

Gwinnett County Comprehensive Housing Study

ARC Briefing
March 9, 2022



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

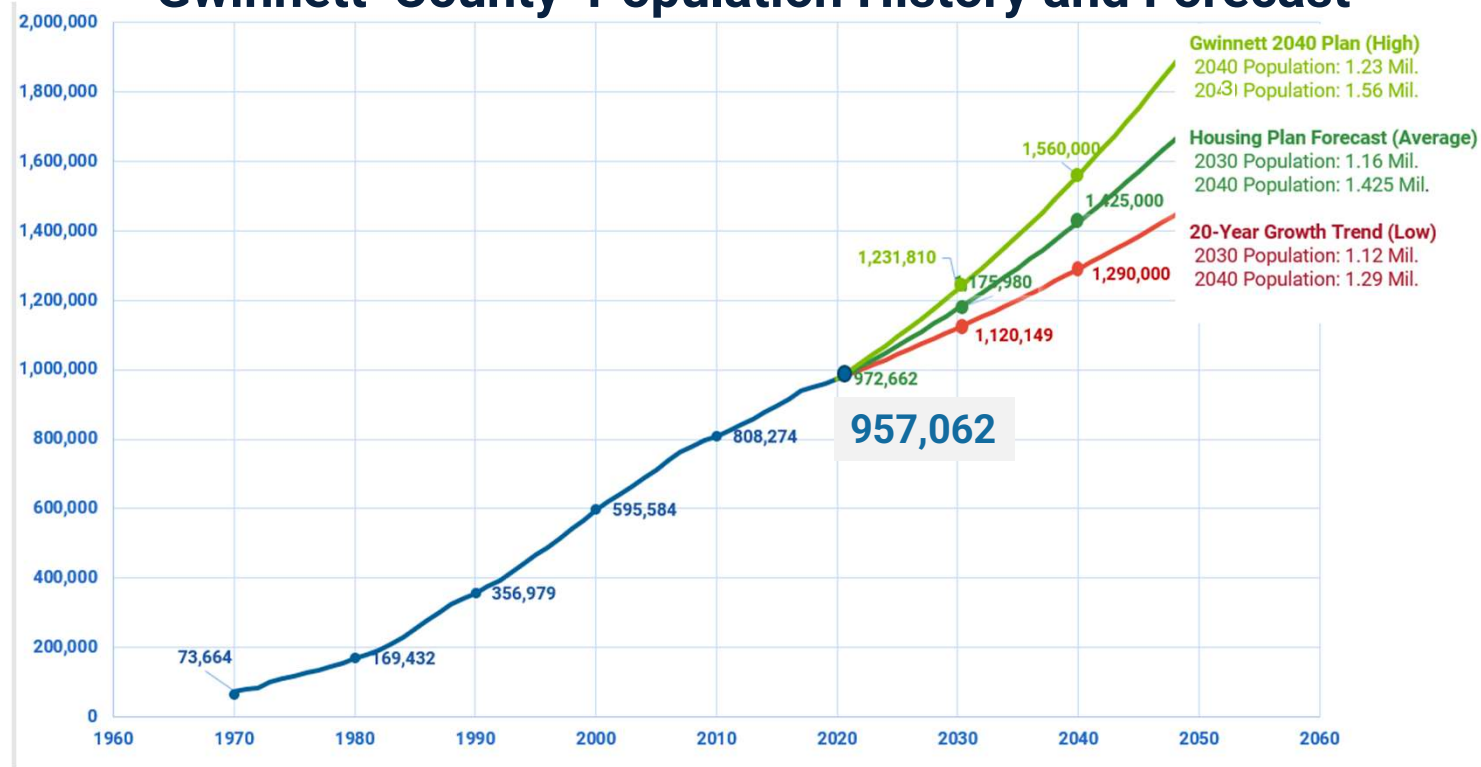
- Identify the essential characteristics of Gwinnett's housing inventory, demographics, and housing needs
- Deliver data-driven findings regarding housing supply and demand in Gwinnett to the Board of Commissioners
- Analyze housing-related data and findings in a way that helps Gwinnett provide safe 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

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

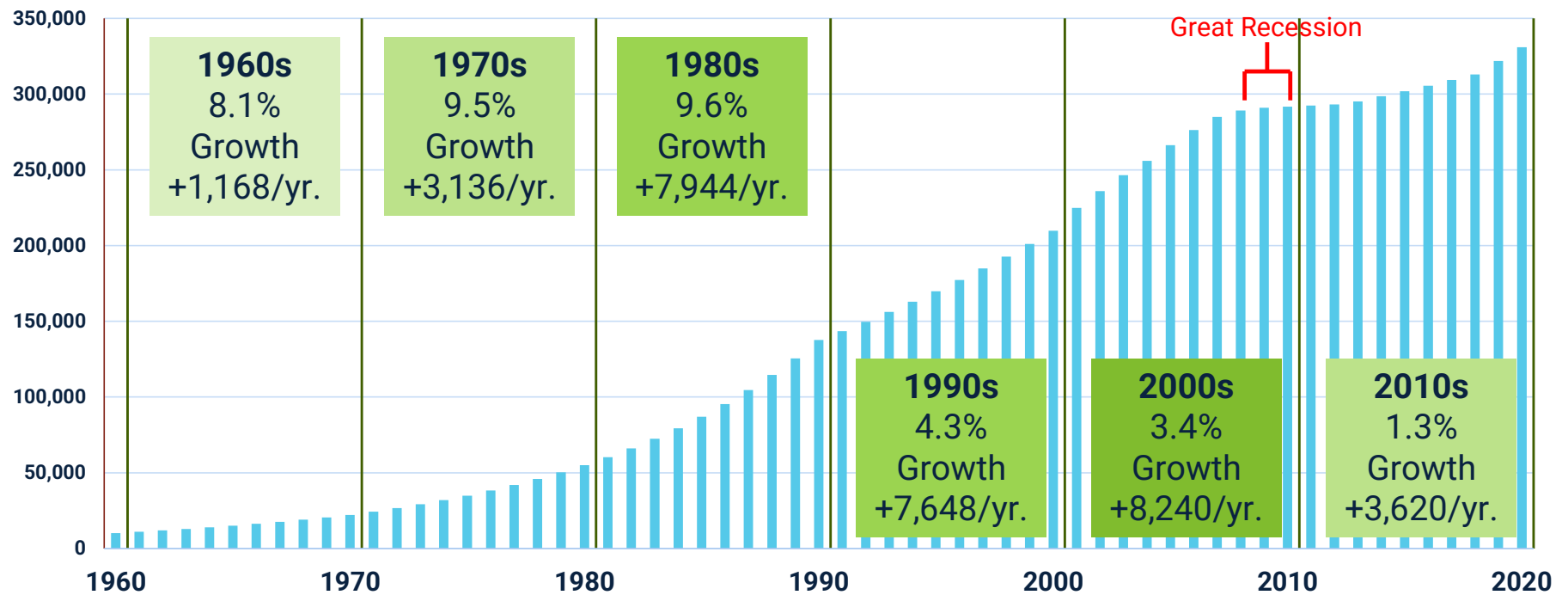


Source: Gwinnett County Unified Plan 2040, US Census, KB Advisory



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, Quadraplex	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

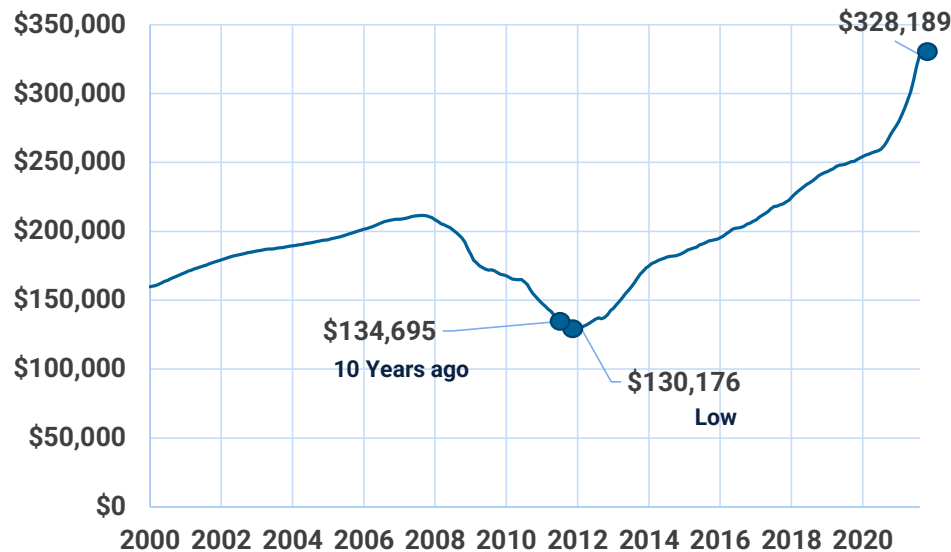
Gwinnett (Unincorporated only)

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

Baseline Conditions: Housing Supply

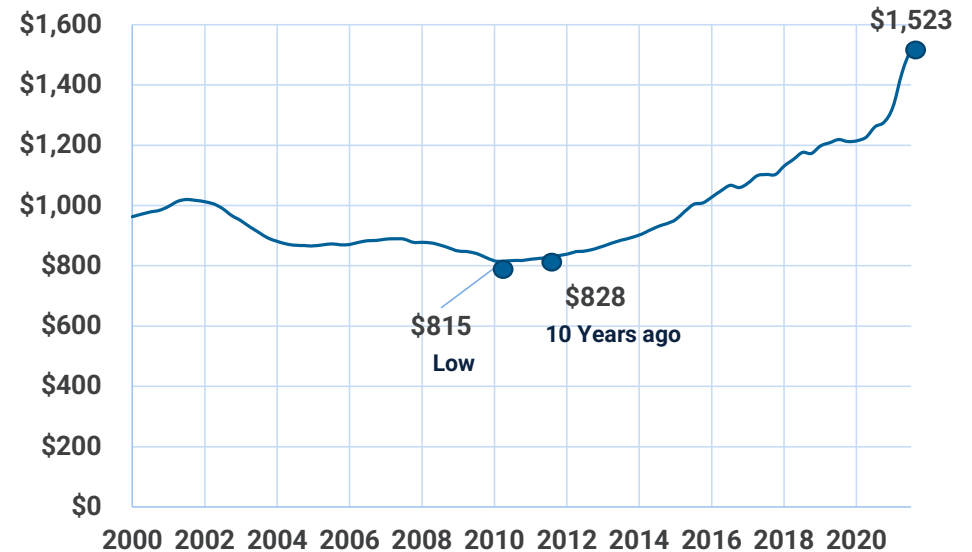
Home prices and rental rates have increased dramatically over the past 10 years.

Average Home Sale Price, Gwinnett County 2000-2021
(Single Family, Townhome & Condo; New & Existing; Blended)



Source: Zillow Research Home Value Index

Average Apartment Rent, Gwinnett County 2000-2021



Source: CoStar, Inc.



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)

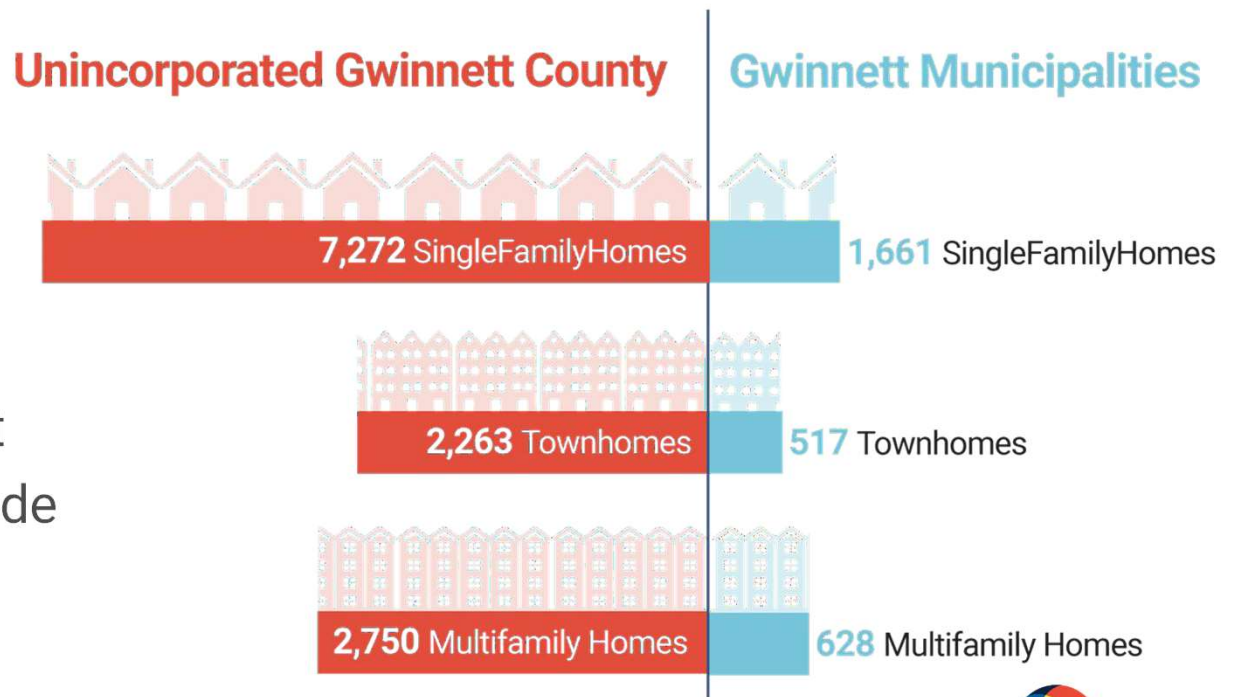
- New-built single-family detached and townhome communities
- Demand increase due to rising housing costs and barriers to homeownership
- Top producers - ResiBuilt and Parkland Communities

Housing Demand Forecast

Housing Demand 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)



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

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

Potential Next Steps

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

Questions?



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