rent, Gwinnett County 2000-2021



Source: Zillow Research Home Value Index

Source: CoStar, Inc.



Baseline Conditions: Housing Supply

Housing Affordability

- In some contexts, “**affordable**” refers to pricing and eligibility requirements of specific local, state, and federal housing programs, and housing units or metrics.
- This study uses the term “**affordable**” in a much more general sense:
 - Can a household pay for a housing unit without spending more than 30% of gross household income?
 - Every individual housing situation or program is unique.



Affordable Housing (HUD Definition):

Affordable housing is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.

Baseline Conditions: Housing Supply

Affordability: Single-Family Homes

One-third of Gwinnett households earn less than \$50,000.

A household with \$50,000 in household income could reasonably afford a house of up to \$200,000*.

In Gwinnett, no new homes are being built at this price range:

- New homes sold below \$200,000 in 2015 = 19%
- New homes sold below \$200,000 in 2020 = 0%

* \$200K @ 10% Down, 3.0 % Mortgage, property tax, PMI, insurance & utilities=\$1,283/month. $\$50,000 \times 30\% = \$1,250/\text{Month}$

Baseline Conditions: Housing Supply

Affordability: Apartments

A household earning \$50,000 annually could reasonably pay rent of \$1,250 per month.

Rental rates for existing apartment units are increasing as well:

- 22% percent of Gwinnett's apartments rent for less than \$1,250 per month.

The apartment market is no longer producing new apartments within this price range:

- 2% of Gwinnett apartment units built since 2010 rent for less than \$1,250 per month.

Baseline Conditions: Housing Supply

Rental Single-Family Homes

Single-family units or townhomes make up 35% of rental housing units in Gwinnett County. Two new ownership trends are disrupting this market segment.

Real Estate Investment Trusts (REITs)

- 6,800 single-family houses (detached and townhome) owned by REITs
- 93% owned by one of the five largest REITS in the single-family rental sector: Invitation Homes (2,300 units), American Homes 4 Rent (1,475 units), Starwood Waypoint Homes (1,148 units), Progress Residential (793 units), and Tricon Residential (680 units)

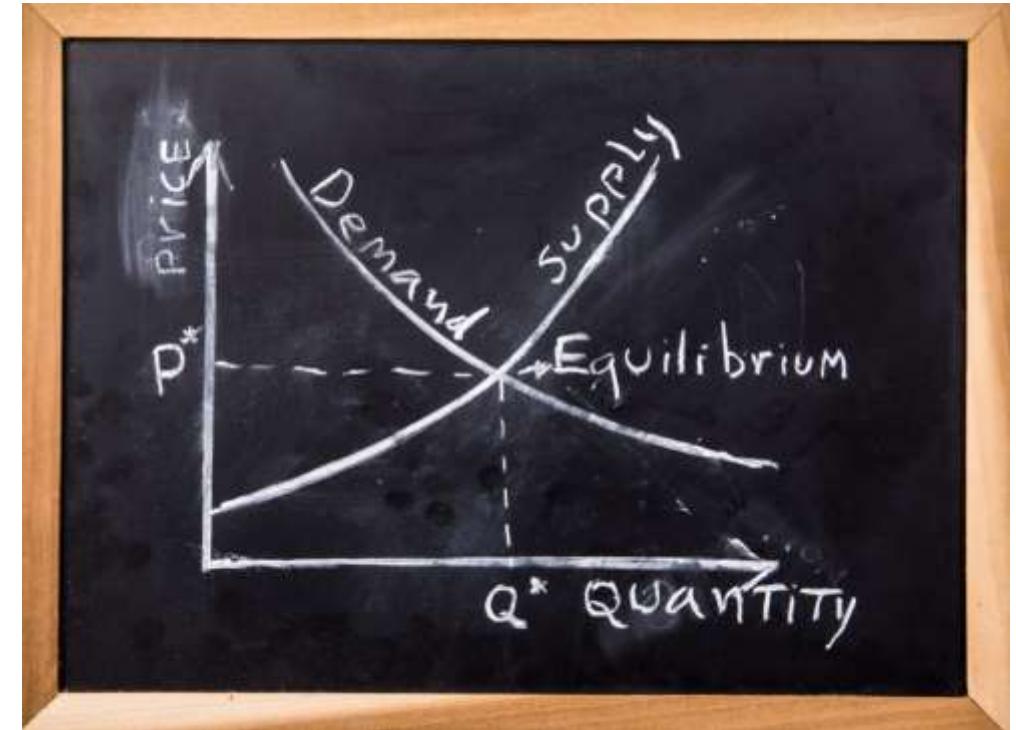
Build-to-Rent (BTR)

- New-built single-family detached and townhome communities
- Demand increase due to rising housing costs and barriers to homeownership
- Top producers - ResiBuilt and Parkland Communities

Housing Demand Forecast

“**Housing Demand**” refers to the number of housing units that, if offered at price-points within reach of the full-range of Gwinnett County households, would all be bought or rented in a reasonable period of time.

- **Demand** in this study refers to the economics definition.
- **Housing demand** is a measure of what *could* happen, rather than what *should* happen.

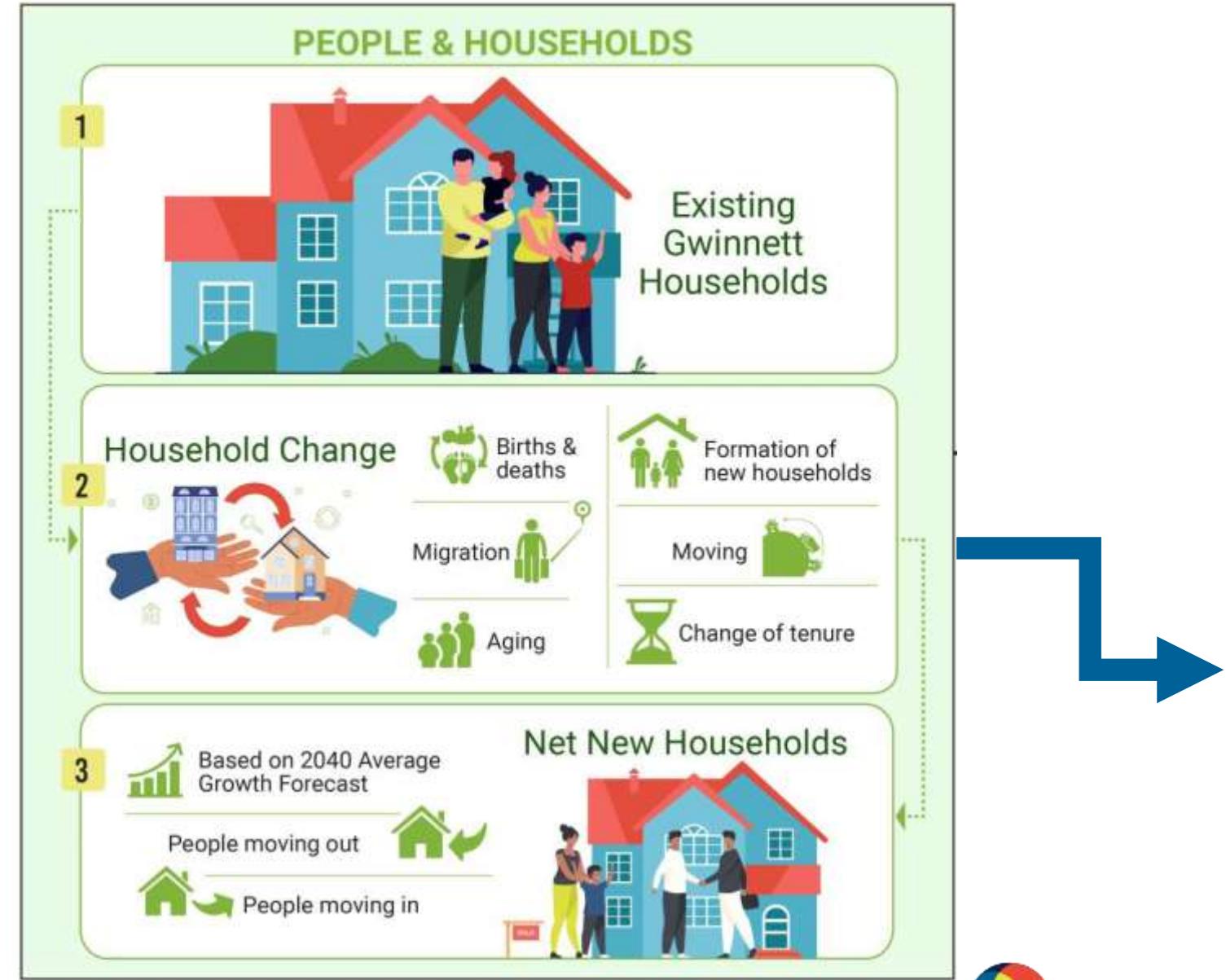


Housing Demand Forecast

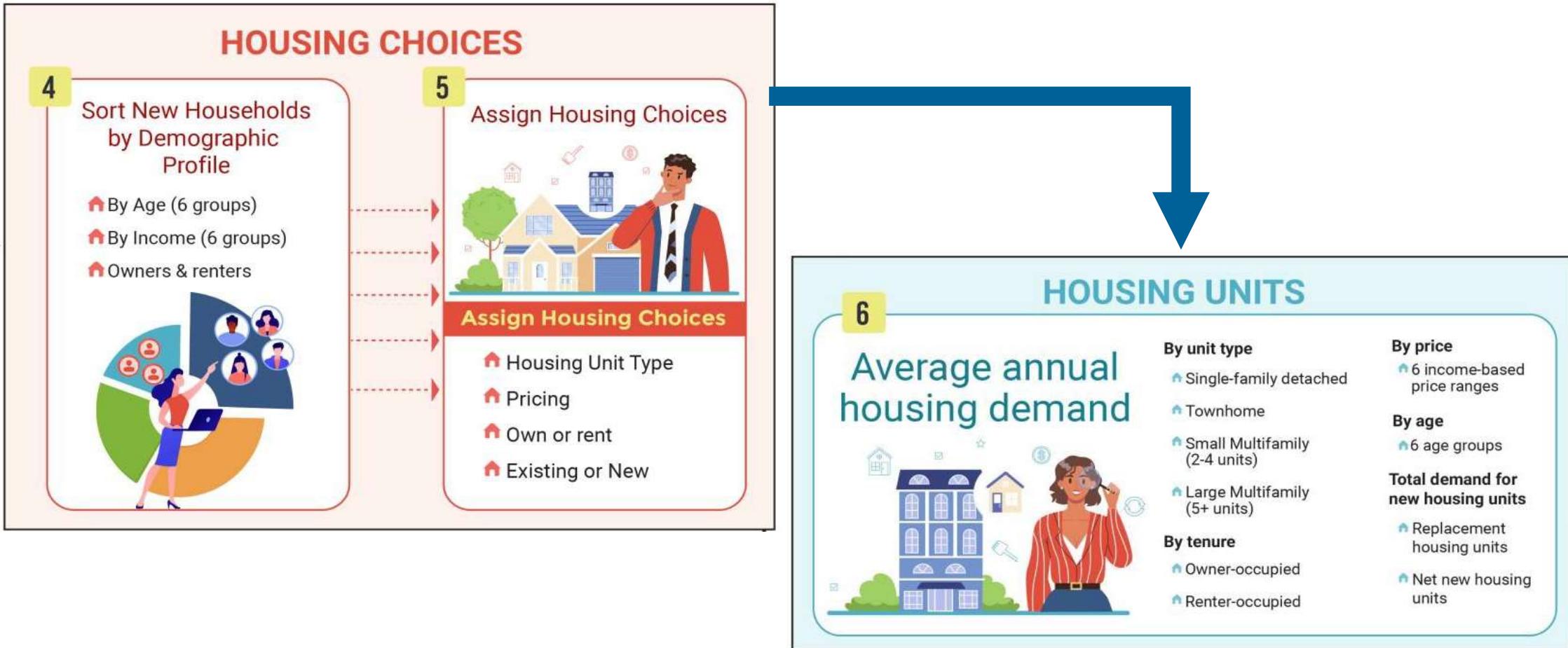
Housing Demand Forecast Model

A data-driven model of what is most likely to happen to housing in Gwinnett over 20 years based on our understanding of current and future conditions.

It will not predict the future with 100% accuracy.



Housing Demand Forecast

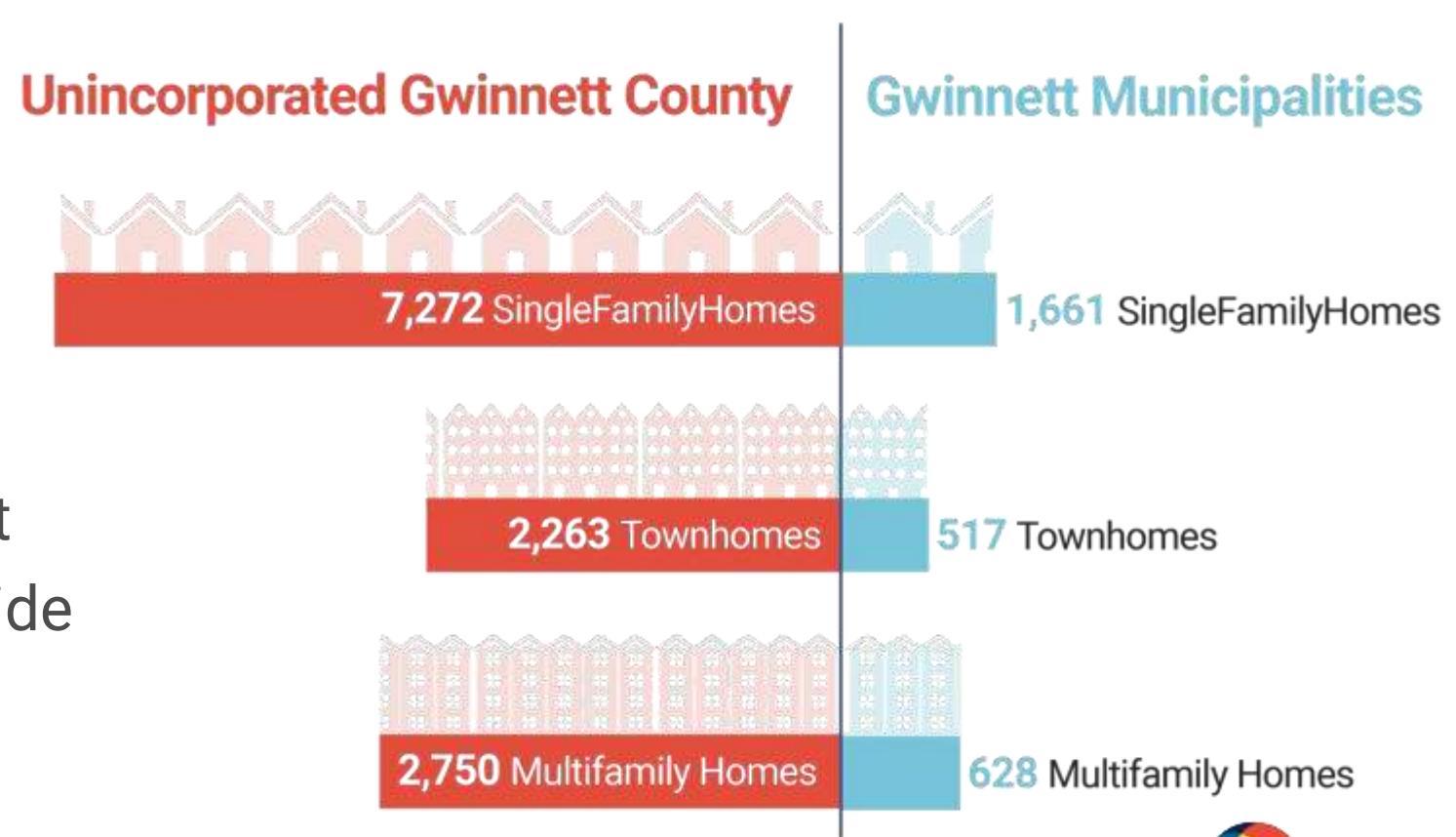


Housing Demand Forecast

Housing Demand Forecast (2020-2040)

The average annual demand for new housing units will be **15,091** units per year countywide, including:

- 59% Single-Family
- 18% Townhomes
- 22% Apartments
- **12,285 units per year in Unincorporated Gwinnett (81% of annual Countywide demand)**



Housing Demand Forecast

New vs. Replacement Units

- Much of annual demand forecast comes from replacement housing units, as older units are demolished and replaced by newer units; and
- The Housing Demand Model anticipates that 36% of homes will be replacements (average 2020-2040).

Housing Unit Type	Replacement Units	Net New Units	Total Units
Unincorporated Gwinnett	4,382	7,903	12,285
Gwinnett Municipalities	1,001	1,805	2,806
All Gwinnett County	5,383	9,708	15,091

Housing Gap Analysis

2010-2020

Average Annual Supply of
Total New Homes
3,560 Countywide

2020-2040

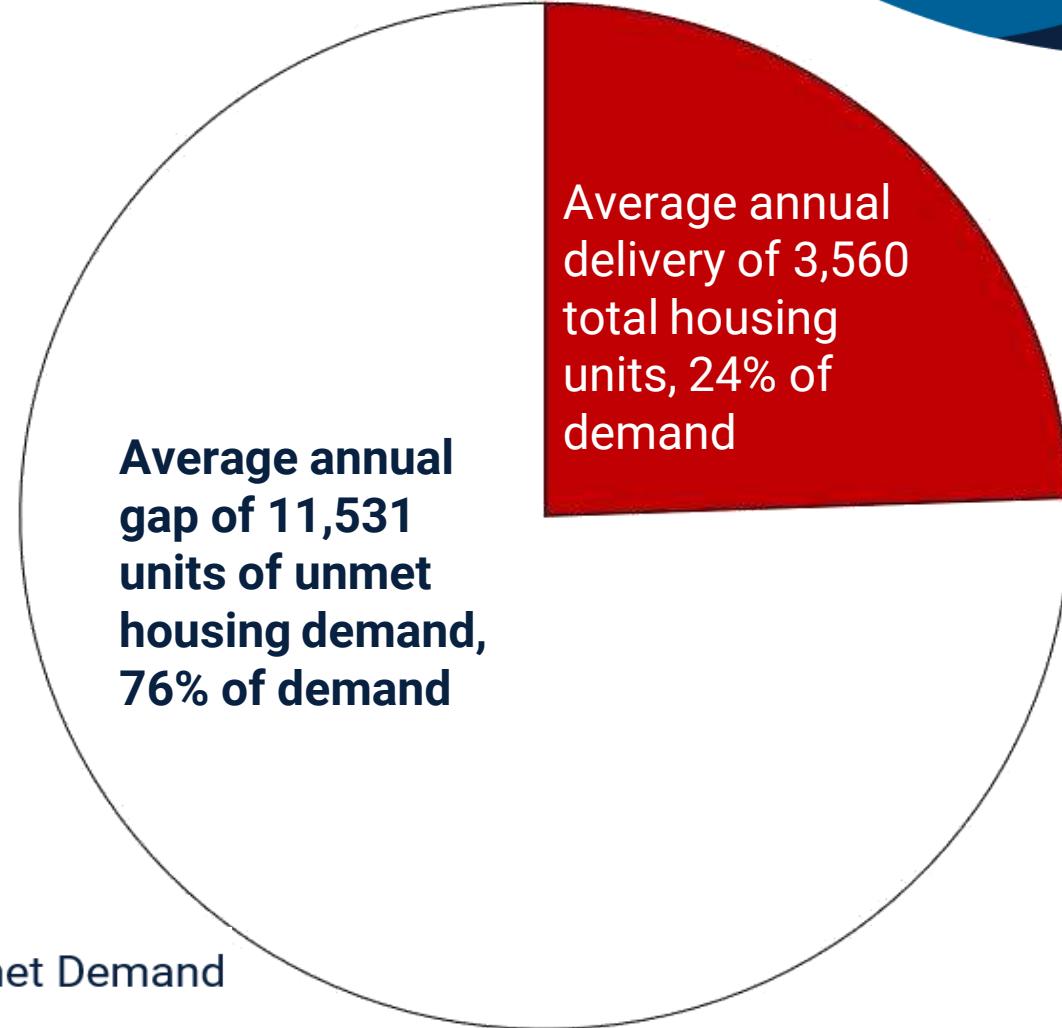
Average Forecasted Annual
Demand for Total New Homes
15,091 Countywide

Housing Gap Analysis

Gwinnett (Including Municipalities)

- Forecast annual demand for **15,091** total housing units
 - **5,989** replacement units
 - **9,708** net new units
- Annual supply of **3,560** total housing units

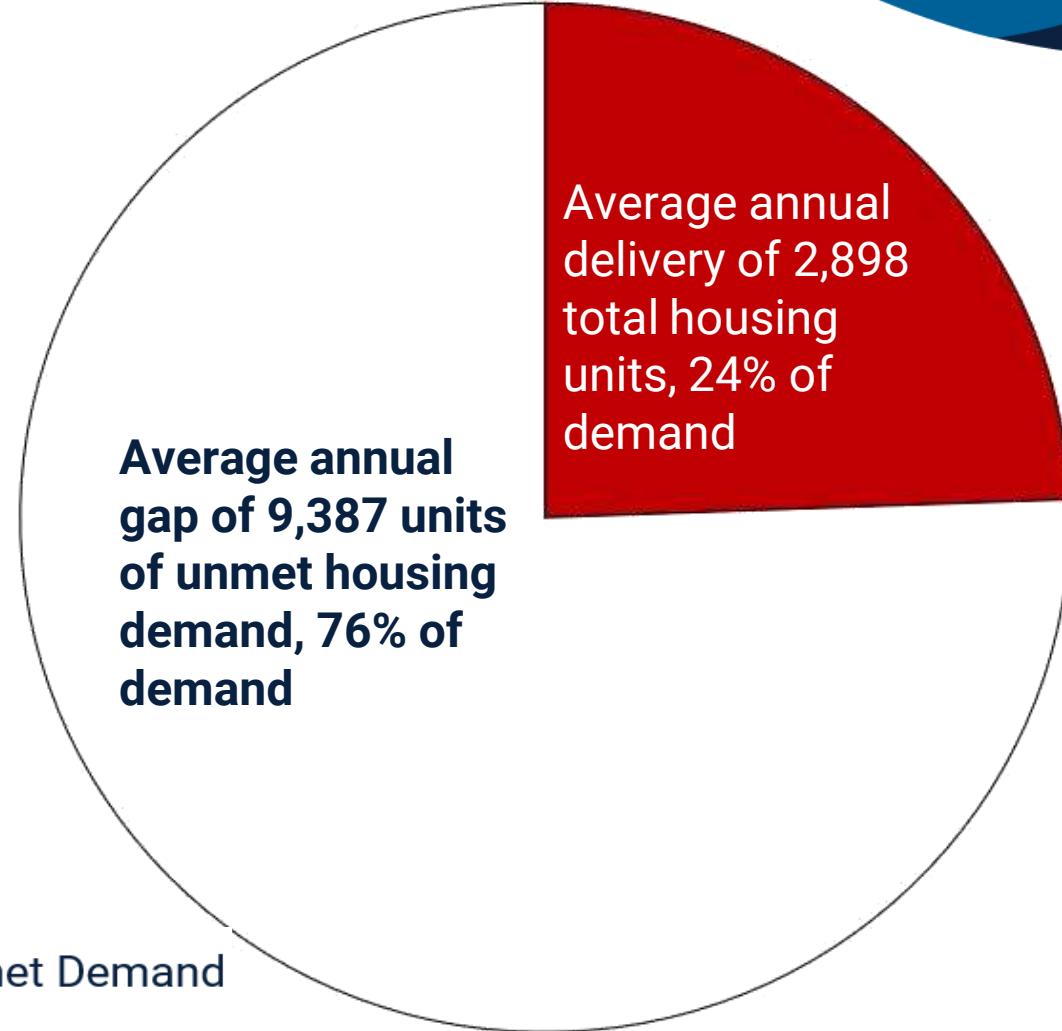
 Annual Supply  Annual Unmet Demand



Housing Gap Analysis

Gwinnett (Unincorporated)

- Forecast annual demand for **12,285** total housing units
 - **4,382** replacement units
 - **7,903** net new units
- Annual supply of **2,898** total housing units

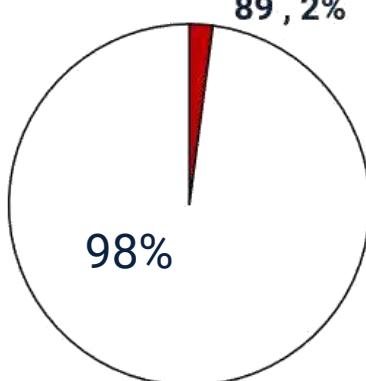


Housing Gap Analysis

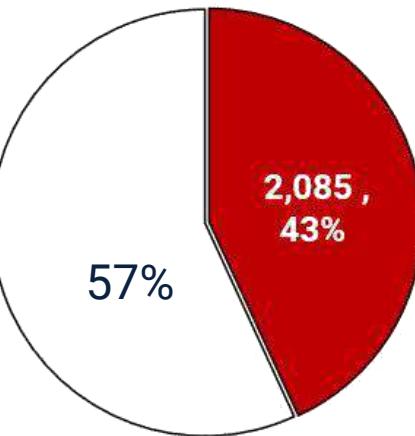
Annual Housing Demand 2020-2040 By Income Group

Gwinnett County
(Including Municipalities)

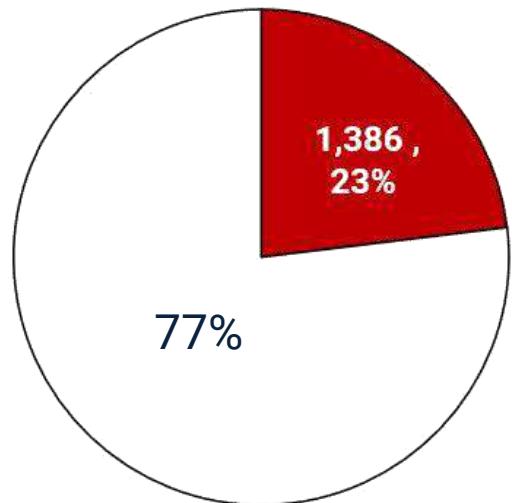
Homes for Lower-Income Households (under \$50,000)
2% demand met
Gap of 4,163 Units per year



Homes for Middle-Income Households (\$50,000-\$100,000)
43% demand met
Gap of 2,750 units per year



Homes for Upper-Income Households (\$100,000+)
23% demand met
Gap of 4,618 units per year



Emerging Themes

Demand for single-family detached housing will remain strong, particularly for middle-income and upper-income level households.

- As available land becomes scarce and more expensive, it will become difficult for the market to deliver lower-density housing products at reasonable price points.
- Some of this demand could shift to different housing products.

Emerging Themes

**Demand for housing units for older households (age 65+)
will be very strong.**

- The strongest demand from this age group comes from the lower income categories (<\$50,000).
- The population of age 75+ will increase five-fold.
- Older households are much more likely to be smaller households, driving up total demand for housing units.

Emerging Themes

Rising housing costs and limited supply of new lower-cost units is resulting in an acute shortage of housing that is accessible to lower-income and “workforce” households, such as those earning less than \$50,000.

Emerging Themes

Rehabilitation and/or replacement of aging housing stock will be a major concern moving forward, as the first wave of homes from Gwinnett's housing boom (1970-1980) is turning 50 years old.

Emerging Themes

Continuing under-supply (in relationship to demand) of new housing units will lead to secondary adverse impacts.

- Upward pressure on home prices and rental rates
- Increased congestion and vehicle miles traveled, as workers are priced out of Gwinnett and must commute further
- Potential challenges to economic development initiatives and job recruitment
- Less incentive to replace or repair older substandard housing units

Emerging Themes

Growth in the number of housing units and population will result in increased demand for infrastructure and services.

- Can Gwinnett's existing infrastructure handle major increases in housing units without additional upgrade costs?
- Will property taxes or user fees from additional housing units be sufficient to fund infrastructure upgrades?

Housing Strategies

What can Gwinnett do to address these challenges?



Gwinnett

Housing Strategies

Strategies can be grouped into the following general approaches.

- **Zoning and Land Use Strategies:** Review and adapt Gwinnett's regulatory environment to reduce barriers to affordable and "missing middle" home construction and reduce regulatory and approval barriers to housing development, where appropriate.
 - Residential Zoning District Study addresses much of this.
- **Leverage Public Land Ownership and Development Priorities to Promote Housing Development where appropriate:** County-owned redevelopment sites present strong opportunities for housing of all types and price points. Utilize land bank and/or land trusts for affordable housing, development and redevelopment incentives, and public expenditures near targeted redevelopment areas.

Housing Strategies

- **Housing Affordability Strategies:** Explore the use of housing opportunity bonds, collaborate with the Georgia Initiative for Community Housing (GICH), and consider the use of bonds, TAD funds, grants, and loans for affordable housing development.
- **Preserve and Maintain Naturally Occurring Affordable Housing:** Fund, support, and incentivize the rehabilitation of substandard, aging, or obsolete housing and enhance code enforcement to identify and address conditions of blight and substandard housing.

Housing Strategies

- **Sponsor and Support Housing Stability:** Develop programs for rent and down payment assistance, support families and individuals facing homelessness and housing instability, and monitor and address institutional ownership of rental housing and build-to-rent.
- **Support and Develop Organizational Infrastructure:** Increase County staff focused on housing issues and programs, create inter-jurisdictional housing task force, consider establishing housing department to consider new or existing authority focused on housing funding and development, conduct fiscal analysis to maintain the Gwinnett standard, and develop programs and policies focusing on growth management and fiscal sustainability.

Housing Strategies

Potential Next Steps

- Review the study findings and potential strategies.
- Review and update the 2040 Unified Plan.
- Amend the Unified Development Ordinance.

Questions?



Gwinnett

