



SANDY SPRINGS™  
GEORGIA



# **SANDY SPRINGS**

## HOUSING NEEDS ASSESSMENT

**HR&A**  
Analyze. Advise. Act.

DECEMBER 2020

# TABLE OF CONTENTS

---

Executive Summary	3
Overall Market Conditions	14
Homeowner Housing Needs	30
Renter Housing Needs	45
Employer Housing Needs	56
Glossary	66
Data Appendix	70

# EXECUTIVE SUMMARY | PURPOSE AND OVERVIEW

The City of Sandy Springs engaged HR&A Advisors to conduct an assessment of current and anticipated housing needs in Sandy Springs. The Sandy Springs Housing Needs Assessment seeks to (1) provide a comprehensive understanding of housing needs and conditions across all household incomes and housing typologies, and (2) establish an objective, data-driven resource on the housing market to guide future policy decisions. This document does not discuss specific policy recommendations to be pursued by the City; instead, key findings and needs are identified which should inform future phases of housing-related work in the City.

The Sandy Springs Housing Needs Assessment is organized around four key sections. The first section provides an overview of demographic and housing market indicators within the City. The following sections are framed according to three groups in Sandy Springs with distinct housing needs: homeowners, renters, and employers. While housing needs may differ between these three groups, each is integral to the City's continued economic growth and quality of life.



## OVERALL MARKET CONDITIONS

*Overview of population, tenure, income, and housing supply*



## HOMEOWNER HOUSING NEEDS

*Analysis of homeowner trends, including home value, teardowns, housing affordability, demographics, and cost-burden*



## RENTER HOUSING NEEDS

*Analysis of renter trends including rents by AMI, housing affordability, demographics, cost-burden, and multifamily development feasibility*



## EMPLOYER HOUSING NEEDS

*Analysis of employer trends including commuter inflow/outflow, employment by wage, and housing affordability*

# EXECUTIVE SUMMARY | GEOGRAPHIES

HR&A analyzed demographic and housing data in the City of Sandy Springs and the regional comparison areas of North Atlanta and the Metropolitan Statistical Area (MSA). The MSA is a Census-defined geography, while the North Atlanta study area is composed of 19 zip codes that contain housing markets which are comparable to that of Sandy Springs. Because housing types and needs vary significantly across different neighborhoods in the City, we also assessed the housing market in eight subareas, composed of census block groups.

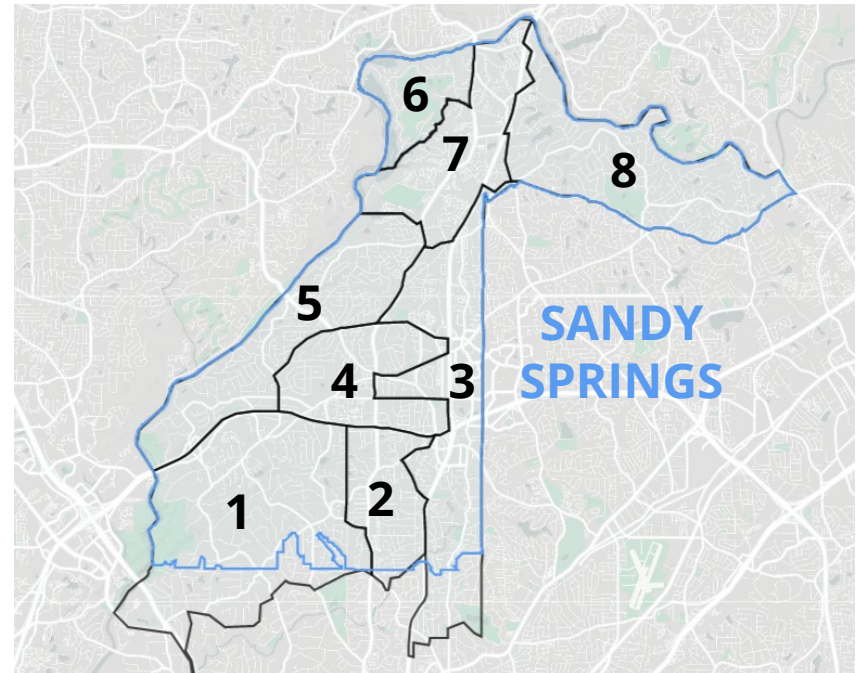
## REGIONAL COMPARISON STUDY AREAS

MSA, North Atlanta, and Sandy Springs, GA



## SUBMARKET COMPARISON STUDY AREAS

Sandy Springs and Subareas



*Note: Refer to the appendix for more information about how study areas were defined.*

# EXECUTIVE SUMMARY | METHODOLOGY

---

The Sandy Springs Housing Needs Assessment was conducted over six months and leveraged data analysis and stakeholder interviews to inform key findings.

## DEMOGRAPHIC AND ECONOMIC TRENDS ASSESSMENT

A comprehensive analysis of local data and trends on population, age, race, household size, employment, wage growth, and labor force. This phase of work also included **interviews** with community leaders, local developers, brokers, employers, and other key local stakeholders involved in the local housing market; a **Cost-Burden Assessment**, in which we identified the percentage of households that are “housing cost-burdened” and “extremely housing cost-burdened” (see Glossary); and an **Employer Housing Needs Assessment**, which analyzes “housing affordability” (see Glossary) based on the housing needs of the local workforce.

## HOUSING SUPPLY AND DEMAND

An assessment of **existing housing market conditions**, including data and trends on tenure, dwelling type, condition, age of units, home price, and rents. This led to a **housing supply gap analysis** which determined the difference in supply and demand for housing at different income levels. We also provided an **inventory** of new, planned, and under-construction multifamily and single-family housing developments.

## FORECAST OF FUTURE HOUSING NEEDS

Forecasts of **future household and housing unit growth** in Sandy Springs based on projections of population growth and regional job growth.



# EXECUTIVE SUMMARY | AREA MEDIAN INCOME

**Area Median Income (AMI)** represents the midpoint in the distribution of household incomes within a specific geographic region (see Glossary for full definition). Throughout this report, AMI is used to describe “housing affordability” (see Glossary) for households that fall within specified income limits. The corresponding affordable rent/mortgage payment (including utilities) is equal to 30% of the income limit divided by 12 months. To calculate housing supply and demand at various AMI levels, HR&A assumed a 2-person household given that the average renter owner household size is 2.39 people and the average renter household size 2.20 people.

## INCOME LIMITS AND AFFORDABLE RENT/MORTGAGE PAYMENT

Atlanta Metropolitan Statistical Area, 2020

Category	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	8-Person
<b>30% AMI</b> (Affordable Rent/ Mortgage Payment)	\$17,370 (\$434/mo)	\$19,860 (\$497/mo)	\$22,320 (\$558/mo)	\$24,810 (\$620/mo)	\$26,790 (\$670/mo)	\$28,770 (\$719/mo)	\$30,750 (\$769/mo)	\$32,760 (\$819/mo)
<b>50% AMI</b> (Affordable Rent/ Mortgage Payment)	\$28,950 (\$724/mo)	\$33,100 (\$828/mo)	\$37,200 (\$930/mo)	\$41,350 (\$1,034/mo)	\$44,650 (\$1,116/mo)	\$47,950 (\$1,199/mo)	\$51,250 (\$1,281/mo)	\$54,600 (\$1,365/mo)
<b>80% AMI</b> (Affordable Rent/ Mortgage Payment)	\$46,320 (\$1,158/mo)	\$52,960 (\$1,324/mo)	\$59,520 (\$1,488/mo)	\$66,160 (\$1,654/mo)	\$71,440 (\$1,786/mo)	\$76,750 (\$1,919/mo)	\$82,000 (\$2,050/mo)	\$87,350 (\$2,184/mo)
<b>100% AMI</b> (Affordable Rent/ Mortgage Payment)	\$57,900 (\$1,448/mo)	\$66,200 (\$1,655/mo)	\$74,400 (\$1,860/mo)	\$82,700 (\$2,068/mo)	\$89,300 (\$2,233/mo)	\$95,900 (\$2,398/mo)	\$102,500 (\$2,563/mo)	\$109,200 (\$2,730/mo)
<b>120% AMI</b> (Affordable Rent/ Mortgage Payment)	\$69,480 (\$1,737/mo)	\$79,440 (\$1,986/mo)	\$89,280 (\$2,232/mo)	\$99,240 (\$2,481/mo)	\$107,160 (\$2,679/mo)	\$115,080 (\$2,877/mo)	\$123,000 (\$3,075/mo)	\$131,040 (\$3,276/mo)

*Note: Monthly affordable rent or mortgage payment per unit assumes that a household does not spend more than 30% of their income on housing costs. AMI for the Atlanta Metropolitan Statistical Area was used because data for the City of Sandy Springs is not available.*

## EXECUTIVE SUMMARY | OVERALL HOUSING MARKET

**There is high demand for housing in Sandy Springs across all income, tenure, and housing types.** Between 2011 and 2018, the City's population increased by 14%, outpacing both North Atlanta and the MSA. Of the 5,000 households that were added during this time period, 71% were renter households, primarily young professionals seeking housing proximate to employment opportunities.

**+5,000**

*New households  
2011-2018*

**To accommodate the increase in population, 7,722 total new (6,400 net new) housing units were constructed in Sandy Springs over the past decade.** Given the lack of undeveloped land in the City, denser multifamily and townhome development was necessary to meet the housing needs of new residents. Of the 7,722 units that were created since 2011, 6,011 (78%) were multifamily rental and 1,127 (15%) were single-family attached (townhome) units. The multifamily units were primarily issued permits before 2017 when an amendment to the City's building code made new multifamily development financially infeasible. 280 single-family detached homes and 1,073 multifamily rental units were demolished to make room for this new development.

**52%**

*Renter share of total  
households in 2018*

**Over the past decade wealthier households have moved into the City** driven by higher home sale prices and the influx of "luxury" new apartment developments. From 2011 to 2018, Sandy Springs experienced a greater rate of growth for households earning between \$50K and \$150K annually than both North Atlanta and the MSA. As a result, median incomes in the City rose 11% from 2011 to 2018, reaching \$74K in 2018. Median incomes of homeowners (\$131K) far exceed the median income of renters (\$55K); however this gap has narrowed since 2011 as the City has attracted more affluent renters.

**71%**

*Share of housing  
stock built between  
1960 and 1999*

**While incomes have risen, housing affordability is increasingly becoming an issue for lower- and moderate-income households.** In Sandy Springs, the average household (both owner and renter) earning less than \$50K annually is housing "cost-burdened," meaning they pay more than 30% of their annual income on housing, leaving less income to pay for other essential costs such as food, clothing, and transportation.

**78%**

*Share of housing  
deliveries since 2010  
that were multifamily*

# EXECUTIVE SUMMARY | HOMEOWNERS

**“Entry-level” single-family homeownership opportunities have become increasingly limited in Sandy Springs** as homeowner housing costs have increased over the past decade. The median home price in Sandy Springs of \$530K is 105% higher than the MSA (\$259K) and 18% higher than North Atlanta (\$448K). Furthermore, since 2011 median home values in the City increased 7.5% annually. Based on this growth rate, a home priced at \$300K in 2010 would be worth \$575K in 2019.

**Increases in home prices were even more dramatic for “teardowns,”** which are older single-family homes that are demolished and replaced with new single-family construction. As many as 350 teardowns occurred in the last decade due to the prevalence of older homes and the influx of wealthier homebuyers. The median home value for these properties increased from a pre-teardown price of \$312K to a post-teardown price of \$1.25M. On average, new construction townhomes are priced lower than teardowns, but still above \$400K, a price that is generally unaffordable to most households earning less than \$115K annually. As a result of these market dynamics, between 2017 and 2019, 81% of attached and detached single-family homes sold above \$400K.

**\$530K**

*Median Home Price  
2018*

**7.5%**

*Median Annual Home  
Price Appreciation  
2011-2019*

**Up to 350**

*Teardowns  
2011-2019*

**Median home prices**  
in Sandy Springs are  
some of the highest in  
the region.

**\$530K**

Sandy  
Springs

**\$448K**

North  
Atlanta

**\$259K**

Atlanta  
MSA

**Homes sold for  
less than \$400K** are  
far more likely to be  
townhomes (38%) or  
condos (93%).

**12%**



Single-Family  
Detached

**38%**



Townhome

**93%**



Condo



# EXECUTIVE SUMMARY | HOMEOWNERS

**Sandy Springs' homeowner population is becoming older and wealthier** as rapidly rising home values have resulted in a lack of homeownership opportunities for younger, moderate-income families. Between 2011 and 2018, the number of homeowners aged 55 and over increased by more than 1,500 people, which accounted for 83% of the total growth of all homeowners. Owner households also skewed wealthier; over 1,400 owner households with incomes greater than \$100K were added during the same time period.

**+1,566**

*Net new 55+ aged homeowners between 2011-2018*

**Meanwhile, lower- and moderate-income homebuyers either cannot afford to buy in Sandy Springs or become cost-burdened**, spending more than 30% of their annual income on housing costs. Over a third of owner households earning less than \$75K are cost-burdened. Consistent with this finding, there is a supply gap of 1,640 homes at less than 120% AMI (\$79K for a 2-person household; see Glossary) in Sandy Springs, indicating that there are more owner households earning up to 120% AMI than homes available at prices affordable to these households.

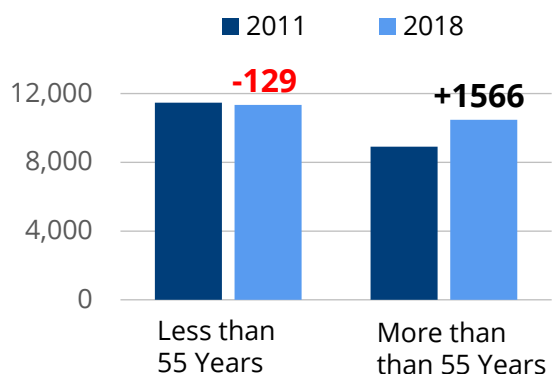
**-129**

*Net new <55 aged homeowners between 2011-2018*

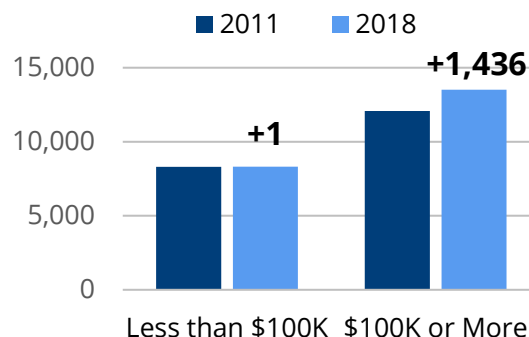
**1,640**

*Supply gap of for-sale homes at or below 120% AMI in 2018*

The number of older homeowner households has increased by 1,566 while younger homeowners have decreased by 129.



The number of homeowner households earning more than \$100k/year has grown by 1,436 while the number earning less than \$100k has been stagnant.



# EXECUTIVE SUMMARY | RENTERS

**Rapidly increasing rents have constrained rental affordability in Sandy Springs.** Between 2011 and 2019, rents increased 39% across all rental housing types due to both “luxury” new construction and rent increases in existing buildings. Assuming this growth rate, an apartment unit renting at \$1,000 in 2011 would rent for \$1,390 in 2019.

**Rent growth has exceeded income growth in Sandy Springs, which has led to the displacement of renters earning less than \$50K.** These lower-income renter households tend to live in Class B/C apartments, older multifamily buildings that typically rent for the lowest price in the market. From 2012 to 2018, rents in Class B/C apartments increased by 38% while median renter income only increased by 30%. However, median income growth was even lower for the most vulnerable renters including those with no college education (22%) or some college education (25%). Driven by high demand for rental housing, limited rental housing supply, and renovations to existing apartments, these rent increases coincided with the demolition and redevelopment of 1,000 units of older, market-rate multifamily housing in the City. As a result, there is a supply gap of more than 5,000 units for households earning less than 50% AMI. These households become cost-burdened or are displaced from Sandy Springs. Despite a 3,600 net increase in the number of renter households from 2011 to 2018, renter households earning less than \$50K decreased by 1,800.

**5,270 units**  
*Supply gap for  
units <50% AMI*

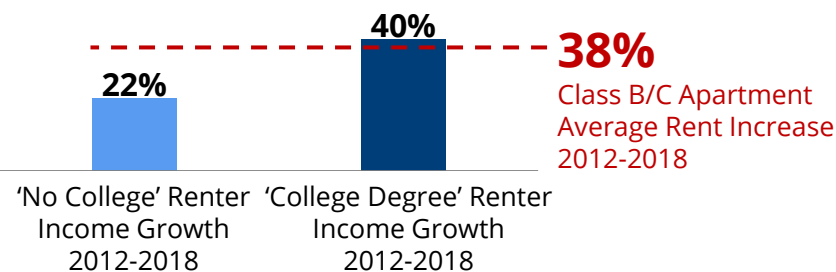
**3,050 units**  
*Supply gap for  
units <30% AMI*

**+39%**  
*Average rent increase  
2011-2019*

**+3,600**  
*Increase in renter  
households  
2011-2018*

**-1,800**  
*Decrease in renter  
households earning  
less than \$50K  
2011-2018*

**Income growth for renters without a college degree (22%) has not kept pace with rent increases (38%) in class B/C apartments, while income growth for renters with a college degree (40%) exceeded rent growth.**



*Note: Data is available for different years depending on the source. HR&A used 2011-2018 data from ACS 5-Year Estimates; 2012-2018 data from Public Use Microdata Sample (PUMS); and 2011-2019 data from Costar.*

# EXECUTIVE SUMMARY | RENTERS

From a new development perspective, the 2017 building code amendment renders new multifamily development financially infeasible in almost all cases. To support concrete construction, which is required in new development above three stories or buildings greater than 100,000 SF, rents must reach \$2.60/SF in Sandy Springs. However rents in Sandy Springs for new rental apartments average, \$2.00/SF. Without the ability to cover the higher expenses of concrete construction, developers will continue to avoid developing new construction in Sandy Springs until rents support more expensive construction.

Due to this dynamic, the Sandy Springs development pipeline is 340 units, including closeout condo communities, far below the 6,011 multifamily units that were issued permits before 2017.

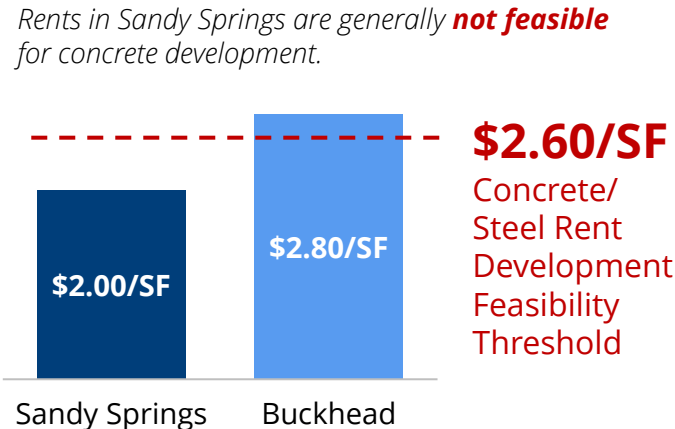
**6,011**

*Multifamily units built 2011-2020 (permitted before 2017)*

**340**

*Existing multifamily development pipeline including closeout*

Rents for new construction apartments (\$2.00/SF) are too low to support the concrete/steel construction required by the building code. Rents of at least \$2.60/SF are required to support this construction type.



## CORTLAND (Sandy Springs)

387 Units | 2018

Average \$1.93/SF

Midrise (Concrete/Wood)



## AMLI LENOX (Buckhead)

391 Units | 2019

Average \$2.77/SF

Highrise (Steel/Concrete)



## EXECUTIVE SUMMARY | EMPLOYERS

In Sandy Springs, high housing costs and limited public transportation have a negative impact on recruitment and retention for employers in service and essential industries. Through stakeholder engagement, local employers noted a difficulty attracting and retaining workers with wages under \$50K, largely driven by housing costs in Sandy Springs and the surrounding North Atlanta region. Currently, a worker earning \$50K annually can only afford 17% of rental apartments and 8% of for-sale homes in Sandy Springs.

As housing costs continue to rise, Sandy Springs' future as a regional employment center is threatened. Traffic congestion is already an issue in Sandy Springs and is likely to increase as in-commuters exceed out-commuters by a 3-to-1 ratio. If low- and moderate-wage workers are forced to live elsewhere in the region, the resultant increase in the in-commuter population could exacerbate congestion issues and make the City less attractive to both local workers and employers.

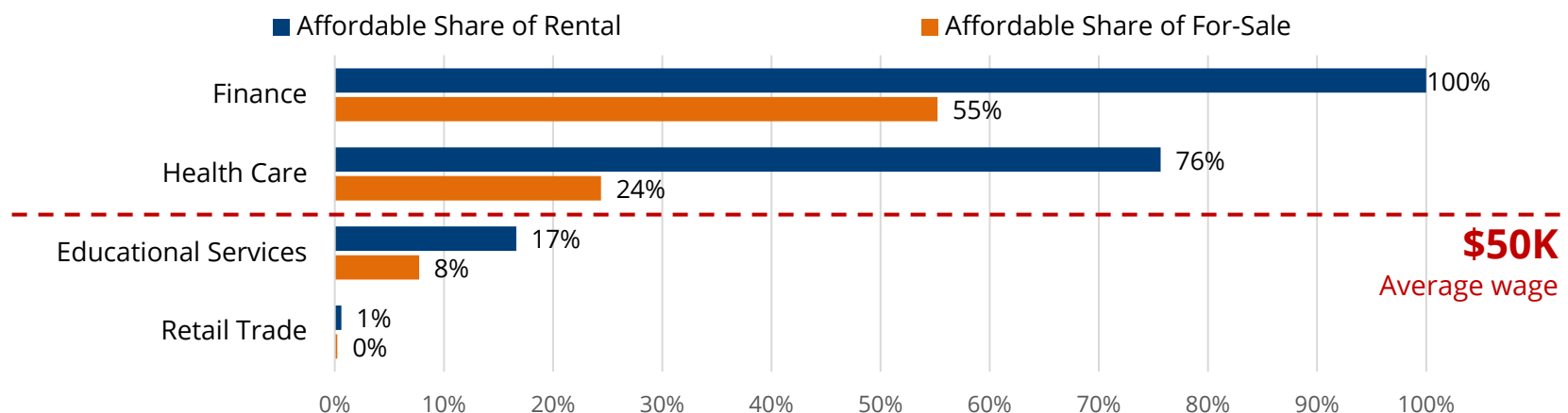
**17%**

*Apartments affordable to household earning \$50K in 2020*

**8%**

*For-sale homes affordable to household earning \$50K in 2020*

Local employers have reported difficulty attracting and retaining workers with wages under \$50K, with the low share of rental and for-sale housing affordable to their employees given as a top reason.



# EXECUTIVE SUMMARY | KEY FINDINGS

---

## Homeowner Key Findings

- 1 **Entry Level Housing**  
Sandy Springs lacks “entry-level” single-family homeownership opportunities below \$400K.
- 2 **Aging Population**  
Sandy Springs homeowners are increasingly becoming older and wealthier as the city is becoming less accessible to young and middle-aged families.

## Renter Key Findings

- 3 **Displacement Concerns**  
Renters earning less than \$50K annually are leaving Sandy Springs due to increasing housing costs and decreasing housing supply below 80% AMI.
- 4 **Limited New Development**  
Sandy Springs’ building code restrictions reduce multifamily development, prevent new renter households from moving into the City, raise housing costs, and limit the ability of the City to support new walkable, urban-style development like City Springs.

## Employer Key Findings

- 5 **Workforce Attraction**  
Service/essential industry employers face significant recruitment and retention challenges due to high housing costs and limited public transportation.
- 6 **Regional Employment Center**  
The City’s quality of life advantages, valued highly by employers, are at risk if lower- and moderate-income households cannot afford housing in Sandy Springs.



# **Overall Market Conditions**

Homeowner Housing Needs

Renter Housing Needs

Employer Housing Needs

# OVERALL MARKET CONDITIONS | SUMMARY

Below are key takeaways from the following section on demographics and housing market conditions in Sandy Springs:

- 1 Population and Household Growth**  
Sandy Springs is growing in population at a steady rate, with an **additional 5,000 households between 2011 and 2018**, at a slightly higher pace than the region.
- 2 Tenure**  
Household growth since 2011 has added more renters than owners, **with 71% of household growth consisting of renter households.**
- 3 Household Income**  
Sandy Springs is experiencing a greater rate of growth for **households earning between \$50K and \$150K** annually compared to the Metropolitan Statistical Area (MSA) and North Atlanta study area, and **renter households are seeing their incomes rise faster than homeowners.**
- 4 Housing Costs**  
**Lower income households tend to spend a higher percentage of their annual income on housing costs** compared to wealthier households. The average household earning less than \$50K annually is housing cost burdened, meaning they spend more than 30% of their annual income on housing costs.
- 5 Housing Deliveries**  
**7,722 housing units have been constructed since 2010.** Multifamily units made up 78% (6,011 units) and single-family made up 22% (1,711 units).
- 6 Multifamily Deliveries**  
Since 2017, **permitting of multifamily has declined**, particularly the construction of new rental apartment buildings.

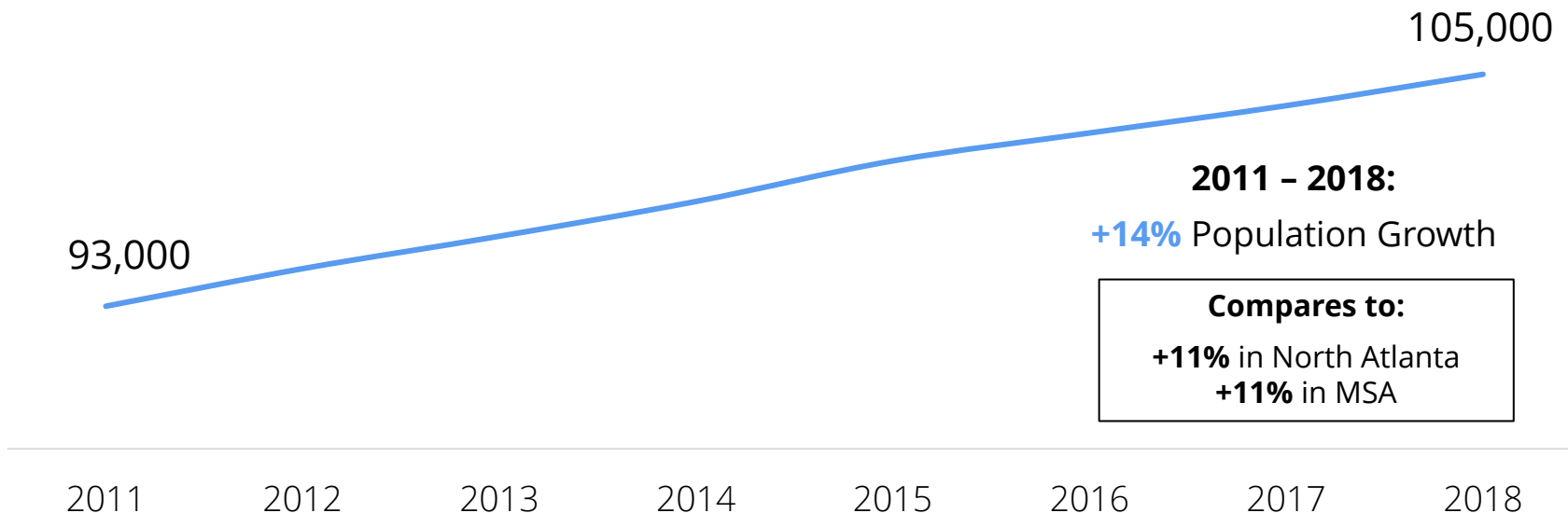
## DEMOGRAPHIC TRENDS | POPULATION

### A growing population in Sandy Springs is creating increased housing demand.

Between 2011 and 2018, the population of Sandy Springs grew at a faster rate than North Atlanta and the MSA. Over this time period, the City added 12,000 new residents at a steady annual growth rate of about 2%. As Sandy Springs' population grew, so did the need for housing to accommodate new residents.

### TOTAL POPULATION

Sandy Springs, GA, 2011-2018



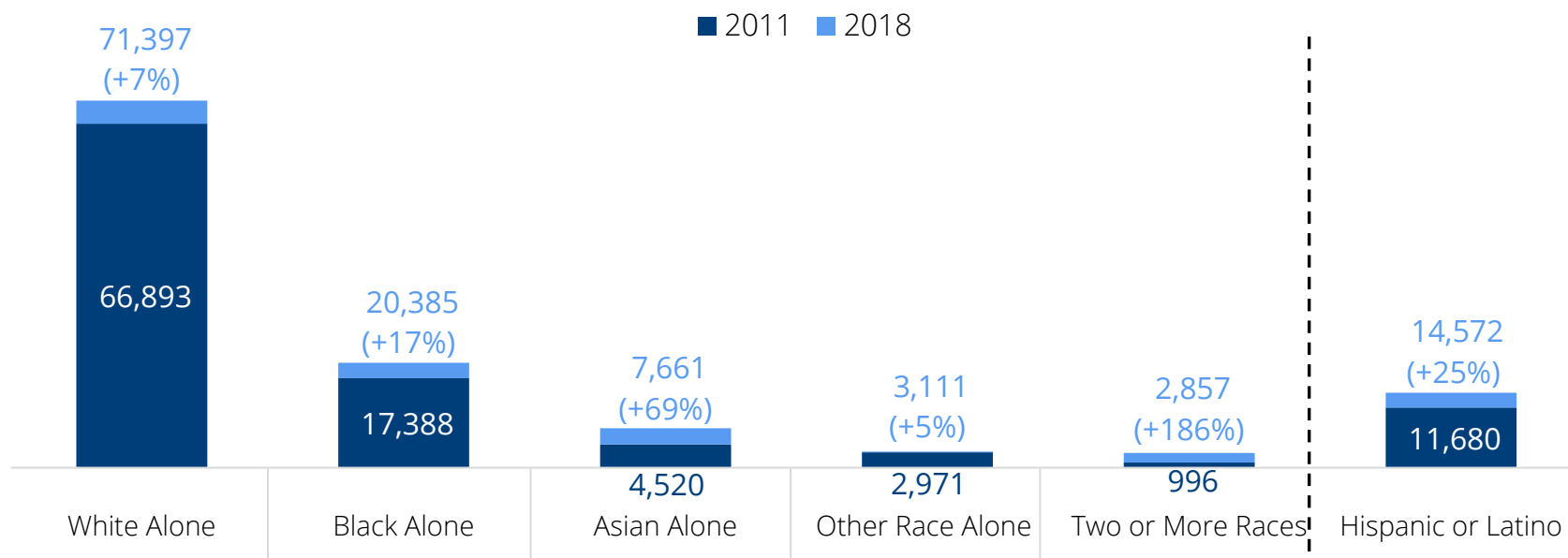
## DEMOGRAPHIC TRENDS | RACE

**Although Sandy Springs remains predominately White, population growth has been driven by increases in non-White residents over the past decade.**

Since 2011, Sandy Springs has experienced growth across all racial and ethnic groups, especially White, Asian, Black, and Hispanic populations. Of the 12,000 new residents that Sandy Springs added between 2011 and 2018, approximately 66% were non-White.

### TOTAL CHANGE IN POPULATION BY RACE AND ETHNICITY

Sandy Springs, GA, 2011-2018



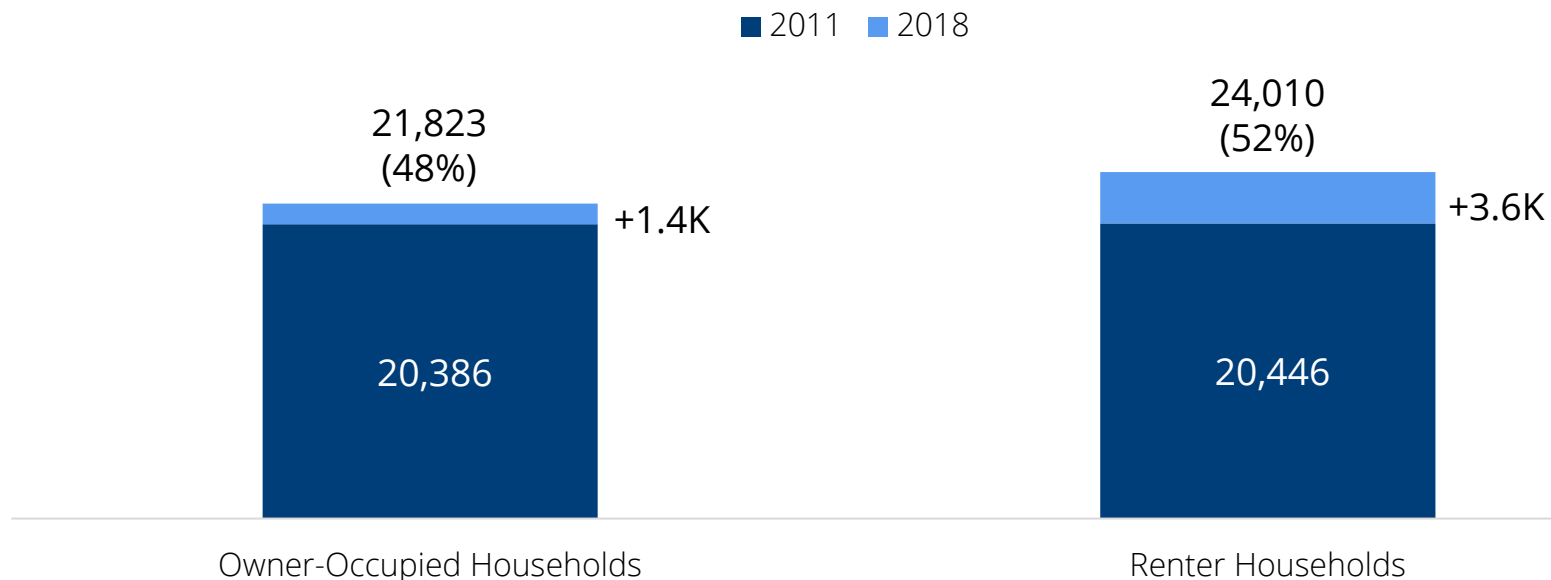
## OVERALL MARKET | SANDY SPRINGS HOUSEHOLDS

**Since 2011, growth in renters has driven growth in Sandy Springs. Renters now account for more than half of all households in the City.**

Between 2011 and 2018, 70% of household growth in Sandy Springs was from renter households in single-family and multifamily buildings. Driven by the share of household growth from renters over the past decade, Sandy Springs is now majority-renter with a split of 52% renter households and 48% owner households.

### OWNER AND RENTER HOUSEHOLDS

Sandy Springs, GA, 2011-2018





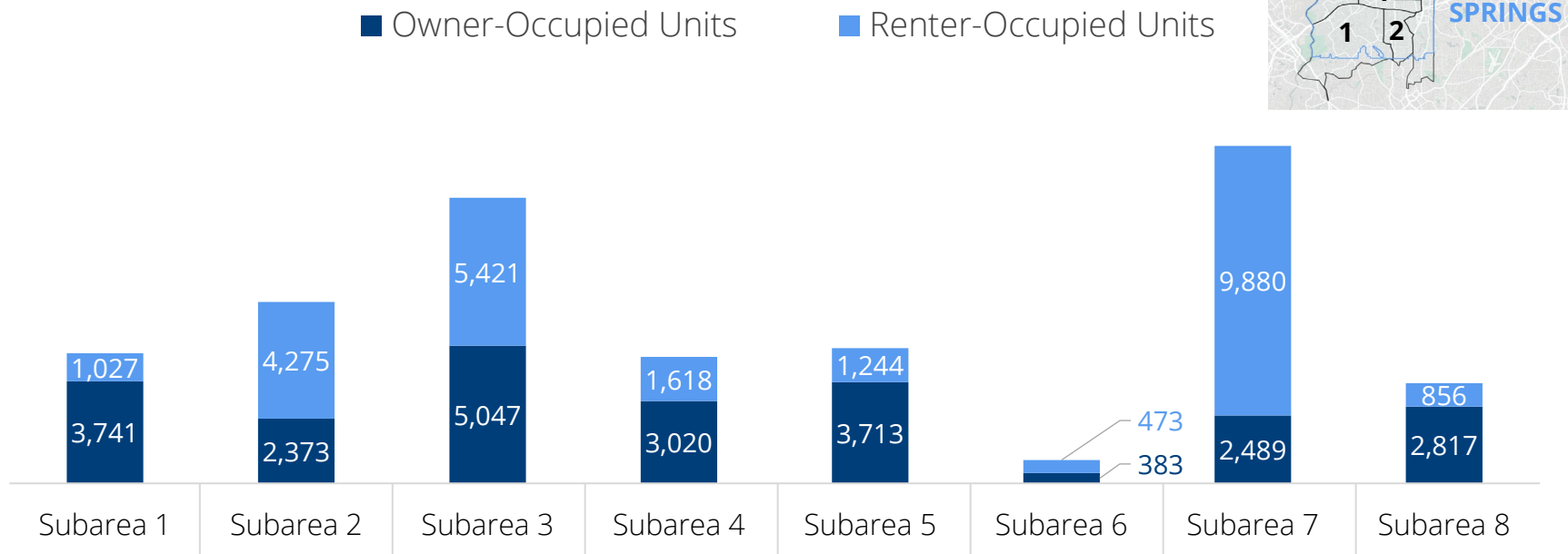
# OVERALL MARKET | SUBAREA HOUSEHOLDS

**More than half of the units in Subareas 2, 3, and 7 are renter-occupied, which is consistent with the distribution of multifamily housing.**

The distribution of owner and renter units by Subarea is largely driven by differences in housing typologies across the City. Renter units tend to be multifamily and owner units tend to be single-family, although a significant number of for-sale condominiums and townhomes also exist in the City. A concentration of multifamily units, especially apartment buildings, drives the higher number of occupied units in Subareas 2, 3, and 7, where rental units in these Subareas account for nearly 80% of total rental units in the City. Although the distribution of tenure by Subarea is uneven, there is a substantial share of renters and owners in each Subarea.

## OCCUPIED UNITS BY TENURE

Subareas, 2018



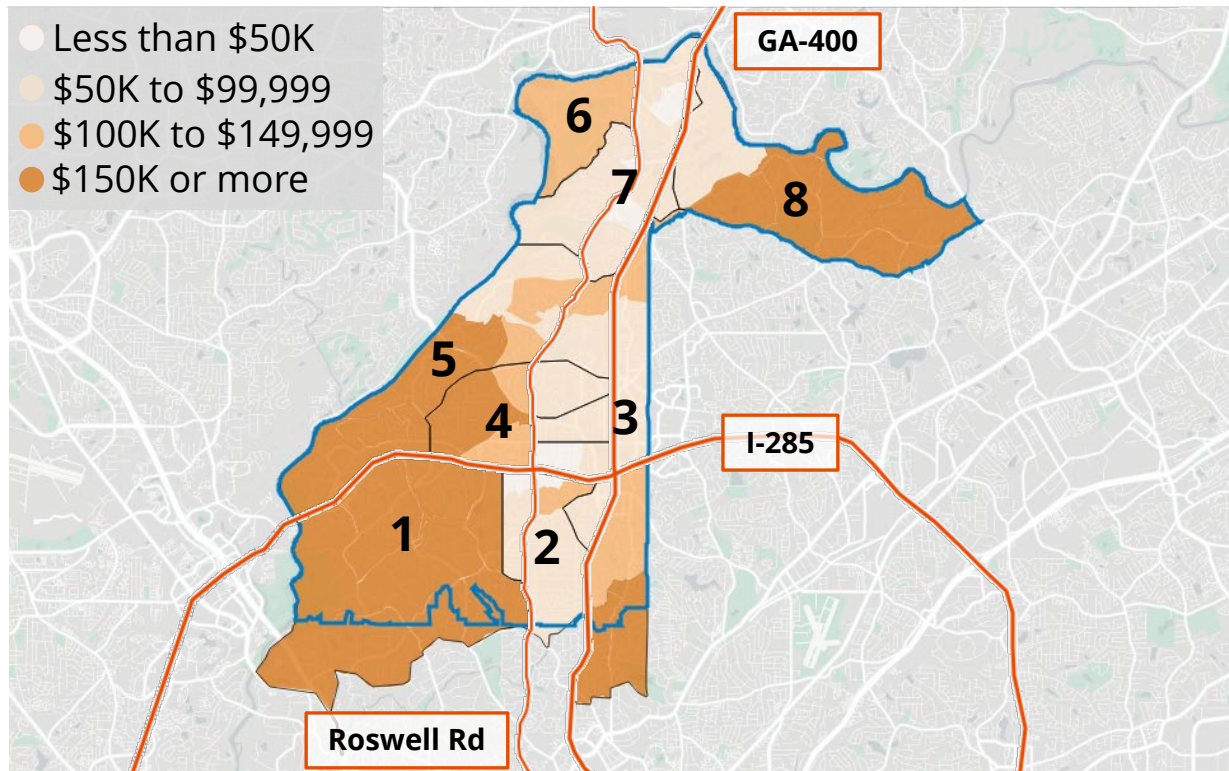
## DEMOGRAPHIC TRENDS | HOUSEHOLDS

### Median income is highest in areas with lower population density.

The areas with the highest median incomes include Subareas 1, 5, and 8 as well as the southern part of Subarea 3 and the western part of Subarea 4. Higher income households are concentrated in areas where homeownership rates are highest.

### MEDIAN HOUSEHOLD INCOME BY CENSUS BLOCK GROUP

Sandy Springs, GA, 2020



**\$74,100**

Median Household  
Income in  
Sandy Springs

**\$89,400**

Median Household  
Income in  
North Atlanta

**\$64,800**

Median Household  
Income in MSA

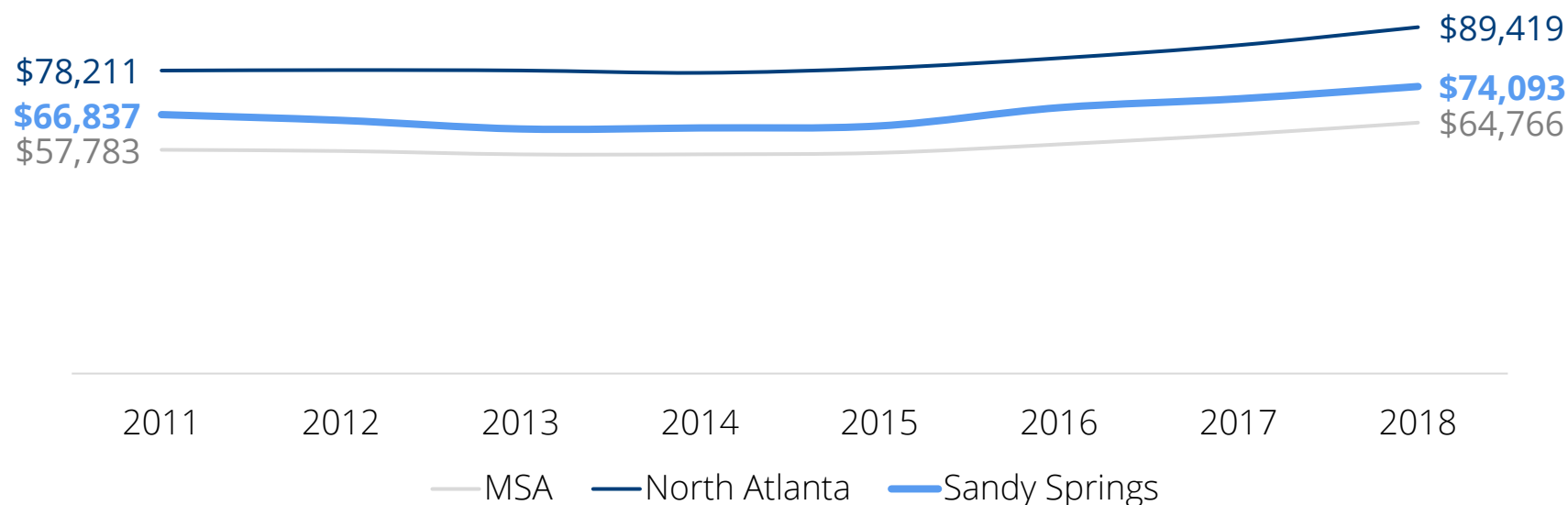
## DEMOGRAPHIC TRENDS | HOUSEHOLD INCOME

**Median household incomes are higher in Sandy Springs compared to the MSA, and have risen 11% since 2011.**

Over the past decade, incomes have remained high as new residents continued to move to Sandy Springs and the surrounding municipalities to access high-paying jobs in and around Perimeter Center. A higher homeownership rate in North Atlanta compared to Sandy Springs drives differences in median income.

### MEDIAN HOUSEHOLD INCOME

MSA, North Atlanta, and Sandy Springs, GA, 2011-2018



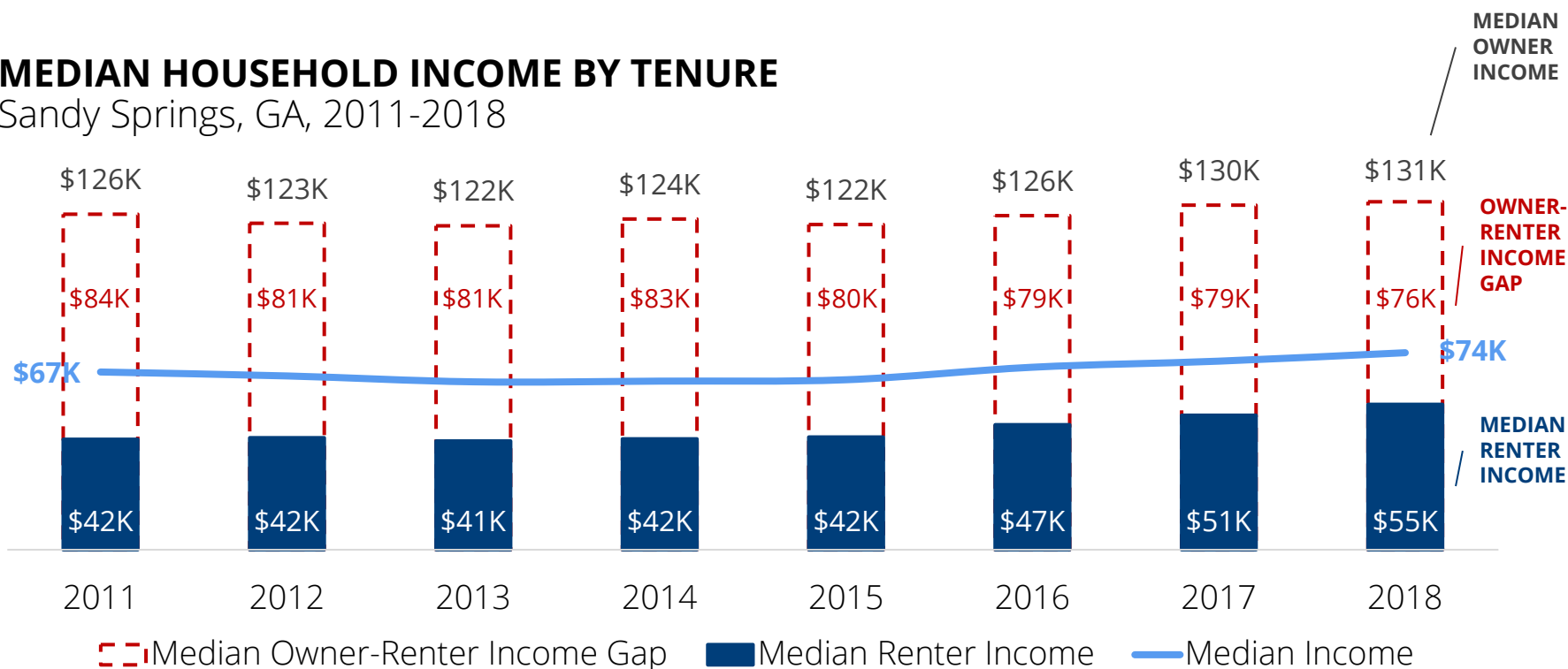
## DEMOGRAPHIC TRENDS | HOUSEHOLD INCOME

**There is a significant gap in household income by tenure, although it has decreased by 10% in the past decade.**

The graph below shows the difference in median owner household income and median renter household income over time. The significant gap in median income by tenure indicates that for-sale and rental housing serve distinct housing needs in Sandy Springs. The higher incomes required to purchase a home in Sandy Springs result in obstacles for renters to stay in Sandy Springs as homeowners. Over the past decade, the renter-owner income gap has slightly decreased, largely due to the influx of higher-earning renters.

### MEDIAN HOUSEHOLD INCOME BY TENURE

Sandy Springs, GA, 2011-2018



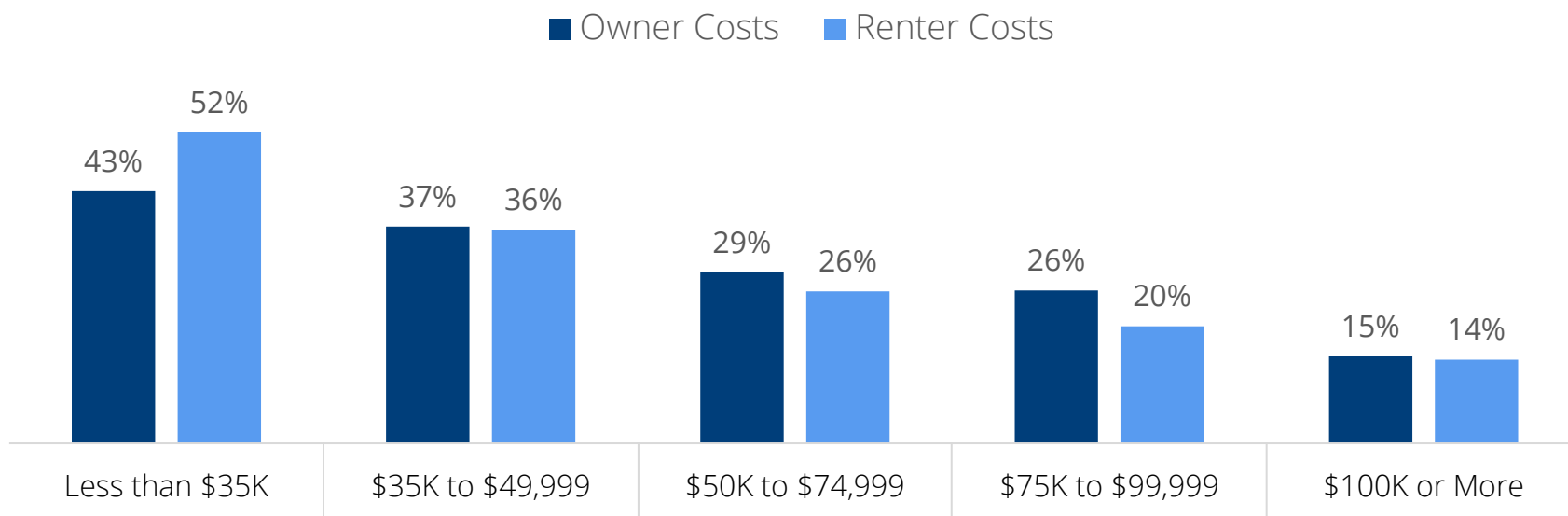
# OVERALL MARKET | HOUSING COSTS AND INCOME

## Lower income households pay the highest percentage of income on housing costs.

The below graphic shows the typical amount an owner or renter household will spend on housing as a percentage of their annual income. The average household (both owner and renter) in Sandy Springs earning less than \$50K annually is housing “cost-burdened,” meaning they pay more than 30% of their annual income on housing. Being housing cost-burdened is detrimental to overall quality of life as these households have less income to spend on other essential costs such as food, clothing, and transportation. The average household earning over \$50K annually is not housing cost burdened.

## AVERAGE HOUSING COSTS AS A PERCENTAGE OF INCOME

Sandy Springs, GA, 2018



*Note: excludes households which pay over 100% of income on housing*



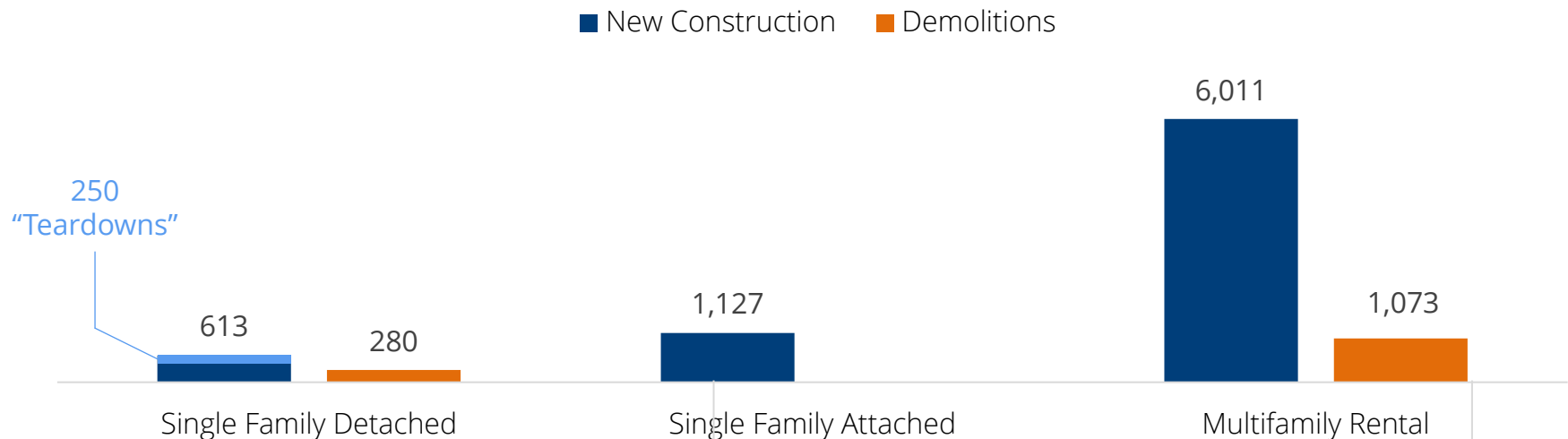
## OVERALL MARKET | UNITS IN STRUCTURE

### Sandy Springs is largely growing due to multifamily rental buildings.

As undeveloped land in Sandy Springs has become increasingly scarce in recent decades, population growth has been accommodated in the City primarily through multifamily housing. Of the 7,722 total housing units added between 2010 and 2019, 78% were in multifamily rental buildings. 1,353 existing units were demolished, mostly to make room for the development of new, “luxury” apartments and large single-family homes. Net new construction included 333 single-family detached units, 1,127 single-family attached units, and 4,938 multifamily rental units.

### CHANGE IN UNITS IN STRUCTURE

Sandy Springs, GA, 2010-2019



*Note: “Teardowns” indicate 1-for-1 replacement units such as when an older single-family home is replaced with new single-family home. Of the 280 single-family detached units that were demolished from 2010-2019, 250 were demolished as part of a “teardown.” 124 condominium ownership units were included as single-family attached because they were constructed as townhome-style units and not multifamily condominium units.*

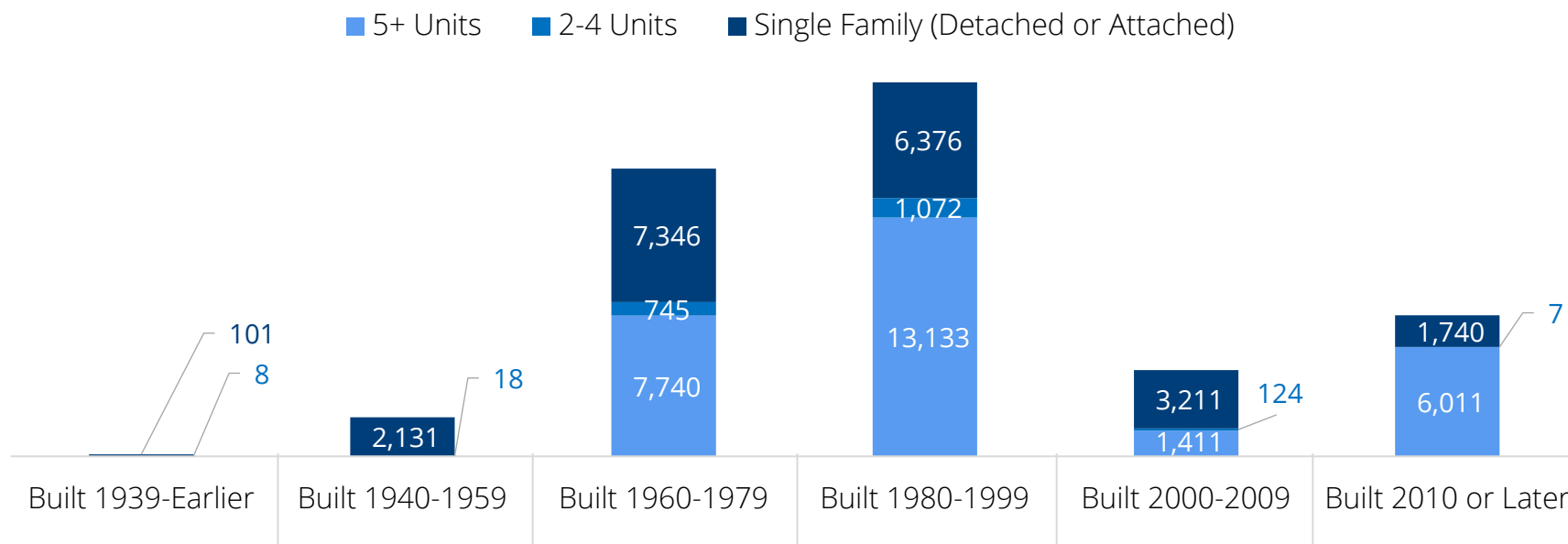
# HOUSING MARKET | HOUSING TYPE BY YEAR BUILT

**More than four times as many multifamily units were built in Sandy Springs in the 2010s compared to the 2000s, but these units represent only 21% of the total multifamily stock.**

71% of Sandy Springs' housing stock was constructed between 1960 and 1999, which indicates that many single-family homes and multifamily apartments require renovation. Local real estate agents noted that many young families choose to buy single-family homes in other municipalities in North Atlanta, where they often find larger and newer homes for lower prices.

## UNITS IN STRUCTURE BY YEAR BUILT

Sandy Springs, GA, 2019



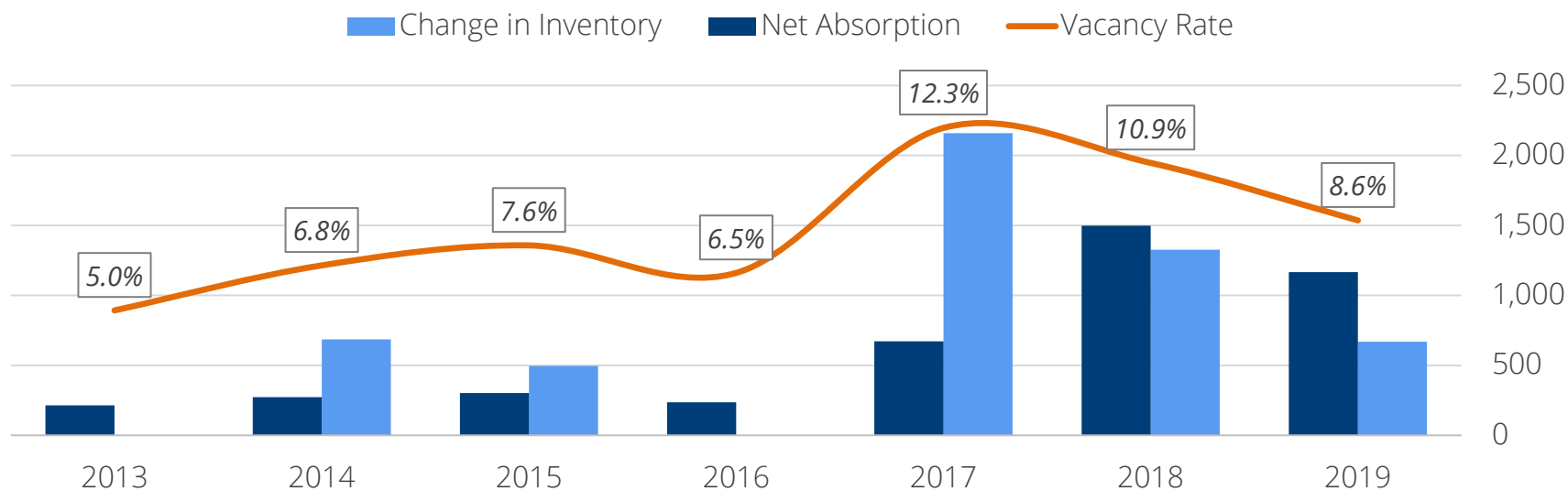
# HOUSING MARKET | DELIVERIES AND ABSORPTION

**In Sandy Springs, multifamily deliveries reached a peak in 2017 and have declined since then.**

Over 6,700 units were delivered between 2013 and 2019. While more multifamily has been built in Sandy Springs compared to neighboring municipalities over this time period, deliveries have declined substantially since 2017. As developers noted in stakeholder interviews, the enactment of a new building code amendment in 2017 caused the construction of most new multifamily buildings to be financially infeasible.

## RENTAL DELIVERIES, ABSORPTION, AND VACANCY

Sandy Springs, GA, 2013-2019



*Note: Net absorption refers to the net change in occupied units in the specified time period of time.*

# HOUSING MARKET | DELIVERIES

**From 2010-2017, there was an active pipeline of developments in Sandy Springs, which has dwindled in recent years.**

Multifamily deliveries result in the creation of new housing units, which are necessary to accommodate the continued influx of new residents in Sandy Springs. New construction occurred mostly in Subareas 2, 3, and 4, accompanied by renovation projects in Subarea 7.

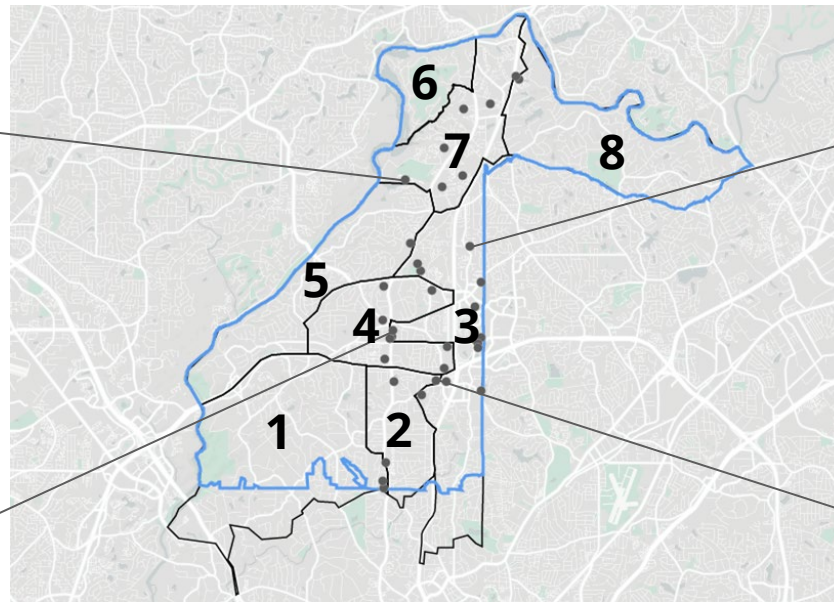


**Edgewater Apts**  
Built 1985 (Reno. '15)  
760 Units | \$1.17/SF



**Modera Apts**  
Built 2017  
313 Units | \$1.86/SF

## MULTIFAMILY DELIVERIES (INCLUDING RENOVATION) Sandy Springs, GA, 2010-2020 YTD



**Linq Apts**  
Built 2017  
236 Units | \$1.70/SF



**Windsor Apts**  
Built 2011  
160 Units | \$1.49/SF

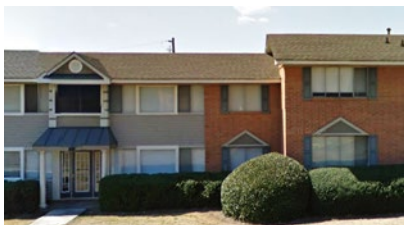
# HOUSING MARKET | DEMOLISHED APARTMENTS

**Between 2010 and 2020, 1,073 market-rate multifamily units were demolished due to redevelopment.**

In total, these four apartment communities were replaced with 1,190 multifamily units, 187 townhomes, and 120k SF of office/commercial. The redevelopment of older units with new construction has contributed to the decreasing number of affordable housing units in the City.



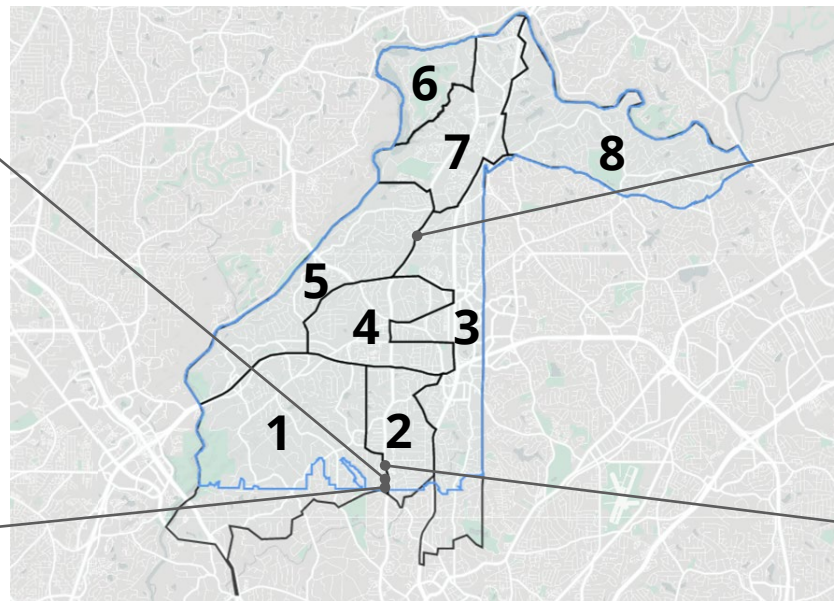
**Versailles**  
172 Units  
Demolished: 2013



**The Chastain**  
461 Units  
Demolished: 2013

## DEMOLISHED MULTIFAMILY APARTMENTS

Sandy Springs, GA, 2010-2020



**Providence North**  
120 Units  
Demolished: 2015



**Park 225**  
320 Units  
Demolished: 2015



# HOUSING MARKET | DEVELOPMENT PIPELINE

**The multifamily development pipeline is much smaller now than it was in 2017.**

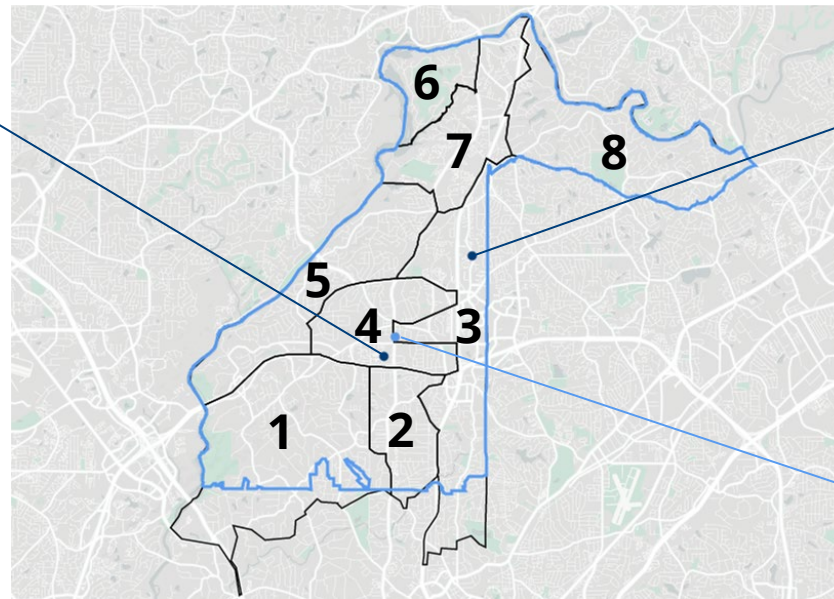
New multifamily construction, especially of rental apartments, is becoming increasingly scarce. A lack of adequate housing supply may result in an increase in the number of in-commuters, which will negatively impact traffic congestion.



**Cliftwood Flats**  
Condominiums  
*Approved*  
30 Units | \$320/SF

## PLANNED AND UNDER CONSTRUCTION MULTIFAMILY

Sandy Springs, GA, 2020



**The Dunhill**  
Condominiums  
*Closeout*  
19 Units | \$330/SF



**Adley City Springs**  
Apartments  
*Closeout*  
291 Units | \$2.07/SF

Overall Market Conditions

## **Homeowner Housing Needs**

Renter Housing Needs

Employer Housing Needs

# HOMEOWNER HOUSING NEEDS| SUMMARY

HR&A identified two main homeowner housing key findings:



## Entry Level Housing

**Sandy Springs lacks “entry-level” single-family homeownership opportunities.** 81% of attached and detached single-family homes are sold above \$400K, a price that is generally unaffordable to most households earning less than \$115K annually.



## Aging Population

**Sandy Springs homeowners are increasingly becoming older and wealthier as for-sale housing in the city is becoming less accessible to young and middle-aged families.** Citywide, households of most age groups are increasing while homeownership is only growing for those aged 55 and over.

**Below are five data points that support the needs narrative:**

1

### Home Price

**It is more expensive to buy a home in Sandy Springs compared to the region.** The median home price in Sandy Springs is 105% higher than the MSA and 18% higher than North Atlanta.

2

### Price Appreciation

Over the past decade, the median annual home price appreciation in Sandy Springs was 7.5%, which has contributed to **a lack of “entry-level” single family homeownership opportunities.**

3

### Homeowner Demographics

**The typical homeowner in Sandy Springs is becoming older and wealthier.** Between 2011 and 2018, the fastest-growing demographics were homeowners aged 55+ and households with annual incomes above \$100K.

4

### Housing Gaps

**A housing supply gap exists for “entry-level” single family homes priced below \$400K.** Only 19% of single-family home sales over the past 4 years fell into this category.

5

### Cost Burden

**The lack of entry-level single-family homes contributes to significant housing cost burden for lower income homeowners.** Over a third of owner households earning less than \$75K are cost burdened.



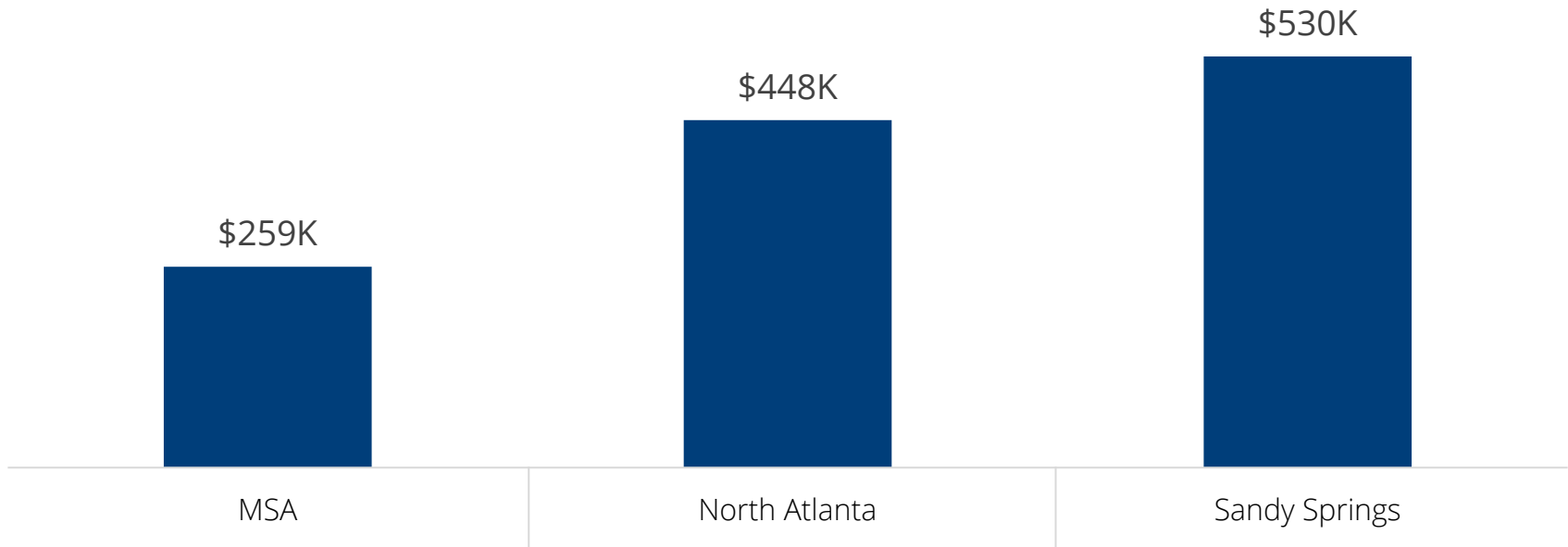
## HOMEOWNER HOUSING NEEDS | HOME PRICE

**Median home prices in Sandy Springs exceed North Atlanta and the MSA, reflecting Sandy Springs' desirable location in the region.**

Despite median household income being higher in North Atlanta (\$89K) compared to Sandy Springs (\$74K), the median home is more expensive in Sandy Springs than the rest of the region. In stakeholder interviews, local employers and real estate agents noted that proximity to employment centers drives the higher prices for homes in Sandy Springs.

### MEDIAN HOME PRICE

MSA, North Atlanta, Sandy Springs, GA, June 2019



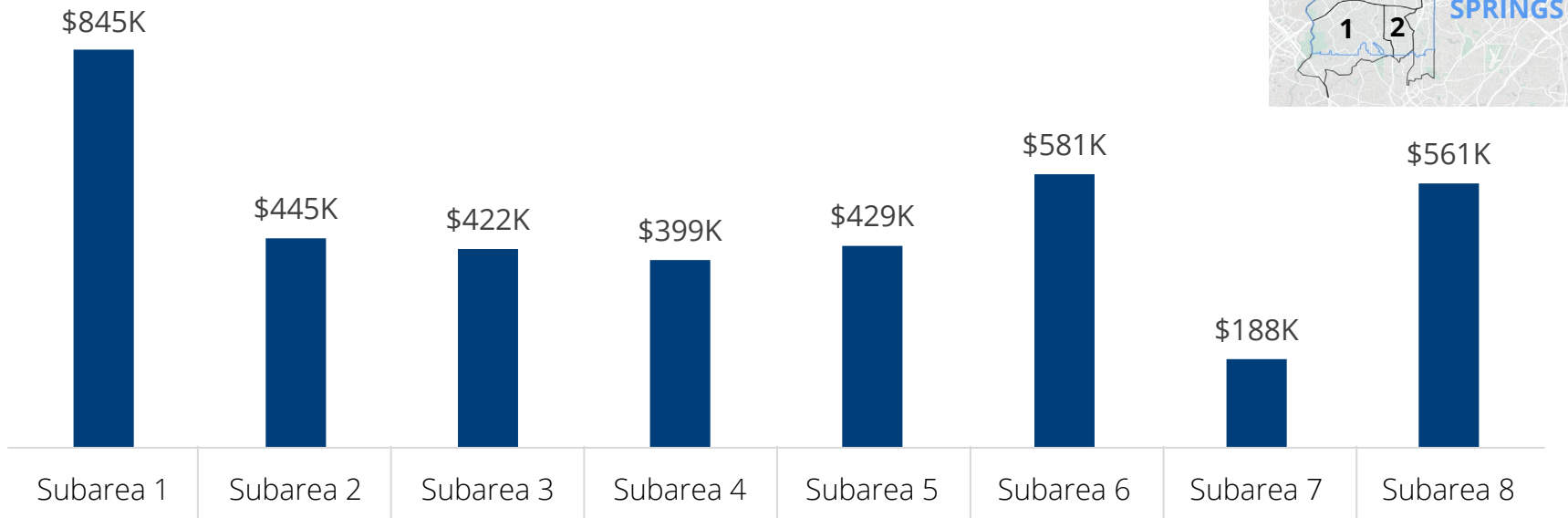
# HOMEOWNER HOUSING NEEDS | HOME VALUE

**Subareas 1, 6, and 8 have the highest home values in Sandy Springs. The concentration of condominiums and townhomes in Subarea 7 results in lower median home values.**

The variance in home value across the Subareas reflects the uneven geographic distribution of housing typologies across the City. As condos and townhomes tend to sell for lower prices than comparable single-family homes, home values are generally lower in Subarea 7 compared to the other Subareas. Newly constructed and renovated homes in Subareas 1, 6, and 8 drive higher prices in these areas. Housing affordability and need varies significantly across the City, as the median home value by Subarea ranges from \$188K to \$845K.

## MEDIAN HOME VALUE

Subareas, 2018



*Note: Because the most recent census data on the block group level is from 2018, home values on this slide lag present-day values.*

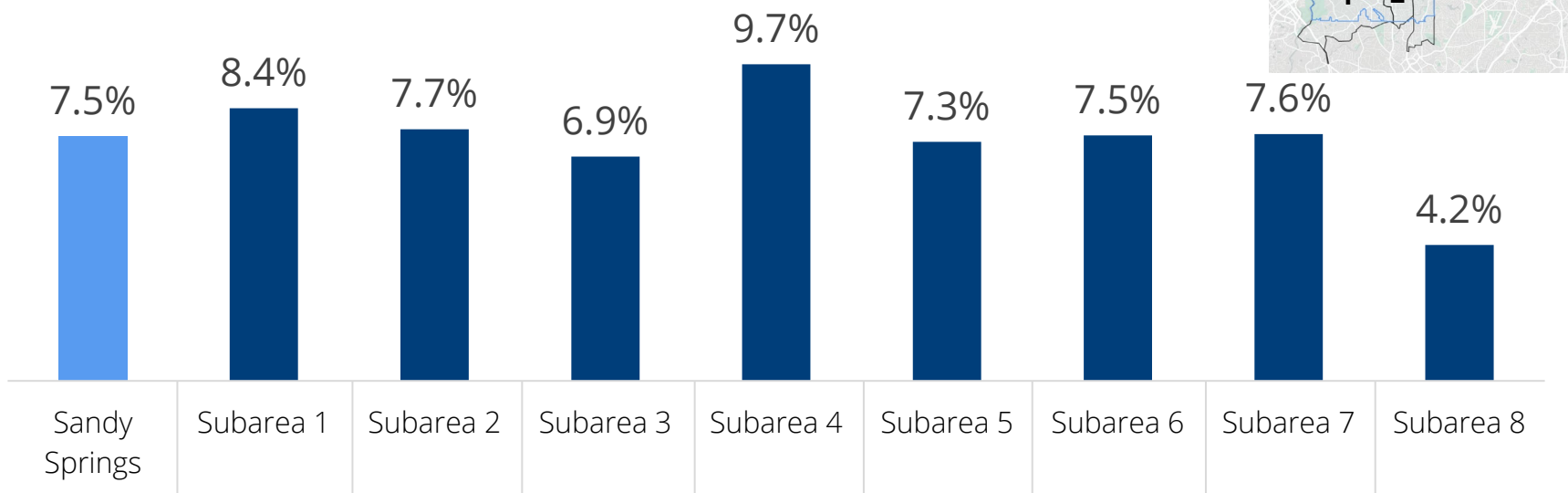
# HOMEOWNER HOUSING NEEDS| PRICE APPRECIATION

**Despite the lower overall home values in Subarea 7, price appreciation is consistent with the rest of Sandy Springs.**

Sandy Springs has experienced a high rate of price appreciation over the past decade. To use an illustrative example, a home priced at \$300K in 2010 would be worth \$575K in 2019 when a 7.5% annual price appreciation rate is applied. At the same time, median incomes have grown at an annual rate of 1.5% over the past decade. This mismatch in income and home price growth indicates that housing is becoming less affordable to many households throughout Sandy Springs. Housing affordability has declined even in Subareas with the lowest home values, as the median home price increased by nearly 30% since 2010 in Subarea 7.

## MEDIAN ANNUAL PRICE APPRECIATION

Sandy Springs, GA and Subareas, 2010-2019



*Note: To account for outliers, all sales less than \$50K as well as properties that appreciated or depreciated more than ¼ of a standard deviation from the mean were excluded from this analysis.*

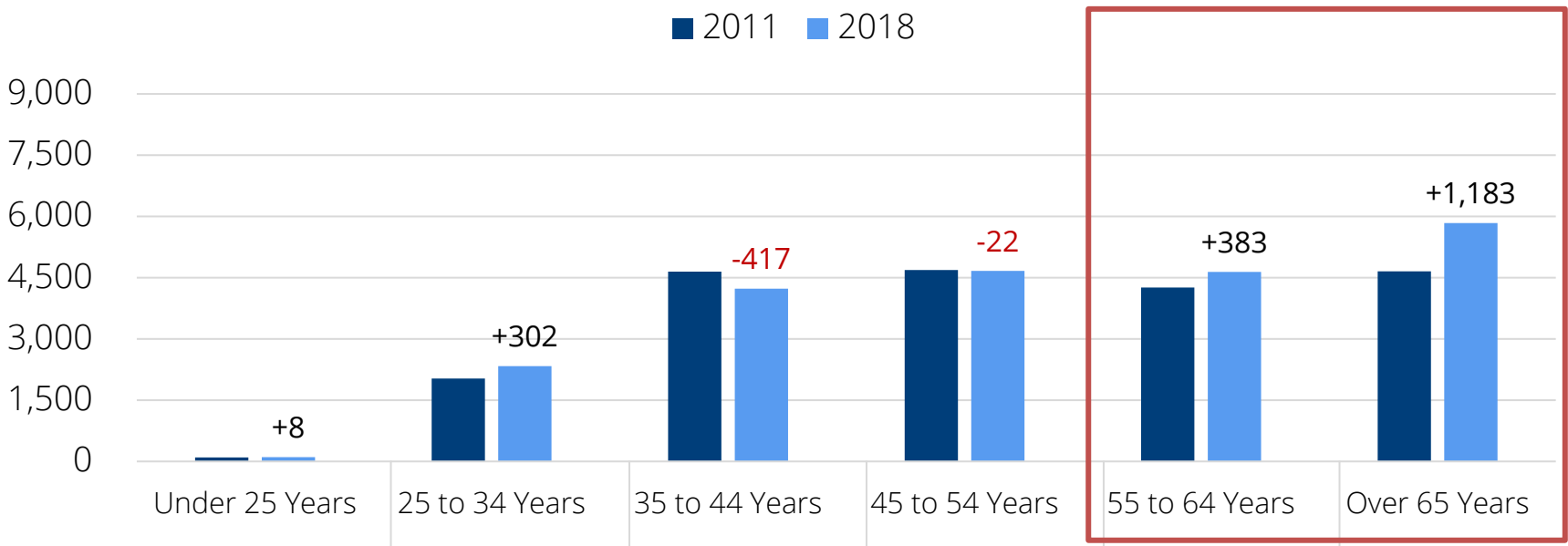
# HOMEOWNER HOUSING NEEDS | AGE

**The homeowner population is aging as the production of new owner housing declines. This reduces the share of homeowner households in the workforce.**

Between 2011 and 2018, Sandy Springs added 1,566 homeowners aged 55 or older while also losing 439 homeowners aged between 35 and 54. These trends suggest that existing homeowners are aging-in-place and new homebuyers are primarily older adults moving to Sandy Springs. As the homeowner population skews older, fewer owner households are in the workforce, which is significant because the City's continued economic growth is contingent upon its success as a regional employment center for the MSA.

## OWNER HOUSEHOLDS BY AGE OF HOUSEHOLDER

Sandy Springs, GA, 2011-2018



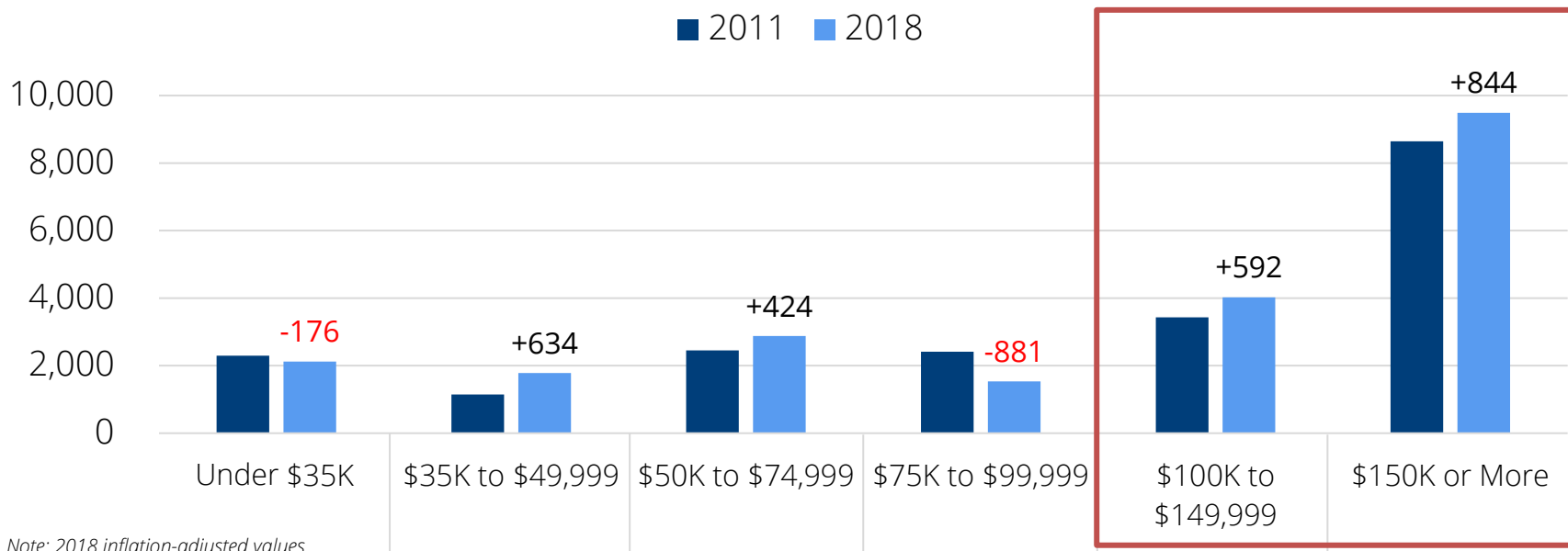
# HOMEOWNER HOUSING NEEDS | INCOME

## Sandy Spring's owner households are becoming wealthier.

The majority of owner households in Sandy Springs have incomes above \$100K annually, which in part is a reflection of the City's home prices. Rapid price appreciation over the past decade has led to further increases in the share of owner households with incomes greater than \$100K. As real estate agents noted in stakeholder engagement, many young families choose to buy homes in other areas of North Atlanta over Sandy Springs due to the City's high housing costs and lack of "entry-level" single-family homeownership opportunities.

## OWNER HOUSEHOLDS BY HOUSEHOLD INCOME

Sandy Springs, GA, 2011-2018



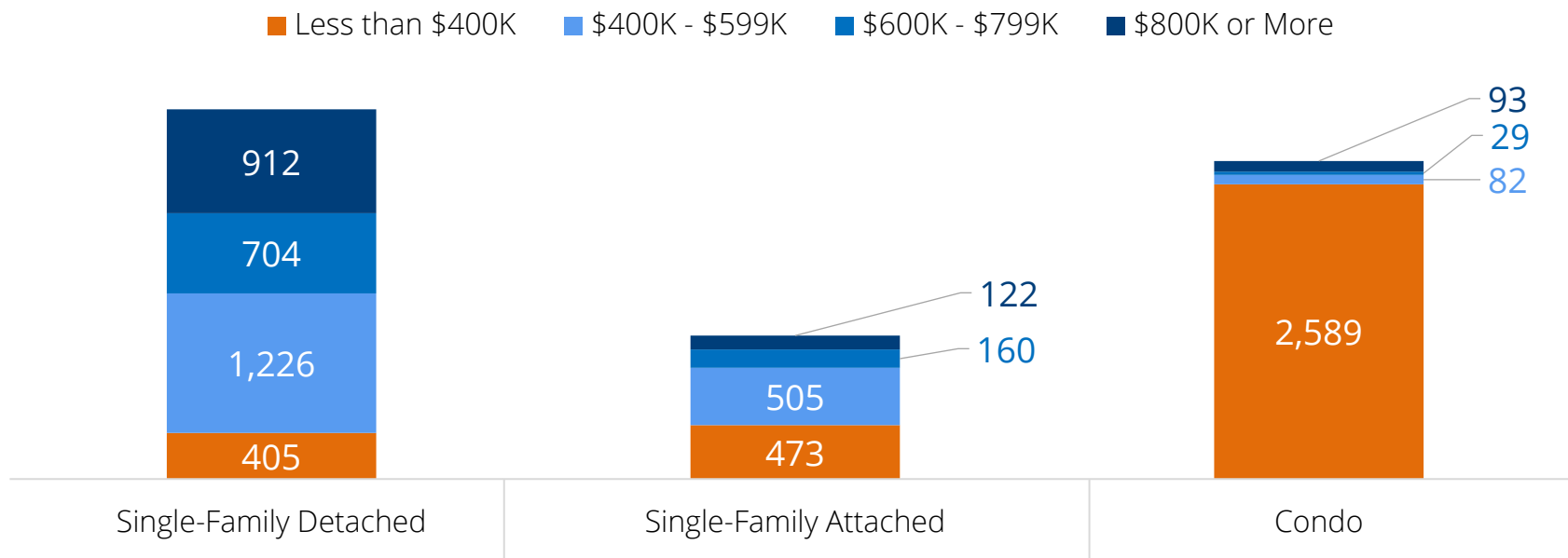
# HOMEOWNER HOUSING NEEDS | HOME SALES

**In Sandy Springs, single-family homes (attached and detached) are less affordable than condominium units.**

Between 2017 and 2019, 81% of single-family homes (attached and detached) were sold for more than \$400K, while 93% of condos were sold for less than \$400K. This demonstrates a lack of “entry-level” single-family housing opportunities. Condo units, while providing more housing affordability, tend to be older, as exemplified by the fact that no condominiums have delivered in Sandy Springs in the past decade. Furthermore, young families who are in the market for buying a home tend to prefer single-family over multifamily typologies.

## HOME SALES BY SALE PRICE AND HOUSING TYPE

Sandy Springs, GA, 2017-2019



# HOMEOWNER HOUSING NEEDS | SINGLE FAMILY SALES

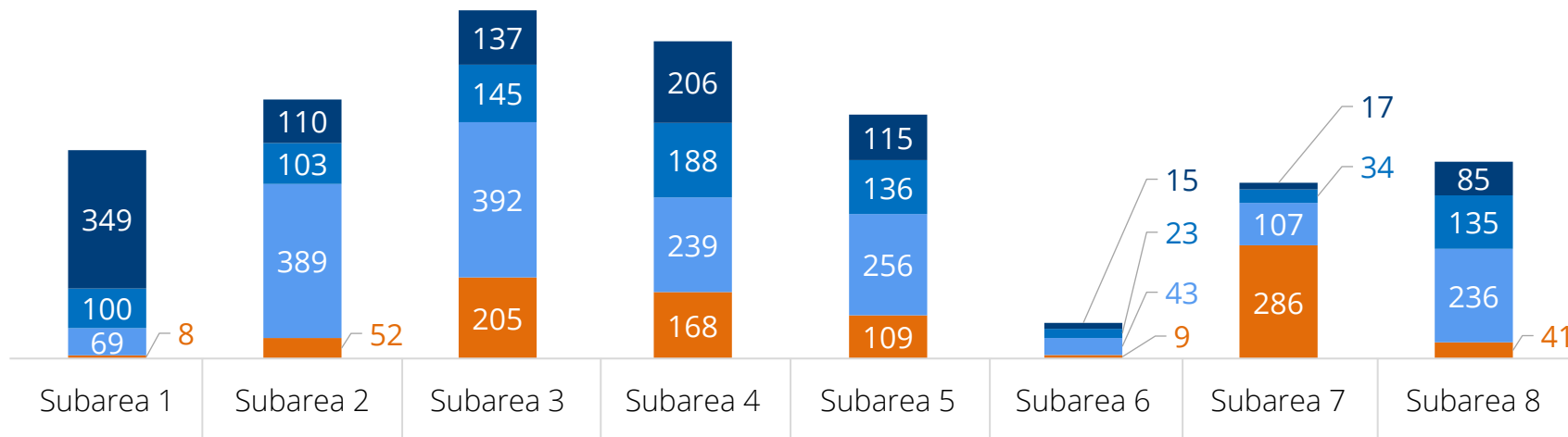
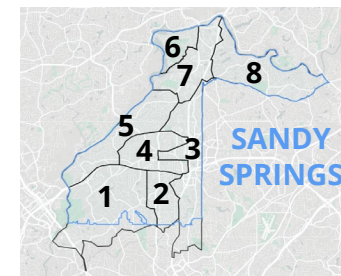
**Most single-family homes were sold for over \$400K from 2017 to 2019. Sales in the \$400K - \$600K category tend to be transactions of older homes that may require renovation.**

From stakeholder engagement, there is a perception that the largest single-family supply gaps exist for “entry-level” homes in the \$200K - \$400K price range and “move-in ready” new construction in the \$400K - \$600K price range. As most of the single-family housing stock within the City was built between 1960 and 2000, it is likely that a significant number of the homes priced in the \$400K - \$600K range are older homes that require investment. Subarea 1 has the most homes priced over \$1M, consistent with its high median home value (\$845K).

## SINGLE-FAMILY (ATTACHED AND DETACHED) SALES BY SALE PRICE

Subareas, 2017-2019

■ Less than \$400K ■ \$400K - \$599K ■ \$600K - \$799K ■ \$800K or More



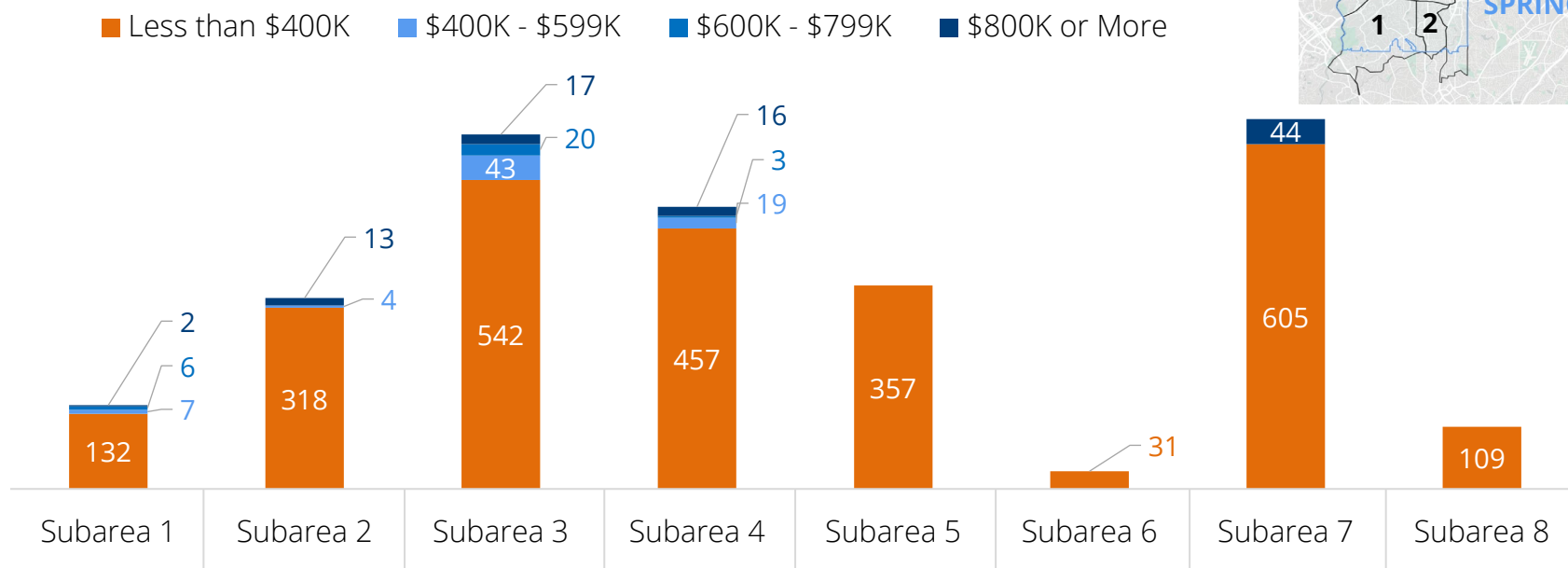
# HOMEOWNER HOUSING NEEDS | CONDO SALES

**93% of condos sell below \$400K. Newer condo development in Subareas 1, 2, 3, and 4 drive more sales in the \$250K to \$400K range.**

In contrast to single-family homes sales, the vast majority of condos sell for less than \$400K. 89% of condos in Subarea 7 are priced under \$250K due to the prevalence of older units built before 2000. Condos constructed post-2000 in Subareas 1, 2, 3, and 4 have sold at higher prices in the \$250K - \$400K range. On average, a household with an annual income of \$100K would be able to afford a condo priced at \$340K. Although condos that sell at that price are 1,850 square feet on average, many young families in the region prefer single-family home typologies.

## CONDO SALES BY SALE PRICE

Subareas 2017-2019





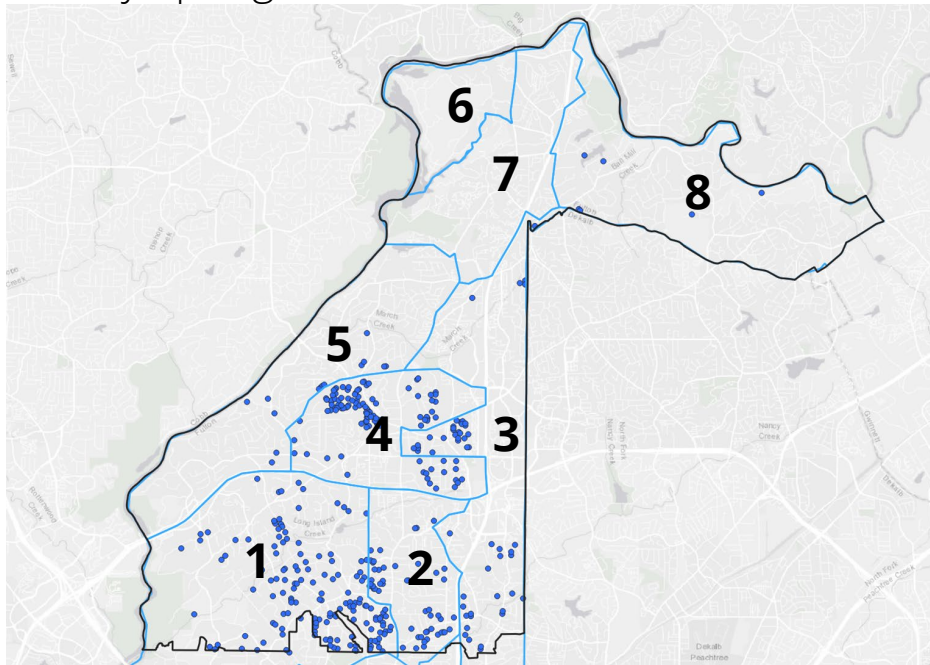
# HOMEOWNER HOUSING NEEDS | TEARDOWNS

**Between 2011 and 2020, an estimated 250 to 350 single-family homes were demolished and replaced with new construction single family, referred to as “teardowns”.**

The median value of new single-family homes resulting from teardowns was \$1.25M in 2019. The median value of these single-family homes prior to being torn down was \$312K in 2011. Teardowns were concentrated in Subareas 1, 2, 3 and 4, all of which had a substantial number of sales in the \$400K - \$600K price range. This is consistent with our finding that many homes in the \$400K - \$600K price range require renovation.

## **SINGLE-FAMILY HOMES DEMOLISHED AND REPLACED W/ NEW CONSTRUCTION SINGLE FAMILY, OR “TEARDOWNS”**

Sandy Springs, GA, 2011-2020



● Single-Family Teardown

*Note: Estimates based on Tax Assessor appraisals and reflect homes that were likely demolished and replaced using an HR&A methodology.*

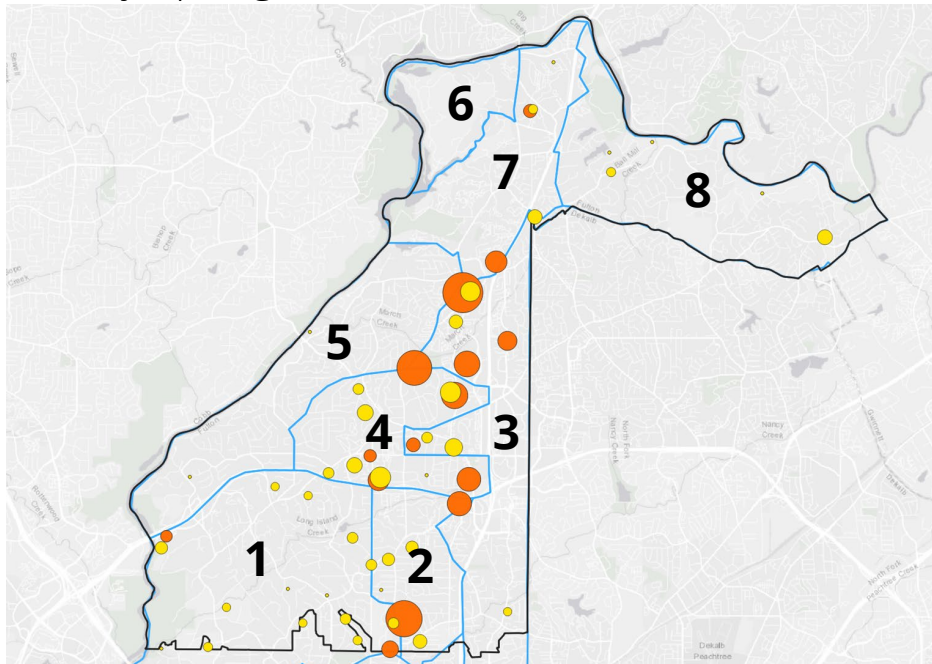
# HOMEOWNER HOUSING NEEDS| NEW CONSTRUCTION

**Between 2011 and 2020, 333 single-family homes and 1,127 townhomes/condos were added to Sandy Springs**

The map below shows all new construction (excluding teardowns/rebuilds) since 2011. Consistent with employment being one of the primary factors attracting new residents to Sandy Springs, new construction was concentrated in Subareas 1, 2, 3, and 4. These Subareas are proximate to Perimeter Center and regional commuter corridors such as I-285, GA-400, and Roswell Road. 9 large (more than 50 units) townhome subdivision developments constituted a majority of the single-family homes built.

## NEW HOMEOWNER CONSTRUCTION BY HOUSING TYPE

Sandy Springs, GA, 2011-2020



 Number of new units (circle size)

 Single-Family Detached

 Townhomes/Condos

*Note: Does not include teardowns of single-family homes. Townhomes and condos were categorized together because the 124 condos delivered since 2011 were “stacked townhouses” and “stacked flats” building typologies, which are characteristically similar to townhomes.*

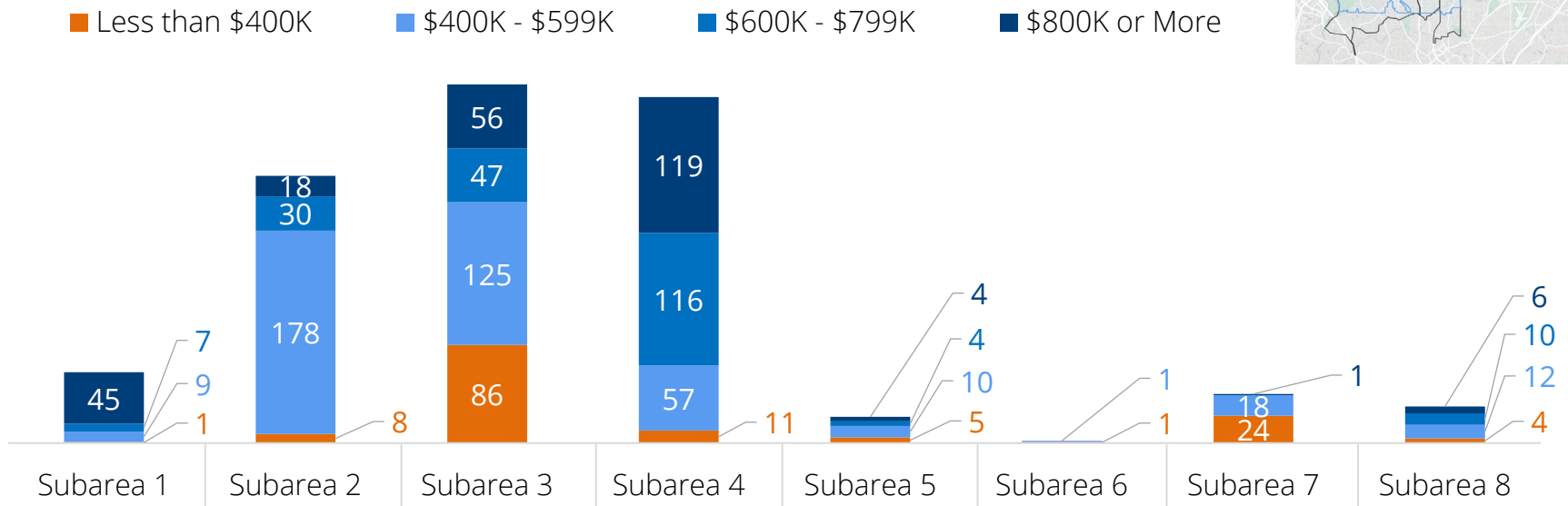
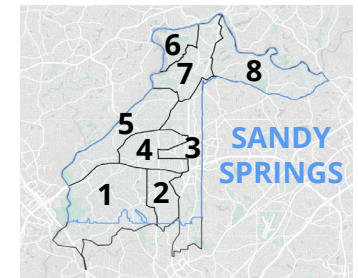
# HOMEOWNER HOUSING NEEDS | NEW CONSTRUCTION SALES

**Not including teardowns, 86% of new construction attached and detached single-family homes built within the last decade sold above \$400k in recent years.**

While 81% of all single-family homes (attached and detached) sold for more than \$400K between 2017 and 2019, an even greater proportion (86%) of newly built single-family homes sold for above that price threshold. Consistent with the geographic distribution of new construction shown on the previous page, the quantity of new, single-family home sales was highest in Subareas 1, 2, 3, and 4. Newly constructed single-family homes sold for higher prices in Subarea 4, with 39% of sales being priced at \$800K or more. Price premiums in that Subarea are in part driven by its central location relative to City Springs and Perimeter Center.

## NEW CONSTRUCTION (BUILT 2010-2020) SINGLE-FAMILY (ATTACHED AND DETACHED) SALES BY SALE PRICE

Subareas, 2017-2019



# HOMEOWNER HOUSING NEEDS | HOUSING AFFORDABILITY

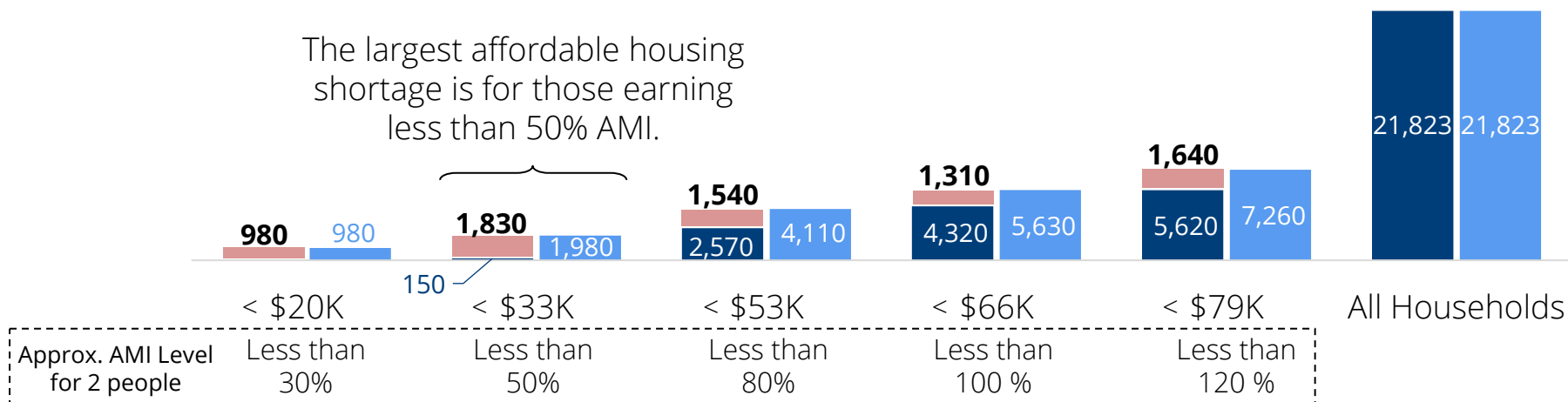
**There is a supply gap of 1,830 homeowner units below 50% AMI.**

A supply gap exists if the number of households at a given AMI level exceeds the number of units that are affordable at that AMI level. Therefore, a supply gap indicates that households are paying more than they should on housing (>30%) at the corresponding income level. The owner supply gap at less than 50% AMI indicates that of the 1,980 households that earn under this threshold, 1,800 are spending more than 30% of their annual income on housing costs. There are supply gaps for owner units up to 120% AMI, which reflects the limited homeownership opportunities for under this income threshold. Assuming that supply meets demand for all owner households, the supply gap under 120% AMI suggests that there is a supply surplus above 120% AMI, which means that those households are spending less than 30% of their annual income on housing costs.

## OWNER UNITS AFFORDABLE TO HOUSEHOLDS BY HOUSEHOLD INCOME (CUMULATIVE)

Sandy Springs, GA, 2018

■ Supply Gap ■ Supply ■ Demand



Note: A 2-person household was assumed because the average owner household size in Sandy Springs is 2.39 people. Maximum housing costs by AMI assumes an affordability level of 30% of gross income allocated to housing, including utilities. 2018 inflation adjusted values.

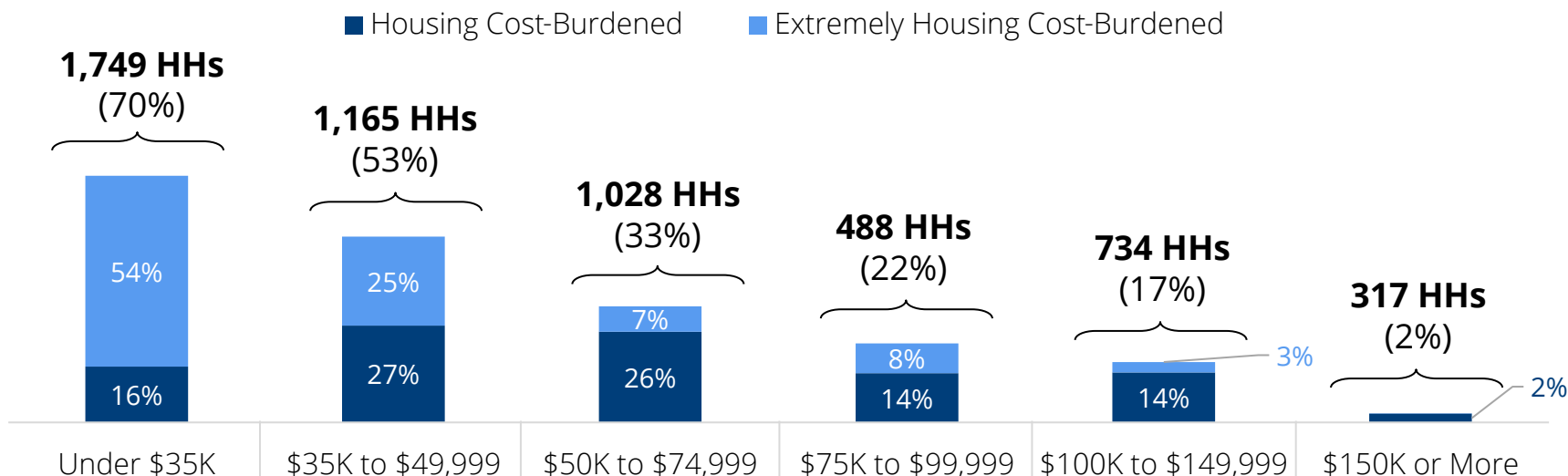
# HOMEOWNER HOUSING NEEDS | COST BURDEN

**Of the owner households earning less than \$35K annually, 70% (or 1,750 households) spend more than 30% of their annual income on housing (cost-burdened), and 54% (or 1,353 households) spend more than 50% (extremely cost-burdened).**

The graph below shows the percentage of owner households within each defined income bracket that are cost-burdened or extremely cost-burdened. The 5,481 cost-burdened households comprise 25% of all owner households in Sandy Springs. Lower-income households experience the greatest cost-burden; more than two-thirds of cost-burdened owner households earn less than \$75K annually. Because the supply of entry-level homes is limited, 36% of owner households earning less than \$150K annually spend more than 30% of their income on housing costs to live in Sandy Springs. This suggests that the City lacks affordable pathways to homeownership for households earning less than \$150K annually.

## COST-BURDENED OWNER HOUSEHOLDS

Sandy Springs, GA, 2018



*Note: Extremely Cost-Burdened households spend at least 50% of their income in housing costs. Extreme cost-burden was calculated separately from cost-burden.*

Overall Market Conditions

Homeowner Housing Needs

**Renter Housing Needs**

Employer Housing Needs

# RENTER HOUSING NEEDS | SUMMARY

HR&A identified two main renter housing key findings:

## Displacement Concerns



**Sandy Springs is losing housing for its most vulnerable renters.** This is driven by the demolition and replacement of 1,073 units of older market-rate housing over the past decade and renovations of older multifamily stock which causes rent increases. As a result, renters earning less than \$50K annually are leaving Sandy Springs due to increasing housing costs and decreasing housing supply.

## Limited New Development



**Sandy Springs' building code restrictions reduce multifamily development, prevent new renter households from moving into the City, raise housing costs, and limit the ability of the City to support new walkable, urban-style development, like City Springs.** The 2017 building code amendment, which requires concrete construction for buildings over three stories or buildings over 100,000 SF, causes new apartment development financially infeasible.

**Below are five data points that support the needs narrative:**

- 1 Rent**  
**Over the past decade, it has become more expensive to rent in Sandy Springs.** Rents have increased by 31%, while the number of apartments renting at below 80% AMI have decreased by 1,770.
- 2 Housing Gaps**  
**A supply gap of more than 5,000 units** exists for apartments that rent **below 50% AMI.**
- 3 Displacement**  
**Low-income households are leaving Sandy Springs.** Between 2011 and 2018, renter households earning less than \$50K decreased by 1,800, despite an overall increase in renter households.
- 4 Development Feasibility**  
**The 2017 building code amendment makes the construction of new apartment buildings financially infeasible** as market rents in Sandy Springs do not support concrete construction.

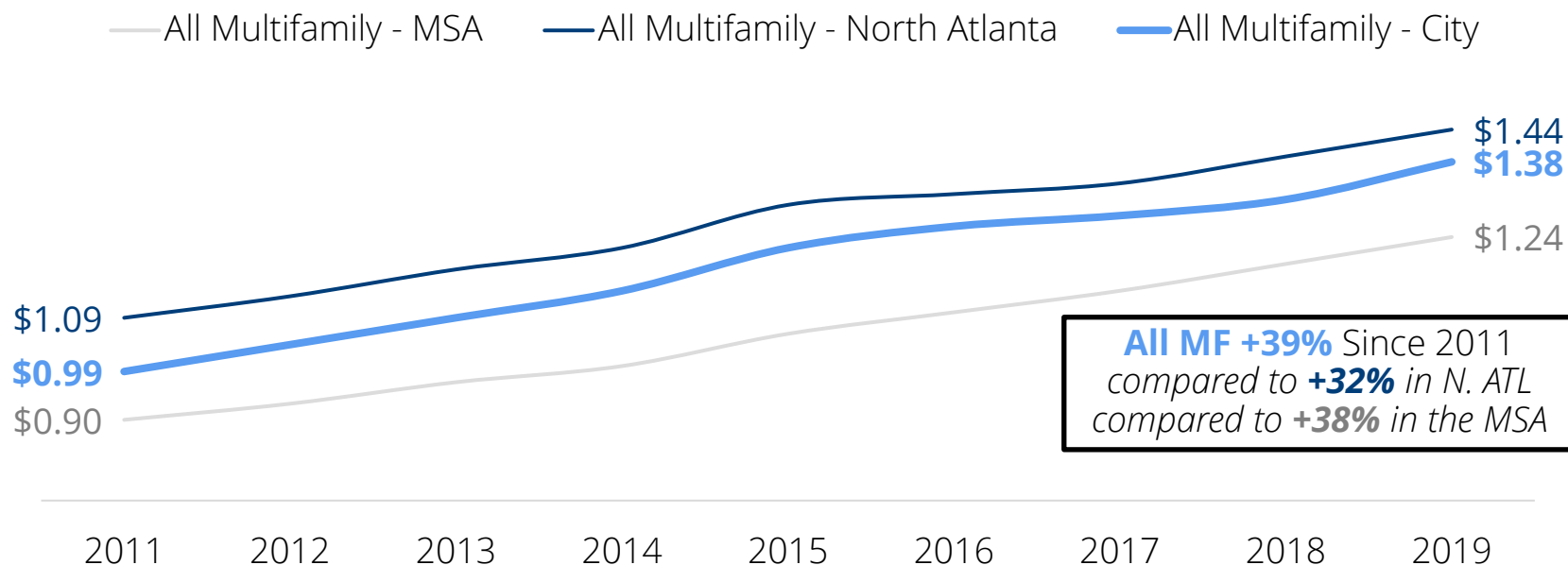
## RENTER HOUSING NEEDS | RENT

**Rents are steadily increasing in Sandy Springs and across the region. Since 2011, it has been more expensive to rent in North Atlanta (including Sandy Springs) than the MSA.**

Between 2011 and 2019, Sandy Springs experienced a greater percent increase in rents than both North Atlanta and the MSA. Over the past decade, rents in Sandy Springs increased by 4.2% annually, marginally outpacing growth in renter income (4.0%). However, renter income growth was largely driven by the high-earning renters moving into Sandy Springs rather than wealth generation in existing households. Rapid growth in rents has constrained housing affordability in the City. For example, an apartment unit renting at \$1,000 in 2011 would rent for \$1,390 in 2019, assuming a 39% increase in price.

### AVERAGE EFFECTIVE RENT PER SF

MSA, North Atlanta, and Sandy Springs, GA, 2011-2019





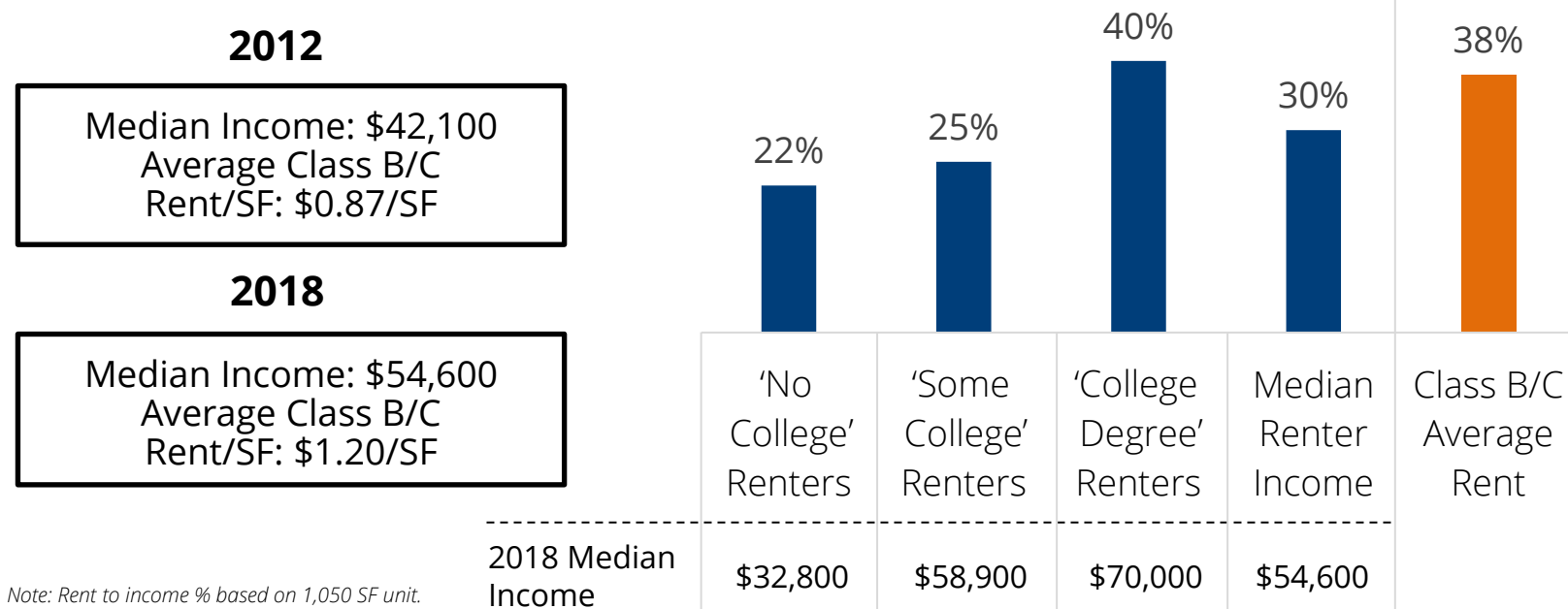
# RENTER HOUSING NEEDS | RENT AND INCOME INCREASES

**Rents are increasing faster than incomes in Sandy Springs, which leads to displacement.**

From 2012 to 2018, rent increases among Class B and C apartments, a building type often referred to as “Naturally Occurring Affordable Housing (NOAH),” outpaced median income growth for all groups except renters with college degrees. Because Class B and C apartment buildings typically contain older units that provide a greater level of housing affordability, rent increases in those buildings have the most significant impact on lower income renter households. Lower income renters, who tend to have lower levels of educational attainment, face displacement pressures as rents have increased faster than incomes.

## CHANGE IN RENTER INCOMES AND RENT BY DEGREE STATUS

Sandy Springs, GA, 2012-2018



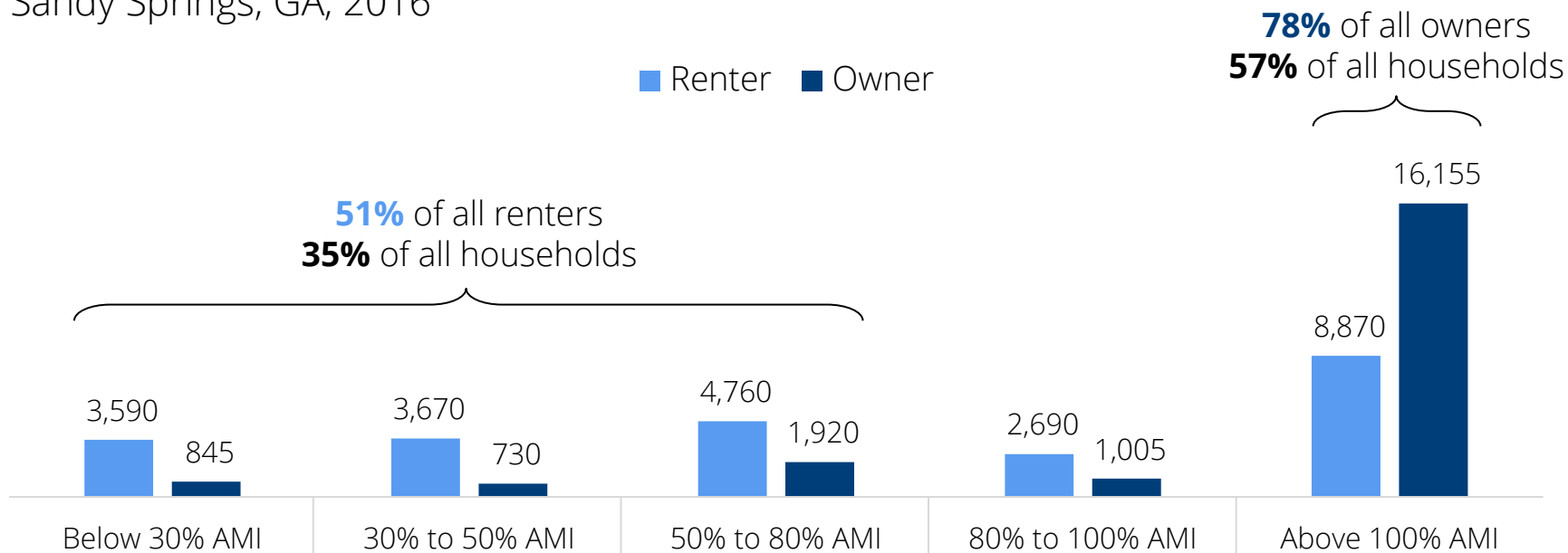
## RENTER HOUSING NEEDS | HOUSING AFFORDABILITY

**The majority of renter households earn less than 80% AMI annually. Renters are 77% of all households under 80% AMI.**

Renters make up a disproportionate amount of households earning less than 80% AMI. While 78% of owner households in Sandy Springs earn above 100% AMI, renter households are most likely to earn less than 80% AMI annually. The 80% AMI threshold is significant because “workforce” or “missing middle” housing (as defined in the key terms section) refers to units at 80% AMI to 120% AMI. The difference in household distributions by tenure across AMI bands shows that there is limited household income overlap among renter and owner households.

### SHARE OF HOUSEHOLDS BY AMI BENCHMARKS

Sandy Springs, GA, 2016



\* 2016 is the most current Comprehensive Housing Affordability Strategy (CHAS) data available. CHAS only provides data up to 100% AMI. Aggregated across all household sizes.

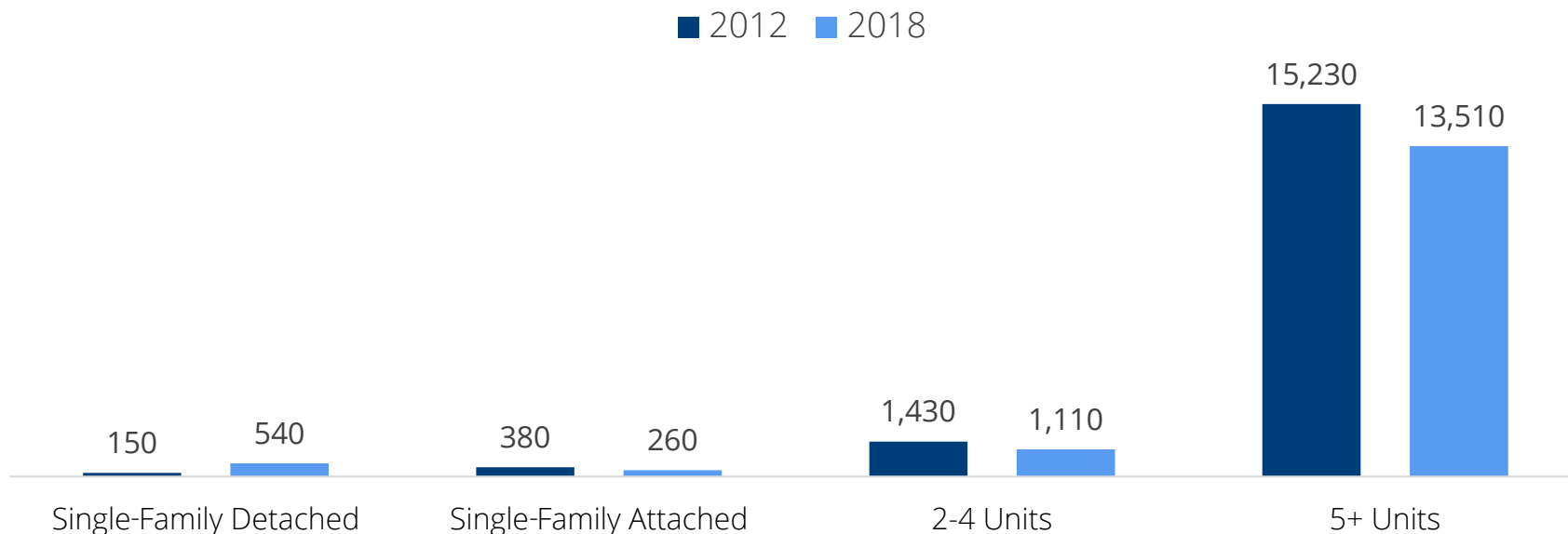
## RENTER HOUSING NEEDS | 80% AMI HOUSING STOCK

**A decreasing share of units are renting at less than 80% AMI across all household sizes since 2012.**

Despite a net increase of nearly 5,000 multifamily rental units over the past decade, there was a net loss of 1,720 multifamily units (in 5+ unit structures) renting at less than 80% AMI. Most rental units below 80% AMI are older apartments, whereas new construction typically rents at above 80% AMI. However, the recent decline in rental housing affordability is more so a result of rents in existing properties increasing above the 80% AMI threshold, rather than the redevelopment of older properties. Given the diminishing supply of rental units less than 80% AMI, lower-income households are more likely to become housing cost-burdened should they wish to remain in the City.

### RENTAL UNITS LESS THAN 80% AMI

Sandy Springs, GA, 2012-2018



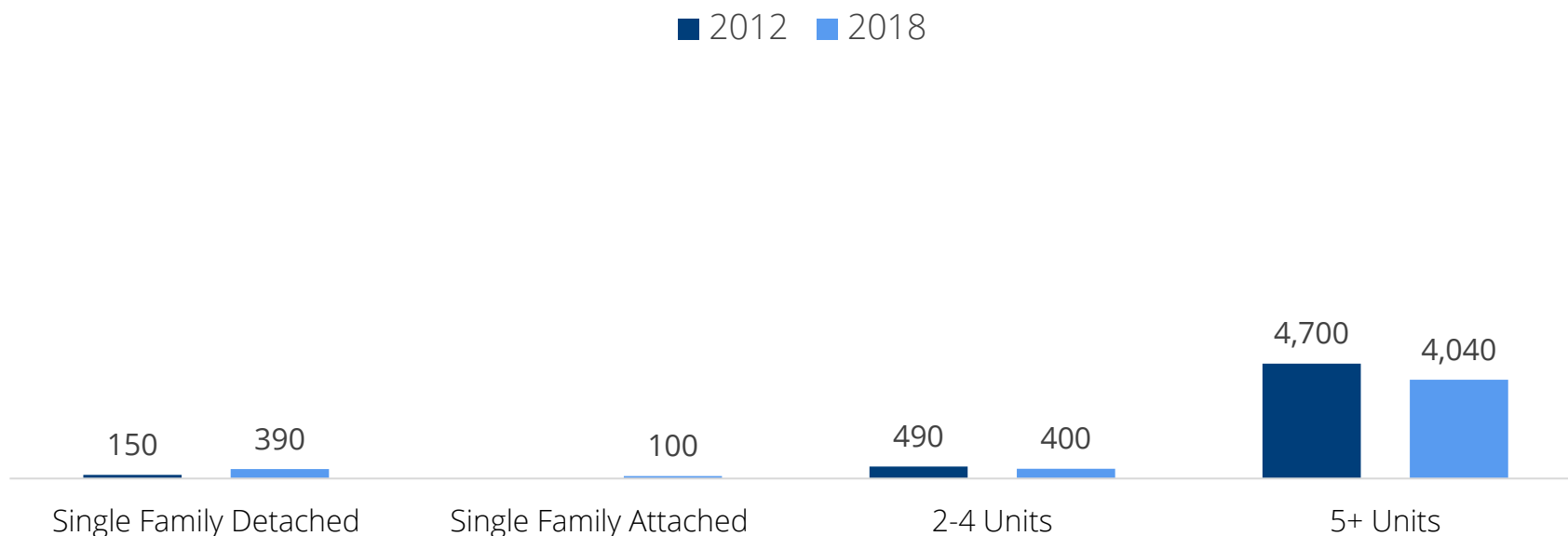
## RENTER HOUSING NEEDS | 60% AMI HOUSING STOCK

**Over the same time period, the number units renting at less than 60% AMI also fell across all household sizes.**

Between 2012 and 2018, the loss of units renting at under 60% AMI was less dramatic compared to the loss of units renting at under 80% AMI, because the 60% AMI rental market is less than a third of the size of the 80% AMI rental market. This not only indicates that housing supply drops precipitously at lower AMI levels, but also that the loss of rental housing affordability in Sandy Springs is largely occurring at rents between 60% and 80% AMI. Average wages in the retail industry (\$36K) fall within these income bands (assuming a 1-person household).

### RENTAL UNITS LESS THAN 60% AMI

Sandy Springs, GA, 2012-2018



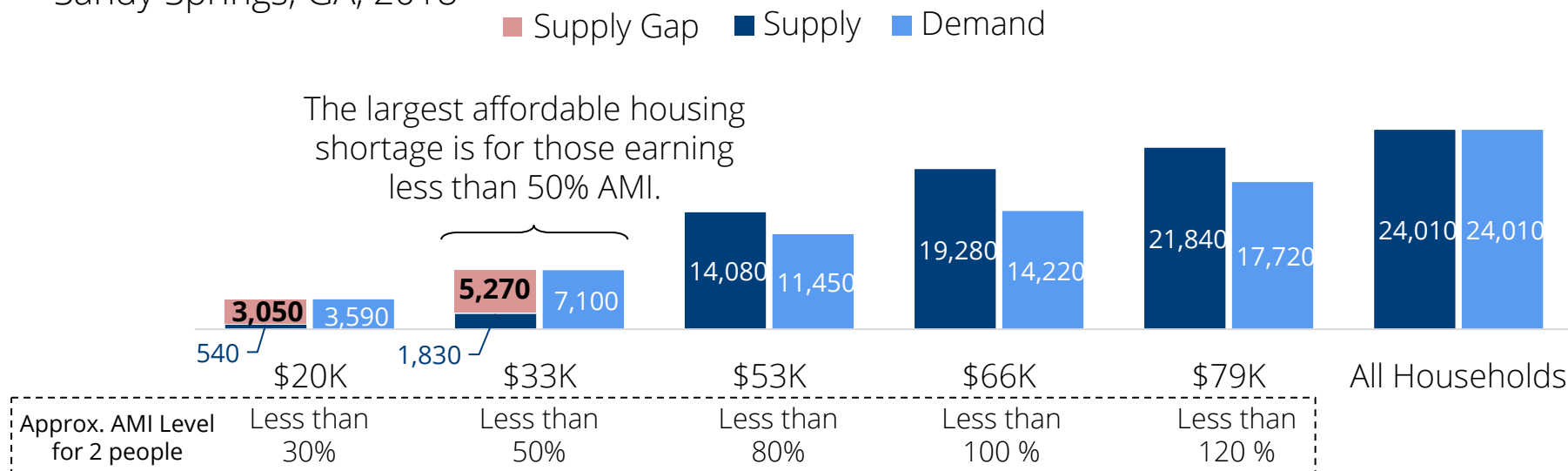
# RENTER HOUSING NEEDS | HOUSING AFFORDABILITY

**There is a supply gap of 5,270 units renting below 50% AMI.**

A supply gap indicates that households at a given AMI level are paying more than they should on housing (>30%) because the housing stock does not provide sufficient affordability at that income level. The supply gap below 30% AMI is 3,050 units. Between 30% and 50% AMI, there is a supply gap of 2,220 units. The graph below suggests that low-income households are renting units at above 50% AMI even if they cannot afford it. The total supply gap indicates that 5,270 renter households cannot afford to live in Sandy Springs. To live in the City, these households spend more than 30% of their annual income on housing costs and are housing cost-burdened.

## RENTAL UNITS AFFORDABLE TO HOUSEHOLDS BY HOUSEHOLD INCOME (CUMULATIVE)

Sandy Springs, GA, 2018



*Note: A 2-person household was assumed because the average renter household size in Sandy Springs is 2.20 people. Maximum housing costs by AMI assumes an affordability level of 30% of gross income allocated to housing, including utilities. 2018 inflation adjusted values.*

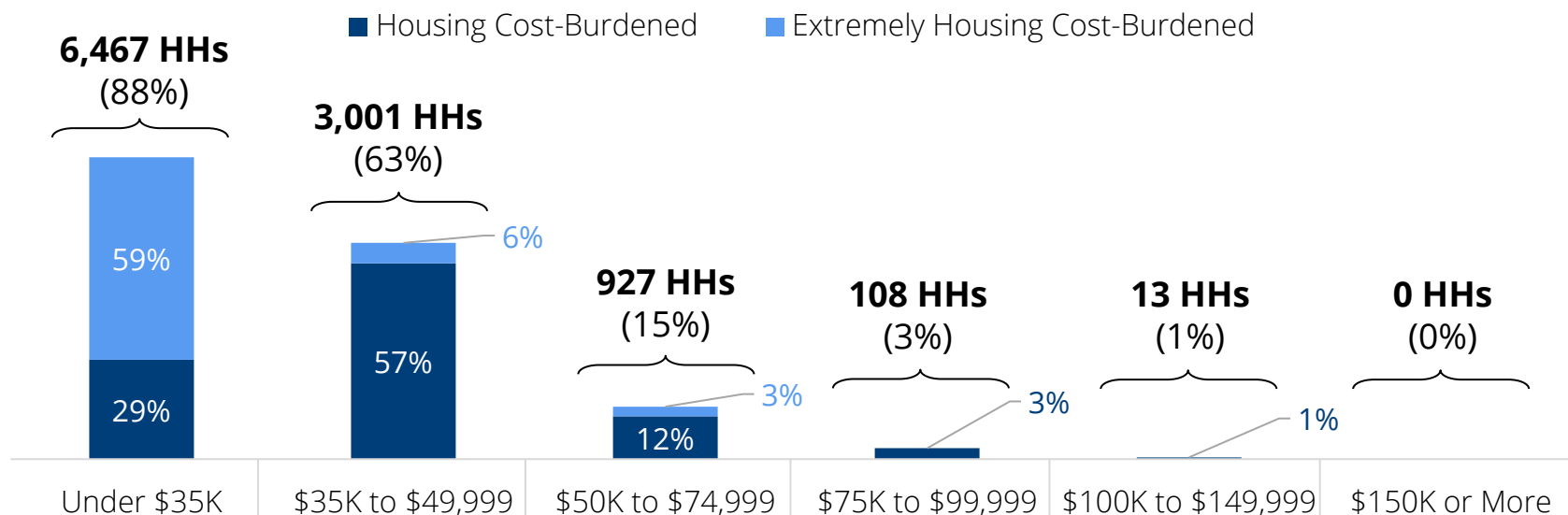
# RENTER HOUSING NEEDS | COST-BURDEN

**Of the owner households earning less than \$35K annually, 88% (or 6,467 households) spend more than 30% of their annual income on housing (cost-burdened), and 59% (or 4,337 households) spend more than 50% (extremely cost-burdened).**

The graph below shows the percentage of renter households within each defined income bracket that are cost-burdened and extremely cost-burdened. The 10,516 cost-burdened households comprise 44% of all renter households in Sandy Springs. Lower-income households experience the greatest cost-burden; 90% of cost-burdened owner households earn less than \$50K annually, which suggests that the City lacks housing that is affordable to households below \$50K.

## COST-BURDENED RENTER HOUSEHOLDS

Sandy Springs, GA, 2018



*Note: Extremely Cost-Burdened households spend at least 50% of their income in housing costs. Extreme cost-burden was calculated separately from cost-burden.*

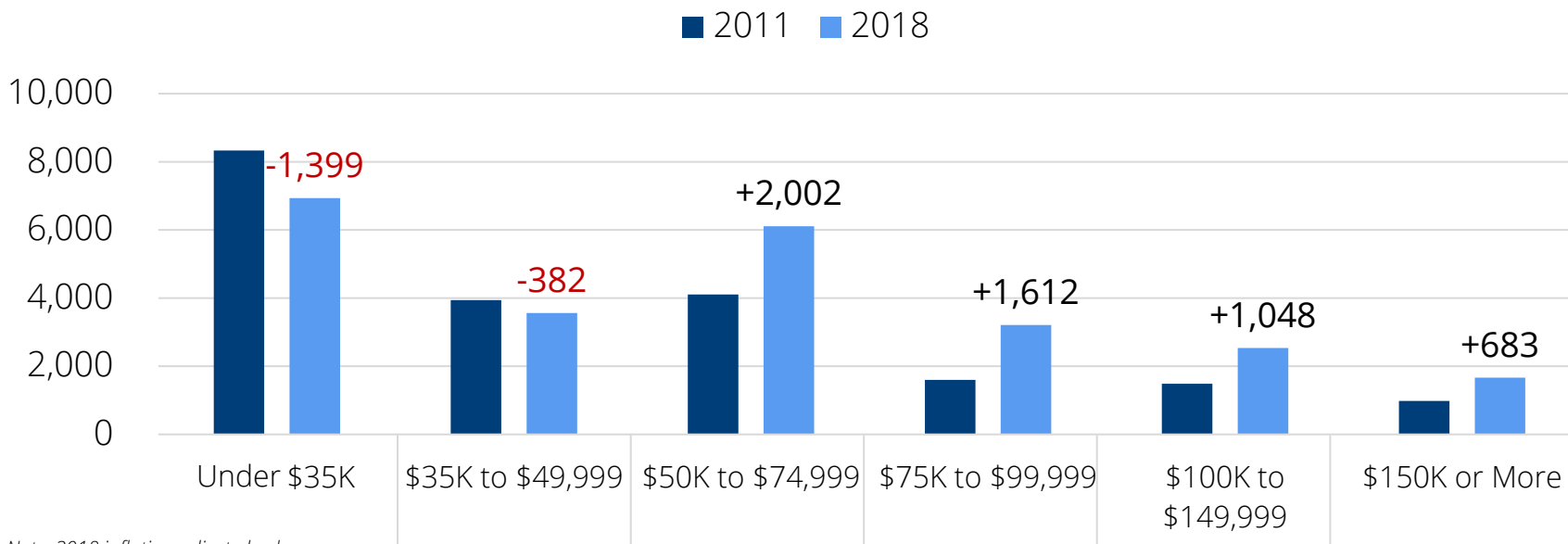
## RENTER HOUSING NEEDS | HOUSING AFFORDABILITY

**Since 2011, renter households earning less than \$50K annually have decreased by 1,781, an indicator that displacement of lower income households is occurring in Sandy Springs.**

Despite a 3,564 net increase in the number of renter households, the number of renter households earning below \$50K decreased by 1,781. Consistent with findings from stakeholder engagement with community advocates and non-profit leaders, many of these renter households have been forced to leave Sandy Springs as a result of rising housing costs. The displacement of lower income households is detrimental to the service and small businesses industries, which are critical to Sandy Springs' continued economic growth. In stakeholder interviews, employers noted that the lack of housing affordability has hindered their ability to attract and retain low-wage workers.

### RENTER HOUSEHOLDS BY HOUSEHOLD INCOME

Sandy Springs, GA, 2011-2018



# RENTER HOUSING NEEDS | NEW DEVELOPMENT

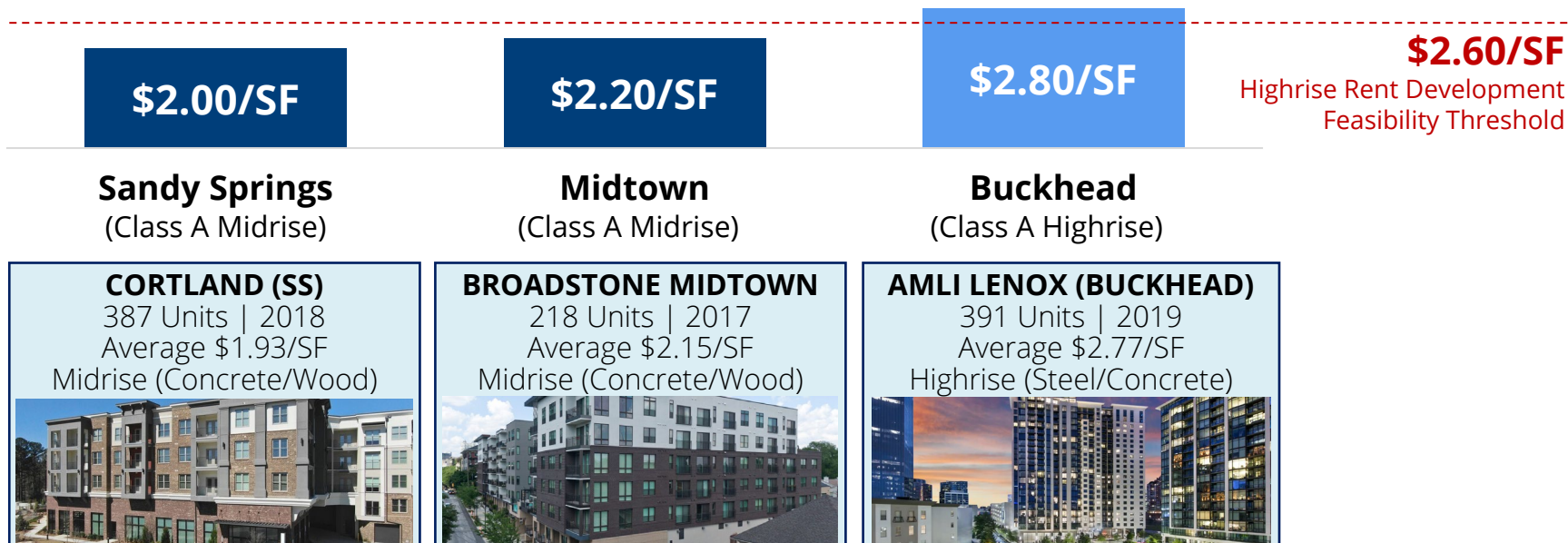
## The 2017 building code amendment renders new multifamily development infeasible.

The 2017 building code amendment requires concrete construction, which is more expensive than wood-frame construction, for new development above three stories or buildings greater than 100,000 SF. Most building codes allow wood or wood over concrete construction for buildings up to seven stories. Our analysis, which confirms feedback received from local developers, demonstrates that existing rents in Sandy Springs do not support concrete construction typology as required by the building code amendment. Average rents in Sandy Springs for new construction are \$2.00/SF, whereas rents must reach \$2.60/SF to support concrete multifamily development as prescribed by the building code. New development will not occur unless it is financially feasible for developers.

### CONCRETE CONSTRUCTION DEVELOPMENT FEASIBILITY

Atlanta, GA, 2020

Rents in Sandy Springs are generally **not feasible** for concrete development.





Overall Market Conditions

Homeowner Housing Needs

Renter Housing Needs

**Employer Housing Needs**

# EMPLOYER HOUSING NEEDS | SUMMARY

HR&A identified two main employer housing key findings:



## Workforce Attraction

**Service/essential industry employers face significant recruitment and retention challenges due to high housing costs and limited public transportation.** Over time, these workforce attraction concerns are likely to trickle up to moderate-wage employers such as those in the health care and administrative services industries.



## Regional Employment Center

**Sandy Springs' status as a net workforce importer is threatened by increased housing costs.** The City's quality of life advantages, valued highly by employers, are at risk if lower- and moderate-income households cannot afford housing in Sandy Springs and therefore have to commute into the City.

Below are three key data findings that support the needs narrative:

1

### Geography of Jobs

**Sandy Springs is a regional employment center.** In-commuters outnumber out-commuters by more than 3-to-1. Only 6% of workers who are employed in Sandy Springs live within the City boundaries.

2

### Employment and Wages

**The four industries with the highest employment** in Sandy Springs (health care, administrative services, professional services, and finance) **pay their employees between \$50K and \$135K**, on average. This is reflected in household growth since 2011, which was driven primarily by households earning between \$50K and \$150K.

3

### Housing Attainability

**Employers have difficulty attracting and retaining workers with wages under \$50K.** Housing is generally not affordable to essential workers making below that wage threshold.

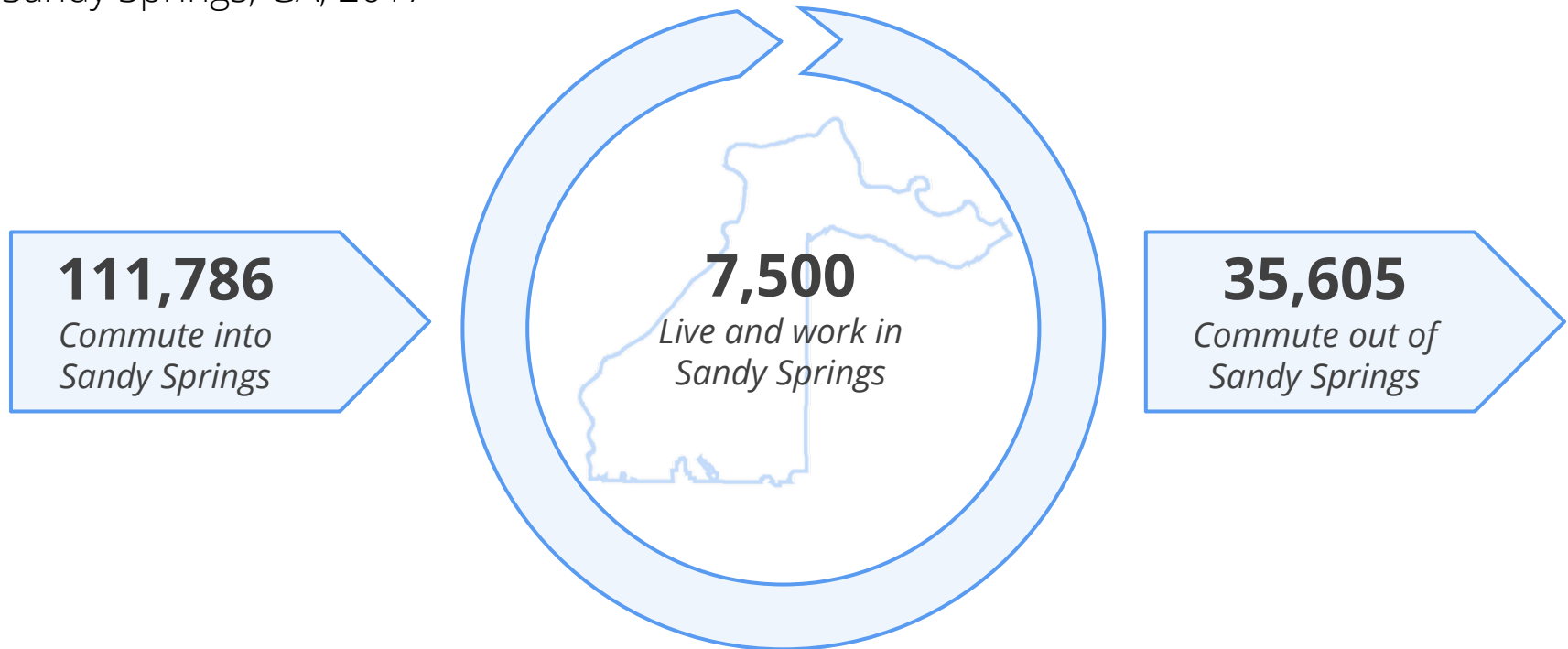
## EMPLOYER HOUSING NEEDS | GEOGRAPHY OF JOBS

### Housing supports Sandy Springs' status as a regional employment center.

The number of workers who commute into Sandy Springs outnumbers out-commuters by three-to-one. There are approximately 120,000 people employed in Sandy Springs compared with 46,000 housing units, a ratio of 2.5 jobs per housing unit. While local employers attract a workforce which primarily lives outside of Sandy Springs, local residents tend to work outside of the City. To attract and retain both workers and residents, the City must provide housing that supports a mix of incomes.

### INFLOW/OUTFLOW OF PRIVATE PRIMARY JOBS

Sandy Springs, GA, 2017



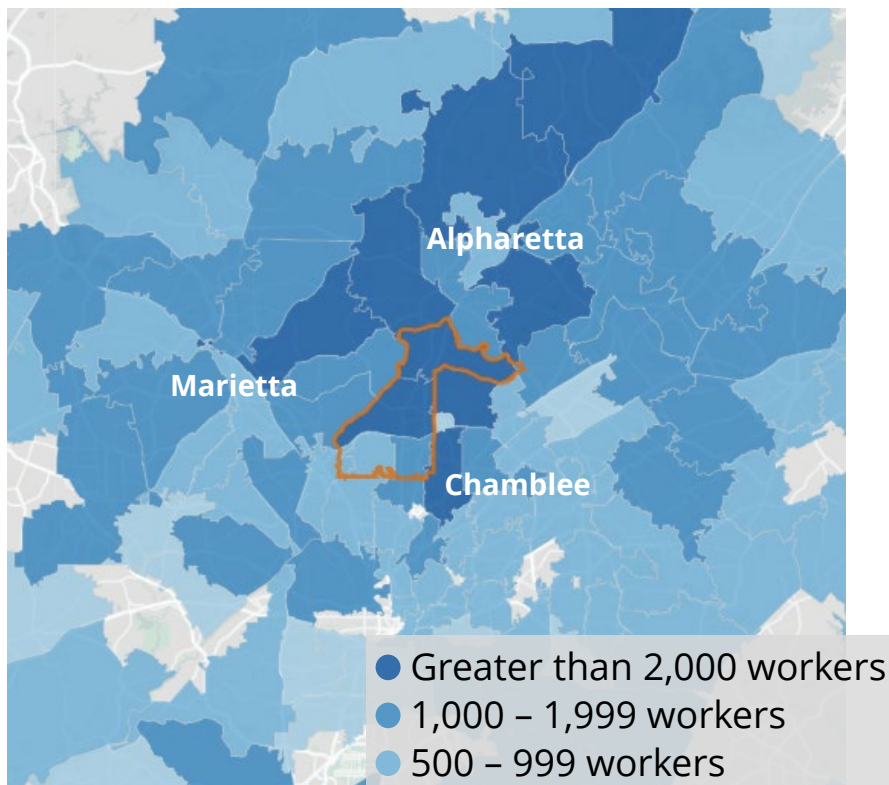
# EMPLOYER HOUSING NEEDS | GEOGRAPHY OF JOBS

**The highest concentration of commuters come from the North Atlanta geography.**

Sandy Springs can gain a competitive advantage in worker attraction and retention by providing a diverse mix of housing options with respect to typology and price.

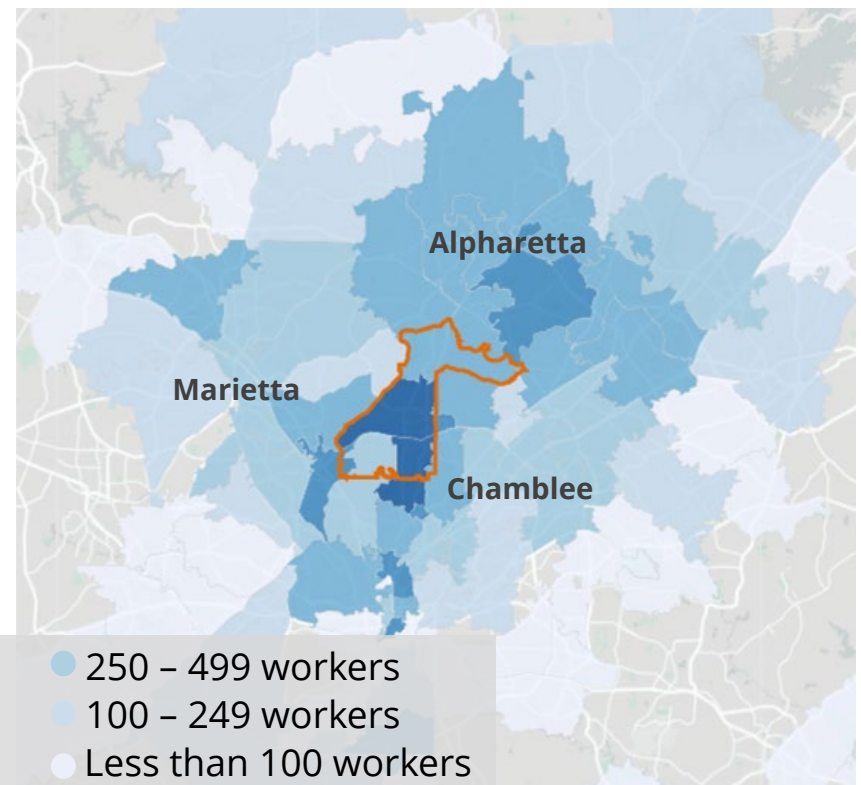
## IN-COMMUTERS BY ZIP CODE

Sandy Springs, GA, 2017



## OUT-COMMUTERS BY ZIP CODE

Sandy Springs, GA, 2017



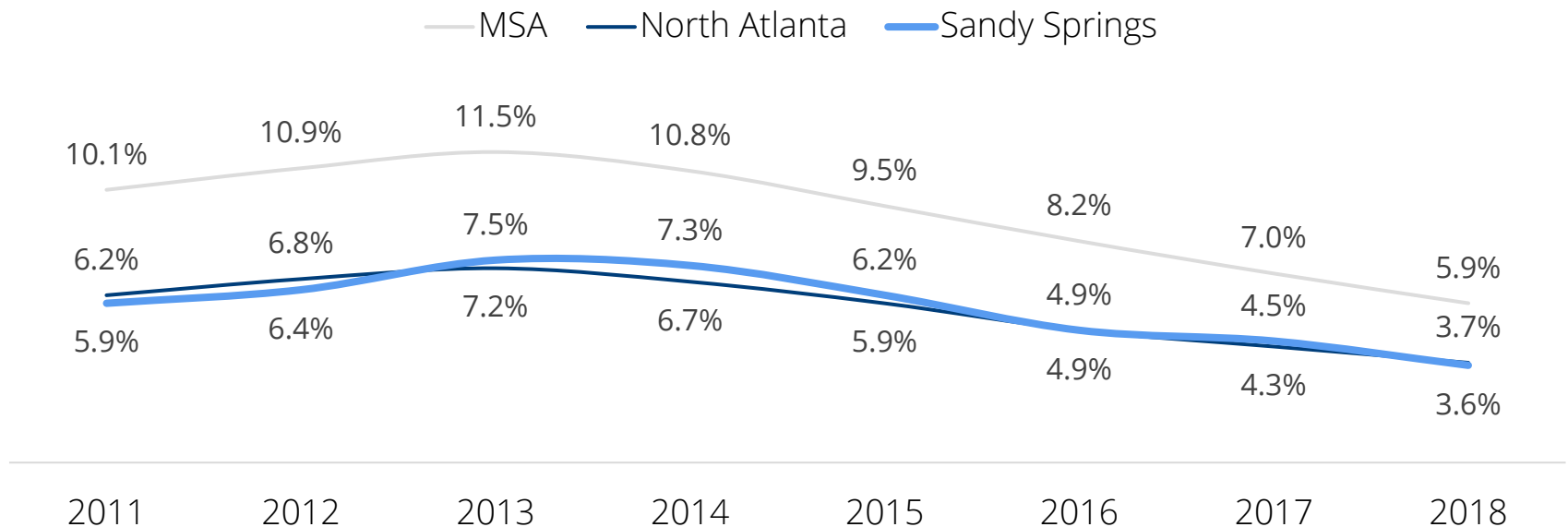
## EMPLOYER HOUSING NEEDS | UNEMPLOYMENT

**North Atlanta, including Sandy Springs, has consistently had a lower unemployment rate compared to the rest of the region, an indication of a competitive job market.**

Stakeholders consistently cited that proximity to employment was one of the primary reasons that led people to move to Sandy Springs. As Sandy Springs' competitive job market is expected to attract additional new residents over the next several decades, the City will need to expand the housing supply to meet increasing demand.

### UNEMPLOYMENT RATE

MSA, North Atlanta, and Sandy Springs, GA, 2011-2018



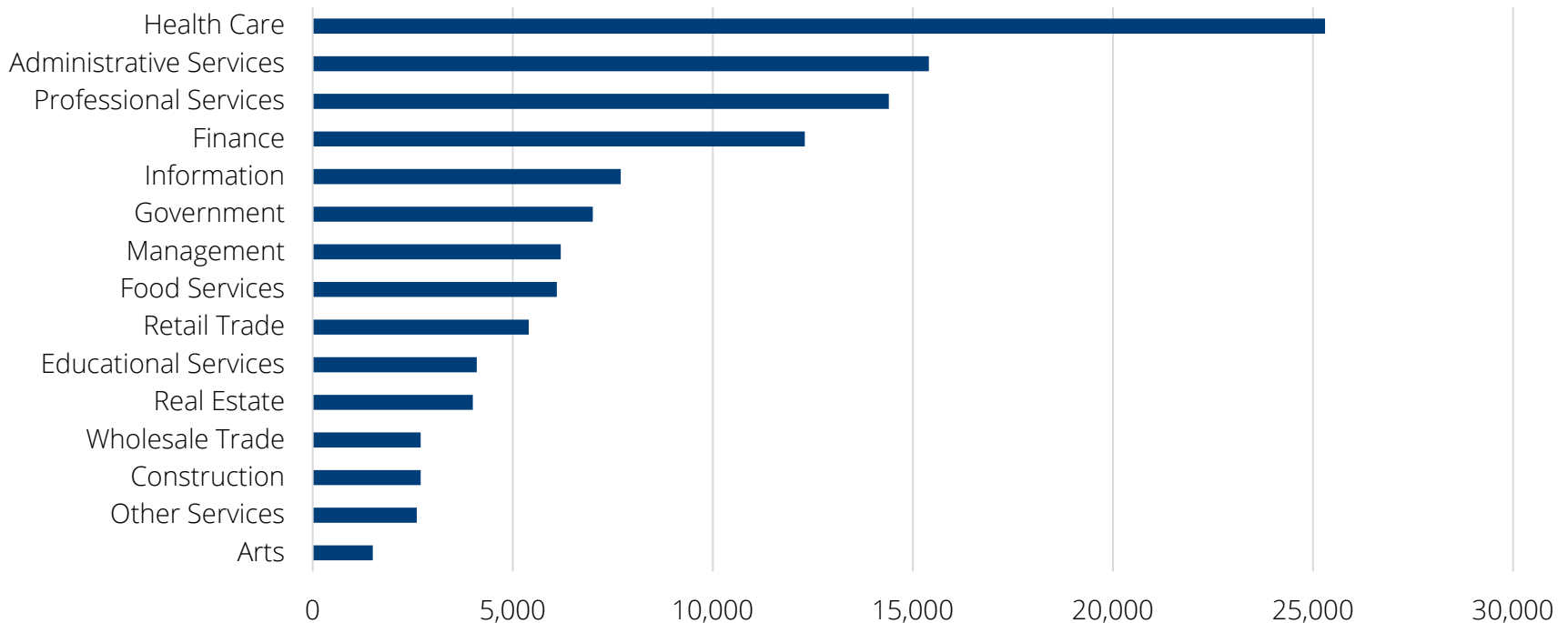
## EMPLOYER HOUSING NEEDS | EMPLOYMENT

**Health care, administrative services, finance, and information are the industries that employ the most workers in Sandy Springs.**

Employment in these top four industries comprises 57% of total employment in Sandy Springs.

### EMPLOYMENT BY INDUSTRY

Sandy Springs, GA 2018



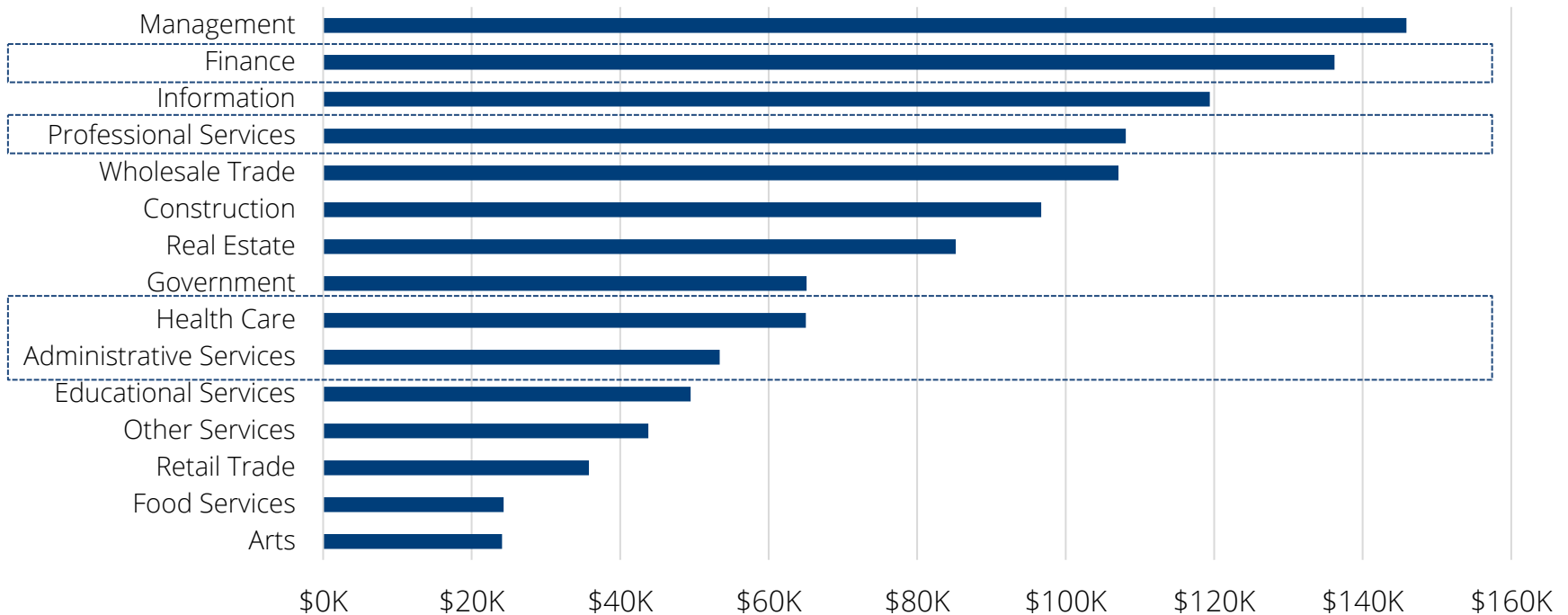
# EMPLOYER HOUSING NEEDS | WAGES

## A healthy job market supports a mix of industries and wages.

While the top four industries pay wages between \$50K and \$135K, Sandy Springs has significant employment in industries which pay under \$50K annually such as educational services, retail trade, and food services. Furthermore, most industries, especially health care, employ low-, medium-, and high-wage workers. By providing housing that is affordable to a range of incomes, Sandy Springs can promote industry growth.

### WAGE BY INDUSTRY

Sandy Springs, GA 2018



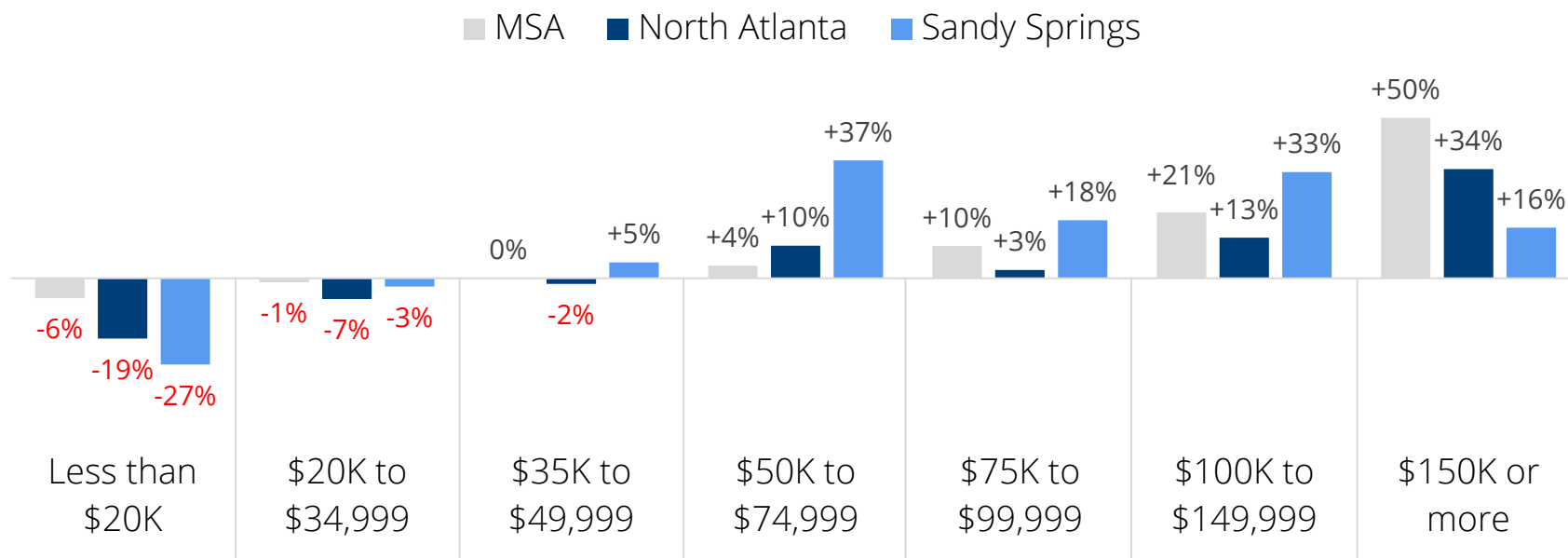
# EMPLOYER HOUSING NEEDS | HOUSEHOLD INCOME

## Sandy Springs attracts households earning above \$50K.

Between 2011 and 2018, households earning between \$50K and \$150K annually experienced outsized growth in Sandy Springs. Over the same time period, the number of households earning less than \$20K decreased by 27% in Sandy Springs, which exceeded the respective percentage change in both North Atlanta and the MSA. The uneven distribution in household growth by income indicates that the existing housing in Sandy Springs only supports the medium- and high-wage workforce.

## HOUSEHOLD GROWTH BY INCOME

MSA, North Atlanta, and Sandy Springs, GA 2011-2018





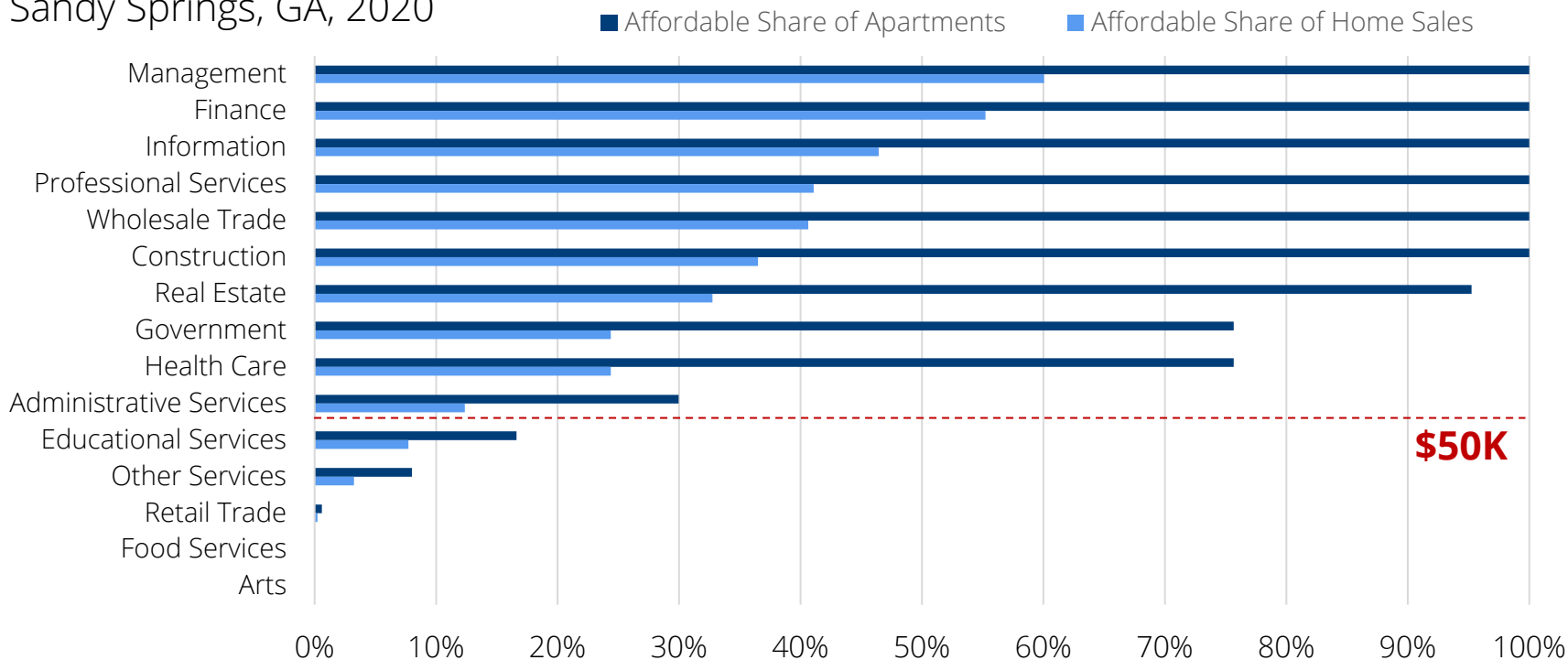
# EMPLOYER HOUSING NEEDS | AFFORDABLE UNITS

**Due to housing costs, employers that pay less than \$50K annually have trouble attracting and retaining talent.**

Workers making under \$50K can afford less than 5% of for-sale homes and 17% of rental apartments in Sandy Springs. If housing prices continue to increase, workers in government, health care, and administrative services industries will be similarly impacted.

## AFFORDABLE UNITS BY INDUSTRY AND TENURE

Sandy Springs, GA, 2020



Note: home sales reflect time period 2017-2019

## SUMMARY | KEY FINDINGS

---

**Over the past decade, Sandy Springs has experienced increased housing costs for owners and renters, which has constrained “entry-level” single-family homeownership opportunities and exacerbated the displacement of the City’s most vulnerable renters.**

In the homeownership market, Sandy Springs lacks single-family homes priced below \$400K, which would be affordable to most households earning less than \$115K annually. Because the majority of single-family homes were constructed before 2000, many of the homes selling at these relatively more affordable prices require renovation or additional investment. Similarly, on the renter side, the replacement of older multifamily buildings with newer, “luxury” apartments has contributed to housing unaffordability in the renter market. However, displacement of lower income households is largely occurring because rent growth has exceeded income growth, especially for renters with lower levels of educational attainment. The limitation placed on multifamily development as part of the building code amendment further restricts the supply of affordable renter units, which in turn leads to higher housing costs and further displacement.

**Expanding housing supply gaps in the owner and renter markets negatively impacts residents and workers in the City.**

As homeownership has become less accessible in Sandy Springs, the demographic composition of homeowners has become older and wealthier. If the City hopes to attract young families, more “entry-level” homeownership opportunities should be available. On the renter side, many of the households that are being displaced are of low- and moderate-wage earners. While many of these workers are employed in service and essential industries, higher-paying industries depend on low- and moderate-wage workers to support business operations as well. As more workers are forced to live elsewhere in the region, traffic congestion will likely worsen as the number of in-commuters increases. Issues with employee recruitment and retention are likely to expand to other employment sectors besides the service and essential industries if housing costs continue to rise in the future.

# Glossary

# HOUSING TERMS GLOSSARY

**Apartment Class:** Multifamily buildings are categorized based on a set of factors including year built and rent charged. Class A properties tend to be new and “luxury” while Class B and C apartment buildings are older and may have deferred maintenance.

**Area Median Income (AMI):** AMI represents the midpoint in the distribution of household incomes within a specific geographic region. The United States Department of Housing and Urban Development (HUD) publishes annual AMI levels for regions, adjusted for family size. The HUD-provided AMI is used to determine applicants’ eligibility for both federally and locally funded housing programs where participation is dependent on income levels.

## ATLANTA MSA AMI CHART, 2020

Category	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	8-Person
30% AMI	\$17,370	\$19,860	\$22,320	\$24,810	\$26,790	\$28,770	\$30,750	\$32,760
50% AMI	\$28,950	\$33,100	\$37,200	\$41,350	\$44,650	\$47,950	\$51,250	\$54,600
80% AMI	\$46,320	\$52,960	\$59,520	\$66,160	\$71,440	\$76,750	\$82,000	\$87,350
100% AMI	\$57,900	\$66,200	\$74,400	\$82,700	\$89,300	\$95,900	\$102,500	\$109,200
120% AMI	\$69,480	\$79,440	\$89,280	\$99,240	\$107,160	\$115,080	\$123,000	\$131,040

Source: HUD

**Cost-Burdened:** Under a standard set by the U.S. Department of Housing and Urban Development, a household is considered cost-burdened when it spends 30% or more of its gross income on gross housing costs, whether for renter or ownership housing.

**Extremely Cost-Burdened:** A household is considered extremely cost-burdened when it spends 50% or more of its income on housing costs, often leaving the household with very little money to cover other costs of daily living.

# HOUSING TERMS GLOSSARY

---

**Housing Affordability:** As defined by the HUD, housing is considered “affordable” if total housing costs (rent or mortgage, including utilities) represent no more than 30% of the occupying household’s income. Therefore, housing can be affordable or unaffordable at any income level or housing type, though housing affordability tends to decrease as housing costs increase and household incomes decrease.

**Jobs/Housing Balance:** The jobs/housing balance, often quantified as the ratio of the number of jobs to the number of housing units within a given geography, describes the relationship between the location of jobs and availability of housing. A high jobs/housing ratio, which is associated with areas that have more jobs relative to housing units, may indicate that the housing supply is inadequate or unaffordable to the people working in a given geography.

**Low-Income Housing Tax Credit (LIHTC):** The Low-Income Housing Tax Credit Program is a federal program that provides a dollar-for-dollar tax credit to support the development of affordable rental housing. The LIHTC program distributes federal income tax credits to developers through states’ individual Housing Finance Agencies (HFA), which determine which projects receive tax credits under their federal allocation. There are two general types of credits that can be awarded, 9% credits and 4% credits. 9% credits are higher-value credits that cover a greater percentage of projects’ development costs (generally 70% to 80%), and are awarded on a competitive basis. 4% credits are lower-value credits that cover a lower percentage of projects’ development costs (generally 30% to 40%), and are generally awarded to any projects that are financed with tax-exempt bonds and meet specific programmatic requirements.

**“Missing Middle” (housing):** “Missing middle” describes housing for moderate- to lower-income households whose housing needs are not currently being met by the housing market or publicly-supported housing programs. “Missing middle” in the context of Sandy Springs specifically refers to housing that is affordable to owner households earning between 80% and 120% of the Area Median Income, and renter households earning between 50% and 80% of the Area Median Income. This term is often synonymous with **“Workforce Housing.”** In other contexts, “missing middle” may refer to building typologies of single-family attached and small multifamily (i.e. quadruplex).

# HOUSING TERMS GLOSSARY

---

**Multi-Unit (Multifamily):** A lot containing two or more attached or detached dwelling units. Multi-unit includes rental apartments, condominiums, and senior living.

**Naturally Occurring Affordable Housing (NOAH):** Naturally occurring affordable housing is housing that is priced by market forces at levels that are affordable to low-income residents. Housing is traditionally considered affordable if total housing costs (rent or mortgage, plus utilities) represent no more than 30% of the occupying household's income. NOAH housing often makes up a significant portion of a jurisdiction's affordable housing stock, in addition to publicly-subsidized housing.

**Single Unit (Single-Family) Attached:** Two or more dwelling units in a row in which each unit is located on an individual lot and has its own front and rear access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more vertical common walls (i.e. townhomes).

**Single Unit (Single-Family) Detached:** One dwelling unit on a single lot.

**Subsidized Housing:** Income-restricted housing that serves lower- and moderate-income households, often created through government subsidies such as the Low-Income Housing Tax Credit (LIHTC) or inclusionary zoning policies.

**Supply Gap:** A housing supply gap exists when housing supply does not meet housing demand (need). Supply gaps can differ based on tenure, housing type, and income. In this document, a supply gap is used to describe the situation in which households at a given AMI level are paying more than they should on housing (>30%) because the housing stock does not provide sufficient affordability at that income level. Therefore, a supply gap indicates cost-burden for households at certain AMI levels.

**Workforce Housing:** Housing that is affordable to owner households earning between 80% and 120% of the Area Median Income and renter households earning between 50% and 80% of the Area Median Income. This term is often synonymous with **"Missing Middle"** income housing.

**Zoning:** Zoning is a planning tool deployed by local governments that regulates a building's use, size, and shape, as well as other factors, such as parking, signage, accessory structures, and landscaping.

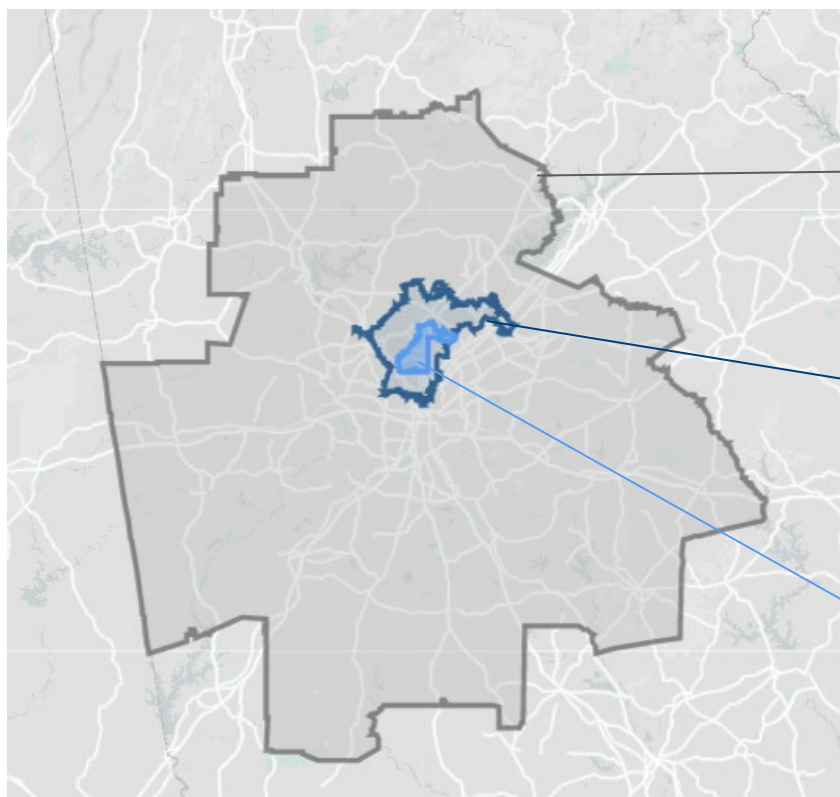
# Appendix

## STUDY APPROACH | GEOGRAPHIES

The Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area (“MSA”) and North Atlanta were used as regional comparison study areas.

### REGIONAL COMPARISON STUDY AREAS

MSA, North Atlanta, and Sandy Springs, GA



**MSA**

*Census MSA Geography*

**NORTH  
ATLANTA**

*19 Zip Codes: 30009, 30022,  
30062, 30067, 30068, 30075,  
30076, 30097, 30305, 30319,  
30324, 30326, 30327, 30328,  
30338, 30339, 30342, 30346,  
30350*

**SANDY  
SPRINGS**

*Census Place Geography*

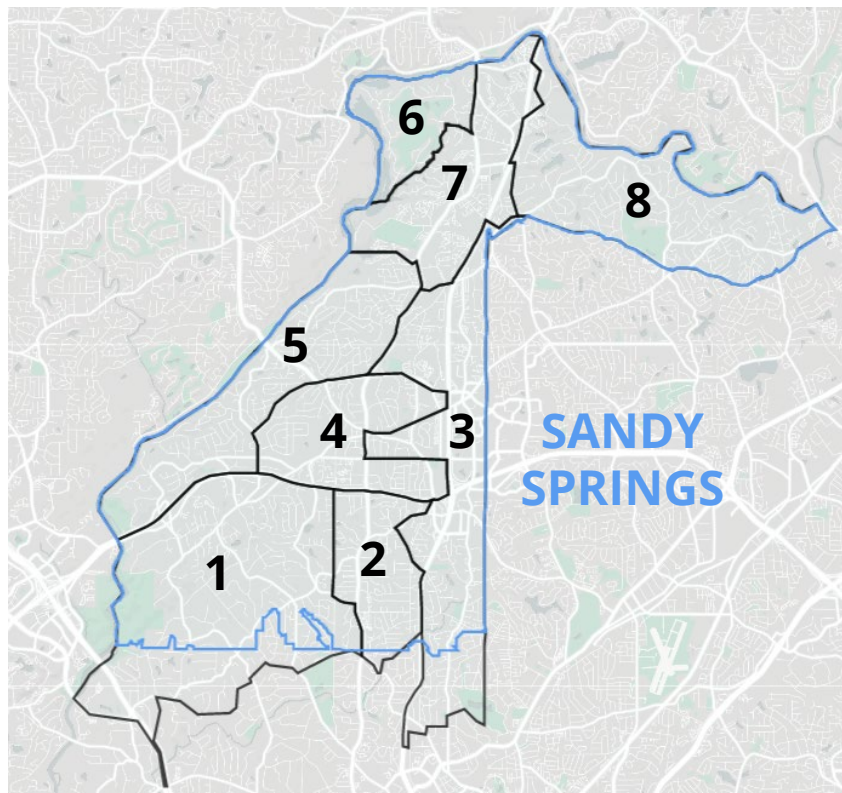


## STUDY APPROACH | GEOGRAPHIES

8 submarkets with distinct housing characteristics were identified within Sandy Springs using census block groups.

### SUBMARKET COMPARISON STUDY AREAS

Sandy Springs and Subareas



Subarea	Census Block Groups
1	Census Tract 98.02, Block Group 2; Census Tract 102.06, Block Group 3; Census Tract 102.11, Block Groups 1-3; Census Tract 102.12, Block Group 2
2	Census Tract 101.13, Block Groups 1-2; Census Tract 101.14, Block Groups 1-3; Census Tract 102.12, Block Groups 1 and 3;
3	Census Tract 100.02, Block Groups 1-2; Census Tract 101.10, Block Group 1; Census Tract 101.13, Block Group 3; Census Tract 101.15, Block Group 1; Census Tract 101.22, Block Groups 1-3; Census Tract 101.23, Block Groups 1-3
4	Census Tract 101.10, Block Groups 2-3; Census Tract 101.21, Block Group 1; Census Tract 102.05, Block Groups 2-4

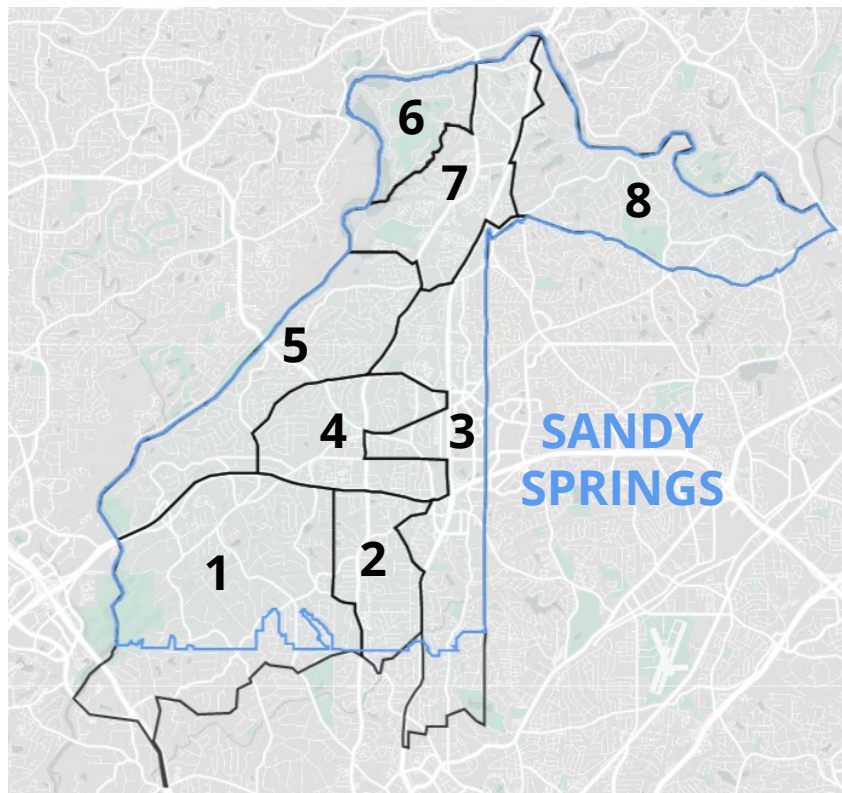
*Note: Continued on next page*

## STUDY APPROACH | GEOGRAPHIES

8 submarkets with distinct housing characteristics were identified within Sandy Springs using census block groups.

### SUBMARKET COMPARISON STUDY AREAS

Sandy Springs and Subareas



Subarea	Census Block Groups
5	Census Tract 102.04, Block Groups 1-4; Census Tract 102.05, Block Group 1; Census Tract 102.10, Block Groups 1-3
6	Census Tract 102.08, Block Group 1
7	Census Tract 101.06, Block Group 2; Census Tract 101.17, Block Groups 1-2; Census Tract 101.18, Block Groups 1-3; Census Tract 101.19, Block Groups 1-3; Census Tract 101.20, Block Group 1; Census Tract 102.08, Block Groups 2-3; Census Tract 102.09, Block Groups 1-3
8	Census Tract 101.06, Block Groups 1 and 3; Census Tract 101.07, Block Groups 1-2; Census Tract 101.08, Block Groups 1-2

# HOUSING MARKET | HOUSING ORGANIZATIONS

The below list identifies local and regional organizations that provide housing assistance services within Sandy Springs.

## HOUSING ASSISTANCE AND COMMUNITY DEVELOPMENT ORGANIZATIONS

Sandy Springs, GA, 2020

### **Community Assistance Center**

Provides housing insecurity services and financial assistance to low-income households.

### **U Hope CDC**

Provides housing and life enrichment services for homeless men and veterans.

### **Fulton County Housing Authority**

Provides housing choice vouchers to low-income households throughout the County.

### **Sandy Springs Mission**

Supports educational outcomes for Latino students through academic enrichment.

### **Mary Hall Freedom House (Sandy Springs)**

Provides services to women and children to address poverty, homelessness, and related issues.

### **Atlanta Regional Commission (ARC)**

Guides planning throughout the region to improve quality of life outcomes.

### **Warrior Alliance (Sandy Springs)**

Provides transitional services for veterans and their families.

### **Drake House**

Provides housing and life enrichment services for homeless mothers and their children in N. Atlanta.

### **Families First**

Supports youth and families with housing services, coaching, and other services.

### **Family Promise of North Fulton/Dekalb**

Provides emergency shelter and supportive housing programs to homeless families.

### **Home Stretch**

Helps families obtain stable housing, employment, and finances.

### **Atlanta Habitat for Humanity**

Develops single-family housing that is affordable to low- and moderate-income households.

# **Demographic and Economic Trends**

## **Demographic and Economic Trends Assessment**

Workforce and Employment Comparison

Cost Burden Assessment

# DEMOGRAPHIC TRENDS | APPROACH AND SUMMARY

---

- 1 Households**  
Sandy Springs is growing in population at a steady rate, with an **additional 5,000 households between 2011 and 2018**, at a slightly higher pace than the region.
- 2 Tenure**  
Household growth since 2011 has added more renters than owners, **with 71% of household growth consisting of renter households**.
- 3 Age**  
Whereas the number of households renting increased in almost every age group, homeownership is becoming increasingly concentrated for those **aged 55 and above**.
- 4 Household Income**  
Sandy Springs is experiencing a greater rate of growth among **households earning between \$50K and \$150K** annually compared to the Metropolitan Statistical Area (MSA) and North Atlanta study area.
- 5 Tenure Gap**  
There is a significant gap in the median incomes of renter and owner households, although this **gap has shrunk by 10% since 2011**, driven by an increase in renters earning over \$50K annually.
- 6 Employment**  
Sandy Springs is a significant net importer of employees with **76,000 more in-commuters than out-commuters**. Despite this dynamic, more Sandy Springs residents commute outside of the City than work within the City.



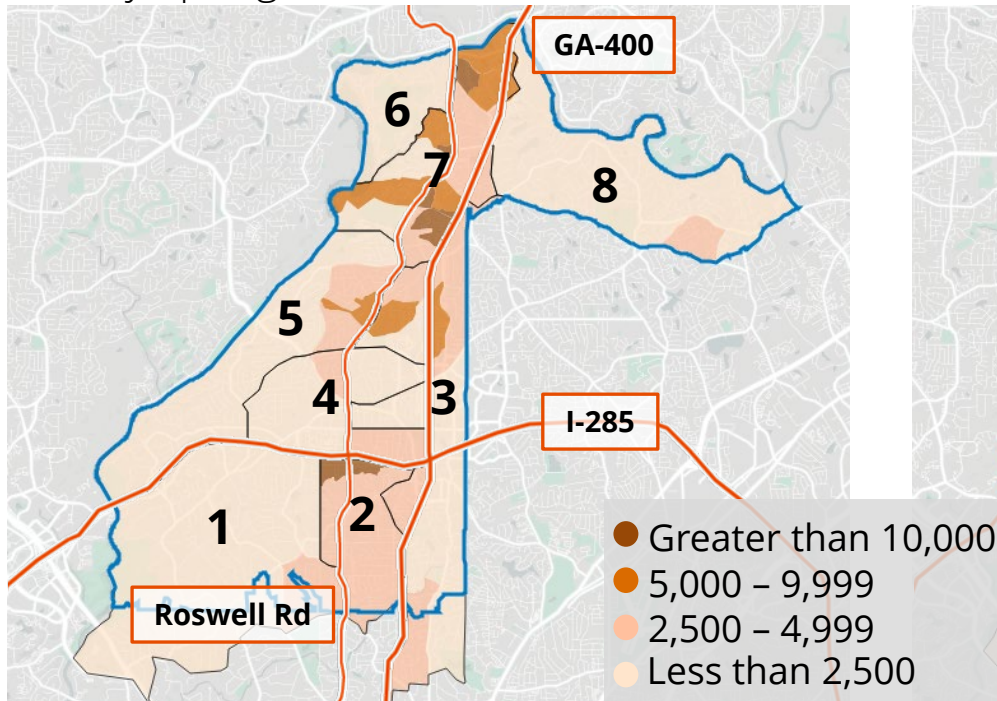
## DEMOGRAPHIC TRENDS | HOUSEHOLDS

There have been modest increases in density over the past decade driven by new development and changing household size occurring along Roswell Road and GA-400 in Subareas 1, 3, 4, 5 and 7.

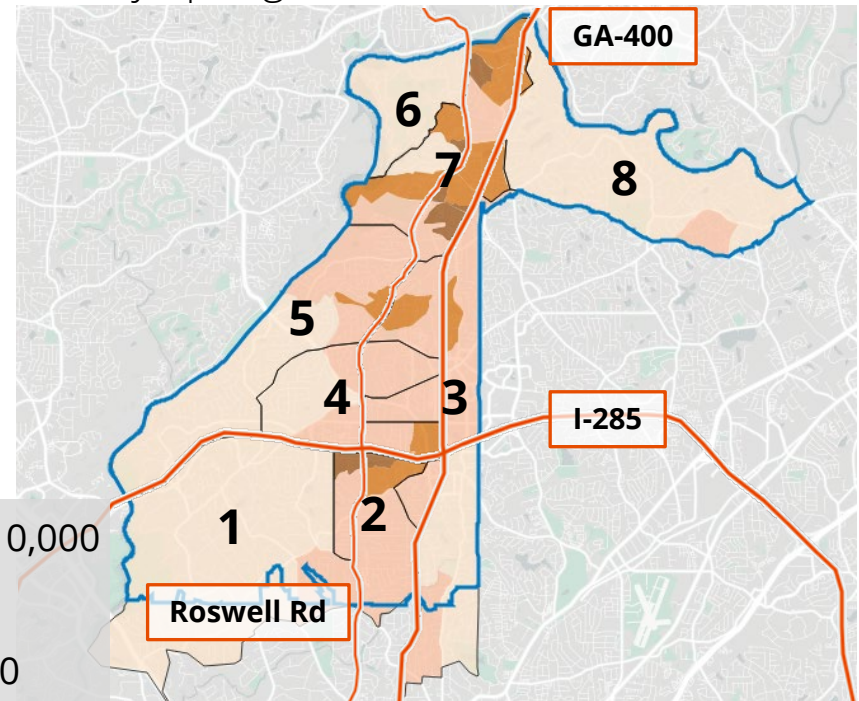
### POPULATION DENSITY BY CENSUS BLOCK GROUP

*(pop per sq. mile)*

Sandy Springs, GA, 2010



Sandy Springs, GA, 2020

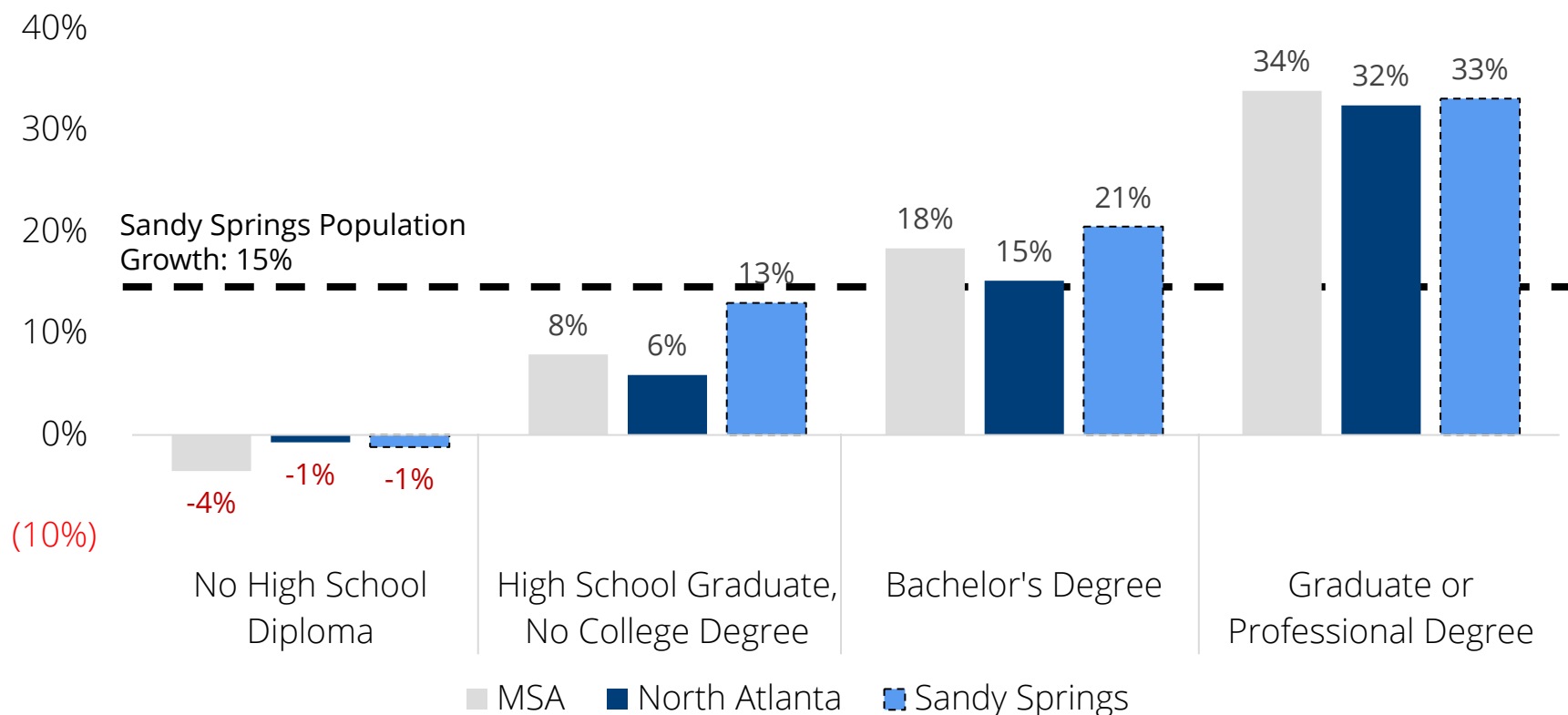


## DEMOGRAPHIC TRENDS | EDUCATIONAL ATTAINMENT

Educational attainment is rising in Sandy Springs, consistent with trends throughout the North Atlanta and greater MSA regions.

### PERCENT CHANGE IN EDUCATIONAL ATTAINMENT, POPULATION AGED 25+

MSA, North Atlanta, and Sandy Springs, GA, 2011-2018

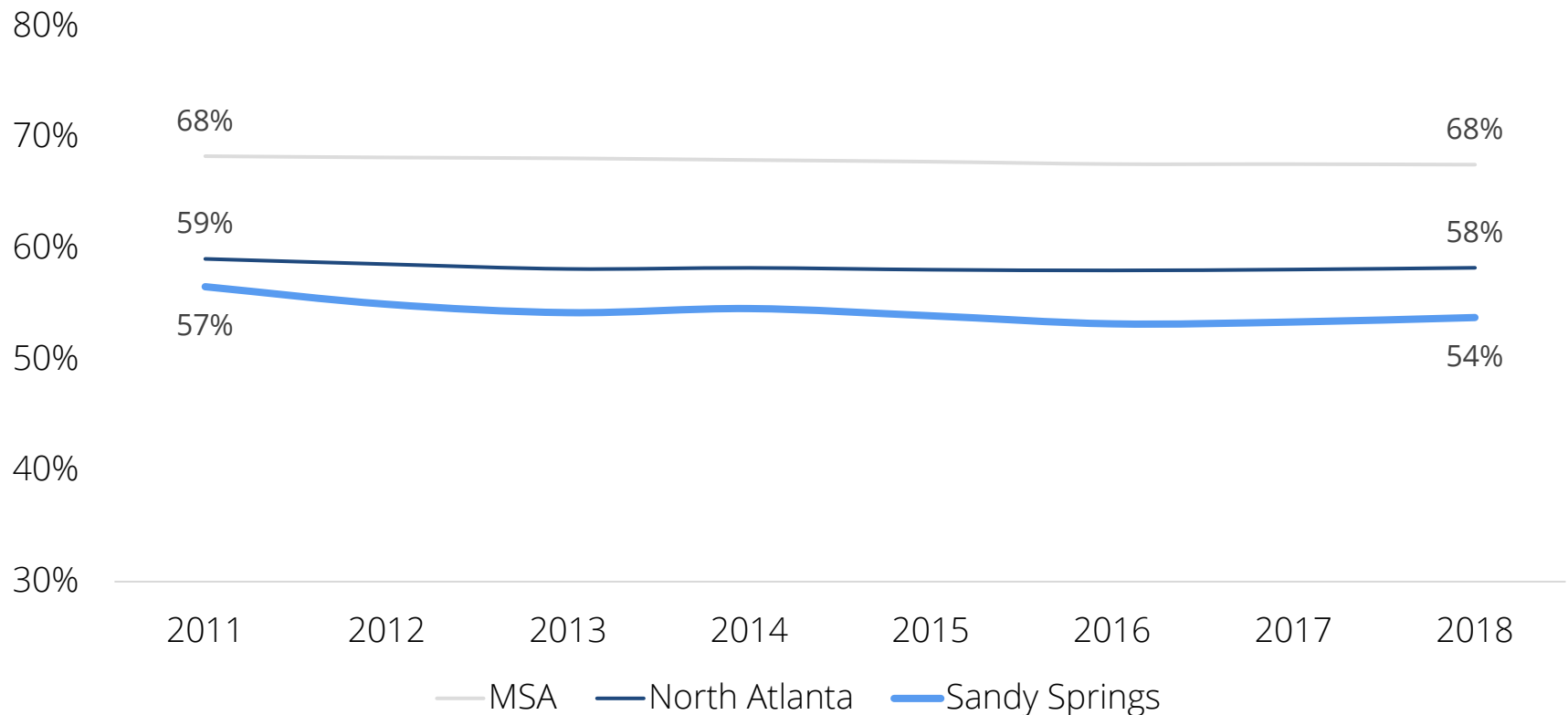


## DEMOGRAPHIC TRENDS | HOUSEHOLD TYPE

Sandy Springs has a higher proportion of nonfamily households compared to the region.

### PERCENT FAMILY HOUSEHOLDS

MSA, North Atlanta, and Sandy Springs, GA, 2011-2018



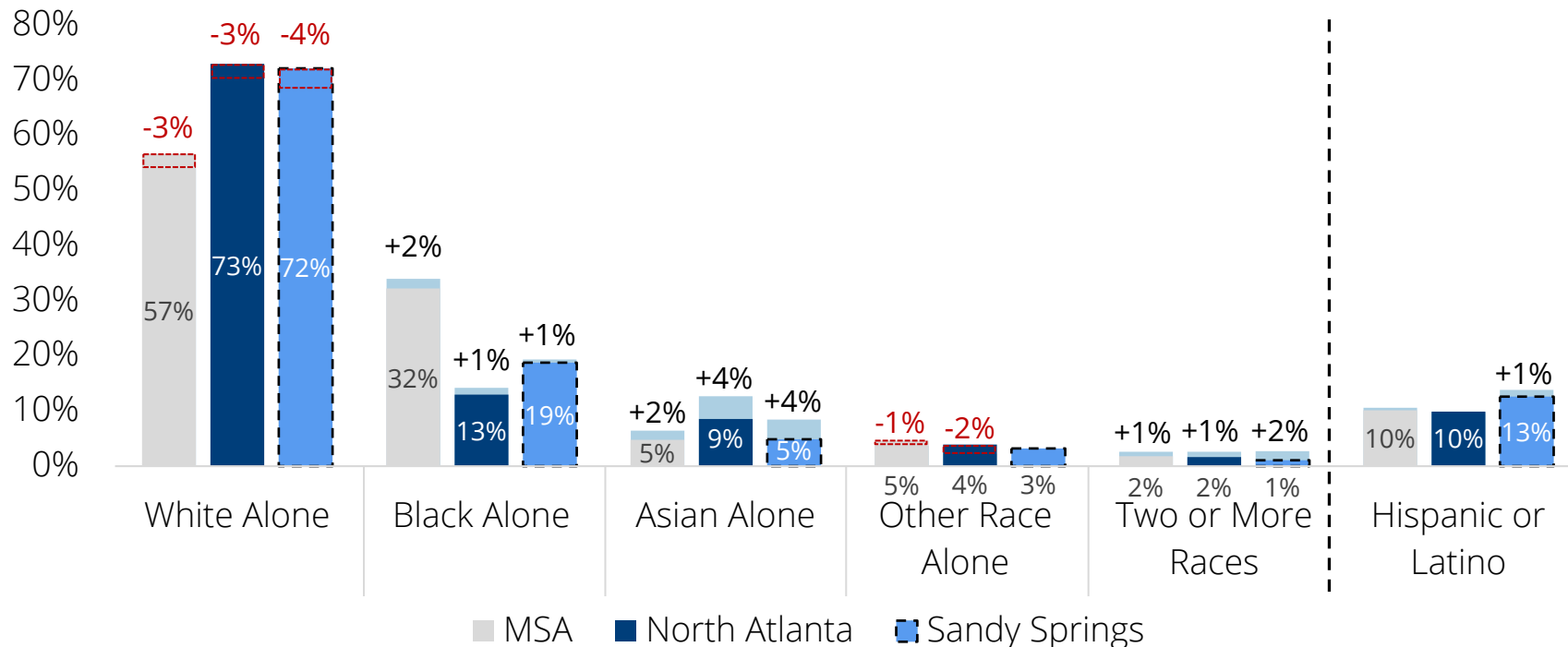


## DEMOGRAPHIC TRENDS | RACE

Although the White share of the total population decreased across the region, Sandy Springs has a higher proportion of White residents compared to the MSA.

### PERCENT CHANGE IN SHARE OF TOTAL POPULATION BY RACE AND ETHNICITY

MSA, North Atlanta, Sandy Springs, GA, 2011-2018

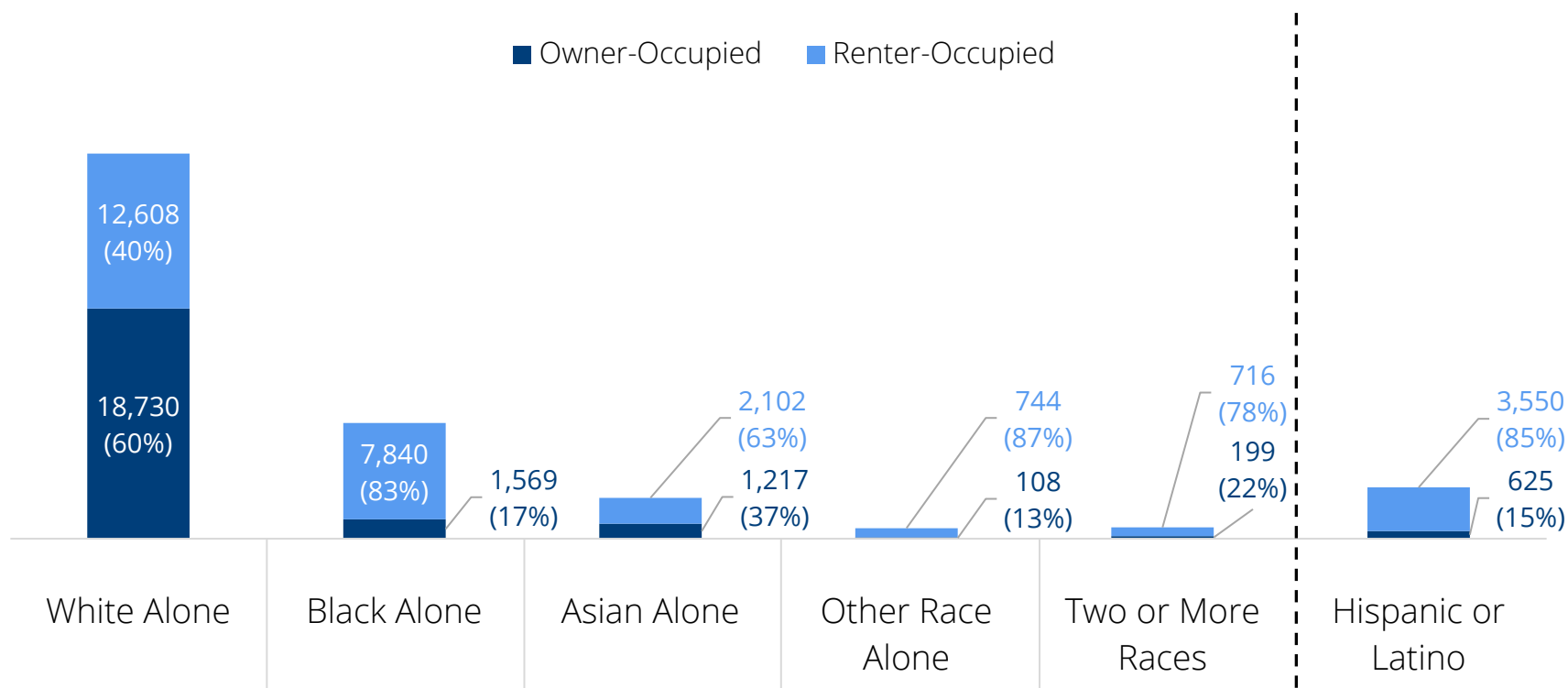


## DEMOGRAPHIC TRENDS | RACE

Homeownership opportunities are more limited for non-White and Hispanic/Latino populations. 60% of White householders are homeowners, compared to 21% of non-white and 15% of Hispanic or Latino householders.

### HOUSEHOLDS BY RACE OF HOUSEHOLDER AND TENURE

Sandy Springs, GA, 2018

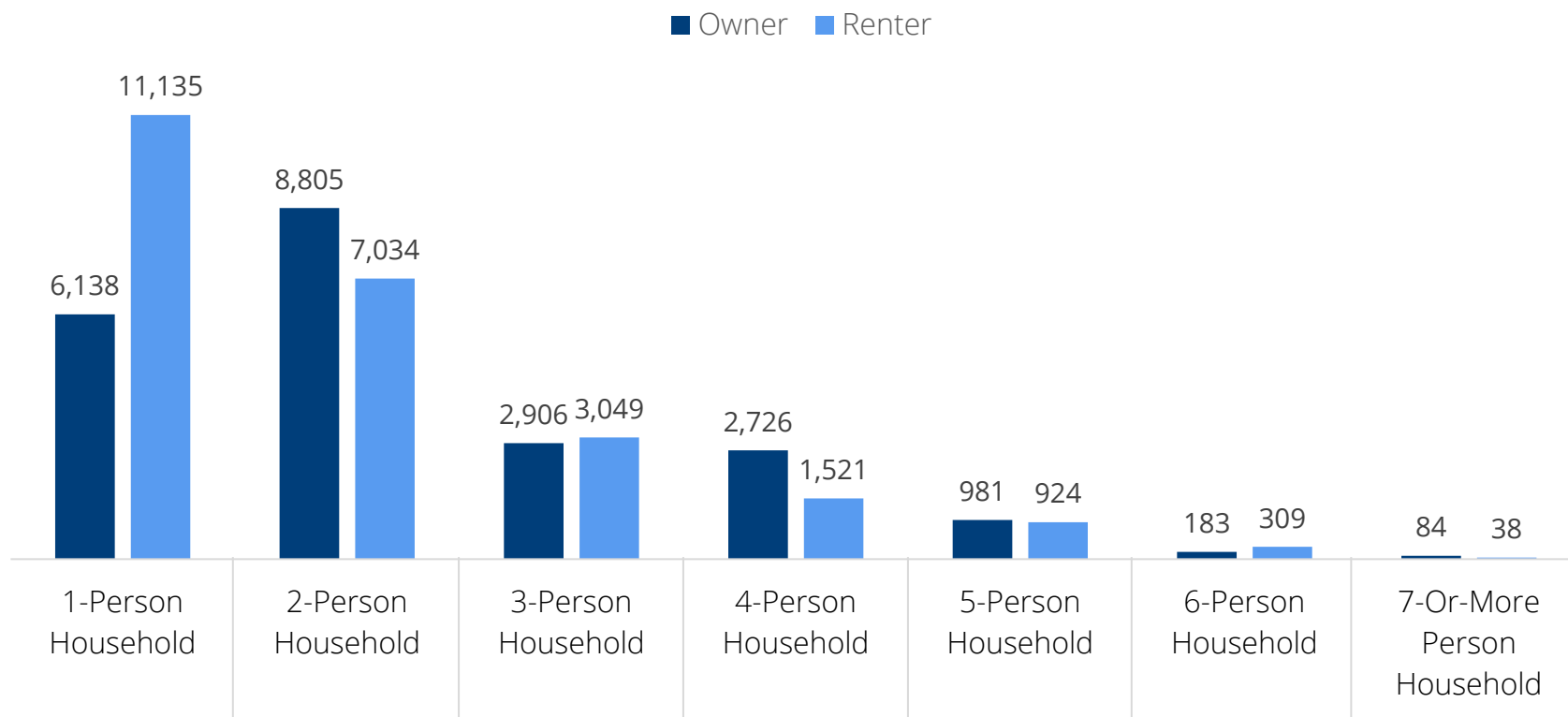


## DEMOGRAPHIC TRENDS | RACE

The majority of households in Sandy Springs are 1- or 2-person. 40% of owner households are 2-person, while 46% of renter households are 1-person.

### HOUSEHOLDS BY HOUSEHOLD SIZE AND TENURE

Sandy Springs, GA, 2018

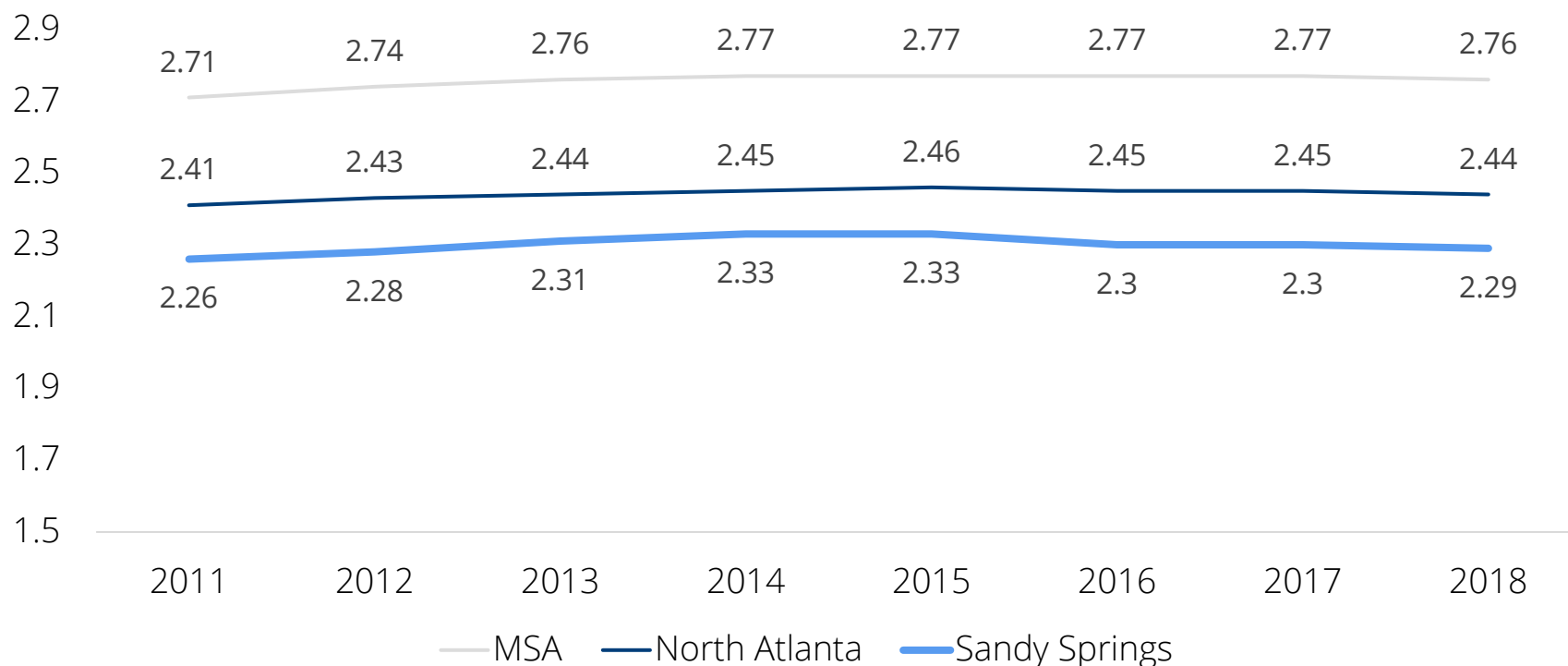


## DEMOGRAPHIC TRENDS | HOUSEHOLD SIZE

Average household size has remained steady since 2011. Sandy Springs has a lower average household size compared to the region, consistent with having fewer family-households than the region.

### AVERAGE HOUSEHOLD SIZE

MSA, North Atlanta, and Sandy Springs, GA, 2011-2018

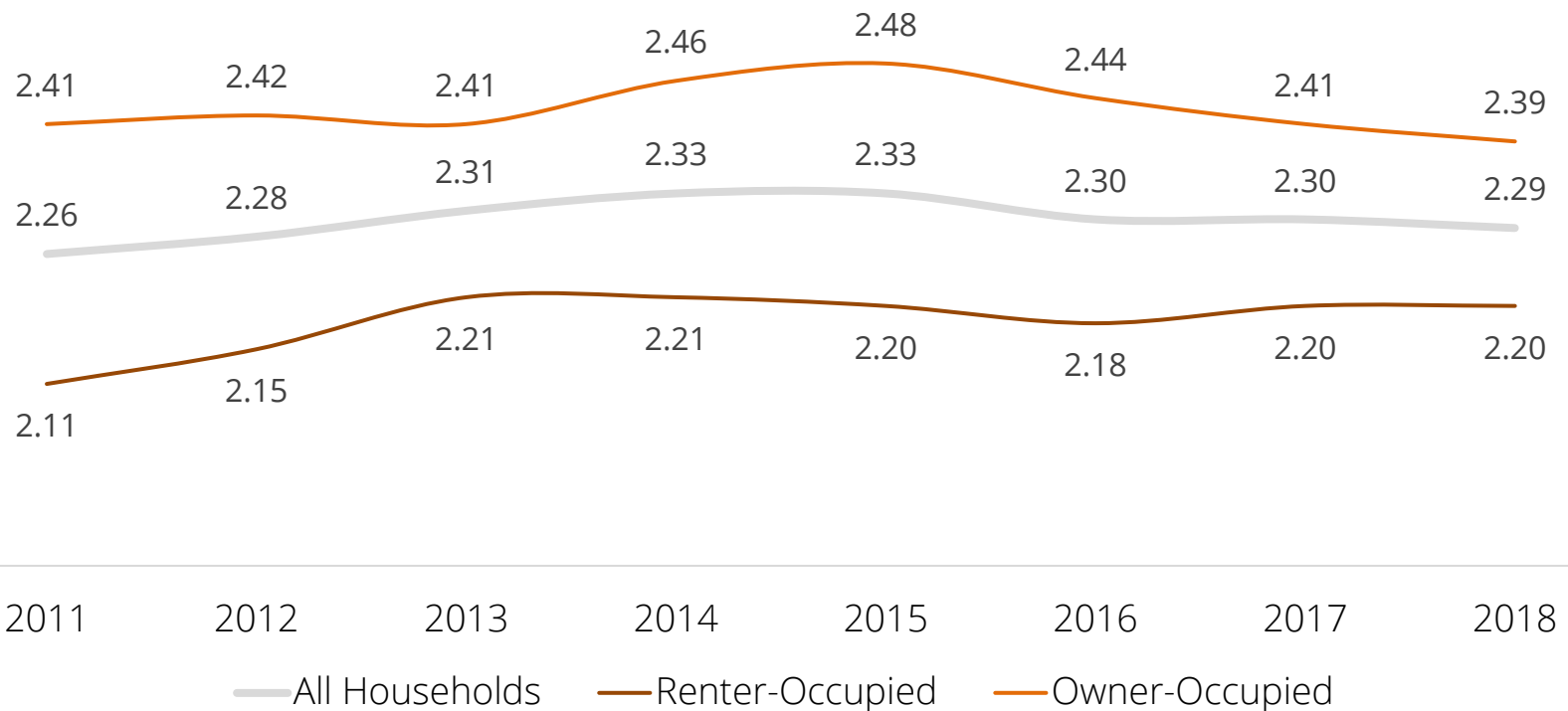


## DEMOGRAPHIC TRENDS | HOUSEHOLD SIZE

Average owner household size has consistently remained larger than average renter household size since 2011.

### AVERAGE HOUSEHOLD SIZE BY TENURE

Sandy Springs, GA, 2011-2018

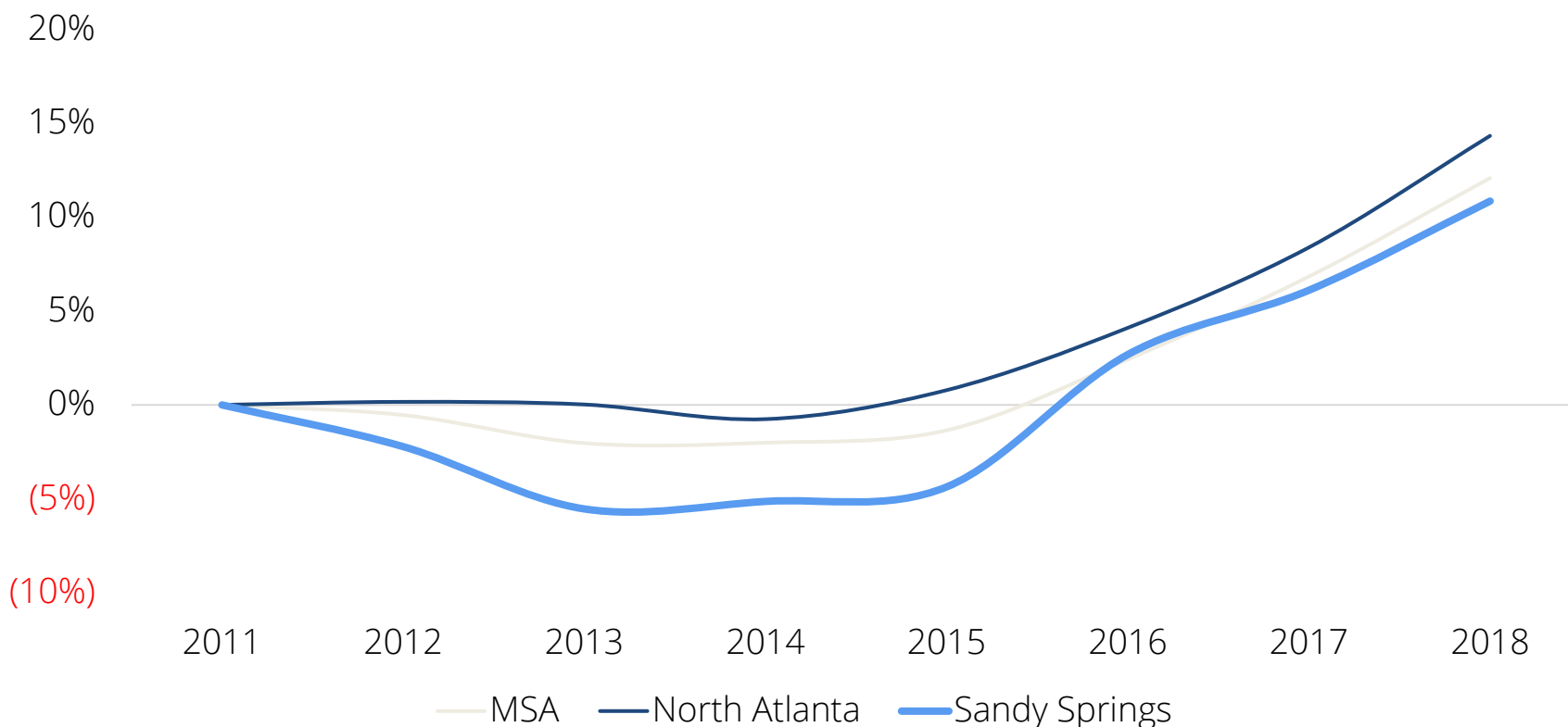


## DEMOGRAPHIC TRENDS | HOUSEHOLD INCOME

Median household incomes in Sandy Springs have grown faster than both the MSA and North Atlanta since 2015.

### TOTAL PERCENT CHANGE IN MEDIAN HOUSEHOLD INCOME (2011 BASE)

MSA, North Atlanta, and Sandy Springs, GA 2011-2018



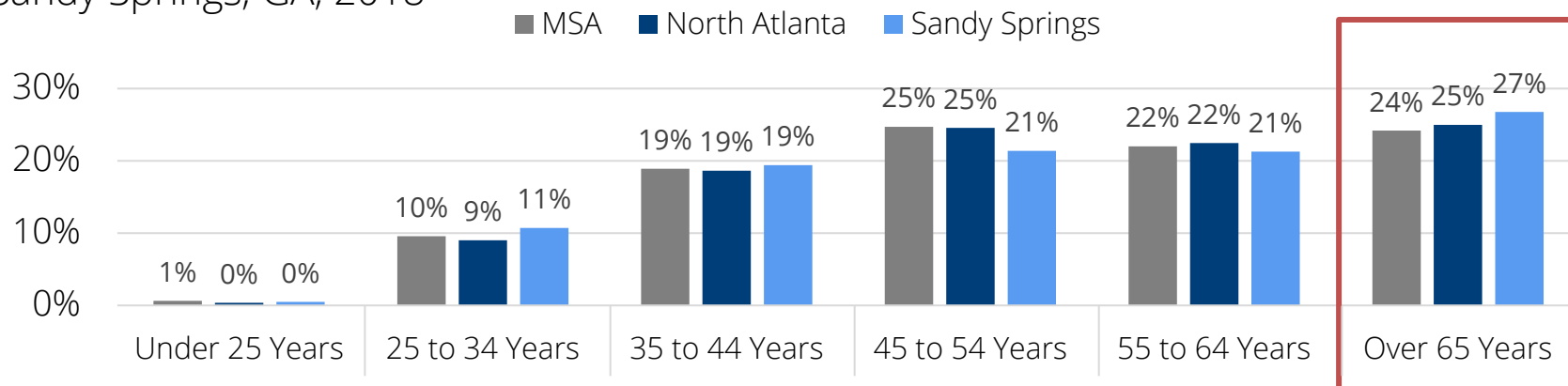
*Note: Percent change was calculated using 2011 as the base year.*

# HOMEOWNER HOUSING NEEDS | AGE AND INCOME

The City's homeowner population is older and wealthier than the region.

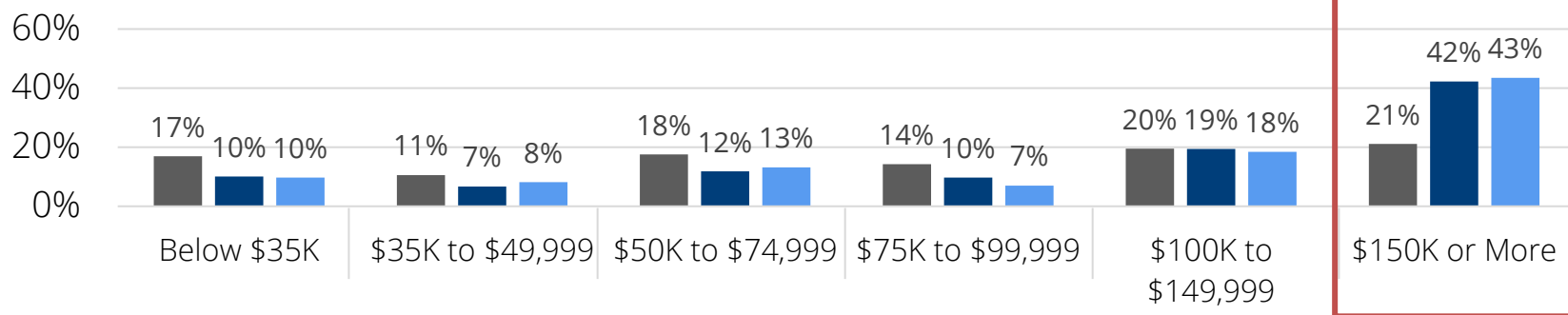
## SHARE OF OWNER HOUSEHOLDS BY AGE OF HOUSEHOLDER

Sandy Springs, GA, 2018



## SHARE OF OWNER HOUSEHOLDS BY HOUSEHOLD INCOME

Sandy Springs, GA, 2018

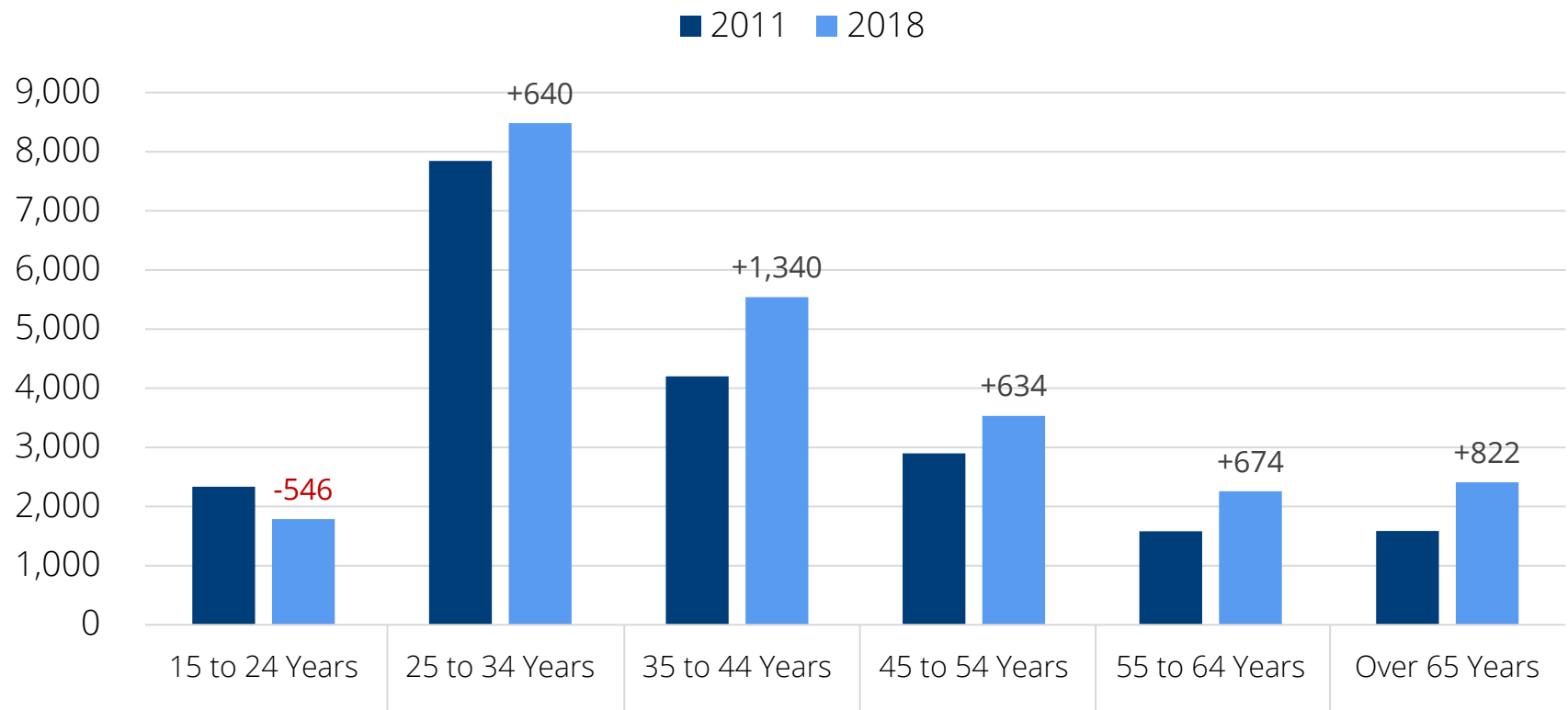


## DEMOGRAPHIC TRENDS | HOUSEHOLD INCOME

The typical renter in Sandy Springs is becoming older. The share of renters aged above 35 years increased from 50% to 57% since 2011.

### RENTER HOUSEHOLDS BY AGE OF HOUSEHOLDER

Sandy Springs, GA 2011-2018



*Note: Percent change was calculated using 2011 as the base year.*

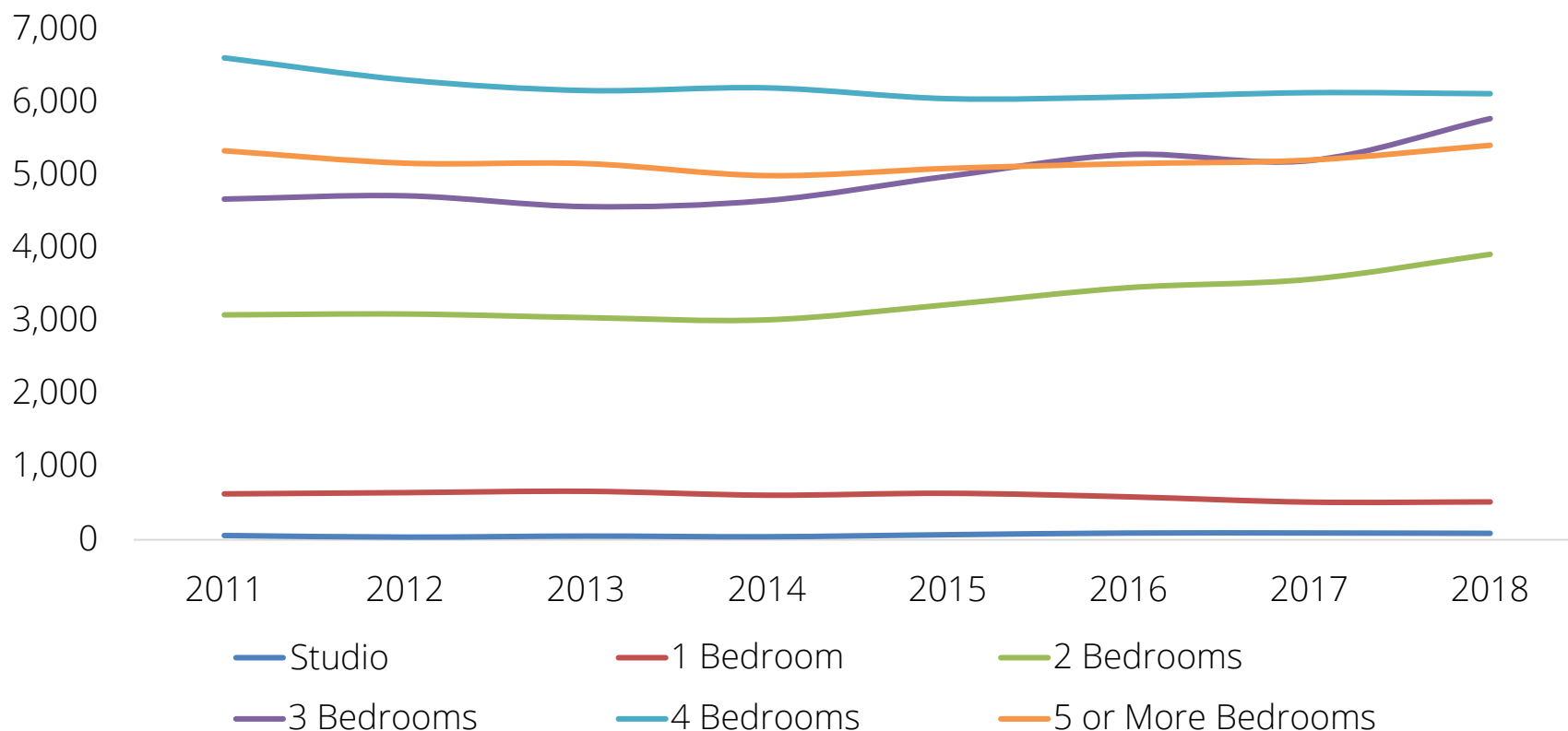


## DEMOGRAPHIC TRENDS | OCCUPIED HOUSING UNITS

The majority of owner-occupied homes in the City have 3 or more bedrooms, with most new homes built since 2011 occupying 2 and 3 bedrooms.

### OWNER-OCCUPIED HOUSING UNITS BY NUMBER OF BEDROOMS

Sandy Springs, GA, 2011-2018

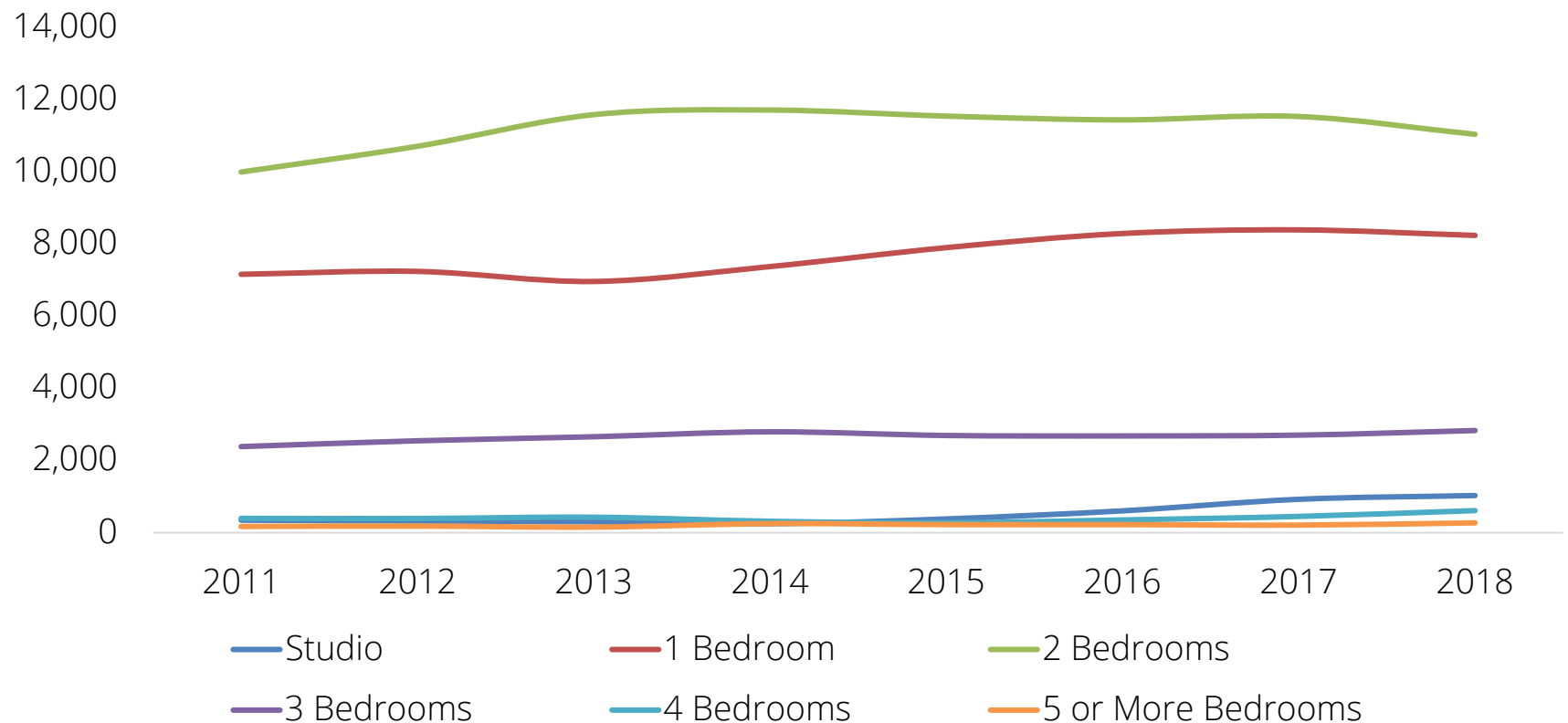


## DEMOGRAPHIC TRENDS | OCCUPIED HOUSING UNITS

2-bedroom units have remained the most prevalent type of renter-occupied housing unit since 2011.

### RENTER-OCCUPIED HOUSING UNITS BY NUMBER OF BEDROOMS

Sandy Springs, GA, 2011-2018

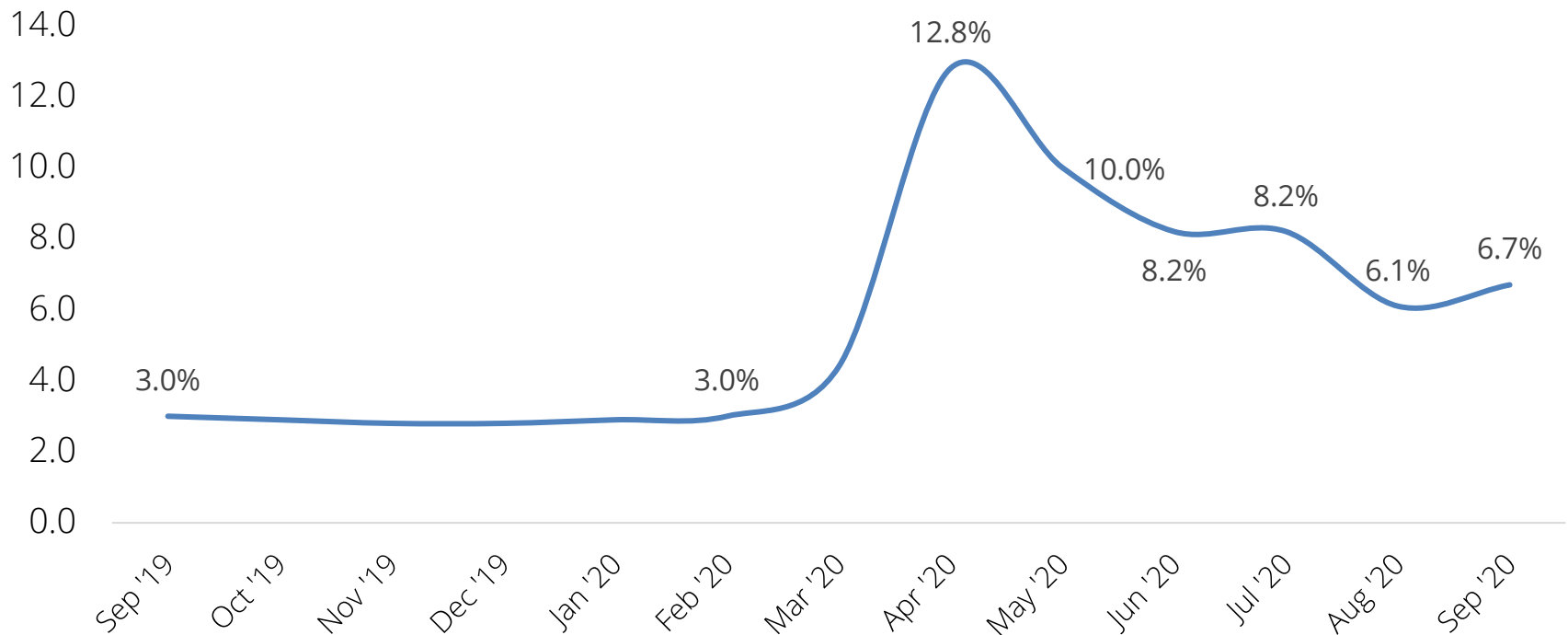


## DEMOGRAPHIC TRENDS | UNEMPLOYMENT

Consistent with trends in municipalities across the country, unemployment peaked in April 2020, following the outbreak of the COVID-19 global pandemic in the United States.

### COVID-19 UNEMPLOYMENT RATE (SEASONALLY ADJUSTED)

Atlanta-Sandy Springs-Alpharetta MSA, Sep. 2019 – Sep. 2020



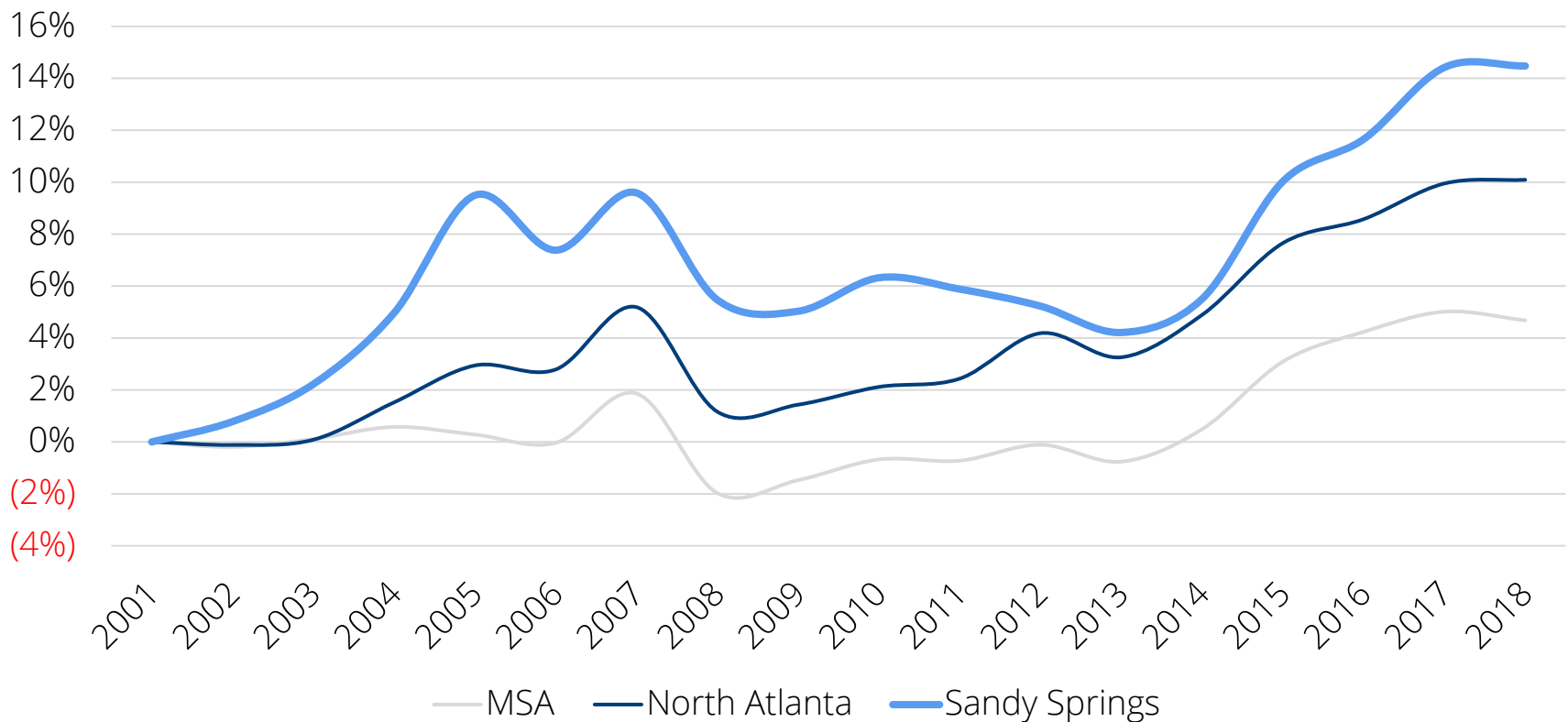
*Note: MSAs are the smallest geographies for which the BLS provides data. The most recent LAUS data release was for May 2020.*

## DEMOGRAPHIC TRENDS | WAGE GROWTH

Since 2002, growth in real wages has been greater in Sandy Springs compared to the rest of the region.

### TOTAL PERCENT CHANGE IN REAL WAGES (FROM BASE YEAR 2001)

MSA, North Atlanta, and Sandy Springs, GA, 2002-2018



Note: Sandy Springs in this chart includes data from zip codes 30350, 30328, 30342, and 30327,

# Demographic and Economic Trends

Demographic and Economic Trends Assessment

**Workforce and Employment Comparison**

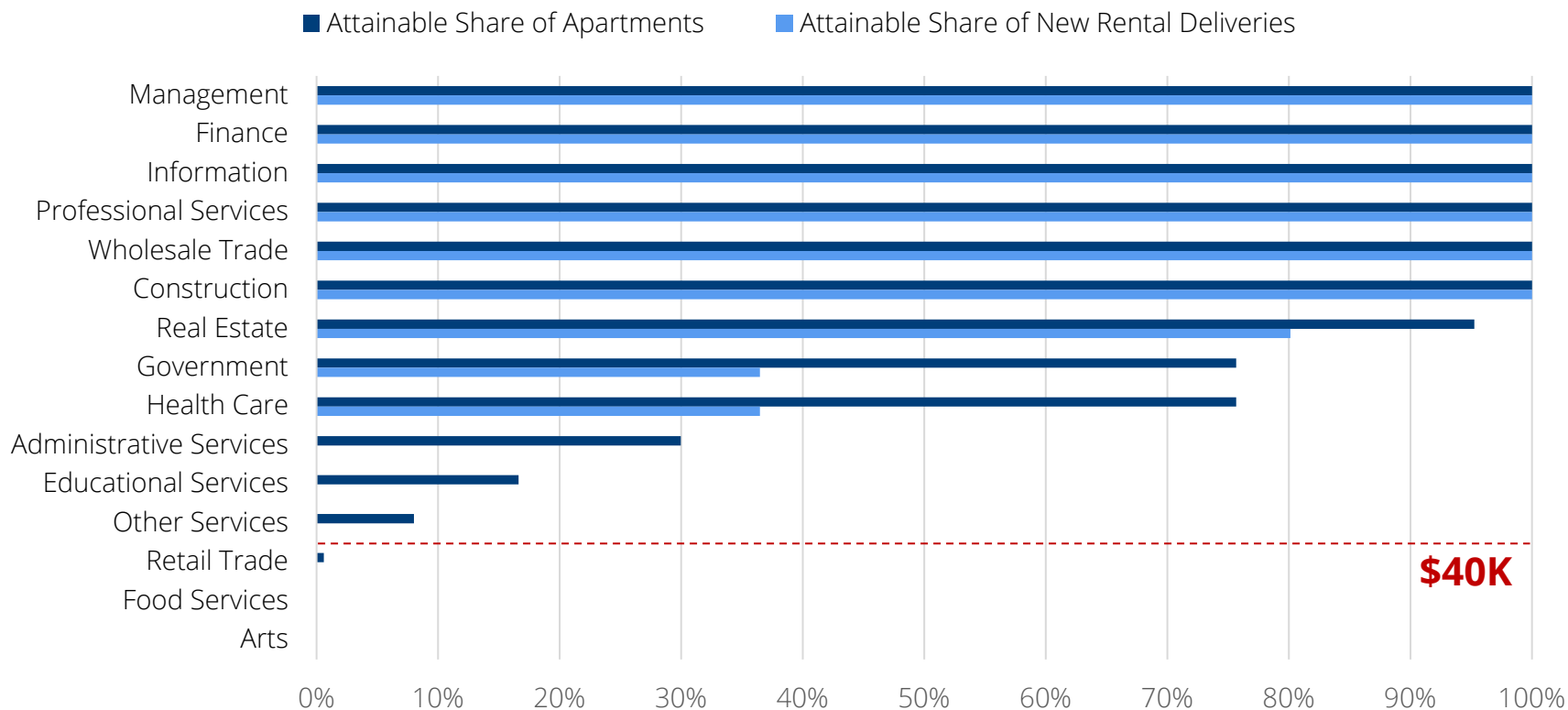
Cost Burden Assessment

## DEMOGRAPHIC TRENDS | HOUSING NEEDS

Fewer new rental units are affordable to health care, administrative, and educational services workers compared to workers in other industries.

### AFFORDABLE UNITS BY INDUSTRY AND TENURE

Sandy Springs, GA 2020



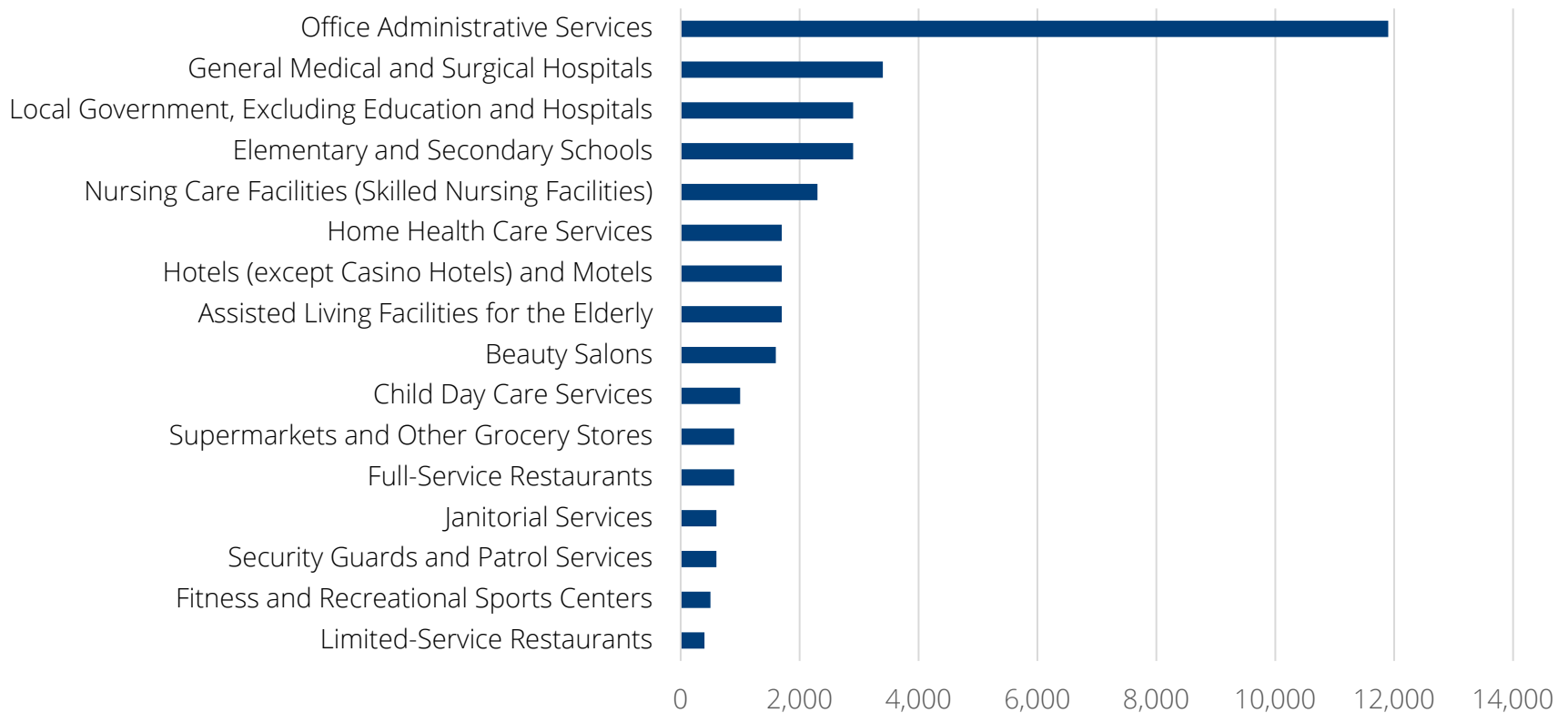
*Note: new rental deliveries reflect apartments built since 2010*

## DEMOGRAPHIC TRENDS | EMPLOYMENT

Workers in these selected industry subcategories make up 30% of the total workforce in Sandy Springs.

### EMPLOYMENT BY INDUSTRY (DETAILED)

Sandy Springs, GA 2018

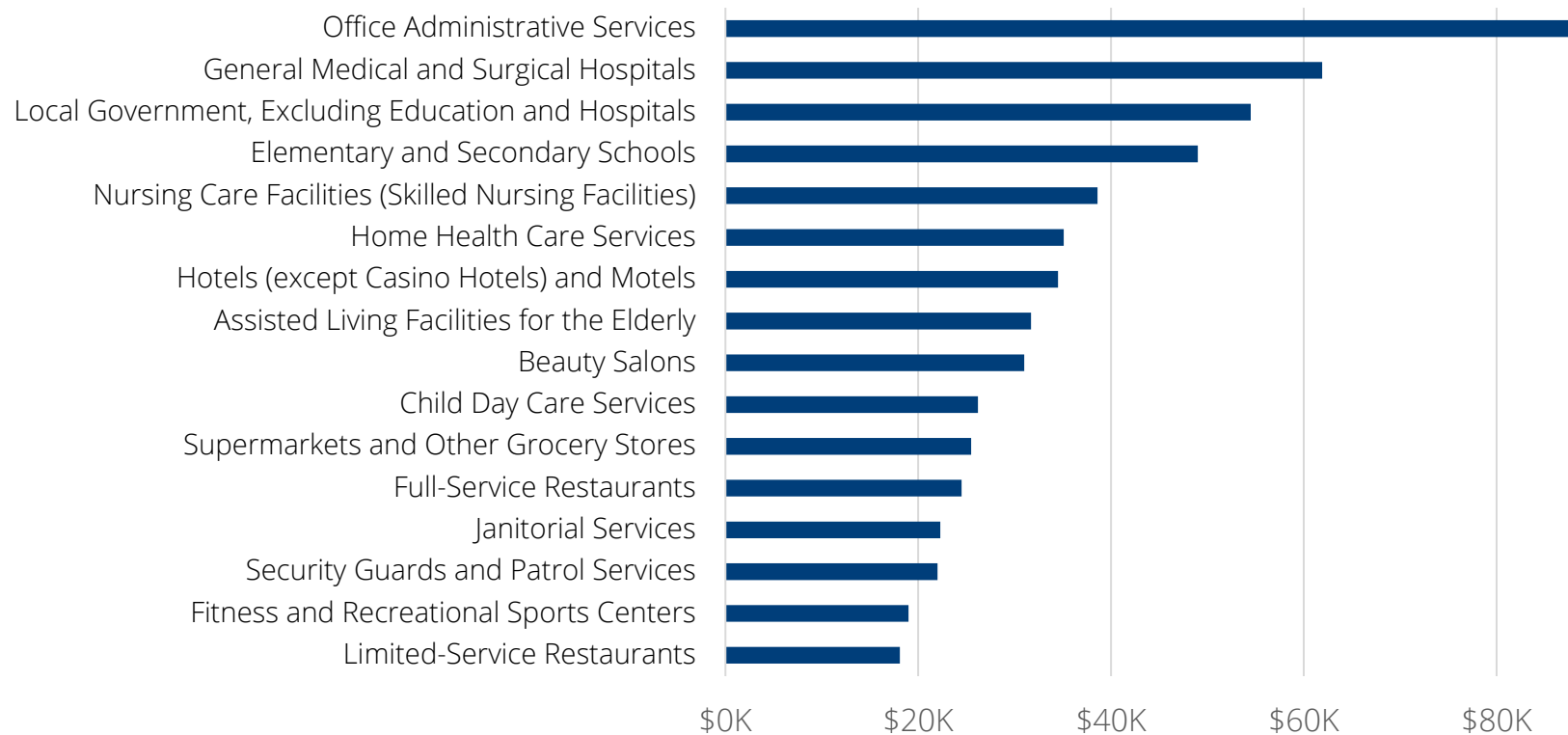


## DEMOGRAPHIC TRENDS | WAGES

On average, administrative, service, health care, education, and essential workers earn less than \$100K in Sandy Springs.

### WAGE BY INDUSTRY (DETAILED)

Sandy Springs, GA 2018



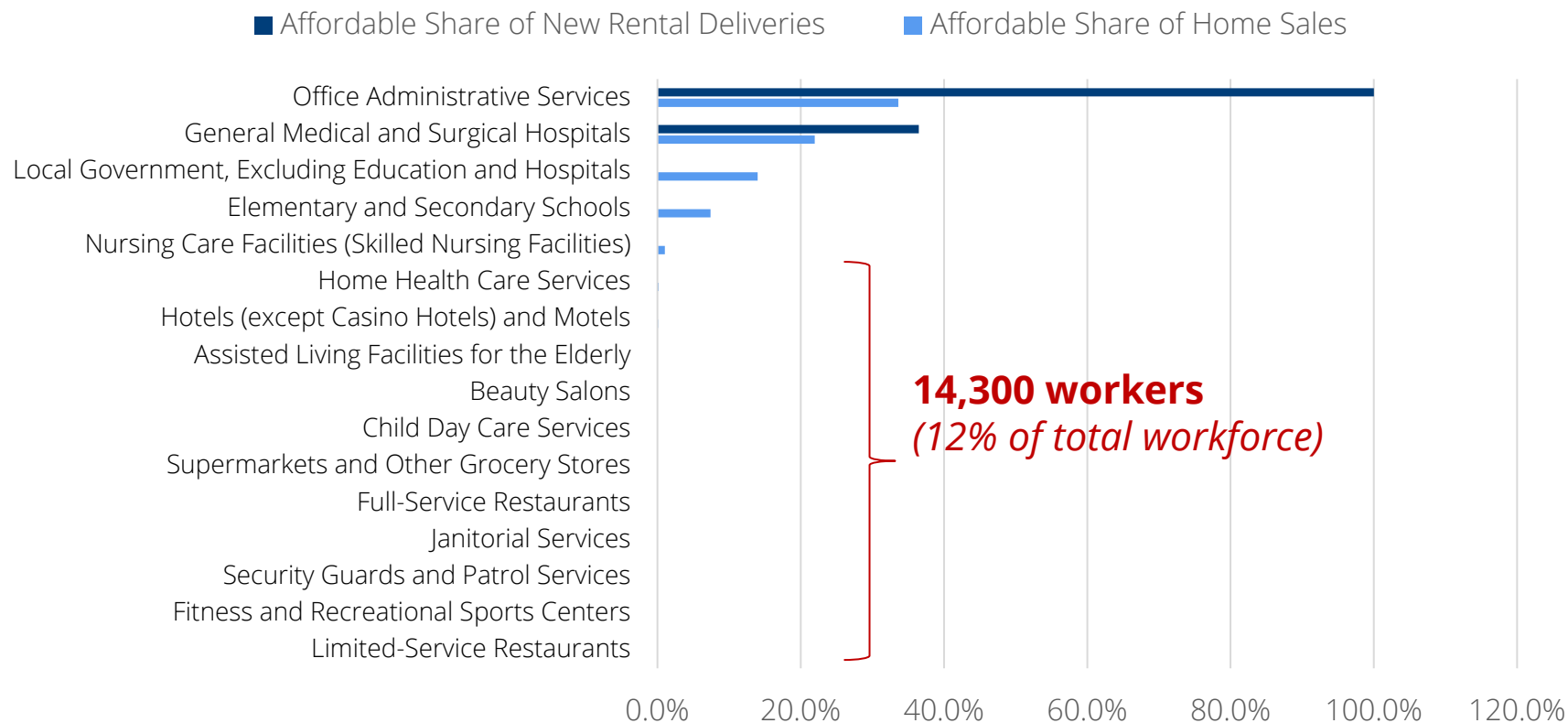


## DEMOGRAPHIC TRENDS | HOUSING NEEDS

There are no new rental or homeownership opportunities for service and essential workers.

### AFFORDABLE UNITS BY INDUSTRY AND TENURE (DETAILED)

Sandy Springs, GA 2020



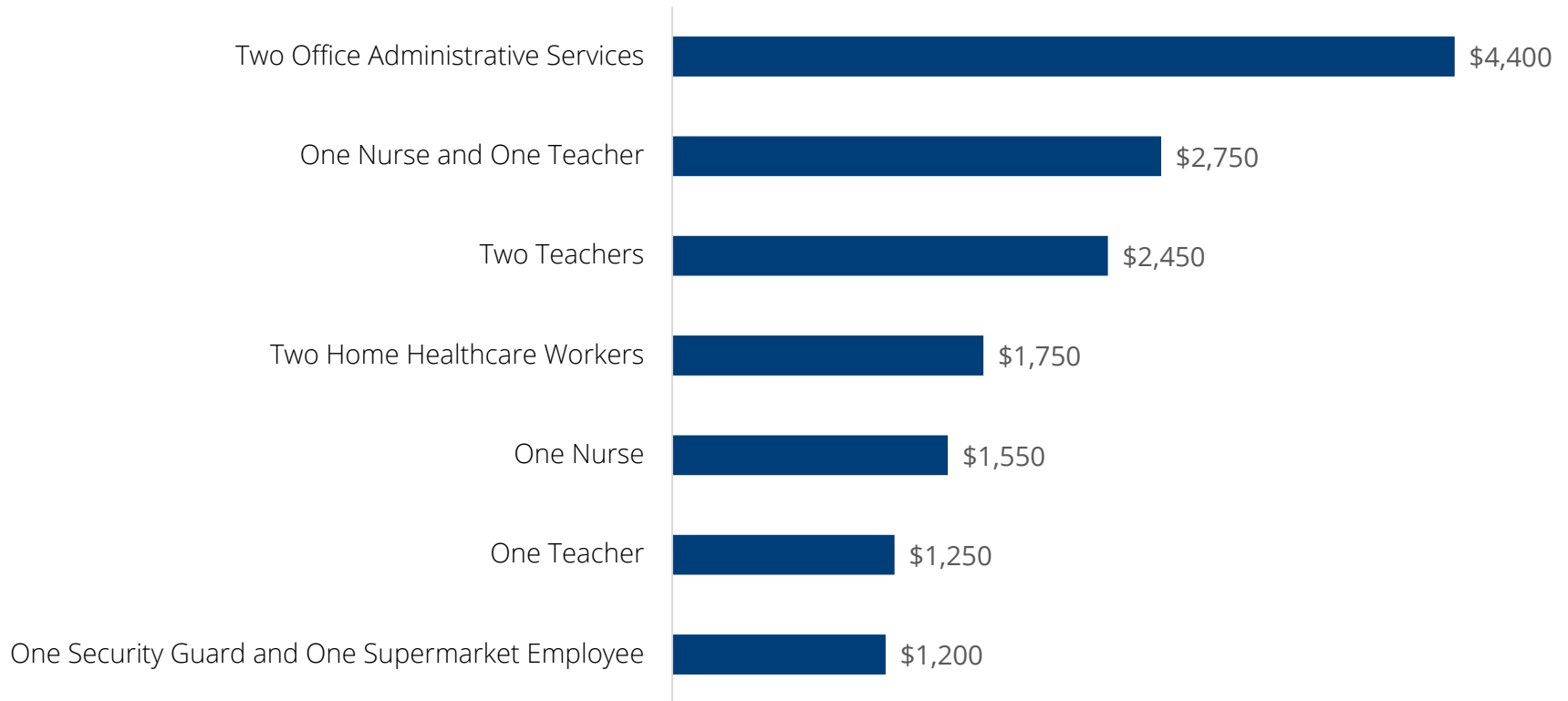
Note: new rental deliveries reflect apartments built since 2010; home sales reflect time period 2017-2019

## DEMOGRAPHIC TRENDS | HOUSING NEEDS

On average, rents that are affordable to teachers and nurses are under \$2,000/unit.

### MAXIMUM AFFORDABLE RENT BY SELECTED HOUSEHOLD TYPE

Sandy Springs, GA 2018



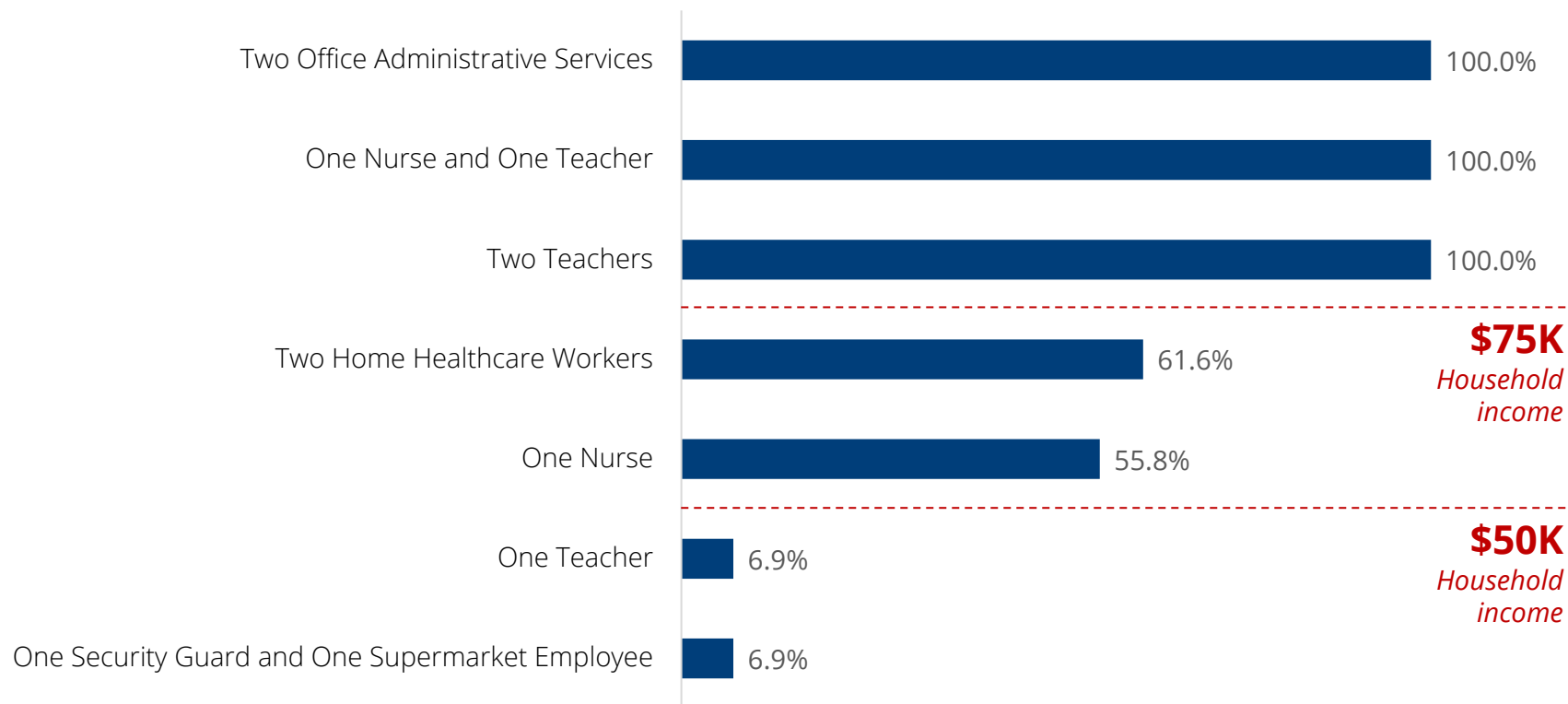
*Note: based on 30% of gross income spent on rent. This calculation is exclusive of utilities, which generally increases housing costs by approximately 5%.*

## DEMOGRAPHIC TRENDS | HOUSING NEEDS

Most units in new rental deliveries have not been affordable to households making under \$50K.

### AFFORDABLE SHARE OF UNITS IN RECENT RENTAL DELIVERIES

Sandy Springs, GA 2020



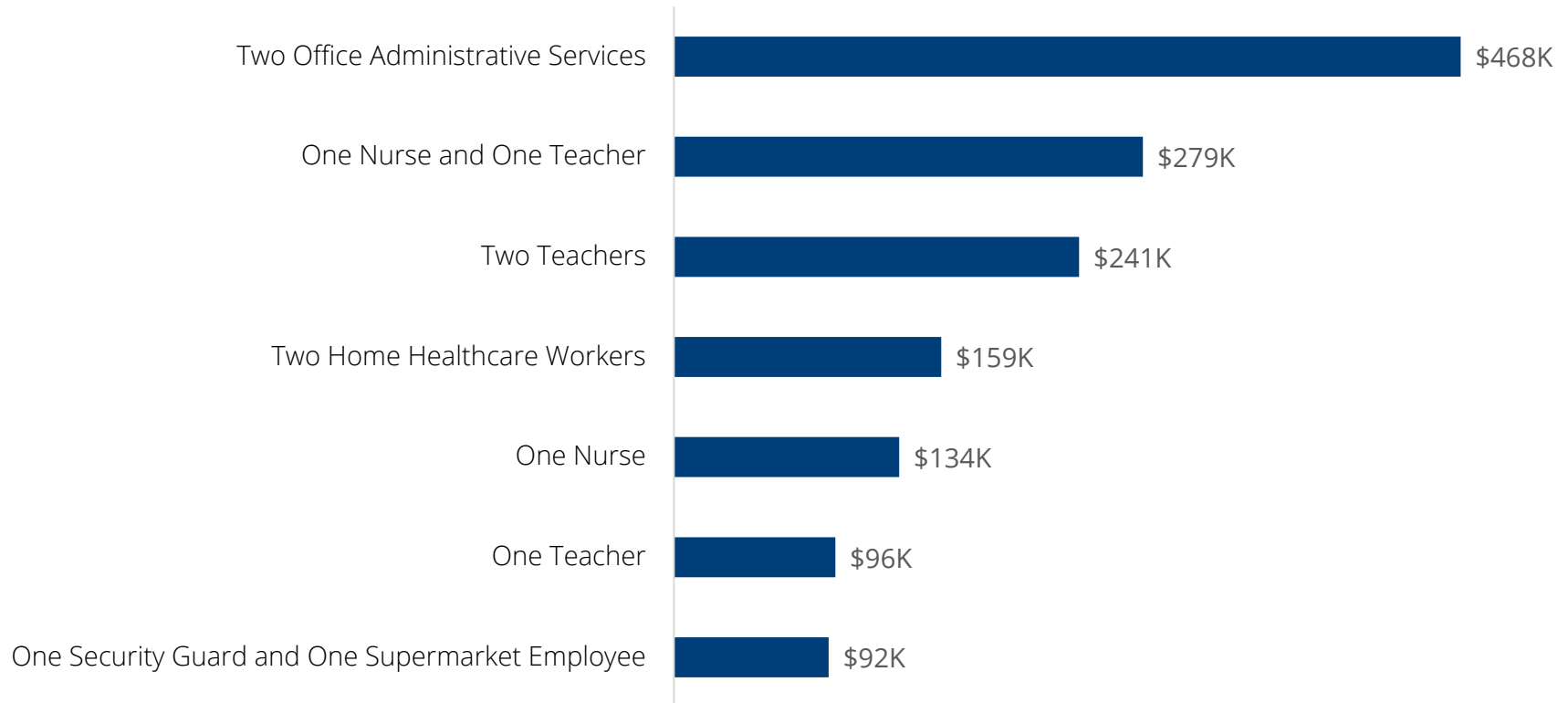
Note: new rental deliveries reflect apartments built since 2010

## DEMOGRAPHIC TRENDS | HOUSING NEEDS

On average, teachers and healthcare workers can purchase homes of less than \$400K.

### MAXIMUM FOR-SALE PRICE BY HOUSEHOLD TYPE

Sandy Springs, GA 2020



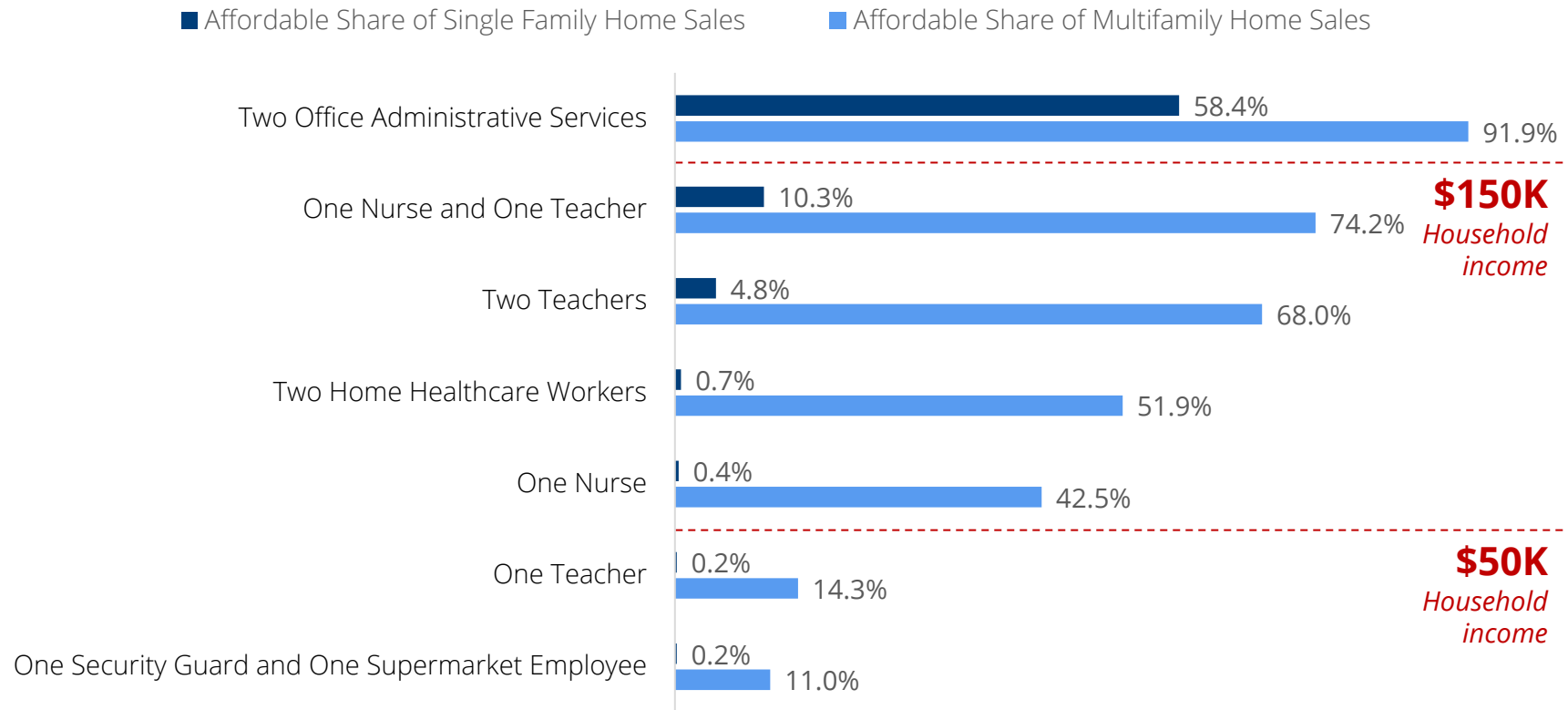
*Note: based on 30% of gross income spent on housing costs*

## DEMOGRAPHIC TRENDS | HOUSING NEEDS

On average, condominiums are more affordable to households making under \$200K compared to single-family homes.

### AFFORDABLE SHARE OF HOMES IN RECENT SALES

Sandy Springs, GA 2020



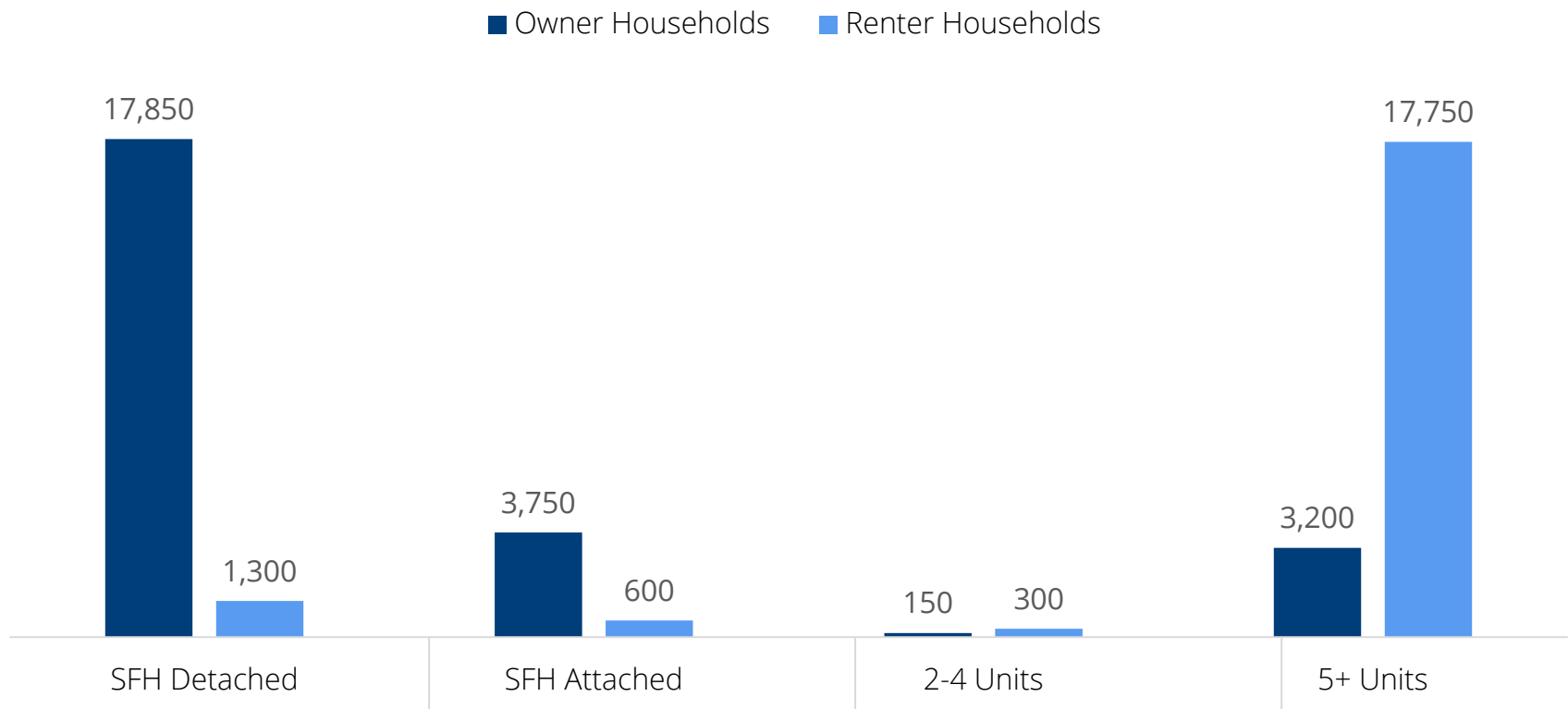
Note: home sales reflect time period 2017-2019

## DEMOGRAPHIC TRENDS | TENURE BY HOUSING TYPE

72% of owner households live in single-family detached homes, while 89% of renter households live in buildings with more than 5 units.

### UNITS IN STRUCTURE

Sandy Springs, GA 2018

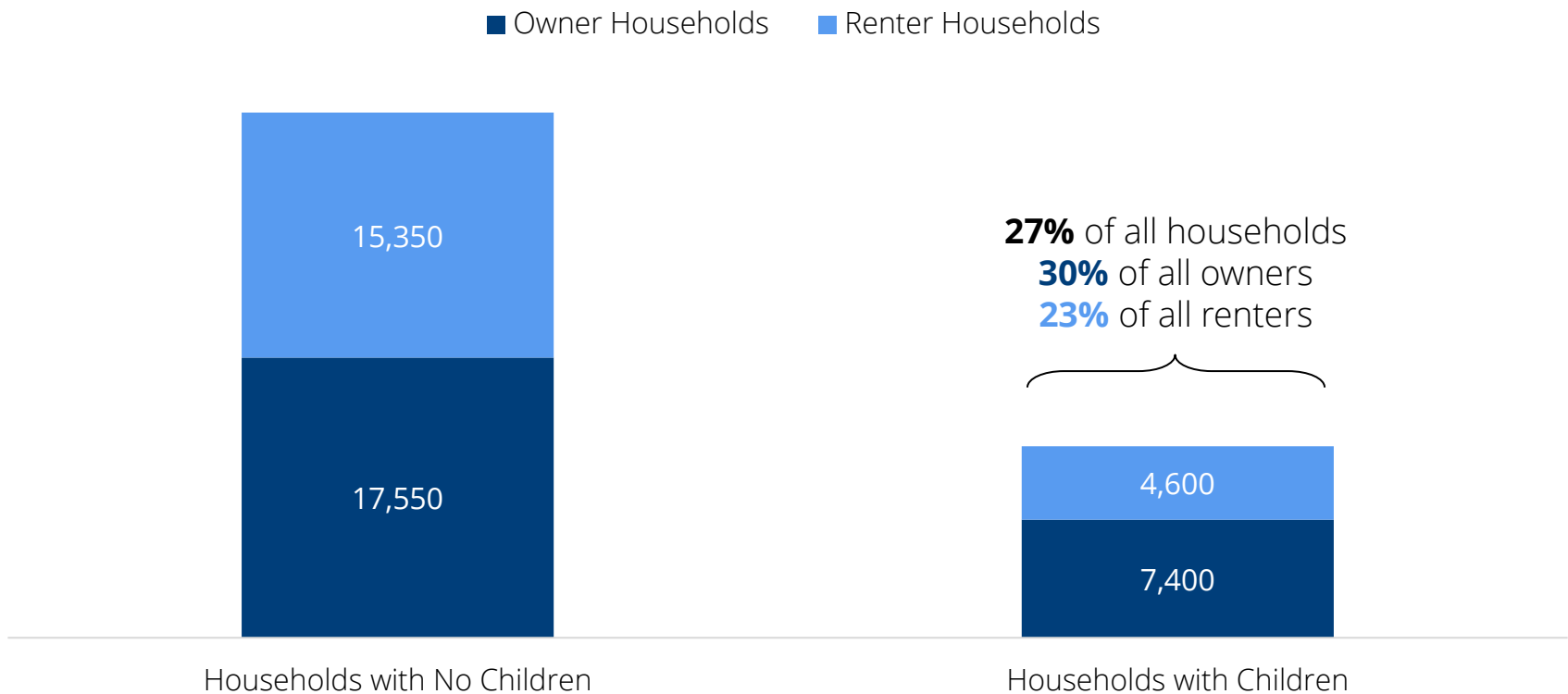


## DEMOGRAPHIC TRENDS | CHILDREN BY TENURE

The majority of households with children (age 0–18) are owner households.

### PRESENCE OF CHILDREN

Sandy Springs, GA 2018

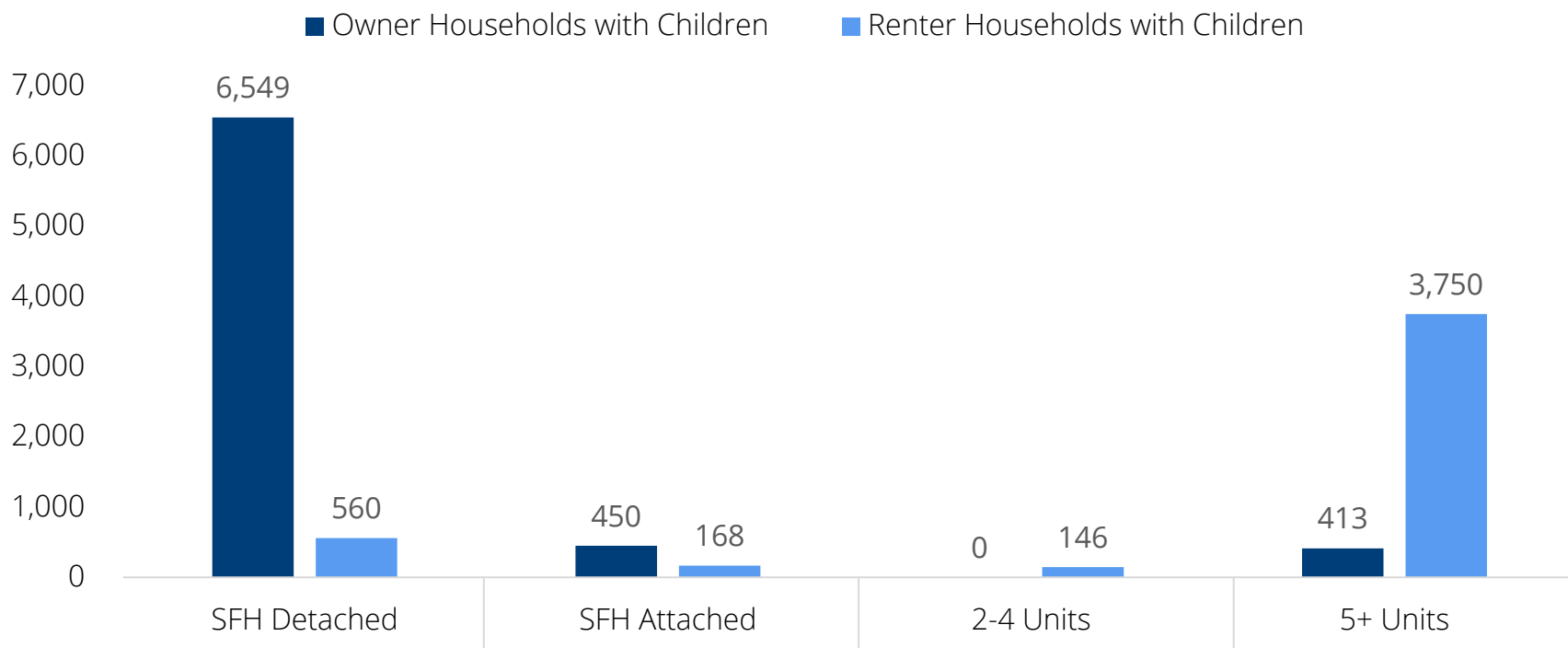


## DEMOGRAPHIC TRENDS | CHILDREN BY HOUSING TYPE

Owner households contribute more children to Sandy Springs than renter households, however this is largely driven by owner households being more likely to live in single-family homes than renter households.

### PRESENCE OF CHILDREN BY UNITS IN STRUCTURE

Sandy Springs, GA 2018





# Demographic and Economic Trends

Demographic and Economic Trends Assessment

Workforce and Employment Comparison

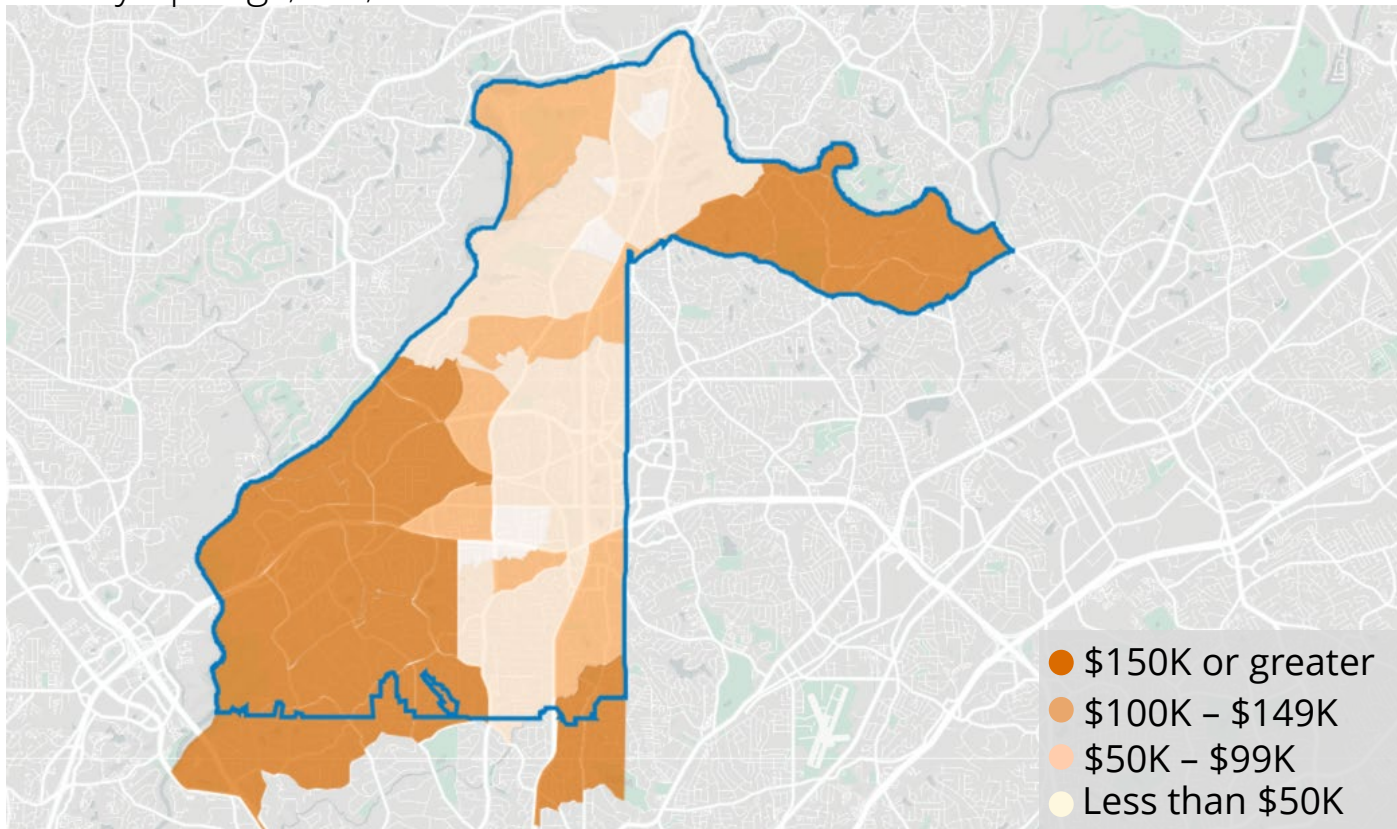
**Cost Burden Assessment**

## DEMOGRAPHIC TRENDS | HOUSEHOLDS

Households with incomes greater than \$150K are concentrated in the Panhandle and western part of the City.

### MEDIAN HOUSEHOLD INCOME BY CENSUS BLOCK GROUP

Sandy Springs, GA, 2020

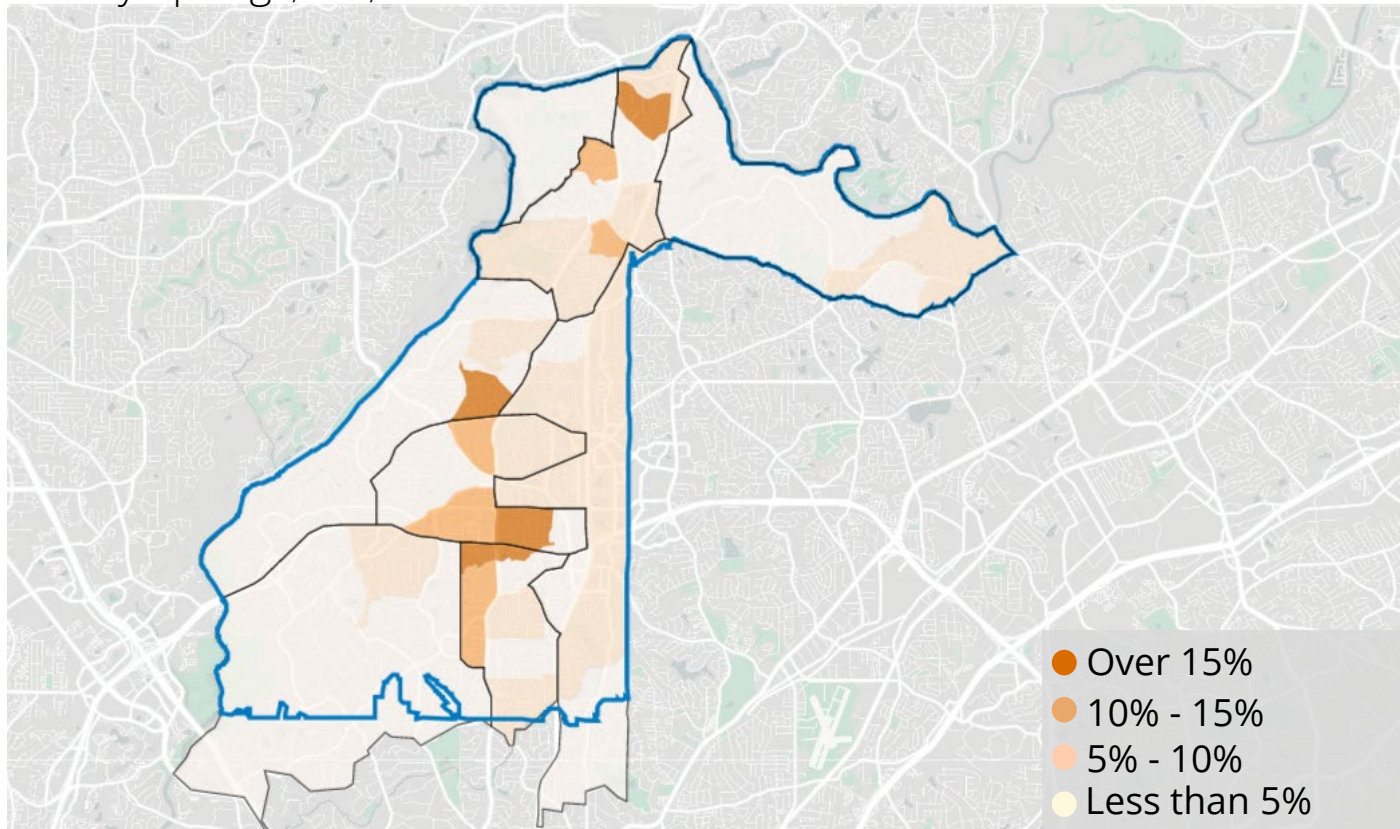


## DEMOGRAPHIC TRENDS | HOUSEHOLDS

Despite the relatively high median income, there are pockets of higher levels of poverty along Roswell Road.

### SHARE OF HOUSEHOLDS BELOW POVERTY LEVEL BY CENSUS BLOCK GROUP

Sandy Springs, GA, 2018

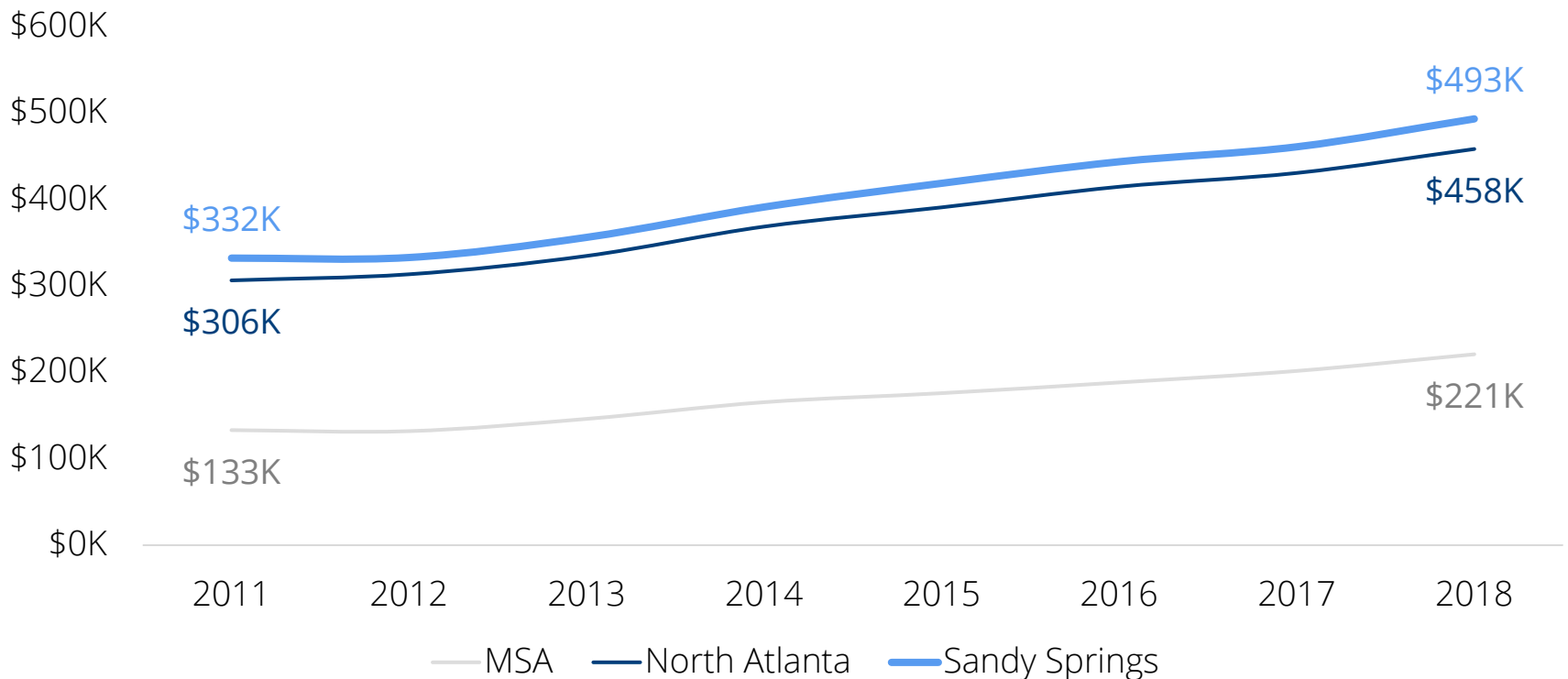


## DEMOGRAPHIC TRENDS | HOUSING AFFORDABILITY

Median home values are higher in Sandy Springs than the rest of the region. Across the MSA, median home values have increased 7.5% on an annual basis since 2011.

### MEDIAN FOR-SALE HOME VALUE

MSA, North Atlanta, and Sandy Springs, GA, 2011-2018



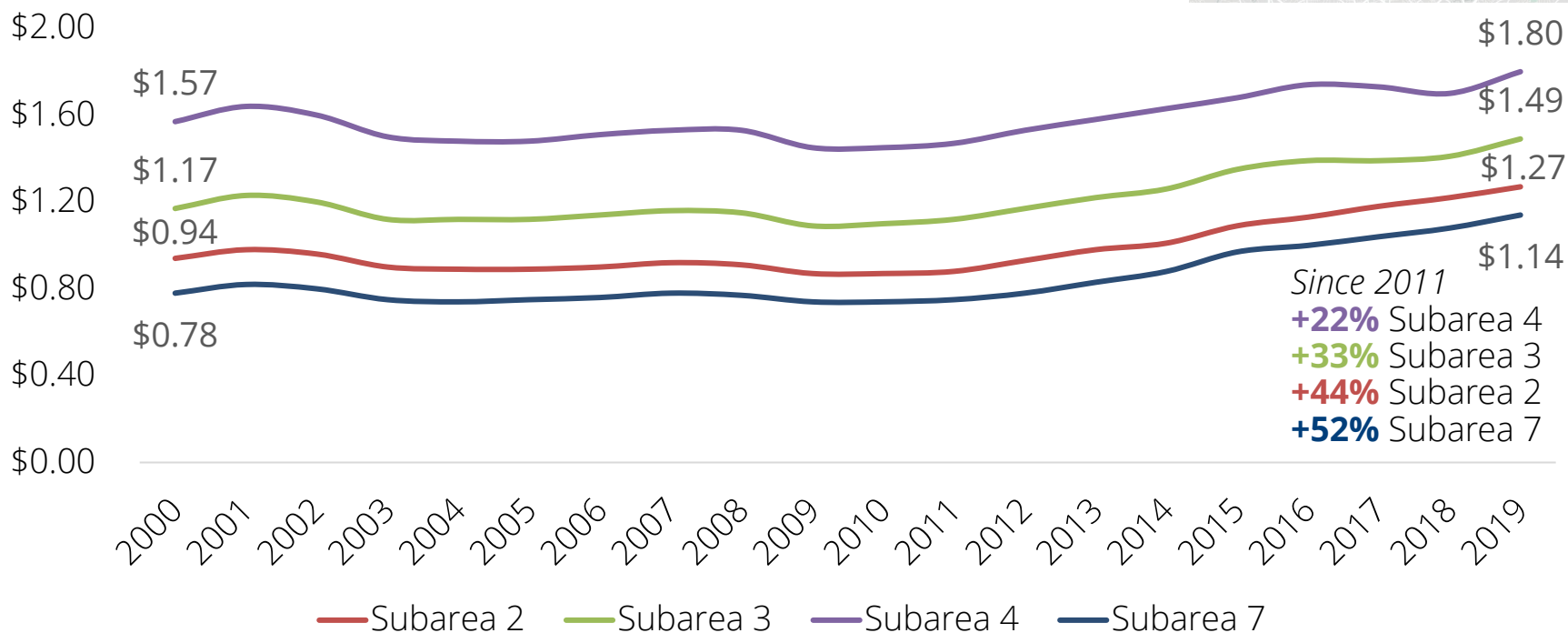
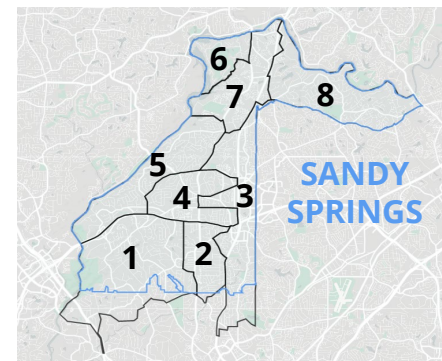
*Note: Not adjusted for inflation*

## DEMOGRAPHIC TRENDS | HOUSING AFFORDABILITY

Rent has been rising steadily in recent years, with slightly faster growth of non-Class A building rents.

### AVERAGE EFFECTIVE RENT PER SF (ALL CLASSES)

Sandy Springs, GA, 2000-2019



Note: Only subareas with five or more multifamily buildings included in chart

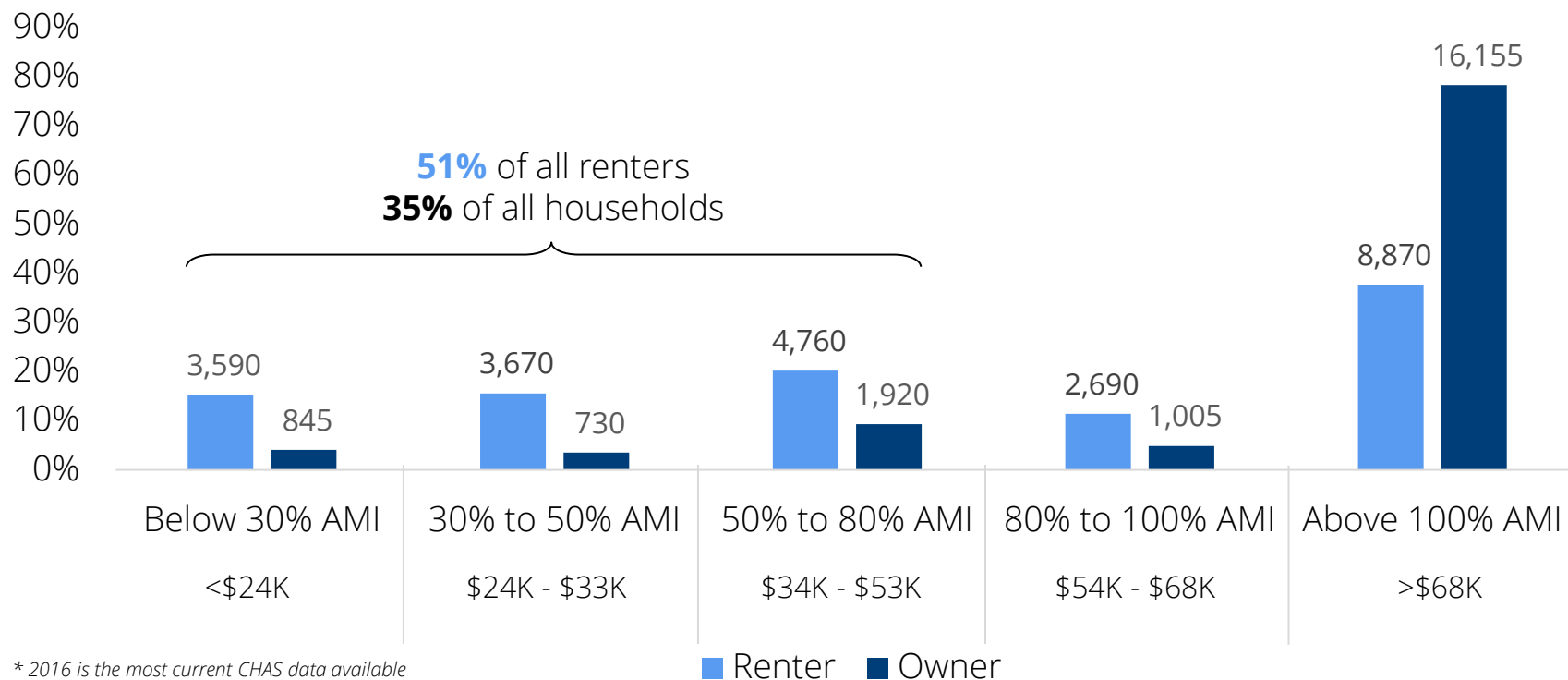
## DEMOGRAPHIC TRENDS | HOUSING AFFORDABILITY

More than a third of all households earn below 80% AMI, the majority of which are renters.

### SHARE OF HOUSEHOLDS BY AMI BENCHMARKS

Sandy Springs, GA, 2016

**78%** of all owners  
**57%** of all households



\* 2016 is the most current CHAS data available

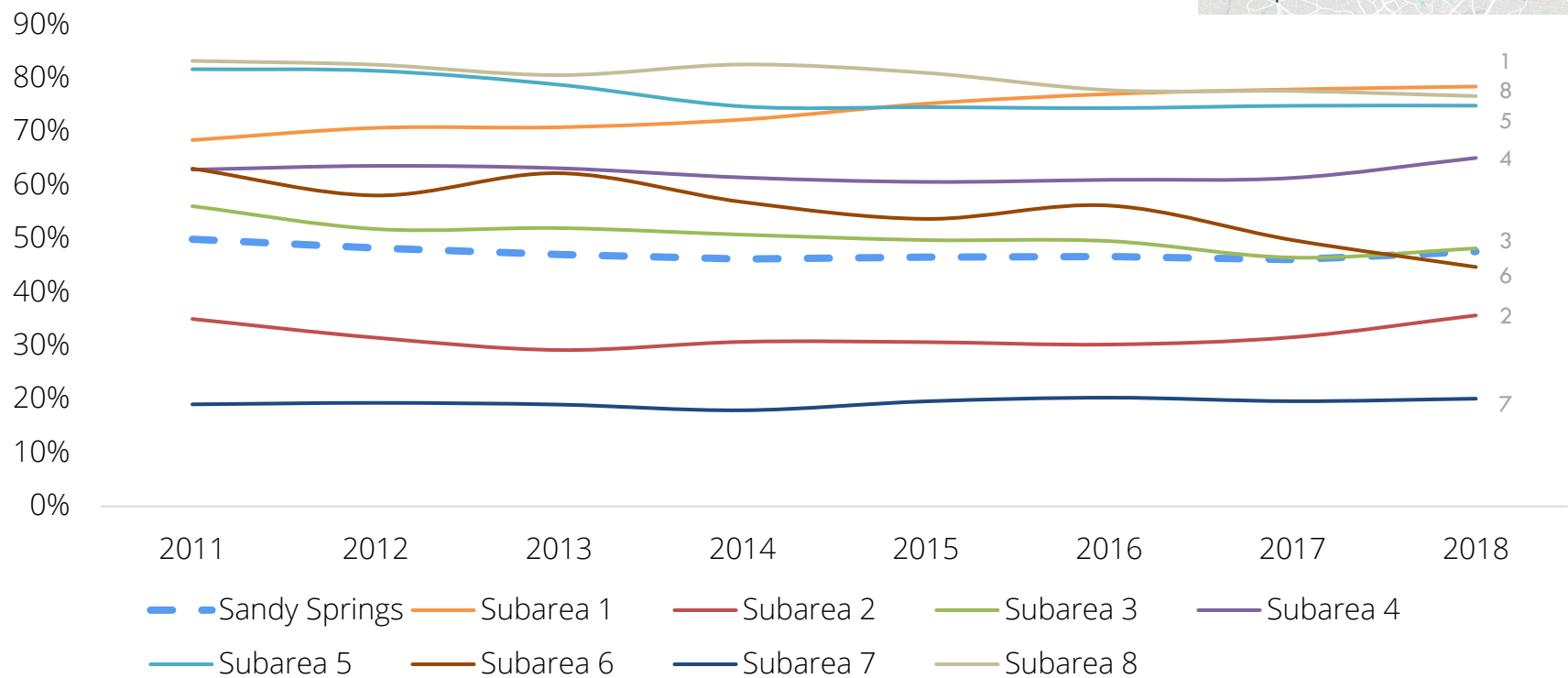
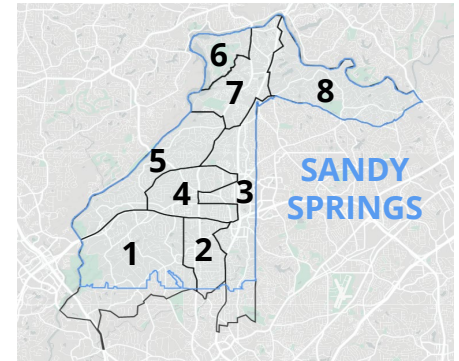


## DEMOGRAPHIC TRENDS | HOMEOWNERSHIP

From 2011 through 2018, the homeownership rate dropped most for Subareas 4 and 6 while growing in Subareas 1 and 4.

### HOMEOWNERSHIP RATE BY SUBAREA

Sandy Springs, GA, 2011-2018



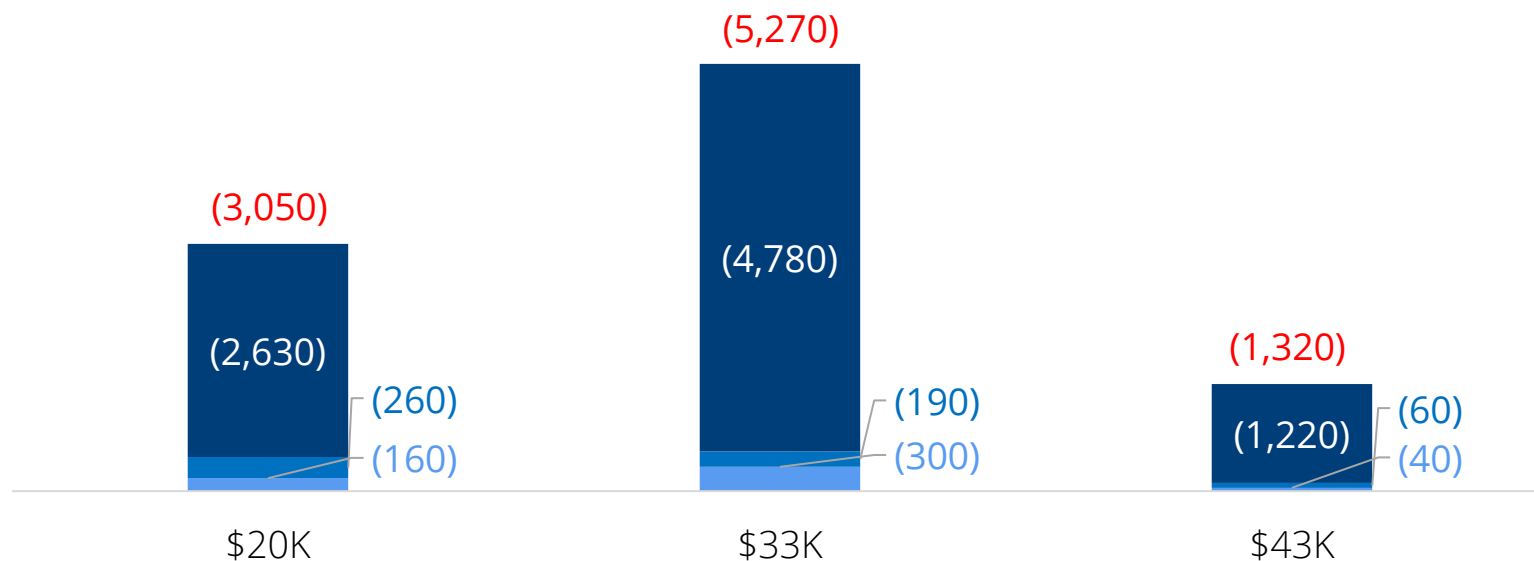
## DEMOGRAPHIC TRENDS | HOUSING AFFORDABILITY

Housing in 5+ unit structures make up more than 90% of the supply gap across all AMIs.

### SUPPLY GAP BY RENTAL UNITS IN STRUCTURE

Sandy Springs, GA 2018

■ Single Family and Other   ■ 2-4 Units   ■ 5+ Units



Approx.  
AMI Level  
for 2 people

Less than  
30%

Less than  
50%

Less than  
65 %

Note: Maximum housing costs by AMI assumes an affordability level of 30% of gross income allocated to housing, including utilities. 2018 inflation adjusted values.



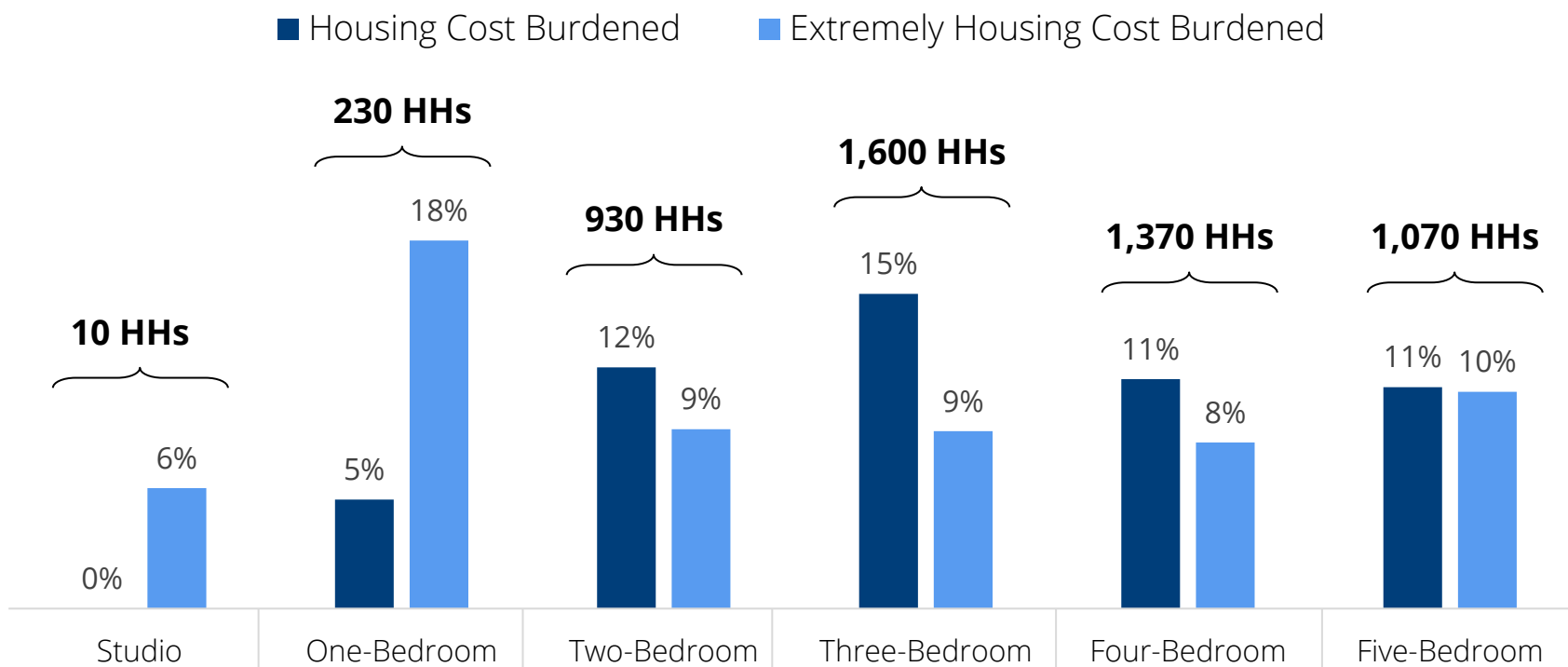
## DEMOGRAPHIC TRENDS | COST-BURDEN

The share of owner households which are cost-burdened is highest among one-bedroom units however the absolute number of cost-burdened owners is highest among three-bedroom units.

### COST-BURDENED OWNER HOUSEHOLDS

(*> 30% of Income Toward Housing Costs*)

Sandy Springs, GA 2018



Note: Extremely Cost-Burdened households spend at least 50% of their income in housing costs

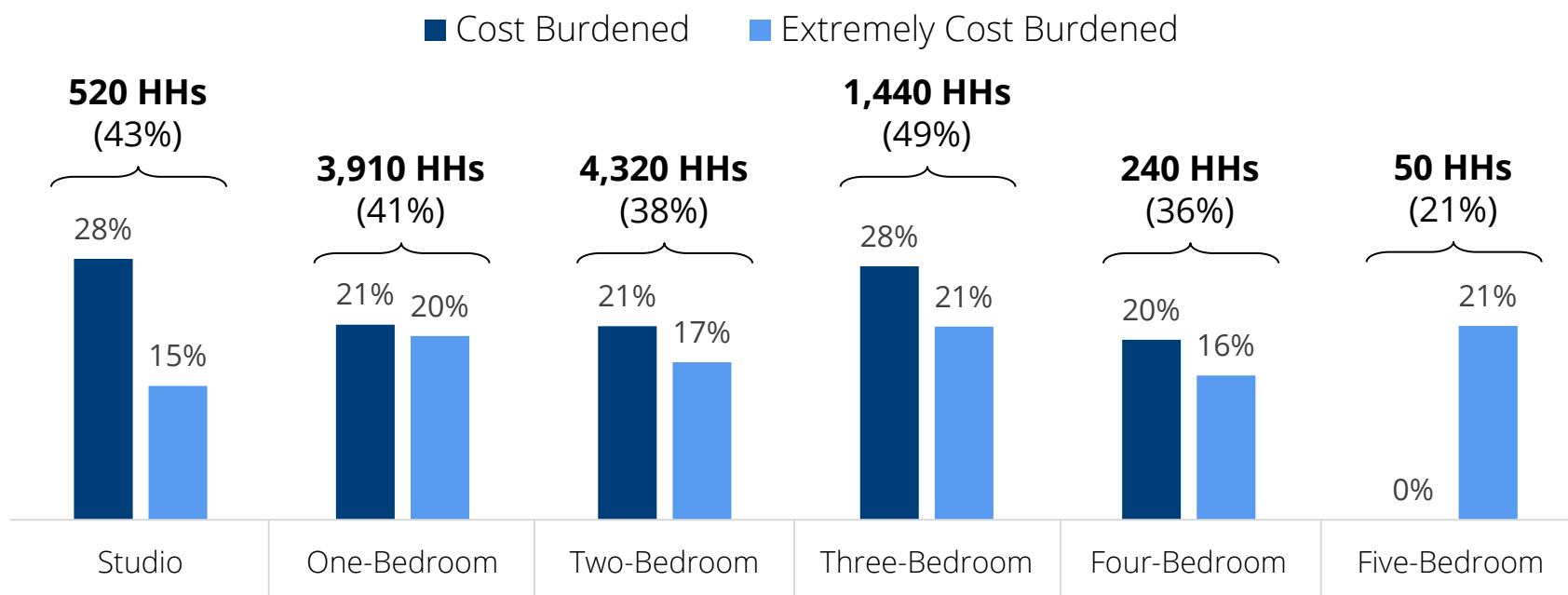
## DEMOGRAPHIC TRENDS | COST-BURDEN

The share of renter households that are housing cost-burdened and extremely housing cost-burdened is highest among three-bedroom units.

### COST-BURDENED RENTER HOUSEHOLDS

(> 30% of Income Toward Housing Costs)

Sandy Springs, GA 2018



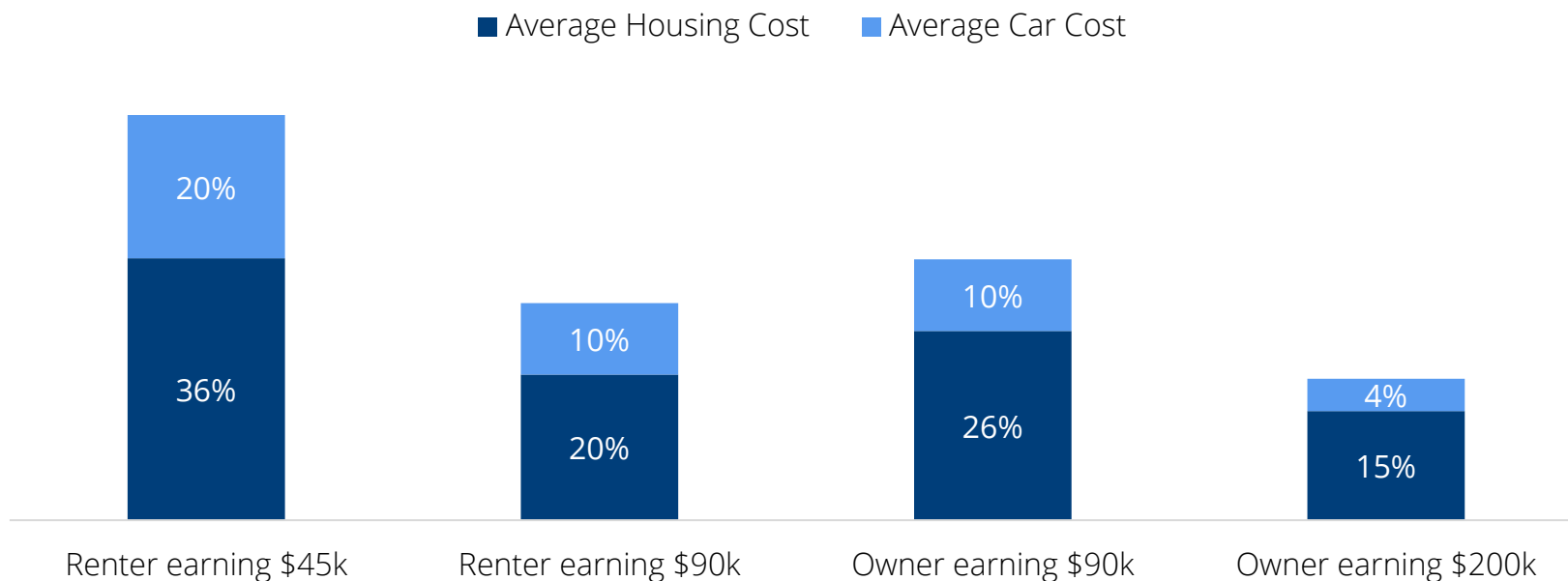
Note: Extremely Cost-Burdened households spend at least 50% of their income in housing costs. Extreme cost burden was calculated separately from cost burden.

## DEMOGRAPHIC TRENDS | HOUSING AND TRANSPORTATION

Similar to housing costs, transportation costs are mostly non-discretionary and driven by automobile ownership. In Sandy Springs the average annual auto ownership cost is \$8,580, which represents a higher share of total household expenditures for lower-income households than higher-income households.

### COMBINED HOUSING AND TRANSPORTATION COSTS

*Representative Households*  
Sandy Springs, GA 2018



# Housing Market Conditions

**Tenure**

Rental Conditions

# TENURE | KEY FINDINGS

---

**1 Tenure**  
**Consistent with the North Atlanta region**, the vast majority of single-family units are owner-occupied and multifamily units are primarily renter-occupied.

**2 Multifamily Ownership**  
Although encompassing only 18% of owner-occupied units, **a larger share of multifamily units in Sandy Springs are owner-occupied** than the metropolitan area and North Atlanta region. These units are concentrated in subareas 2, 3, 4, and 7.

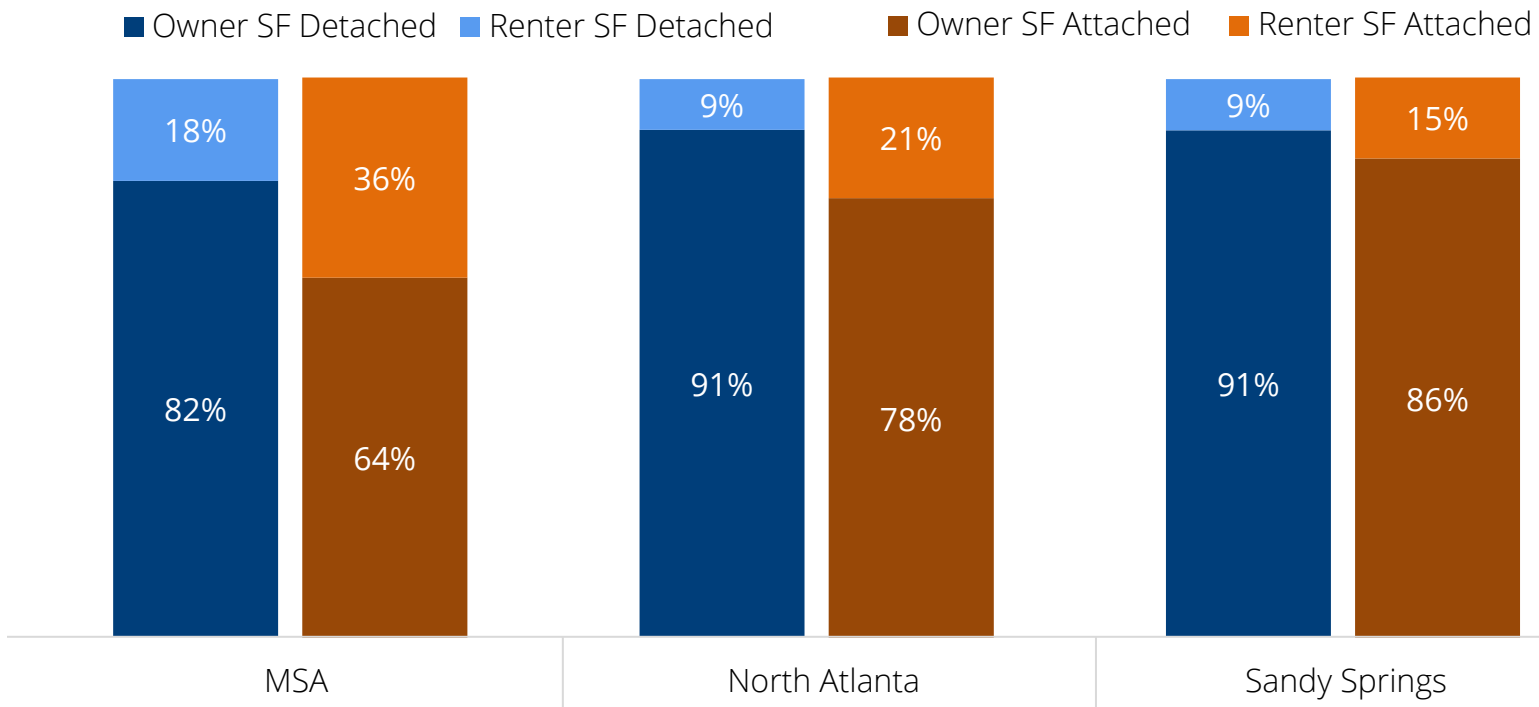
**3 Development Pipeline**  
The current development pipeline of four projects only includes townhomes and condominiums. **There are no new apartment buildings in the pipeline.** This is a significant decline compared to the 11 developments completed between 2010 and 2017.

## HOUSING MARKET | UNITS IN STRUCTURE

Sandy Springs experiences a higher homeownership rate among single-family detached and single-family attached typologies compared to the rest of the region.

### SINGLE-FAMILY UNITS IN STRUCTURE

MSA, North Atlanta, and Sandy Springs, GA 2018



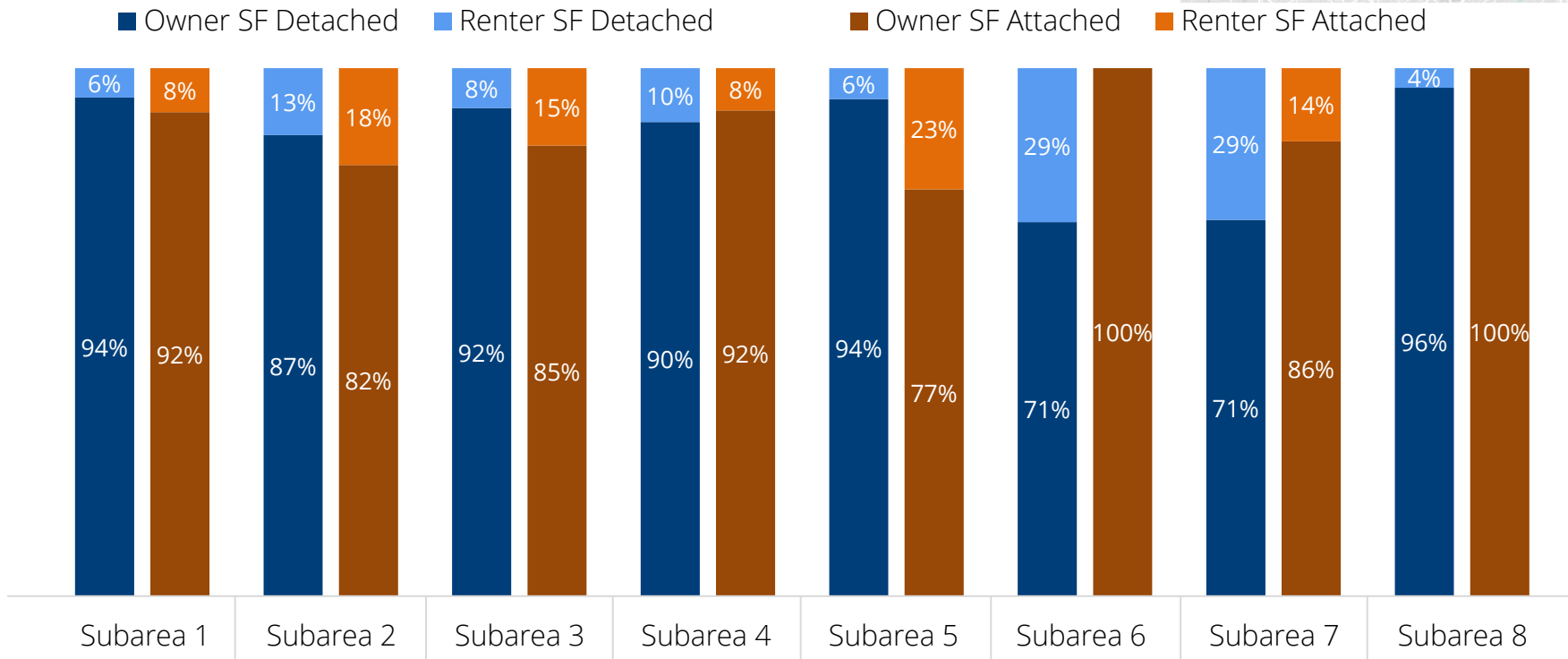
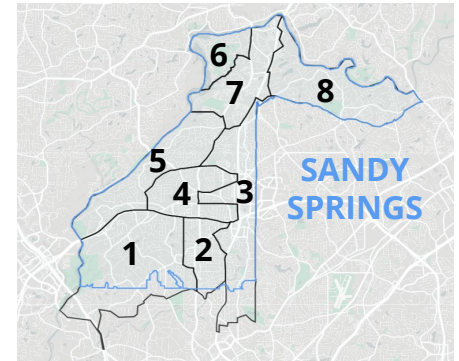
*Note: Single-family attached only includes townhomes; condos are considered multifamily units.*

# HOUSING MARKET | UNITS IN STRUCTURE

Most single family detached and attached homes are owner-occupied throughout the subareas.

## SINGLE FAMILY UNITS IN STRUCTURE

Subareas, 2018

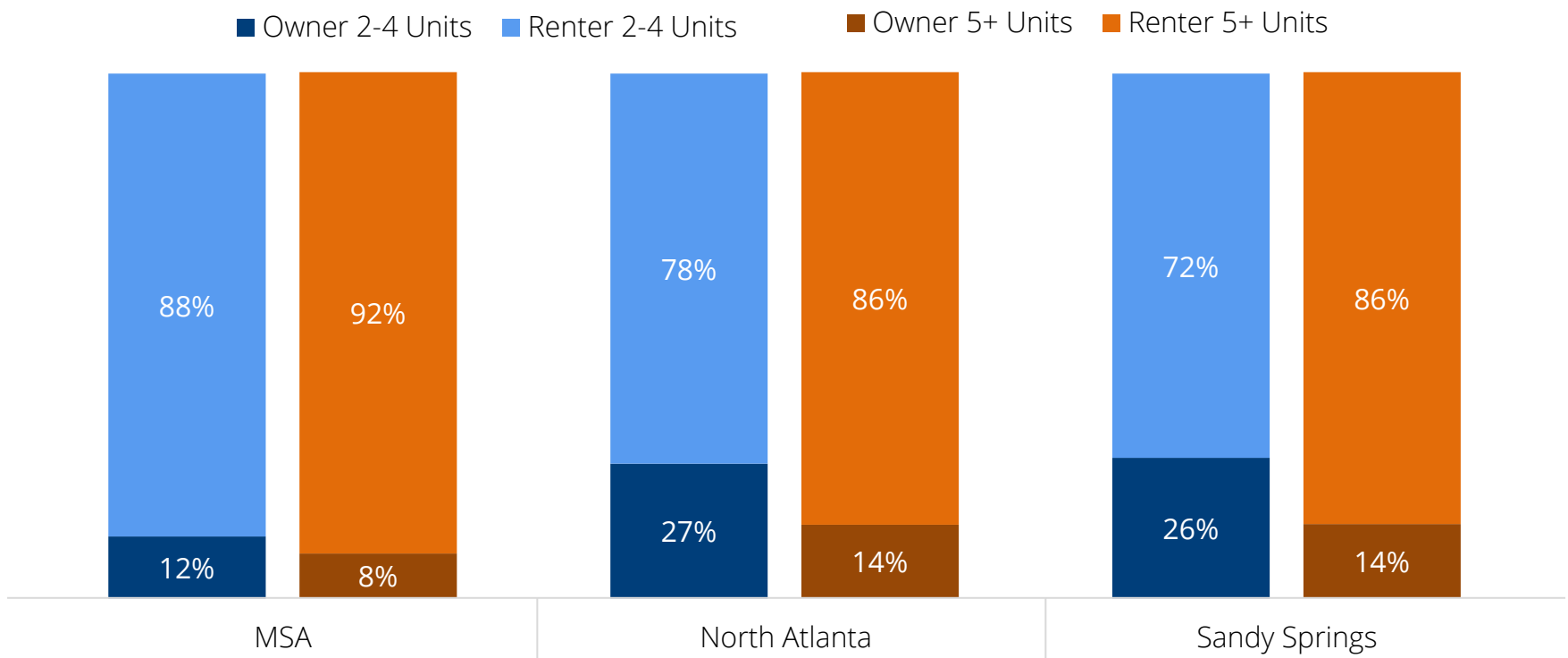


## HOUSING MARKET | UNITS IN STRUCTURE

Conversely, multifamily tends to be renter-occupied in Sandy Springs and throughout the region.

### MULTIFAMILY UNITS IN STRUCTURE

MSA, North Atlanta, and Sandy Springs, GA 2018



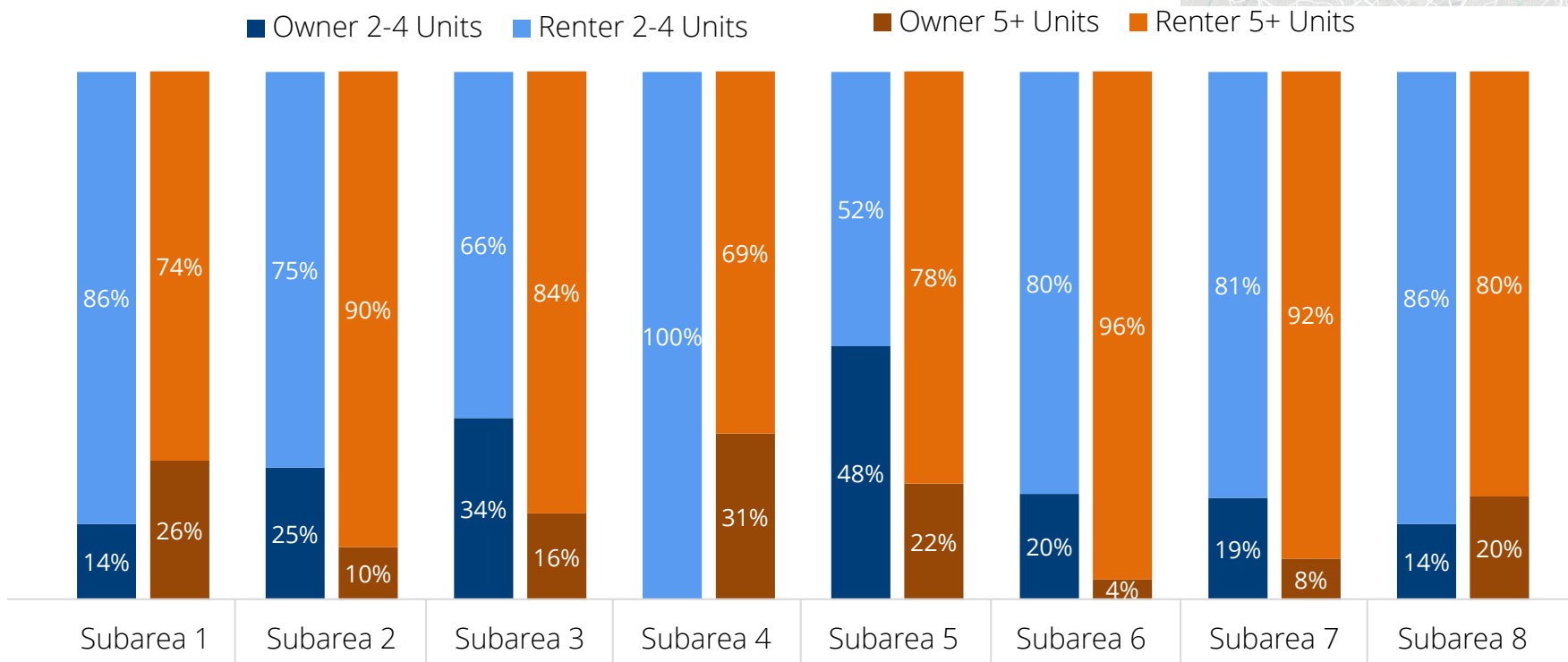
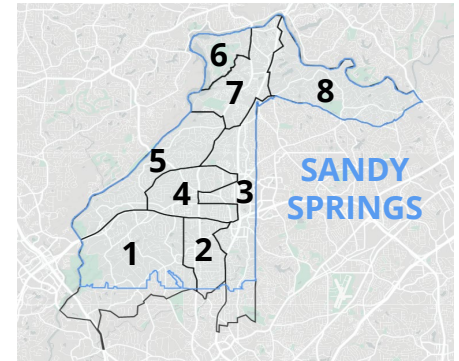


# HOUSING MARKET | UNITS IN STRUCTURE

Across all subareas, multifamily units are majority renter-occupied.

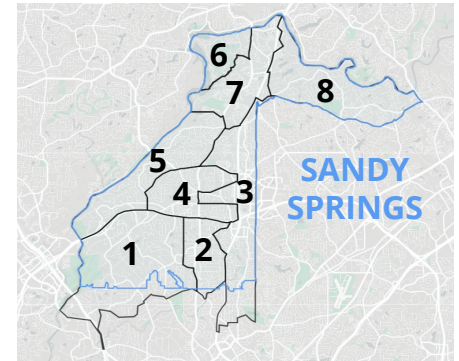
## MULTIFAMILY UNITS IN STRUCTURE

Subareas, 2018



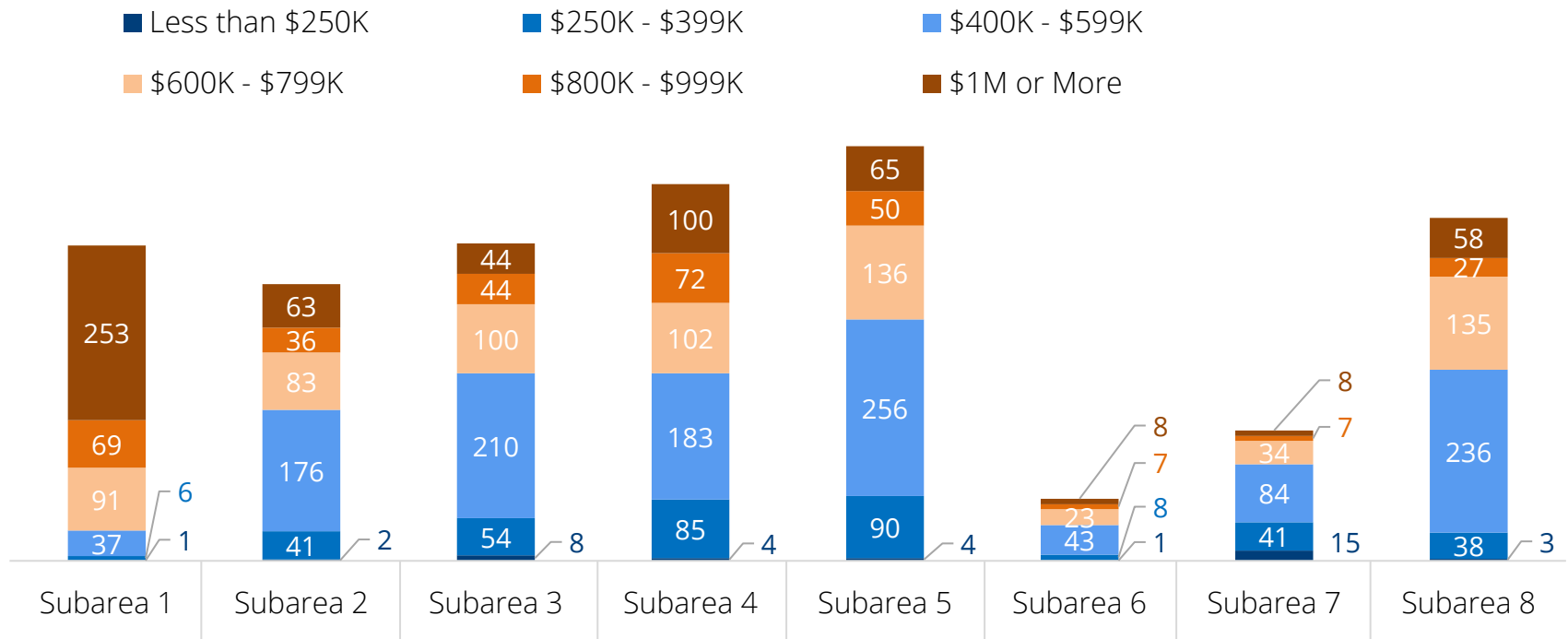
# HOMEOWNER HOUSING NEEDS | SINGLE FAMILY SALES

Most single-family homes were sold for over \$400K from 2017 to 2019. Sales in the \$400K - \$600K category tend to be transactions of older homes that may require renovation.



## SINGLE-FAMILY SALES BY SALE PRICE

Subareas 2017-2019

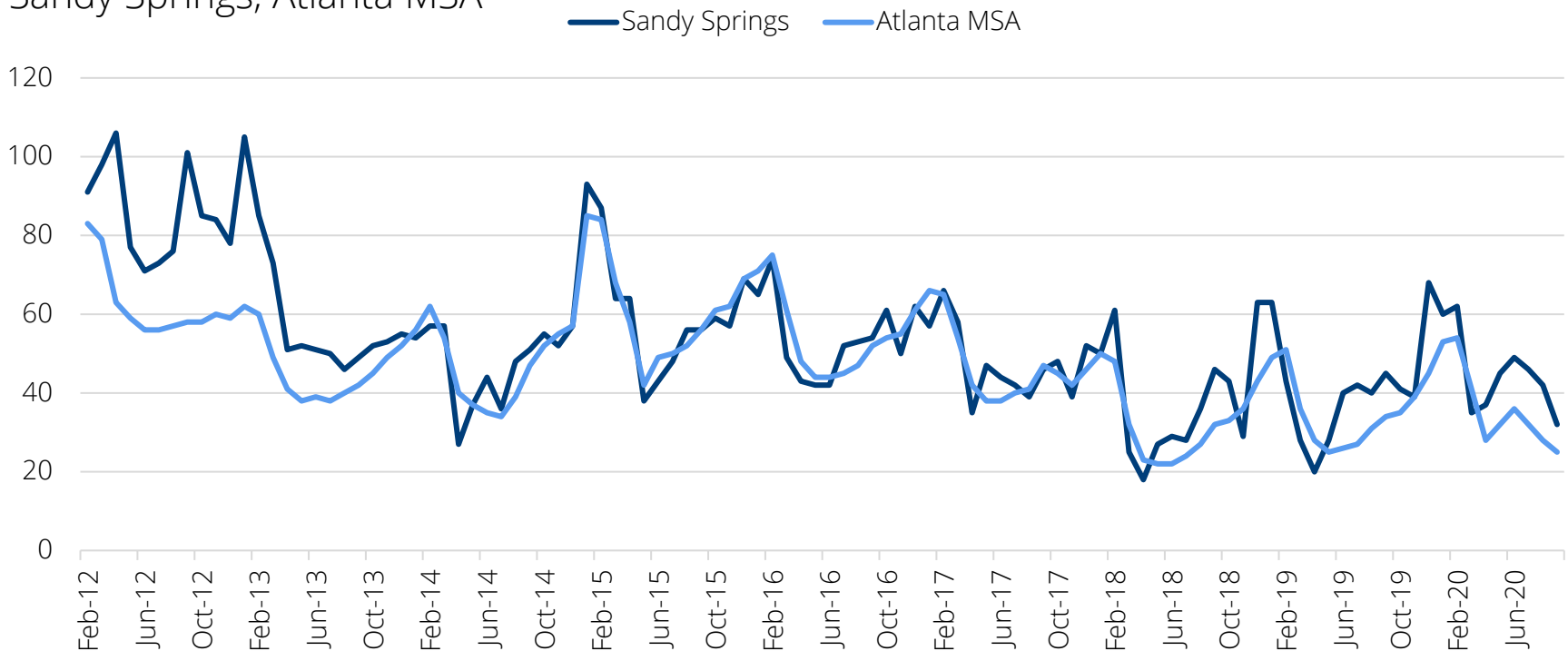


## HOMEOWNER HOUSING NEEDS | TIME ON MARKET

The median time a home is on the housing market has decreased substantially since 2012. Since 2014, homes in Sandy Springs tend to sell at a similar or slightly slower pace than the Atlanta MSA overall, with significant seasonal variation.

### MEDIAN FOR-SALE RESIDENTIAL DAYS ON MARKET

Sandy Springs, Atlanta MSA



*Note: Redfin does not report at the North Atlanta geography level.*

# Housing Market Conditions

Tenure

**Rental Conditions**

# RENTAL CONDITIONS | KEY FINDINGS

---

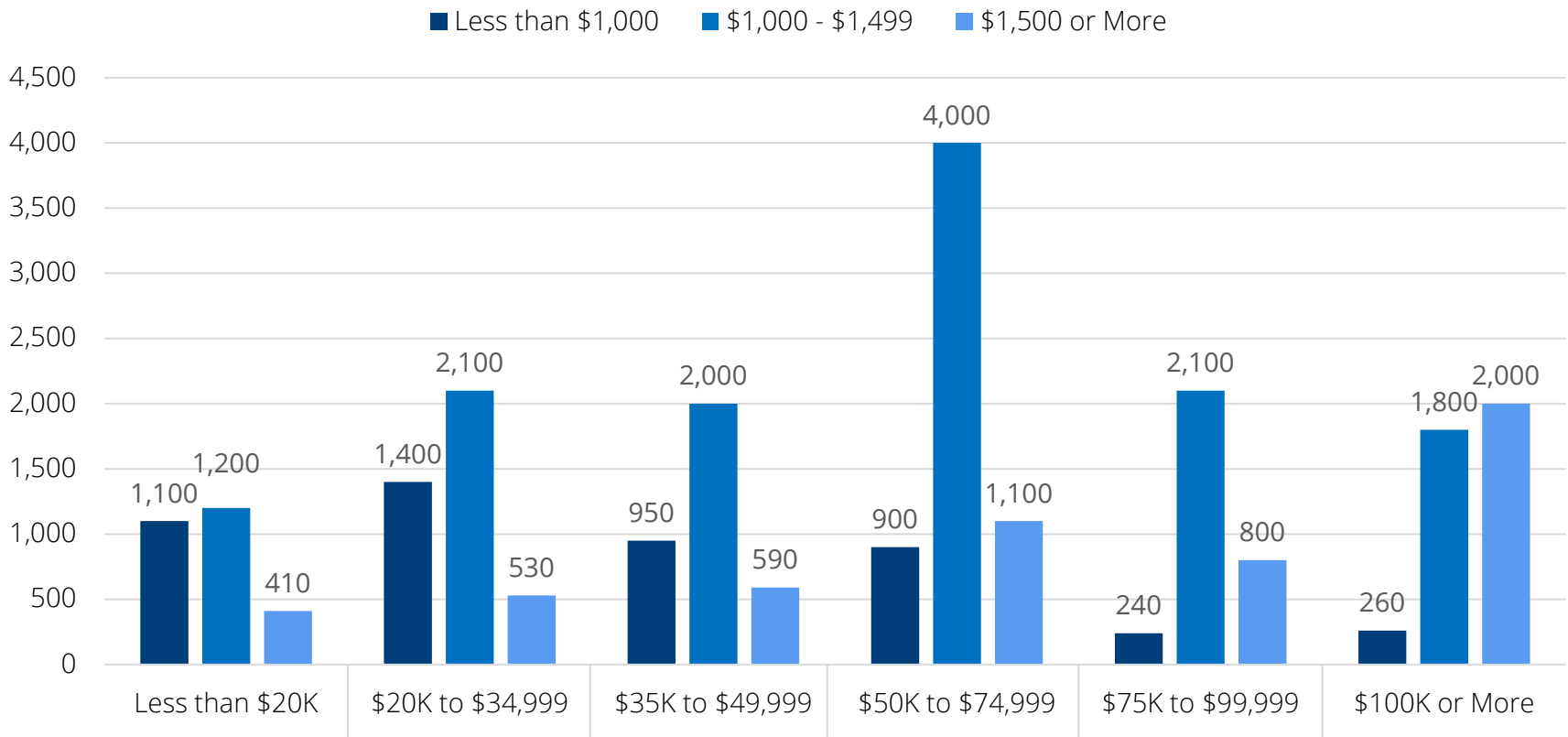
- 1 Moderate Priced Rental Market**  
The majority of Sandy Springs **rental units are priced between \$1,000 and \$1,499 per month**, equivalent to approximately 80% of Area Median Income (AMI).
- 2 Cost-Burdened Low-Income Renters**  
**Households earning less than \$50K annually tend to be cost-burdened** (pay more than 30% of income on rent and utilities) while those earning more tend to spend a smaller amount of their income on housing costs. Renters tend to pay more in housing costs than owners.
- 3 Recent Growth from Renters**  
71% of units built in Sandy Springs from 2010 are renter-occupied and tend to be in multifamily structures. These units were predominantly **produced in subareas 3 and 7**.
- 4 Limited Subsidized Housing**  
The three communities in Sandy Springs which offer subsidized/affordable housing are **dedicated to senior housing**.

## HOUSING MARKET| RENT AND INCOME

77% of renter households with incomes between \$20K and \$100K pay \$1,000 to \$1,499 in monthly rent.

### RENTER HOUSEHOLDS BY RENT AND INCOME

Sandy Springs, GA 2018

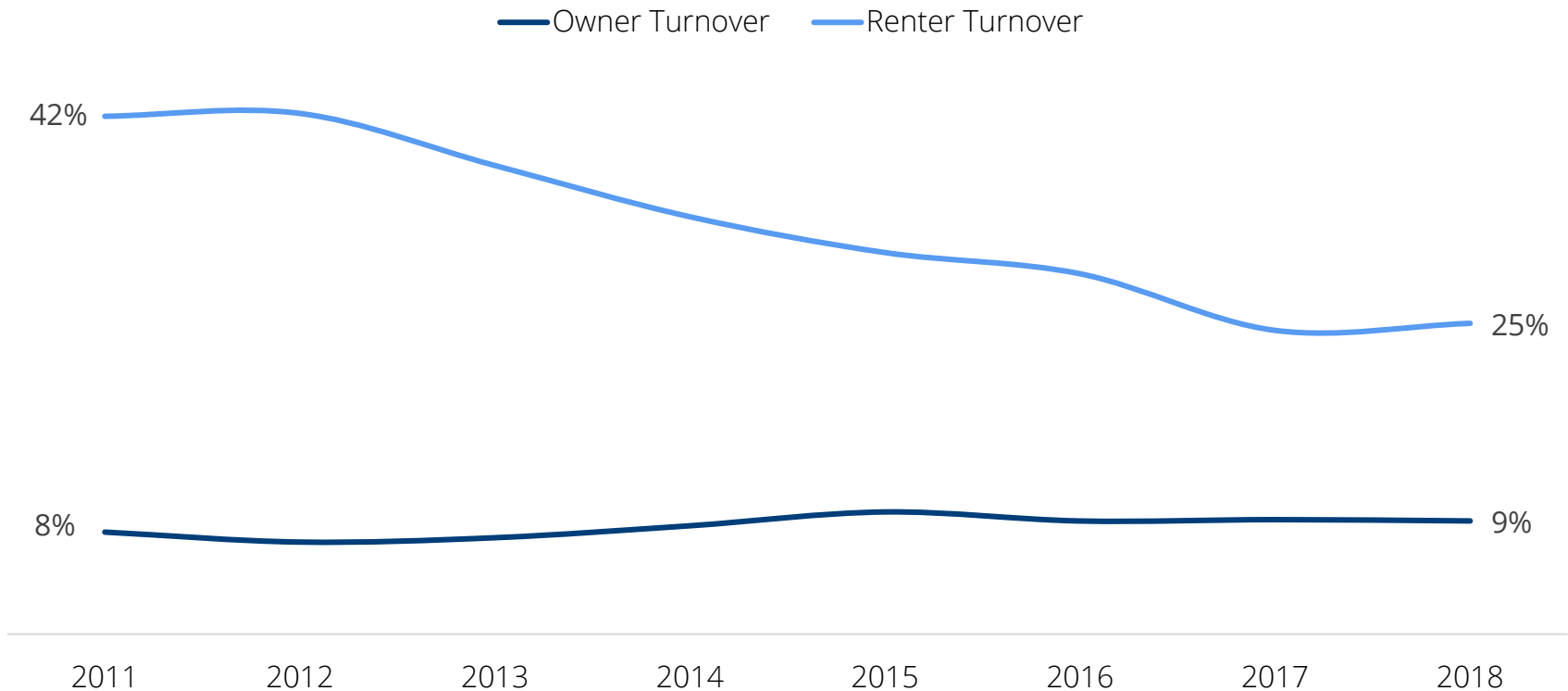


## HOUSING MARKET | TURNOVER

Owner turnover in Sandy Springs has remained consistent between 8% and 9% over the past decade while annual turnover among renters has significantly decreased from 42% to 25%.

### RENTER HOUSEHOLDS BY TURNOVER

Sandy Springs, GA 2011-2018

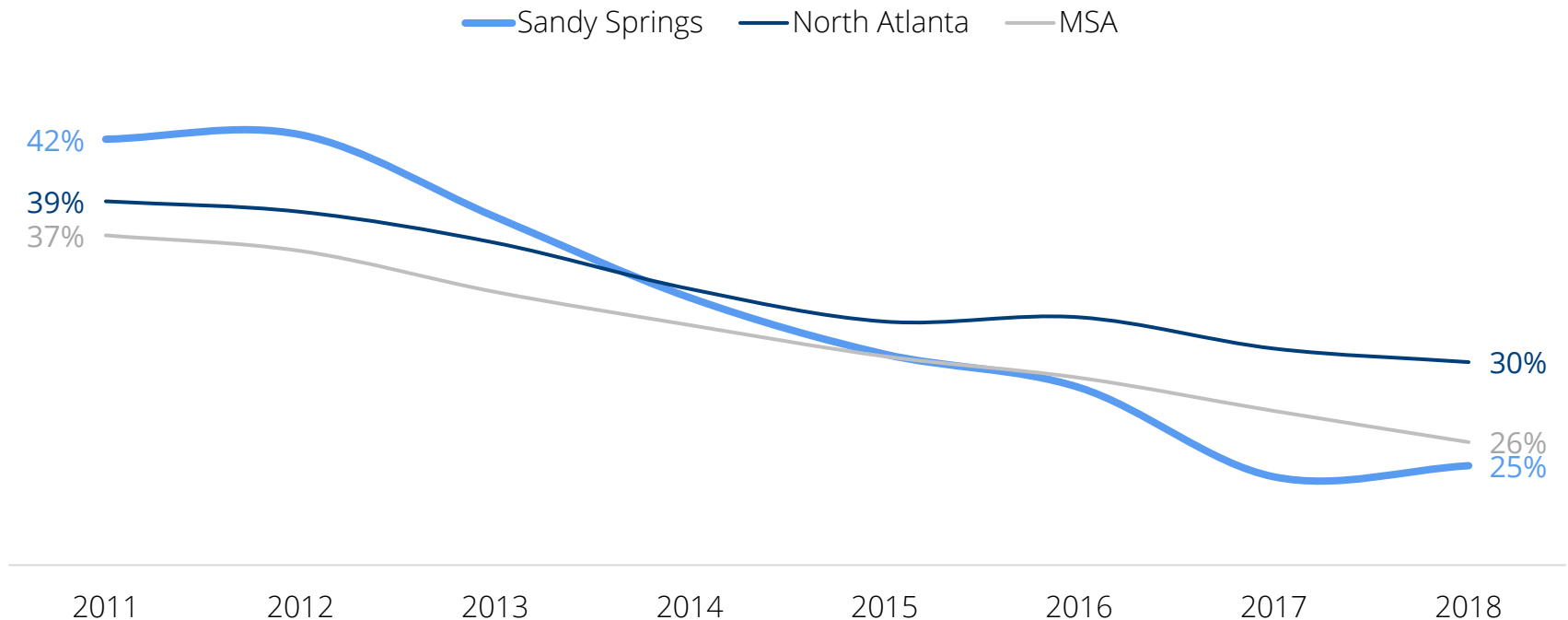


## HOUSING MARKET| TURNOVER

Renter turnover in Sandy Springs has declined from 42% in 2011 to 25% in 2018, decreasing faster than North Atlanta and the MSA. The rapid decline in turnover rates across the region since 2011 was a result of the Great Recession and the subsequent economic recovery.

### RENTER HOUSEHOLDS BY TURNOVER

MSA, North Atlanta, and Sandy Springs, GA 2011-2018



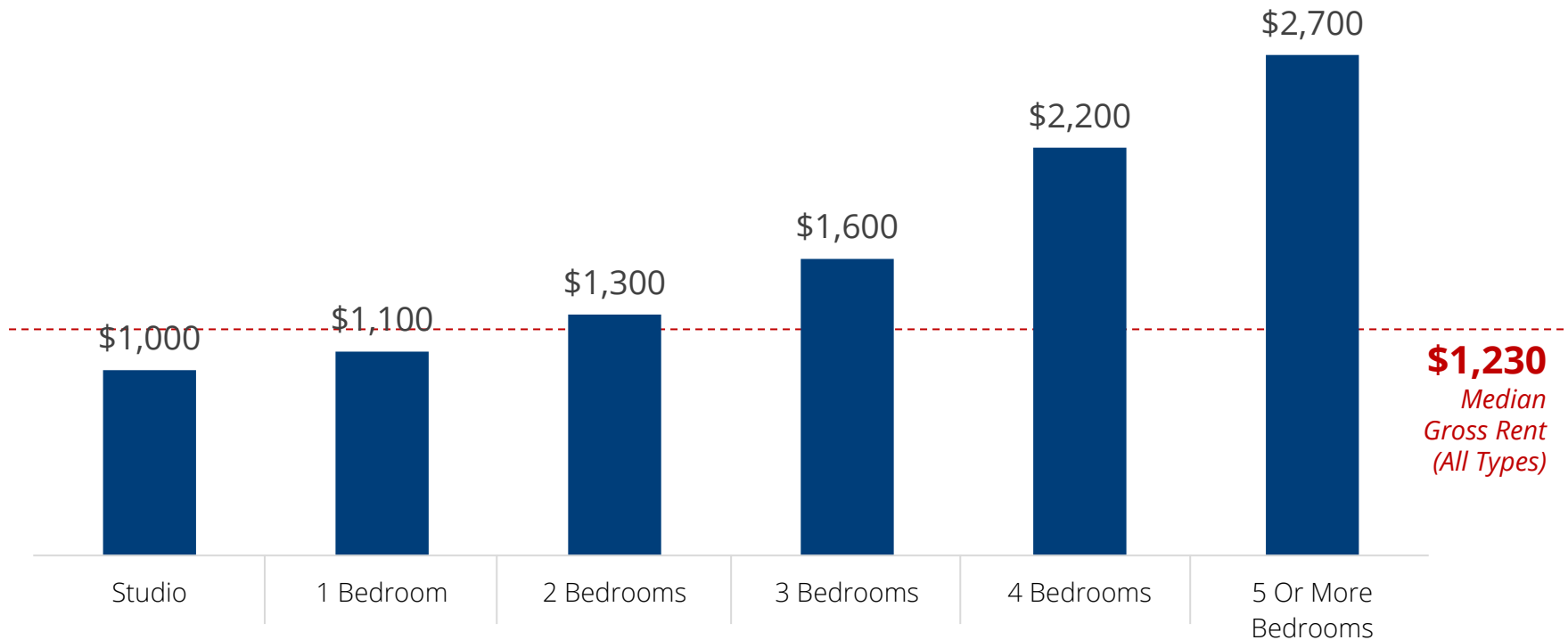


## HOUSING MARKET | GROSS RENT BY BEDROOMS

The prevalence of 1-bedroom and 2-bedroom rentals result in a median citywide rent of \$1,200. The price differential between a studio and a 2-bedroom unit is smaller than a 2-bedroom and a 4-bedroom unit.

### MEDIAN GROSS RENT BY BEDROOMS

Sandy Springs, GA, 2018

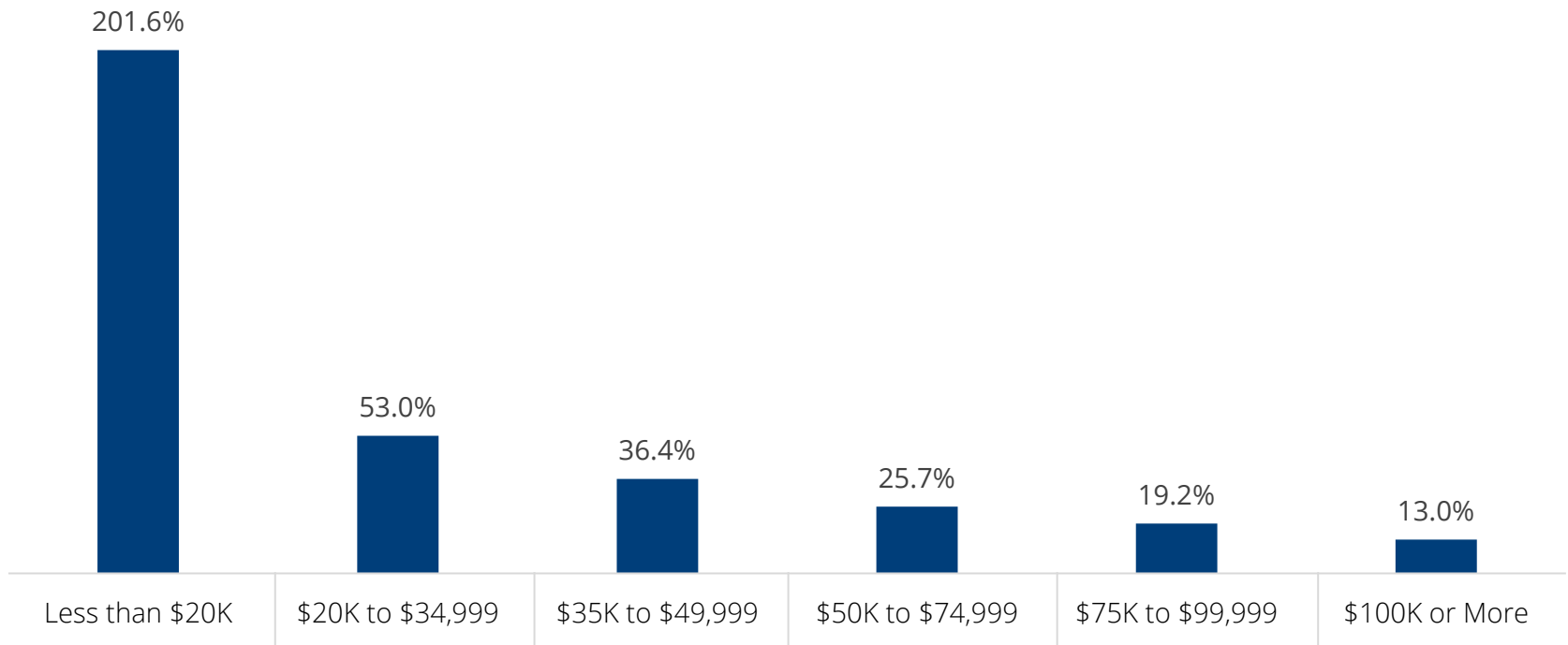


## HOUSING MARKET | RENT AND INCOME

The average rent paid as a percent of income by households earning less than \$50K annually is above 30% and reduces with higher incomes.

### RENT PAID AS A PERCENTAGE OF INCOME

Sandy Springs, GA 2018

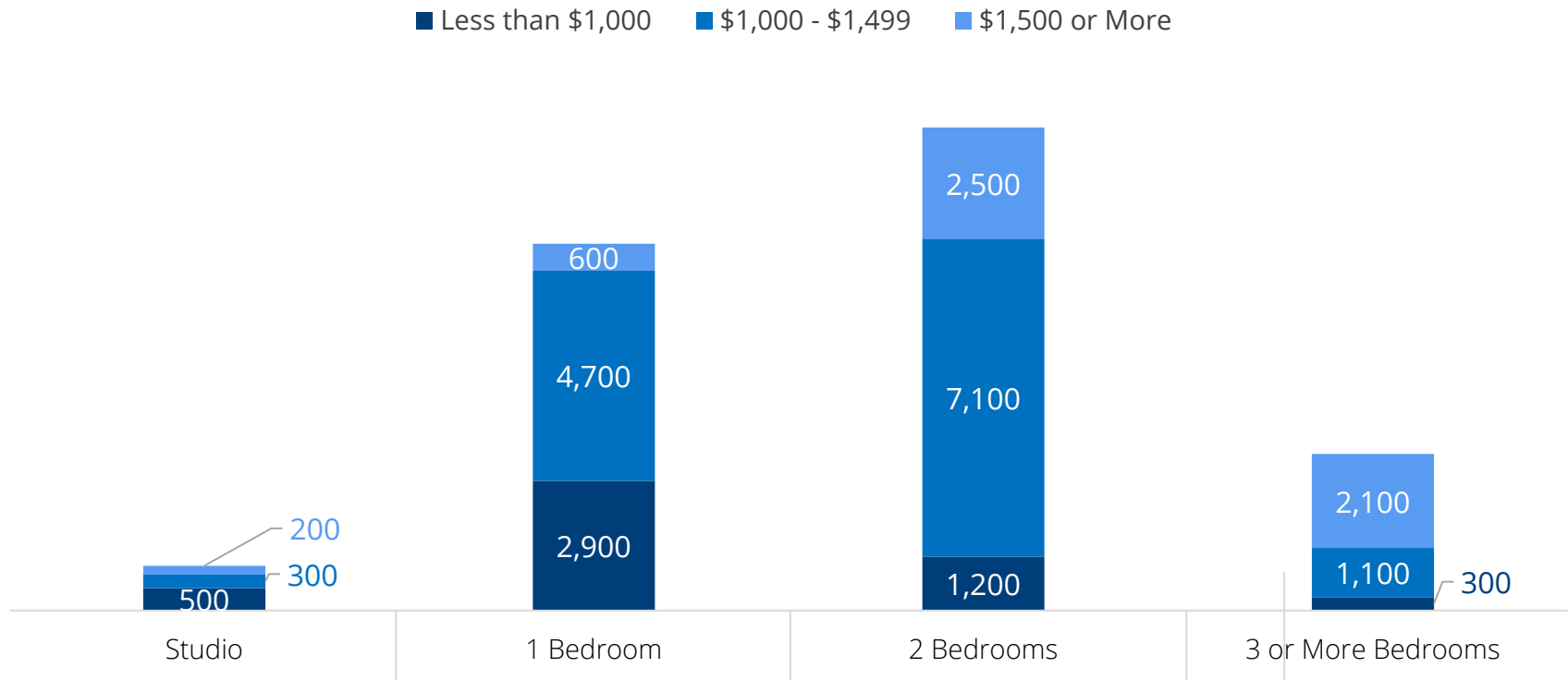


## HOUSING MARKET | GROSS RENT BY BEDROOMS

80% of the rental housing stock in Sandy Springs are 1- and 2-bedroom units, the majority of which are rented at the \$1,000 to \$1,499 price range.

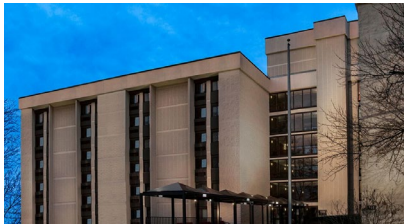
### RENTER-OCCUPIED HOUSEHOLDS BY BEDROOMS AND RENT

Sandy Springs, GA, 2018



# HOUSING MARKET | DEDICATED AFFORDABLE HOUSING

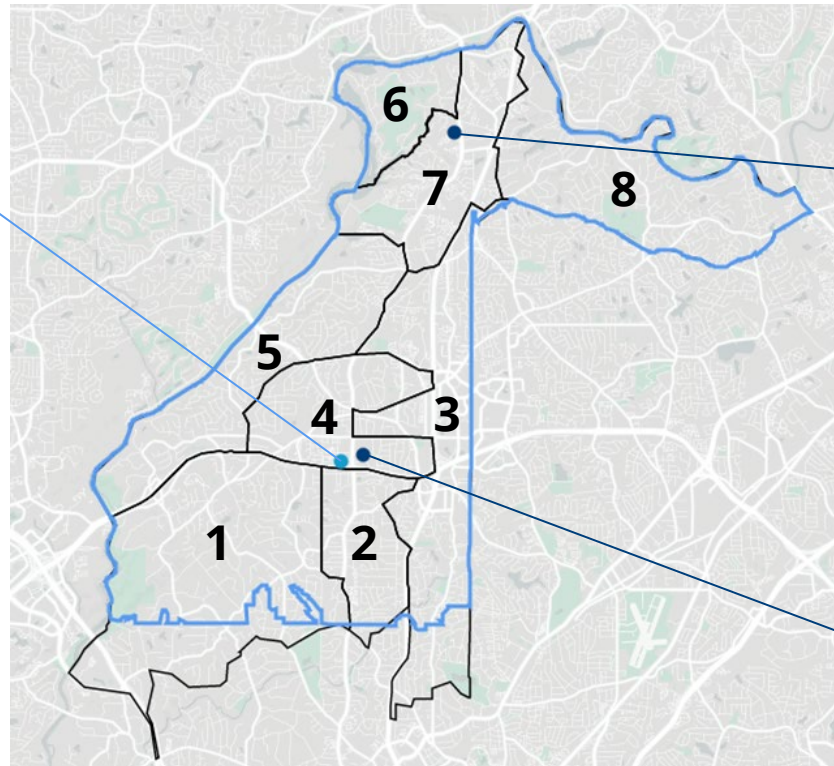
There is no traditional public housing in Sandy Springs, though there are three dedicated affordable communities which serve seniors.



**Sterling Place**  
Senior + Disabled  
Housing  
*LIHTC (Rehab. 2016)*  
100 Units | N/A

## TAX CREDITS AND CURRENT VOUCHERS

Sandy Springs, GA, 2020



**The Hellenic Tower**  
Senior Housing  
*Section 202 Vouchers*  
125 Units | \$1,025/mo



**Campbell Stone**  
Senior Housing  
*Section 202 Vouchers*  
197 Units | \$1,030/mo

# **Future Housing Needs Projections**

**COVID-19 Impact Analysis**

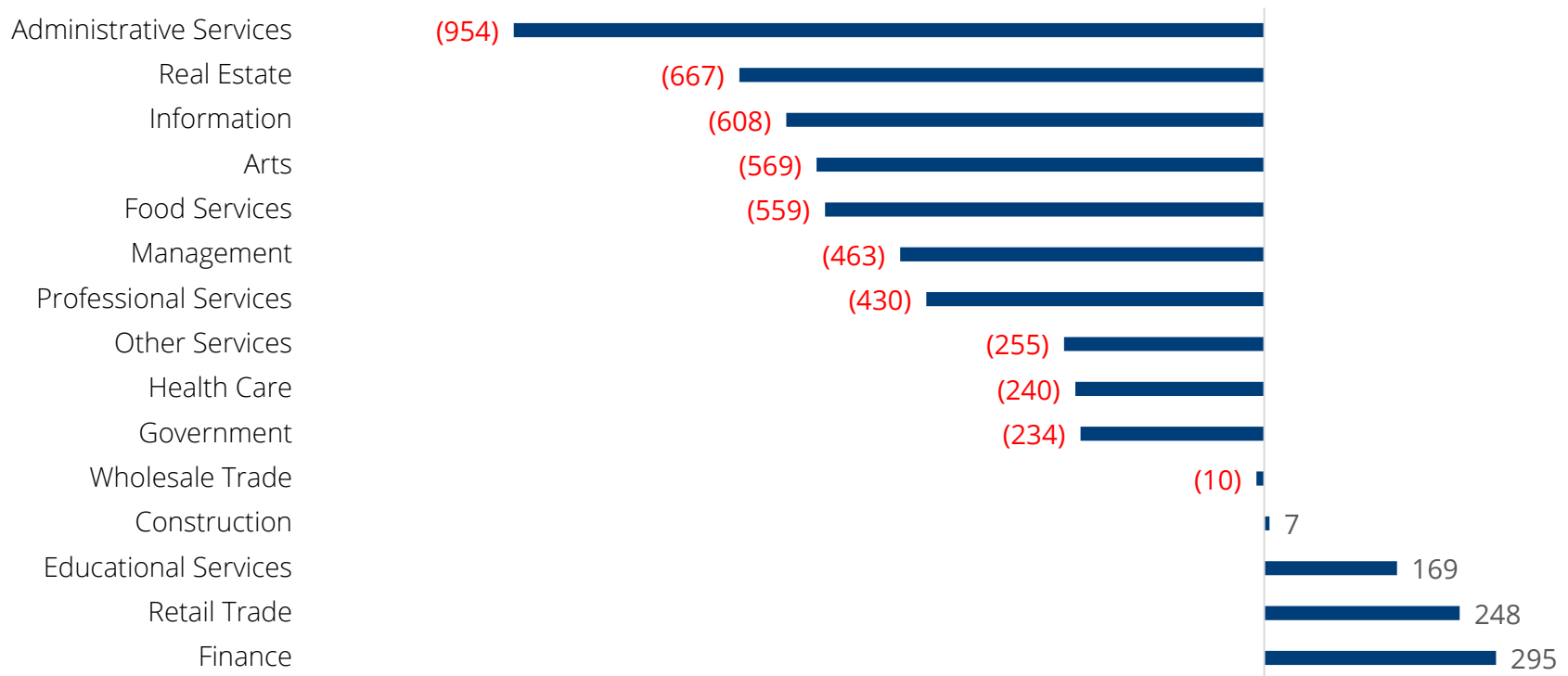
Future Housing Needs

# HOUSING MARKET | COVID-19 ANALYSIS

The year-over-year loss in jobs within Sandy Springs was 4,270 for September 2020. This represents 4% of all employment in the City.

## YEAR-OVER-YEAR JOB LOSS

Sandy Springs, GA, Sep. 2019 – Sep. 2020



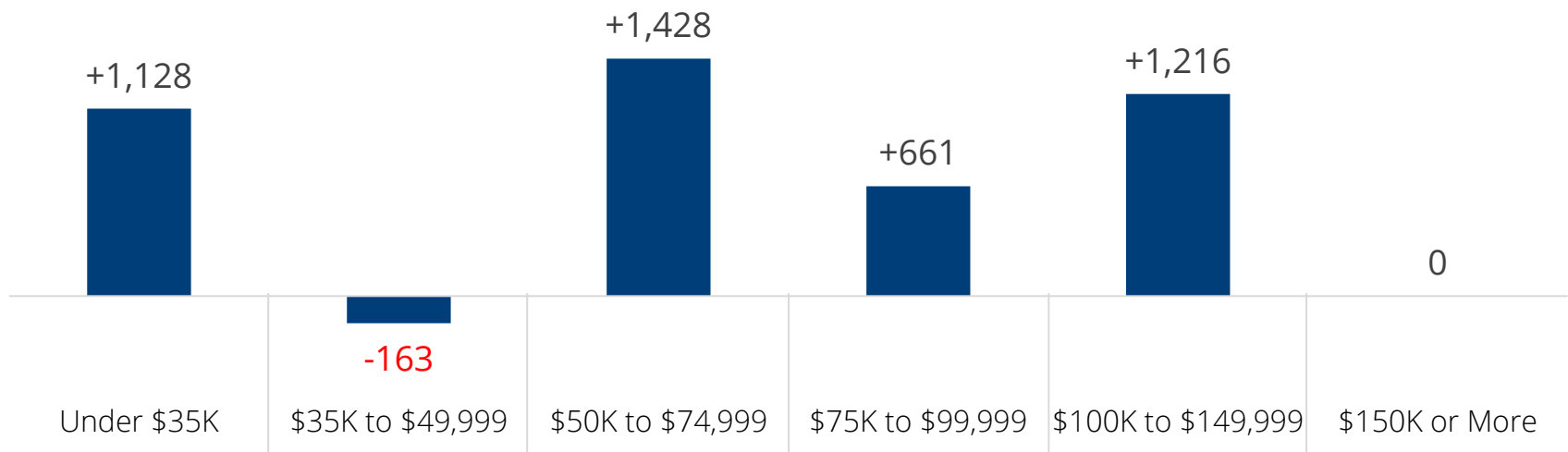
*Note: Industry employment data provided by Georgia DOL only includes year-over-year comparisons.*

## HOUSING MARKET | COVID-19 ANALYSIS

The housing insecure population (spending more than 30% of their income on housing) could increase 27% as a result of job losses in the past year. While there was widespread concern that the economic impacts of COVID-19 would lead to extensive evictions among lower-income households, federal stimulus and delays in court proceedings may have prevented widespread evictions from occurring thus far. However, lower-income households are at increased risk of eviction as COVID-19 continues to affect employment and stimulus may not continue.

### ADDITIONAL HOUSING INSECURE INDIVIDUALS BY INCOME

Sandy Springs, GA, Sep. 2019 – Sep. 2020



# **Future Housing Needs Projections**

COVID-19 Impact Analysis

**Future Housing Needs**

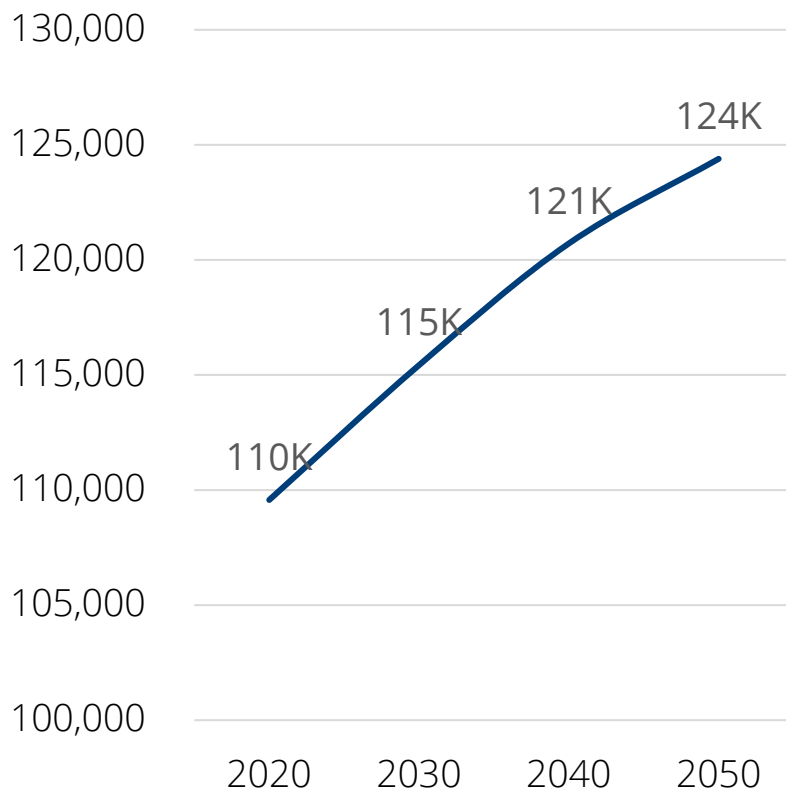


## HOUSING MARKET | POP. AND EMPLOYMENT PROJECTIONS

The Atlanta Regional Commission projects population and employment in Sandy Springs to increase 0.4% and 0.8% respectively annually 2020-2050.

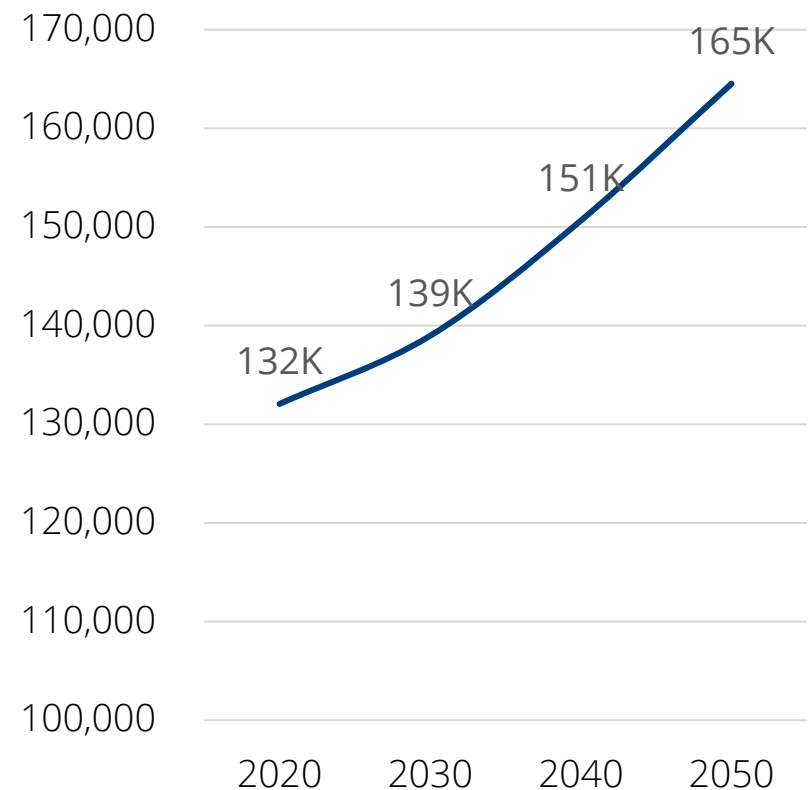
### POPULATION PROJECTION

Sandy Springs, GA, 2020-2050



### EMPLOYMENT PROJECTION

Sandy Springs, GA, 2020-2050



## HOUSING MARKET | FUTURE HOUSING NEEDS

Sandy Springs is expected to need 2,750 additional units of housing by 2030 to accommodate future population growth. Another 3,250 new households are projected to be generated by employment growth.

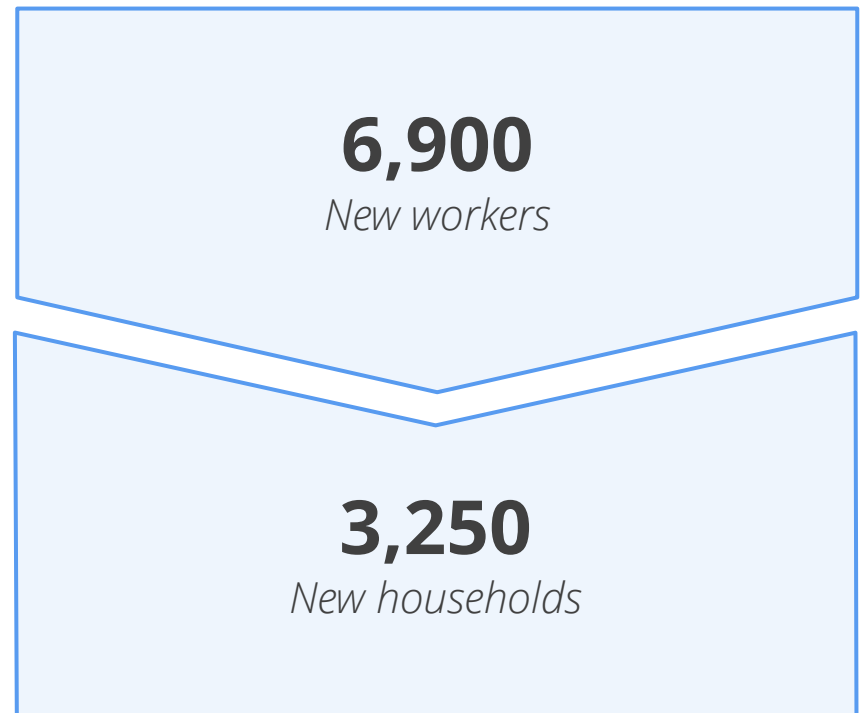
### POPULATION CHANGE PROJECTION

Sandy Springs, GA, 2020-2030



### EMPLOYMENT CHANGE PROJECTION

Sandy Springs, GA, 2020-2030

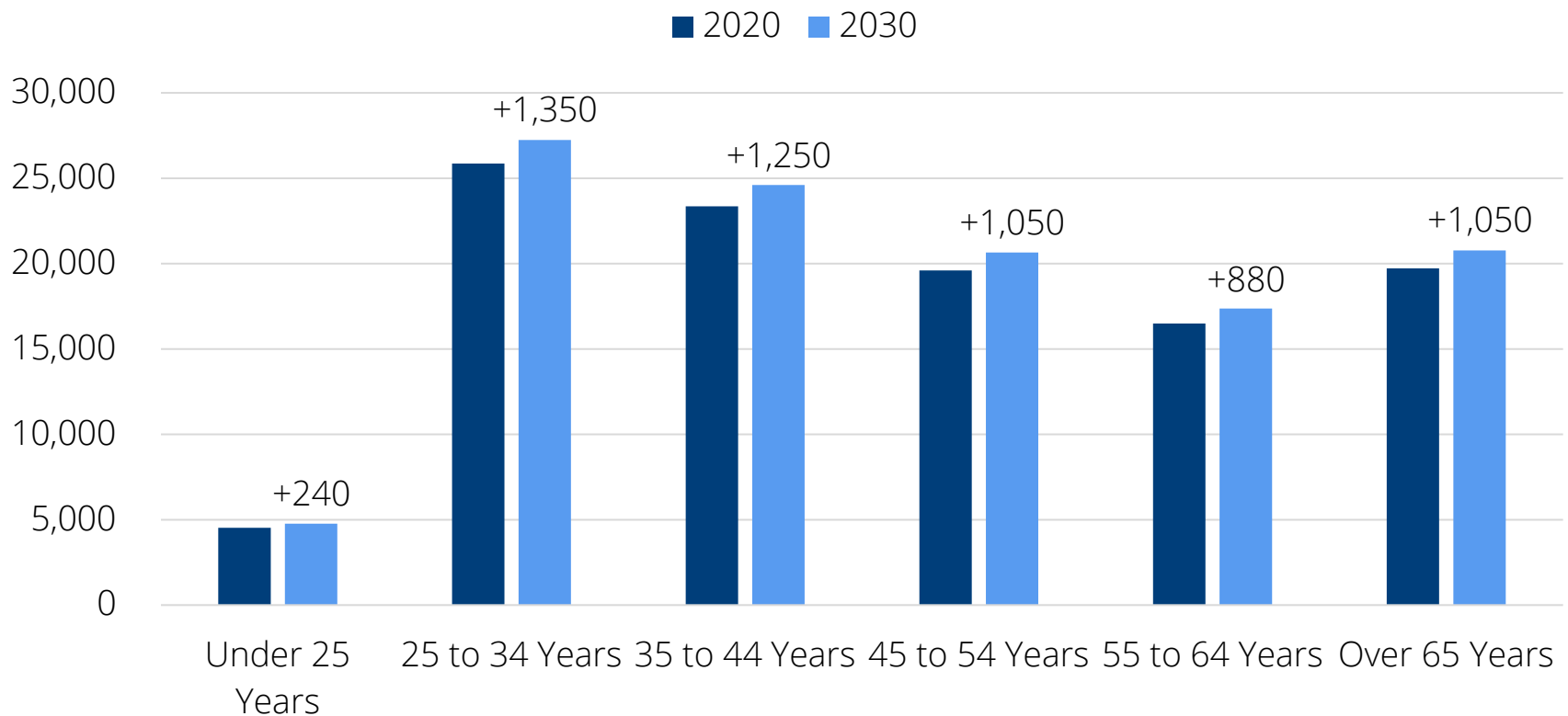


## HOUSING MARKET | AGE PROJECTIONS

Sandy Springs householders aged 25 to 44 are expected to increase the most relative to other age groups over the next decade.

### PROJECTED HOUSEHOLDS BY AGE OF HOUSEHOLDER

Sandy Springs, GA, 2020-2030

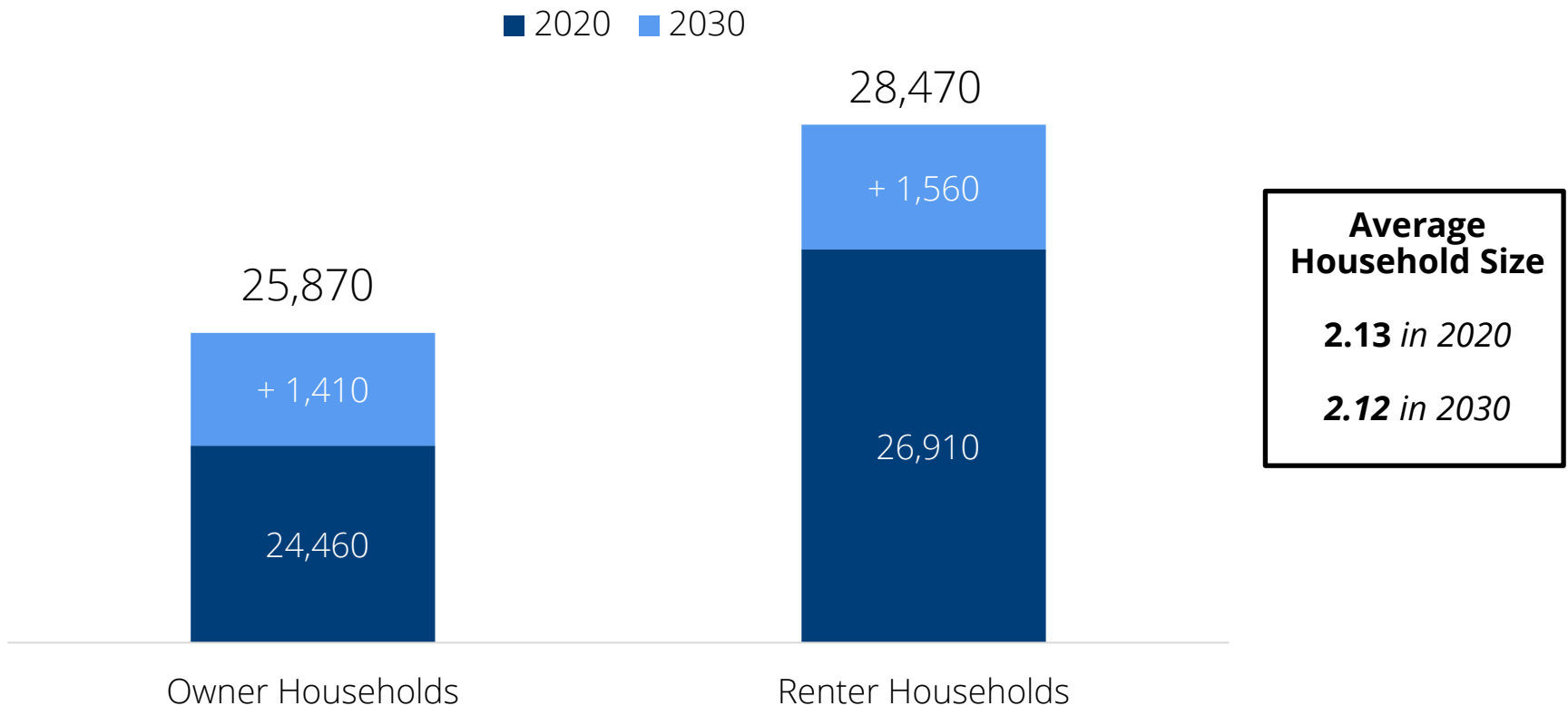


## HOUSING MARKET | HOUSEHOLD TENURE PROJECTIONS

Renter households are expected to continue to make up the majority of households in Sandy Springs through 2030 provided housing can be produced for these households.

### HOUSEHOLDS BY TENURE

Sandy Springs, GA, 2020-2030



## HOUSING MARKET | HOUSING BY AMI PROJECTIONS

The majority of households in Sandy Springs are projected to remain above 100% AMI over the next decade.

### PROJECTED HOUSEHOLDS BY AMI

Sandy Springs, GA, 2020-2030

