

MULTI-FAMILY HOUSING SURVEY 2006



Prepared by
Chatham County – Savannah Metropolitan Planning Commission
June 2006



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Preface

It is with great pleasure that the Metropolitan Planning Commission (MPC) is presenting its findings for the annual 2006 multi-family housing survey. Research through mail questionnaires and telephone interviews help the MPC each year to systematically identify and compare for analysis the Chatham County – Savannah Area apartment market. The survey information has proven to be invaluable in the decision making process in the planning and financing of apartment complexes. One of the MPC's primary goals is to serve those populations most in need. For the past several years, a great deal of our multi-family planning has been for providing affordable senior housing, housing for special needs populations, and housing for the low- to moderate-income individual and families. Through the annual multi-family housing survey, we are able to evaluate our effectiveness in serving these populations. At the same time, the multi-family housing survey assists public and private investors to determine those housing gaps to better serve our community's rental housing needs and its population. The MPC would like to take this opportunity to thank everyone involved with our survey, as the MPC strives to continue its support in the production of quality affordable housing.

LIST OF APARTMENTS

Abercorn Terrace Apartments	Hoover Creek Plantation Apartments	Skidaway Apartments
Alhambra Apartments	Horace Stillwell Towers	Spanish Villa Apartments
Allen Apartments	Hunter's Bluff Apartments	St. John's Villa Apartments
Arbor Terrace Apartments	Indigo Pointe	Statford Arms Apartments
Arden's Place Apartments	Island Tree Apartments	Stillwater Apartments
Birchwood Townhouse	Kayton Homes	Strathmore Estates
Brookside Apartments	Kessler Point Apartments	Tabby Villa Apartments
Buccaneer Trace Apartments	King George Apartments	Telfair Arms
Carriage House Apartments	Kings Colony Apartments	Ramsey Run Apartments
Chatham Apartments	King's Cove Apartments	The Chelsea at Five Points
Chatham City Apartments	Kingstown Apartments	The Cobblestones Apartments
Chatham Gardens Apartments	Live Oak Plantation Apartments	The Commons Apartments
Clover Village at White Bluff	Madison Apartments	The Huntington
Coastal Place Apartments	Magnolia Gardens Apartments	The Links at Georgetown Island
Colonial Grove at Hammocks	Magnolia Lane Apartments	The Patrician Apartments
Colonial Village at Greentree	Magnolia Villas Apartments	The Preserve at Godley Station
Colonial Village at Vernon Marsh	Marsh Cove Plantation	The Woods of Savannah
Crossroads Villa Apartments	Marsh View	Timberland Apartments
Crown Villas Apartments	Montgomery Landings	Townwood Apartment
Cypress Landings Apartments	Moss Gate Apartments	Trustees' Garden
Dutch Town Villas	Oaks at Brandlewood	Turtle Creek Apartments
Edgar C. Blackshear Homes	Park Villa	Victory Apartments
Edgewater Trace Apartments	Phillips Winters Apartments	Walden at Chatham Center
English Oaks Apartments	Pickens Patterson Terrace	Walden Park Apartments
Fair Oaks Lane Apartments	Plantation Oaks Apartments	Waterford Plantation
Forest Hills Apartments	Ponderosa Forest	West Wind Apartments
Franklin Apartments	Presidential Plaza	Westgate Apartments
Fred Wessels Homes	Preston Grove Apartments	Westlake Apartments
Georgetown Crossing Apartments	Rendant Apartments	Westwind Landings
Georgetown Grove	Ridgewood Apartments	Wilcrest Woods
Georgetown Woods Apartments	River Crossing Apartments	Wild Horne Plantation Apartments
Habersham House	Robbie Robinson Homes	Williams Court Apartments
Hamilton House	Rose of Sharon Apartments	Willow Tree Apartments
Hampstead Oak	Royal Dutch Villas	Windsor Arms Apartments
Heritage Corner & Row Apartments	ROYAL OAKS APARTMENTS	Wyndmere Apartments
Heritage Place Apartments	Savannah Commons	Yamacraw Village
Heritage Square Apartments	SAVANNAH SQUARE	
Hitch Village	Savannah Summit	
	Simon Frazier Homes	
	Sisters Court Apartments	

* List of Apartment includes complexes which have already been constructed.

1.1 Introduction

The Chatham County-Savannah Metropolitan Planning Commission has published annual Multi-Family Housing Reports since 1974. The Multi-family housing data collected as a result of this survey serves as a resource for those seeking information on existing and proposed multi-family developments in Chatham County. To obtain data for the 2006 survey, staff prepared a questionnaire that was sent to each multi-family development, requesting information on number of units, price range, vacancy rate, amenities, and plans for future expansions. Additionally, the staff reviewed site plans submitted over the past 12 months to obtain information about new multi-family developments.

The majority of the data found in this report was collected during the month of May, 2006. The apartment complexes surveyed consisted only of those having ten or more units. The survey provides a description of each development listed in this report including the municipality in which the development is located; the name of the development; whether the development is adding on additional units; the name of the owner; a phone number to obtain additional information about the development; the type of housing unit; the number of units in the development; the square footage of the units; and the price range of the units. The survey represents a large sample of multi-family developments currently renting apartments in Chatham County. However, it may exclude some new or existing multi-family developments for which there was no information available at the time. Also, some of the data presented in this report is subject to change, especially vacancy rate information.

Although the data is aggregated in order that no one “complex” is identifiable, it is hoped that the report will be beneficial to apartment owners, managers, and developers interested in the housing market in this area in comparing their complexes to others, to recognize needs as they exist, and to explore the potential market availability. The survey does not deal with student, college, or military housing, nor does it reflect boarding homes, condominiums, or townhomes.

The report is divided into 8 sections. Most sections titles are self-explanatory and do not warrant discussion at this time. Section 3 deals with a summary and analysis of the housing surveys. Only units which have already been constructed are discussed in the housing analysis. The accuracy of the information presented and analyzed depends upon the accuracy with which the information was reported by the apartment owners and managers.

1.2 The Survey

1.2.1 Goals and Objectives

The goal of the 2006 Multi-Family Housing survey is to assist staff in their short-term and long-range planning processes and to serve as a resource for investors seeking information on existing and proposed multi-family developments in Chatham County. The MPC, through this data collection, documents new multi-family units and tracks vacancies and rental rates for existing multi-family housing units in the Chatham County – Savannah Area. The primary reasons the Comprehensive Planning Division continues this task are to:

- Create a comprehensive data base of rental properties;
- Give interested parties planning tools to target funding; and
- Create long-range monitoring devices to identify emerging and changing trends in the rental property market.

1.2.2 Methodology

The scope of work used in this study consisted of the following tasks:

- Design and administration of a mail survey to all identified apartment complexes in the Chatham County – Savannah Area.
- Follow up data collection by a telephone interview, for those apartment complexes who did not respond to the mail survey.
- Data collected was focused on specific housing related questions:
 1. Total number of housing units in the multifamily housing complex,
 2. Address of the property,
 3. Year property built,
 4. Number of vacancies,
 5. Number of vacancies by apartment type,
 6. Breakdown of total housing units by unit sizes,
 7. Rental rates (low to high range) for unit sizes,
 8. Special restrictions of property, such as transitional housing, senior housing, and housing for disabled,
 9. Other restriction policies.
- Analysis of data collected through the mail survey and telephone interviews. A final report outlining the findings of the survey.

1.2.3 Data:

All data is based upon primary data collection of the Comprehensive Planning Division. From this data collection, 115 multi-family developments were identified representing over 16,000 housing units.

Of the total identified multi-family developments, 14 of the developments, representing 12% of the total identified developments, were classified as no contact. The no contacts represented those complexes whose mail was returned as “non-deliverable.” They have no on-site management present and reaching management by telephone personnel proved unsuccessful.

In the section of the report covering apartment rental information and apartment restrictions, 101 multi-family developments’ data was used for analysis. This represented a 88% response rate of the identified developments.

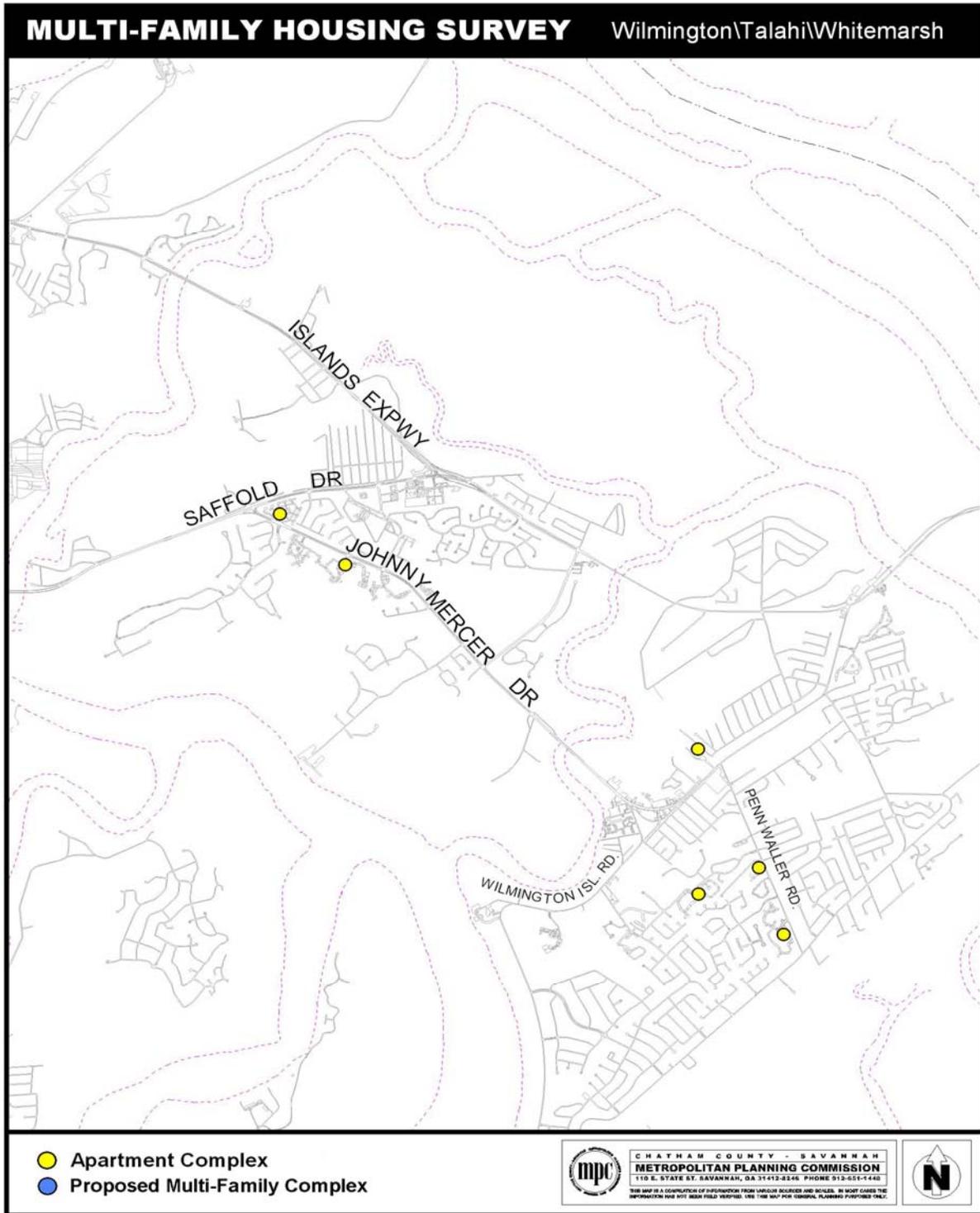
For vacancy information, 94 developments responded to a specific vacancy rate question. Out of the 94 responses, 81 developments provided a breakdown of their vacancies by unit type, i.e., by studio, one-, two-, three-, and four-bedroom size apartments.

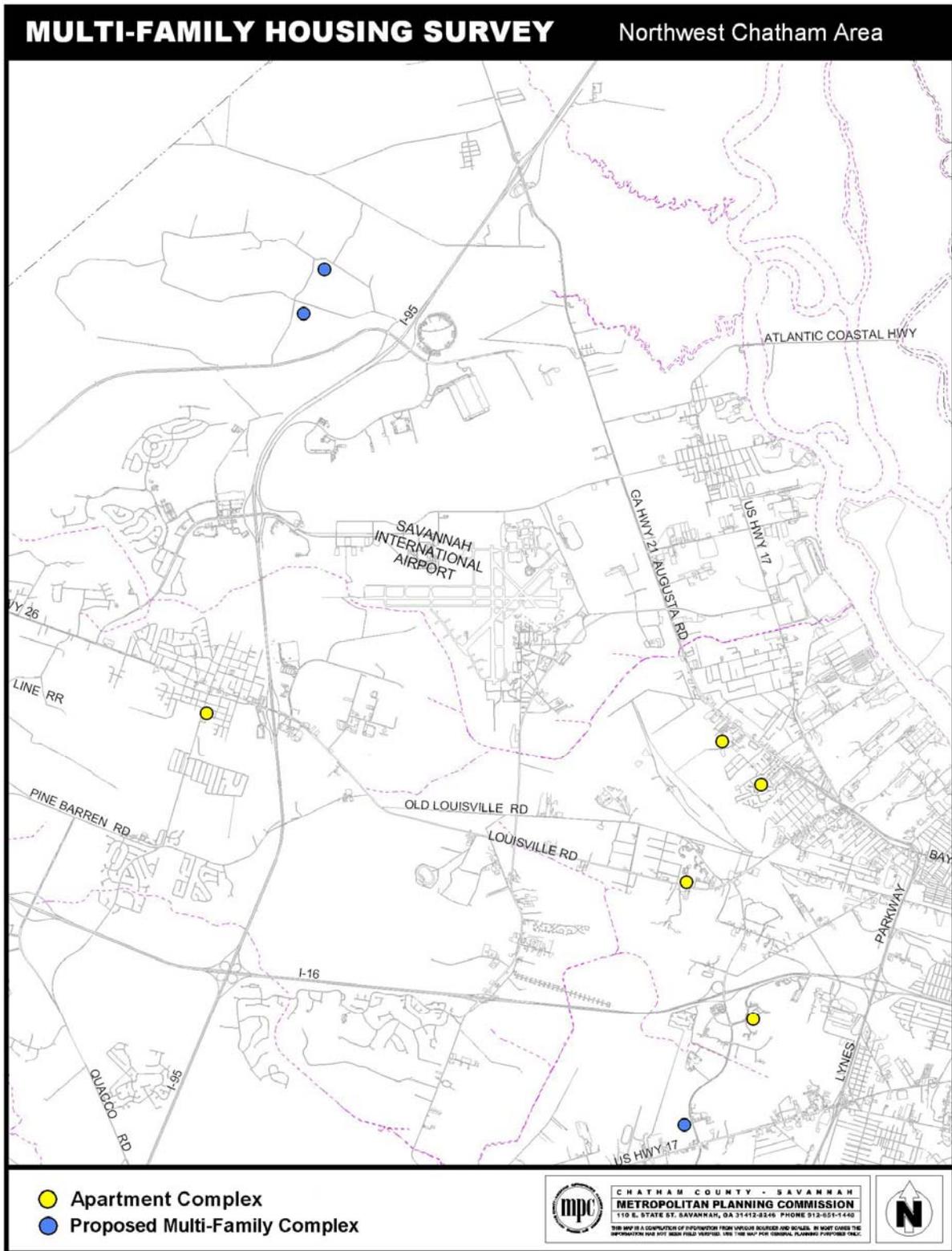
1.3 2005 – 2006 Findings and Maps

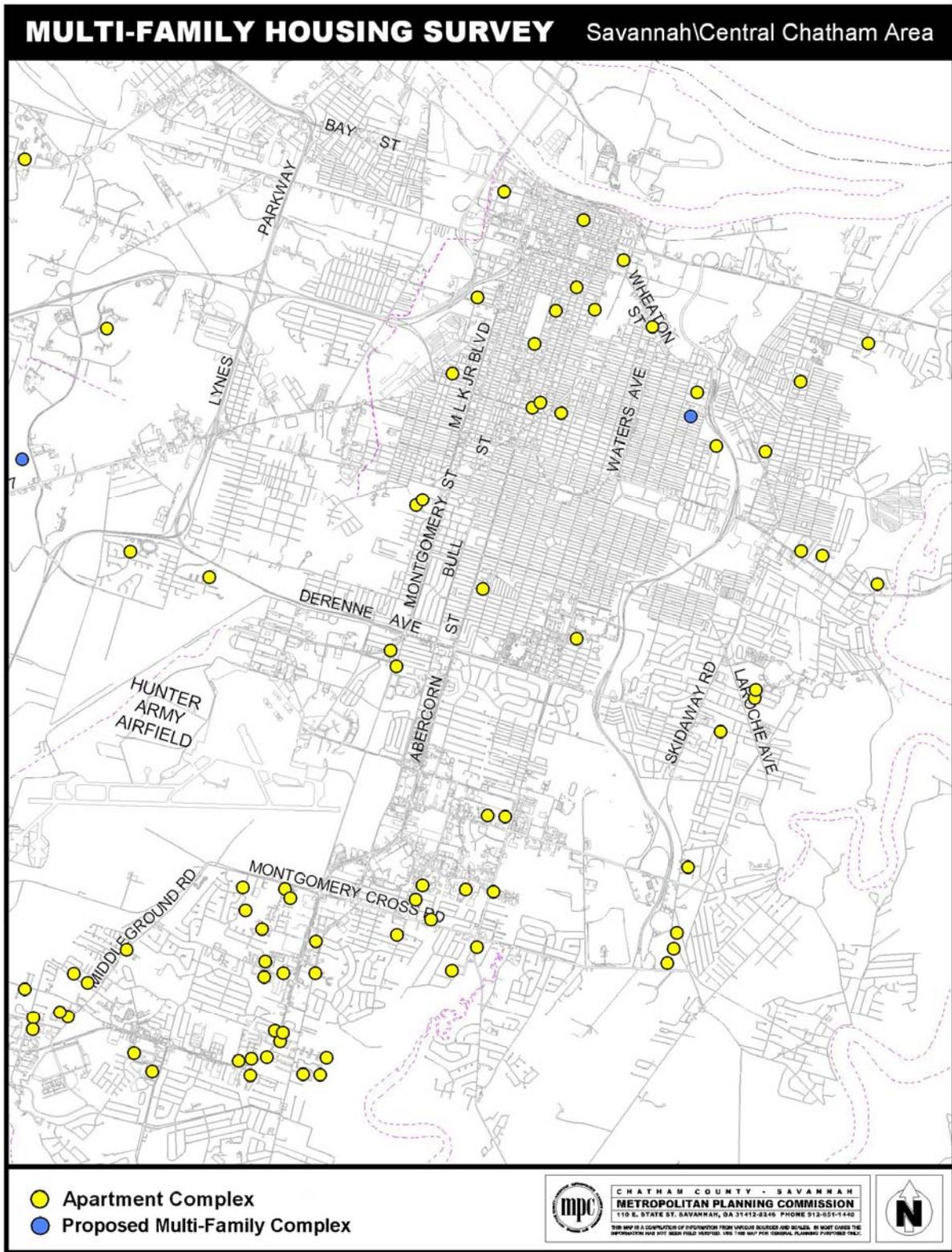
A total of 115 multi-family developments representing over 16,000 housing units were included in this year’s multi-family housing survey. The 115 multi-family developments represent 74 apartment complexes, 15 adult retirement/senior citizen/assisted living developments, 8 mixed-use developments, and 18 low-income developments. The number of proposed multi-family developments surveyed in 2006 was consistent with previous totals dating back to 2004-2005 when 8 new multi-family developments were surveyed and 2003-2004 when 6 new multi-family developments were surveyed, indicating a steady annual rate of new multi-family development growth in Chatham County.

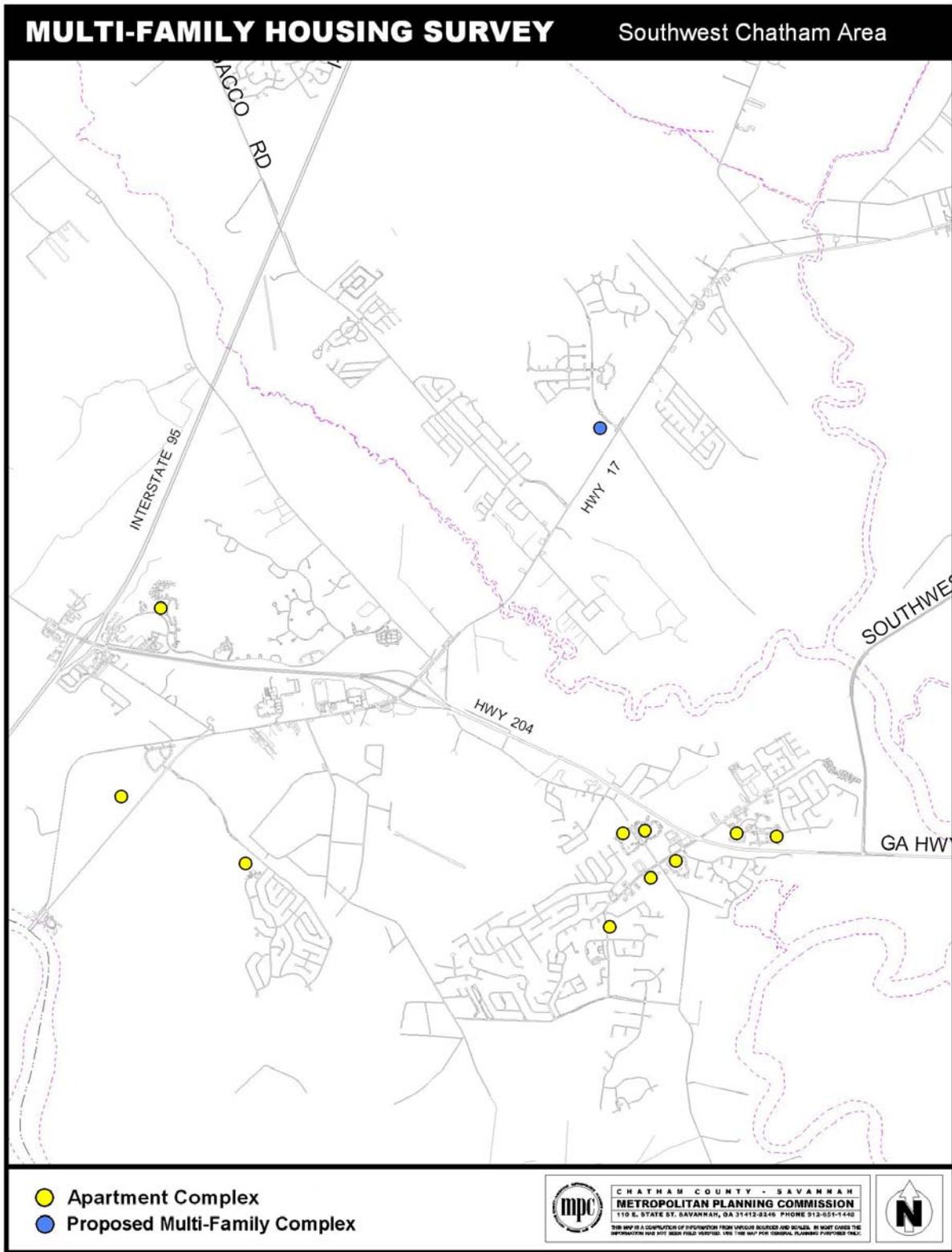
Of the 16,317 units listed in this survey, pricing information was available for 15,122 units or approximately 93% of the units surveyed. The housing type breakdown for developments with pricing information is as follows: apartment complexes accounted for 10,109 units or approximately 67% of all multi-family development units; Adult Retirement/Senior Citizen/Assisted Living developments accounted for 1,487 units or approximately 10%; Mixed-Use development units accounted for 690 units or approximately 5%; and low-income developments added another 2,836 units or approximately 20% of all multi-family units with pricing information. These units ranged in size from 560 square feet for a one-bedroom unit to 1,700 square feet for a four bedroom unit, with a median unit size of 1,130

square feet. The rent per month for multi-family units not subsidized ranged from \$475 to \$1,200 with an average rent per month of \$840.









1.4 Vacancy Rates

Table 1 shows three bedroom apartments have the highest number of units available to rent. The three bedroom apartments make up less than 15% of the total areas multi-family rental housing, but experience the highest vacancy rate for those projects responding to the survey vacancy question. The smaller sized 1- and 2-bedroom units reflect the lowest vacancy rate.

Table 1: Reported Vacancies by Type of Unit			
Apartment Type	Number of Units	Vacancies by Unity Type	Vacancy Rate
One Bedroom	5,347	149	2.8%
Two Bedroom	7,702	61	0.8%
Three Bedroom	2,091	237	11.3%
Four Bedroom	245	18	7.3%

1.5 Housing Units and Vacancy Rate by Zip Code

Table 2 shows that 30 percent of all apartment units are located on the southside of Savannah in the 31419 zip code. With a 9.7% vacancy rate, zip code 3415 shows the highest percentage of apartment units reporting vacancies.

Table 2: Total Number of Housing Units and Vacancy Rate by Zip Code		
Zip Code	Total Number of Units	Vacancy Rate (%)
31419	4,776	1.8
31415	873	9.7
31410	1,250	1.2
31408	869	0.2
31406	2,797	2.6
31405	1,082	1.4
31404	2,573	5.0
31401	956	5.2
31322	404	1.2

Table 2: Total Number of Housing Units and Vacancy Rate by Zip Code		
Zip Code	Total Number of Units	Vacancy Rate (%)
31302	46	0.0

Table 3's data shows that of all the multi-family housing units, four-fifths are located within five zip codes areas. Map 5 shows those areas to be in the south part of the Chatham County – Savannah metropolitan area.

Table 3: Total Number of Apartment Units by Zip Code			
Zip Code	Total Number of Units	Percent	Cumulative Percent
31419	4,776	30.6	30.6
31406	2,797	17.9	48.5
31404	2,573	16.5	65.0
31410	1,250	8.0	73.0
31405	1,082	6.9	79.9
31401	956	6.1	86.0
31415	873	5.6	91.6
31408	869	5.6	97.2
31322	404	2.3	99.5
31302	46	0.5	100
Total Units	15,628		

1.6 Future Multi-Family Housing Needs

One major factor in estimating the future need for various housing types is the age distribution of the future population. Age is a major factor in housing choice because people within a given age group tend to share various characteristics. People in their early twenties are more likely to rent an apartment than buy a house because young people tend to have fewer financial resources than older people, and they also tend to be more mobile. People in their working years are likely to choose to live in single-family homes because they have more capital and are likely to be raising young children. People who are retired may opt for a simpler lifestyle, which may involve selling their single family home and moving into a townhouse, garden apartment, or other type of multi-family unit. An area's age distribution, along with its wealth and cultural characteristics, is therefore a major factor in determining that area's demand for various types of housing units.

AGE	2000	2010	2020	2030	% Chg 2000-2030
<5	15,663	17,219	17,442	17,514	11.8
5 to 14	33,073	34,008	34,911	35,141	6.3
15 to 24	35,347	33,666	35,056	35,221	-0.4
25 to 34	33,768	35,959	34,690	35,354	4.7
35 to 44	34,712	35,318	35,370	34,949	0.7
45 to 54	29,678	35,318	35,370	37,340	25.8
55 to 64	20,037	29,466	35,494	34,789	73.6
Over 65	29,770	33,772	48,040	57,696	93.8

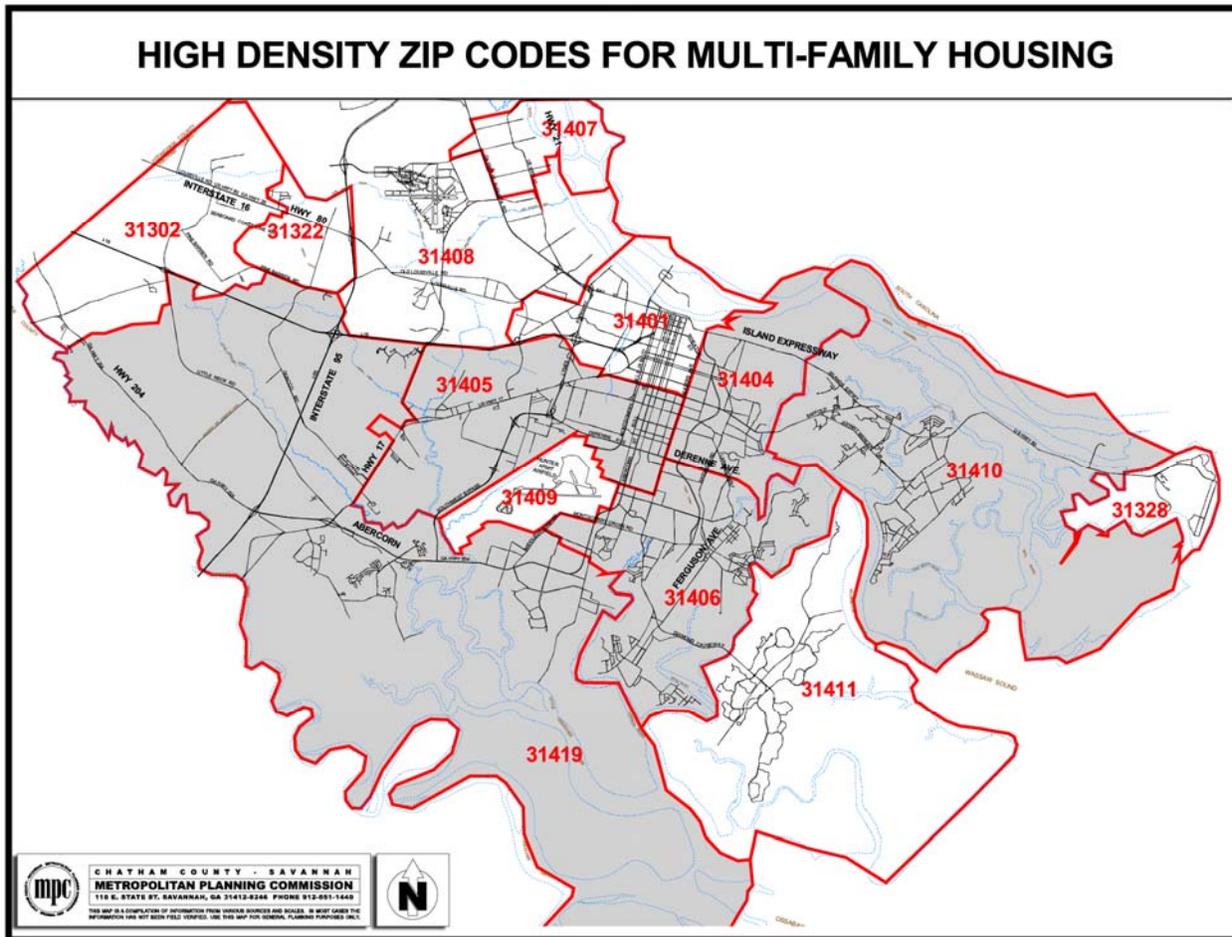
Source: MPC Projections

The aging of the overall population is a nationwide trend as the “Baby Boom” generation approaches retirement and the generation of the “baby bust” that follows it is significantly smaller. This nationwide aging effect will be even more pronounced in the South, which is a retirement destination. The local effect in Chatham County will likely be even more pronounced because of its desirable coastal location and the close proximity to resorts and retirement communities.

As shown in Table 4, Chatham County’s population is projected to age significantly over the next 30 years. The largest population gains will be in older age groups. The effect will be increasingly pronounced among the oldest age groups, with 45 to 54 year olds increasing 25 percent from 2000 levels, and 55 to 64 year olds increasing nearly 75 percent and people who are over 65 nearly doubling in number. Younger age groups, by contrast, are projected to experience either no growth or very modest growth from current level. No age group is projected to experience major decline.



As people grow older many find it advantageous to relocate from single-family homes to multi-family dwellings, making it likely that an increase in demand for multi-family units will accompany the aging population. The future demand for multi-family units should be even higher because of the projected increase in the population of college students. Although Chatham County’s total population of young adults is projected to decrease slightly between 2000 and 2030, it is expected that the county’s population of college students will increase as Chatham County’s major institutions of higher learning continue to expand and attract students from outside the county.



1.7 Multi-Family Housing Programs ToolKit

1.7.1 Multi-Family Bond Program

Bonds are sold to finance projects that will benefit low and moderate-income persons and families. Loans are made to projects which provide: (1) at least 20 percent of the total units to persons earning 50 percent or below median income, or (2) at least 40 percent of the total units to persons earning 60 percent or below the area median income.

1.7.2 Low Income Housing Tax Credit Program (LIHTC)

The LIHTC Program provides federal tax credits to sponsors of low-income rental housing projects. Sponsors can use the tax credits directly, or sell them to one or more purchasers and use the proceeds of the sale as equity for their project. Eligible applicants include for-profit and nonprofit organizations.

Investors receive an income tax credit each year for 10 years equal to approximately 4 percent of total eligible project costs for acquisition-rehabilitation projects and 9 percent for substantial rehabilitation and new construction.

To qualify for credits, at least 20 percent of the apartments in a project must be rented by families who earn no more than 50 percent of the area median income or 40 percent must be rented by families who earn no more than 60 percent.

1.7.3 Low-Income Housing Trust Fund

The Low-Income Housing (Trust Fund) is a state or locally-funded program for affordable housing. Funds are allocated by formula to participating jurisdictions (local governments) to expand and improve the supply of rental housing through new construction and rehabilitation of multifamily projects.

Trust Funds may also be used to provide financing for down payment assistance and homeowner rehabilitation of single family residences, and to provide emergency assistance to families who are in danger of becoming homeless. All funds allocated must be used to benefit individuals and families whose incomes do not exceed 60% of the area median income, as defined by the U.S. Department of Housing and Urban Development.

1.7.4 HOME Investment Partnerships Program (HOME)

HOME Investment Partnership Program (HOME) is a federally funded, large-scale program for affordable housing. Funds are allocated by formula to Participating Jurisdictions (state and local governments who receive funds to operate HOME).

HOME is designed as a partnership among the federal government, state and local governments, and those in the private sector (profit and not-for-profit) who build, own, manage, finance and support low-income housing initiatives.

1.8 Conclusion

The Chatham County – Savannah Area multi-family survey data reflects changes in the overall rental housing market. The Area has shown a decrease in vacancies and an increase in rental rates.

Key findings from the 2006 Multi-family housing survey reflect the following:

- The two-bedroom size apartments continue to remain the most popular unit type.

- The two-bedroom size apartments comprise 49% of the identified multi-family housing units.
- The average apartment complex shows an increase in size, averaging over 190 units per complex compared to 133 units per complex during the early to mid 1990's.
- Data reflects an overall vacancy rate of 2.9%.
- Three bedroom apartments reflect the highest vacancy rates.
- The 1- and 2-bedroom size apartments reflect the lowest vacancy rates.
- Five zip codes, located in the southern part of the Area house nearly 4/5 of all multifamily units.
- The greatest rental rate change occurred in the two and three bedrooms apartments with a 6.1% and 5.9%, respectively, increase in rental rates.
- Affordable units rental rates¹ are 10% to 25% lower than market units rental rates, with exception to the four bedroom apartment which reflects higher rental rates in designated income restricted properties.
- Rental rates increased for all size of apartment units.

APPENDIX A. GLOSSARY

Accessory Dwelling Unit – A second residential living unit on the same lot as a primary residential unit; which may attached to the primary residential unit or in a separate structure.

Affordable Housing – Affordable housing is frequently defined in terms established by state and federal government for program administration purposes. For such purposes it is assumed that housing is affordable when rents or mortgage payments do not exceed 30 percent of a household's income. For local government needs assessment and planning purposes, the 30 percent standard is most effectively applied at the census tract or block group level where it can be associated with neighborhood level geography.

Built Environment – The urban environment consisting of buildings, roads, fixtures, parks, and all other improvements that form the physical character of a city.

Capacity – The potential for sharing assets, resources, gifts and talents. To reach capacity, people and organizations must be willing to share these assets for community building.

Capacity Building – The mobilization of individual and organizational assets from the community and combining those assets with others to achieve community building goals.

Community Assessment – All inclusive information gathering and sharing about the community: needs, resources, gaps, environment, economy, etc.

Community Building – The process through which people and organizations from throughout the community come together to envision how their ideal community should look and begin to develop plans to mobilize all of the community's resources in order to achieve their visions.

Community Development – Involves the ways, models and paths that communities, cities and services take to develop geographic communities or communities of interest physically, economically and socially.

Density – The average number of families, persons or housing units per unit of land. Usually density is expressed "per acre". Gross density includes the area necessary for streets, schools and parks. Net density does not include land area for public facilities.

Density Bonus – An incentive in the zoning ordinance to encourage the development of affordable housing by effectively reducing land cost per unit.

Diversity – A balanced mix of people within a community with regard to income, race, ethnicity, age, and household characteristics.

Gentrification – The process whereby relatively affluent homebuyers, renters, and investors move into a neighborhood thus increasing property values, rents, or taxes resulting in an involuntary displacement of long-term residents and business owners, the loss of neighborhood diversity, or a change in the overall character of that neighborhood.

Household – Either:

1. A group of two or more related or unrelated people who usually reside in the same dwelling, who regard themselves as a household, and who make common provision for food or other essentials for living or;
2. A person who makes provision for his/her own food and other essentials for living, without combining with any other person to form part of a multi-person household.

Household Size – The number of persons per household in any given area.

Housing Trust Fund – A special fund for financing production of affordable housing with one or more dedicated sources of revenue.

Inclusionary Zoning – A requirement in the zoning ordinance for developers in designated areas to produce a specified percentage of affordable housing as part of a market rate residential development project. The developer may alternatively pay an “in lieu” fee.

Land Use-Zoning Mismatch – A situation where established land use patterns of an area are different from the zoning standards that applies to the area. For example, if there is an established building setback pattern of five feet or less and a zoning requirement of 20 feet or more, there is a “land use-zoning mismatch”.

Linkage Fee – A fee charged to commercial or industrial real estate development for the purpose of off-setting negative impacts of such development on the housing market. Such fees typically are revenue sources for a Housing Trust Fund.

Metropolitan Planning Commission (MPC) – See “Chatham County-Savannah Metropolitan Planning Commission”.

Multi-Family – A building that is designed to house more than one family. Examples include duplexes, condominiums and apartment buildings.

Reinvestment – The flow of capital into a neighborhood primarily to upgrade physical components of the neighborhood, although reinvestment can also be made in human capacity.

Quality of Life – Those aspects of the economic, social and physical environment that make a community a desirable place in which to live or do business. Quality of life factors include those such as climate and natural features, access to schools, housing, employment opportunities, medical facilities, cultural and recreational amenities, and public services.

Rent Gap – The gap between rent levels that are affordable to residents of a neighborhood and higher rent levels caused by gentrification.

Residential Gentrification – Residential gentrification occurs when people once living comfortably in a neighborhood are involuntarily uprooted as the neighborhood changes.

Revitalization – The process of enhancing the physical, commercial and social components of neighborhoods and the future prospects of its residents through private sector and/or public sector efforts. Physical components include upgrading of housing stock and streetscapes. Commercial components include the creation of viable businesses and services in the community. Social components include increasing employment and reductions in crime.

Sustainability – A concept and strategy by which communities seek economic development approaches that also benefit the local environment and quality of life. For a community to be truly sustainable, it must adopt a three-pronged approach that considers economic, environmental and cultural resources. Sustainable development provides a framework under which communities can use resources efficiently, create efficient infrastructures, protect and enhance the quality of life, and create new businesses to strengthen their economies. A sustainable community is achieved by a long-term and integrated approach to developing and achieving a healthy community by addressing economic, environmental, and social issues. Fostering a strong sense of community and building partnerships and consensus among key stakeholders are also important elements.

Tax Increment Financing – Financing of affordable housing and other designated redevelopment objectives through higher taxes (increments from a base year) that are generated as a result of revitalization in a specified redevelopment district.

Zoning – Local codes regulating the use and development of property. The zoning ordinance divides the city or county into land use districts or "zones", represented on zoning maps, and specifies the allowable uses within each of those zones. It establishes development standards for each zone, such as minimum lot size, maximum height of structures, building setbacks, and yard size.