A large, faint, light-colored map of the state of Georgia is centered on the page, serving as a background for the title text.

# **Georgia Housing Needs Assessment**

**2023**

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# EXECUTIVE SUMMARY

Shelter is a basic human need. In Georgia, household growth has outpaced housing growth since 2013. With more households being created than housing units produced, the housing inventory can't expand at an adequate rate to meet demand. Historically low interest rates below 3% for the first time since 1971 fueled a buyer's market in 2020 and 2021 that extended through the Covid pandemic. It's become a different scenario for lower income households, however. Higher interest rates have cooled the sales market with many potential homebuyers remaining in rental units. With rents increasing due to high demand, lower income households have been impacted the most. There are very few units available and affordable for those holding rental subsidies and searching for a home and for those households who do not qualify for subsidies but cannot afford housing.

The objective of the Housing Needs Assessment was to analyze the trends behind the affordable housing crisis affecting many Georgians and identify how the Department of Community Affairs could re-align its affordable housing programs to enhance its response to addressing such need. Key trends identified through this process include the following:

- Households making less than \$25,000 a year accounted for 33% of all renter-occupied households but only 14% of all owner-occupied households. In other words, there are more than twice the rate of very low income renters than there are very low income owners.
- Income disparity by race and ethnicity impacts housing stability. Black and Hispanic households have lower median incomes than White and Asian households. Georgians who identify as Black or African American are more likely to experience homelessness. In 2021, Black or African American individuals represented 30.8% of the statewide population but 77.6% of people experiencing homelessness.
- The proportion of Georgians who are older adults experiencing homelessness has increased since 2018. Georgians over the age of 55 experiencing homelessness increased from 20% in 2018 to 23% in 2021 with a larger share of those individuals being over age 65.
- Georgia's poverty rate of 14.3% in 2020 was above the US rate of 11.4%.
- Declining unemployment and a downward trend in the labor force are the lingering results of the Covid pandemic.
- The top four employment sectors pay some of the lowest wages. Occupations in the sectors of Office and Administrative Support, Transportation and Material Moving, Sales and Related positions, and Food Preparation and Serving Related positions employed 42.3% of all Georgia's workers in 2021. The largest employment sector, Office and Administrative Support, has declined 15.3% since 2010, the greatest loss among all sectors.
- Single-family dwellings remain the predominate housing type, but recent trends reveal an increasing expansion in multi-family units. It is estimated that 361,560 new housing units were created between 2010 and 2020, about two-thirds of which were rental units. Rental structures consisting of 5 or more units experienced the largest growth rate, increasing 86.4% between 2010 and 2020.
- Median gross rent rose 7.6% to \$1,042 in 2020 from \$968 in 2015. Since then, the rental market has grown increasingly more expensive with rising rents due to high demand. The National Alliance to End Homelessness reported that a 2020 study prepared by the U.S. Government Accountability Office "estimated that 'a \$100 increase in median rent was associated with a 9% increase in the estimated homelessness rate.'" This finding reinforces how the high risk factors of rising rent combined with inflation can worsen homelessness.

- In 2019, 29.03% of all Georgia households were estimated to be cost-burdened, paying more than 30% of household income on monthly housing costs. Overall, 43.4% of all renters were cost-burdened compared to 19.3% of all homeowners.
- The Housing Gap Analysis revealed a deeply inadequate supply of housing that is affordable and available for all income levels, but especially for the lowest and highest income renter households. Since there is a gap of nearly 395,000 units affordable and available to the highest income tier, these households are forced to rent down-market. This effect has the greatest impact on Georgia's lowest income renters who have the fewest resources and are the most vulnerable to housing instability.
- Comparable to the renter market, there is an extreme shortage of units at the higher end of the sales market that is contributing, in large part, to the shortage at the lowest end of the market.

This document includes the research and analysis conducted to describe the various housing markets found across Georgia. To enhance this analysis, market types were identified to distinguish between the highly urbanized areas, the suburban communities and exurban communities that have developed around the metro areas, the smaller community markets, and the rural swaths across Georgia's central and southern counties. There are many variables influencing the location and development of affordable housing in Georgia. The market typology maps can serve as a useful tool to reach areas that have lacked affordable housing production, especially in rural areas of the State.

# PART 1: DEFINING AFFORDABILITY

Affordable housing has come to mean different things to different people. For many persons, it may be as simple as can someone afford the house or apartment they currently live in based on their income? For others, affordable housing might be a universal reference to housing for lower income households because it's cheaper or the household receives rental assistance. In this report, housing affordability has a single and measurable definition. It means a household pays no more than 30% of their total household income on their total housing costs. This definition remains unchanged regardless of their income. In this report, however, the focus is on determining the degree to which Georgia's housing inventory meets the needs of lower income households and how the State can best address this need.

## WHY AFFORDABLE HOUSING?

There are many arguments for and against affordable housing. Many are based on personal opinions, experiences, biases and other similar reasons. Current research reveals that the benefits of quality affordable housing for individual households and communities at large can be measured using available data. Based on this research, there are compelling reasons for Georgia to prioritize expanding and preserving its inventory of affordable housing.

According to a 2014 study conducted by Enterprise Community Partners, Inc.<sup>1</sup>, there are several critical benefits to providing quality affordable housing to *lower income families*:

- It provides critical stability for families and lowers the risk that vulnerable families become homeless.
- It increases the amount that families can put toward other important household needs and savings for the future.
- It helps create a stable environment for children, contributing to improved educational outcomes.
- It can improve health by providing stability, freeing up resources for food and health care, and increasing access to amenities in quality neighborhoods.
- It can improve the health outcomes of lower income families and contribute to better school performance.
- When located near public transit, it can help lower income residents save money, access better jobs, improve health and reach critical community services.
- It may promote better mental and physical health, improved quality of life and independence for lower income seniors.

Furthermore, there are economic benefits of affordable housing for *local communities* as reported by CommonBond Communities in 2020<sup>2</sup>:

- Affordable rents mean households have more of their income to spend on other necessities such as groceries, childcare, health care at local businesses.
- Fewer households are at risk of eviction if they can maintain their rent payments.
- Healthier households translate to healthier economies. Quality housing free of lead paint risks and other unsafe elements that can lead to chronic health conditions exacerbate medical and other costs for the household and the community.

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<sup>1</sup> [Impact of Affordable Housing on Families and Communities: A Review of the Evidence Base](#)

<sup>2</sup> [6 Ways Affordable Housing Can Boost Local Economies](#)

- Housing production is a job-generator in communities.
- Tax revenue generated by adding new units can provide financing to local governments for providing improved infrastructure and other quality of place amenities.
- Stable affordable housing can provide children with opportunities to improve their education and increase economic output in their community and beyond.

The Georgia Statewide Housing Needs Assessment analyzes trends and conditions that reveal the impacts of an overall inadequate housing inventory for households across all income levels, and how this situation places the greatest burden on the lowest income households, in particular renters.

## DATA AND THE IMPACT OF THE COVID PANDEMIC

The report was initiated in early 2022, well into the pandemic. Current data at the time was limited 2020 Census data, the 2016-2020 American Community Survey five-year estimates, and the 2015-2019 HUD Comprehensive Housing Affordability Strategy (CHAS) dataset. In December 2022, the 2017-2021 ACS five-year estimates were released but the majority of data for the report had already been downloaded and analyzed. As a result, much of the analysis reflects 2020 data and 2019 data in the case of CHAS. The importance of using these particular datasets was the need to analyze population, housing and economic data at the Census tract level to develop the housing market typologies. See [Appendix E](#) for more information. Throughout the report, more current sources have been used to add context to the impact of the pandemic on Georgia’s housing market. In most cases, this additional data is available only at the State level. Where used, these sources are identified.

## FREQUENTLY USED TERMS

The following terms are used consistently throughout this report to refer to specific housing concepts.

- **Housing costs:** Homeownership costs include mortgage principal and interest, taxes, insurance, and utilities. Rental costs include rent and utilities.
- **Affordability:** Housing is affordable if a household pays no more than 30% of their income for housing costs.
- **Median family income:** Incomes published by HUD for states, counties, and large urban areas that are adjusted for household size. For Georgia in 2020, this number was \$72,200 for a family of four.
- **Area median income:** Incomes published by the US Census Bureau for a range of geographic areas. This income is not adjusted for household size like median family income and is usually a smaller number. Area median income, referred to by the acronym AMI throughout the report, is the primary income number used for analysis. The State median income was \$61,224 in 2020.
- **Extremely low-income:** 30% or less of the area median income.
- **Very low-income:** More than 30% and up to 50% of the area median income.
- **Low-income:** More than 50% and up to 80% of the area median income.
- **Moderate-income:** More than 80% and up to 100% of the area median income.
- **Poverty:** The federal poverty threshold for a family of four in 2020 was \$26,200. This was equivalent to about 36% of Georgia’s median family income.
- **Cost burden:** HUD defines households paying more than 30% of household income on housing costs as cost-burdened.
- **Severe cost burden:** Households paying 50% or more of income on housing costs.

[Appendix A](#) includes a list of acronyms used throughout the Housing Needs Assessment.

# PART 2: POPULATION AND HOUSEHOLDS

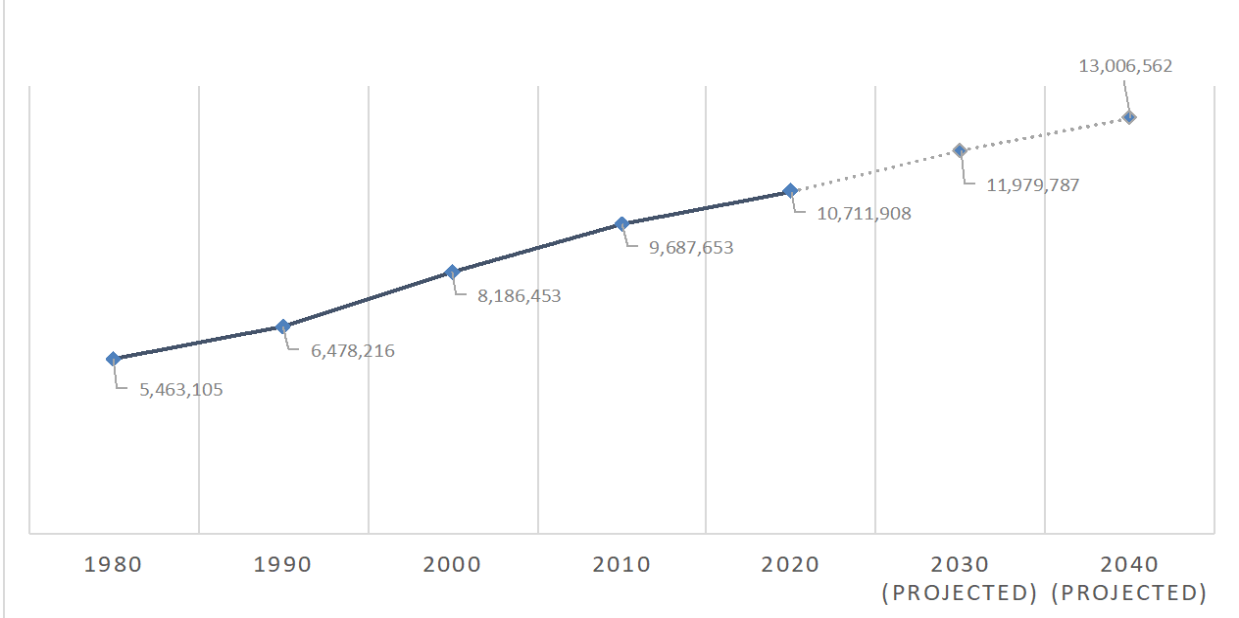
**2020 Highlights**  
Population: 10,711,908 persons  
Households: 4,001,109 households  
Median Household Income: \$61,224

A housing market is driven primarily by household growth (every household needs a home) and the economy. An increase in the number of households means that new and/or existing housing units are needed to house new households. Vibrant economic growth will attract new resident households for employment opportunities and provide a variety of wage rates for all workers. Increasing population growth will spur housing production to try and meet demand.

## POPULATION TRENDS

*Georgia's population growth rate of 10.6% exceeded the US rate of 7% over the past decade.* This was the slowest rate of growth over a decade since 1980. Projected growth by 2030 is 11.8% followed by a slowdown to 8.6% by 2040. Growth is projected to aggressively increase through 2030 before slowing by 2040.

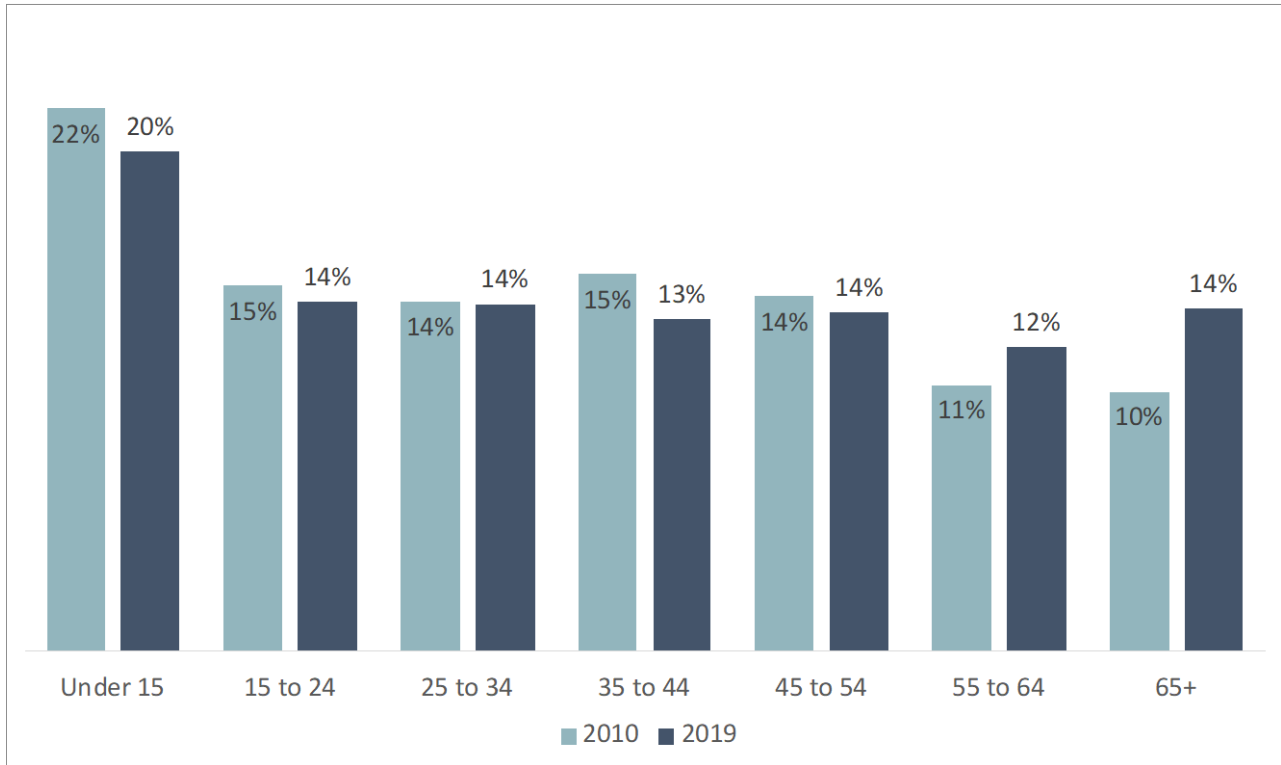
**FIGURE 2-1 GEORGIA POPULATION TRENDS, 1980-2040**



Source: US Census Bureau Decennial Census (1980, 1990, 2000, 2010, 2020), Georgia Governor's Office of Planning and Budget Population Projections, 2022 (<https://opb.georgia.gov/census-data/population-projections>)

**Georgia is aging with the median age increasing from 35 to 36.7 in 2019.** This trend was driven by declines in nearly all younger age cohorts and increases in the two oldest. The senior cohort of residents 65 and older expanded to 14% of the population while residents between 55 and 64 years of age expanded to 12%. Although modest, these two age cohorts were the only ones to experience growth during the 2000s, indicating an increasing need for elderly housing.

**FIGURE 2-2 GEORGIA POPULATION BY AGE, 2010-2019**

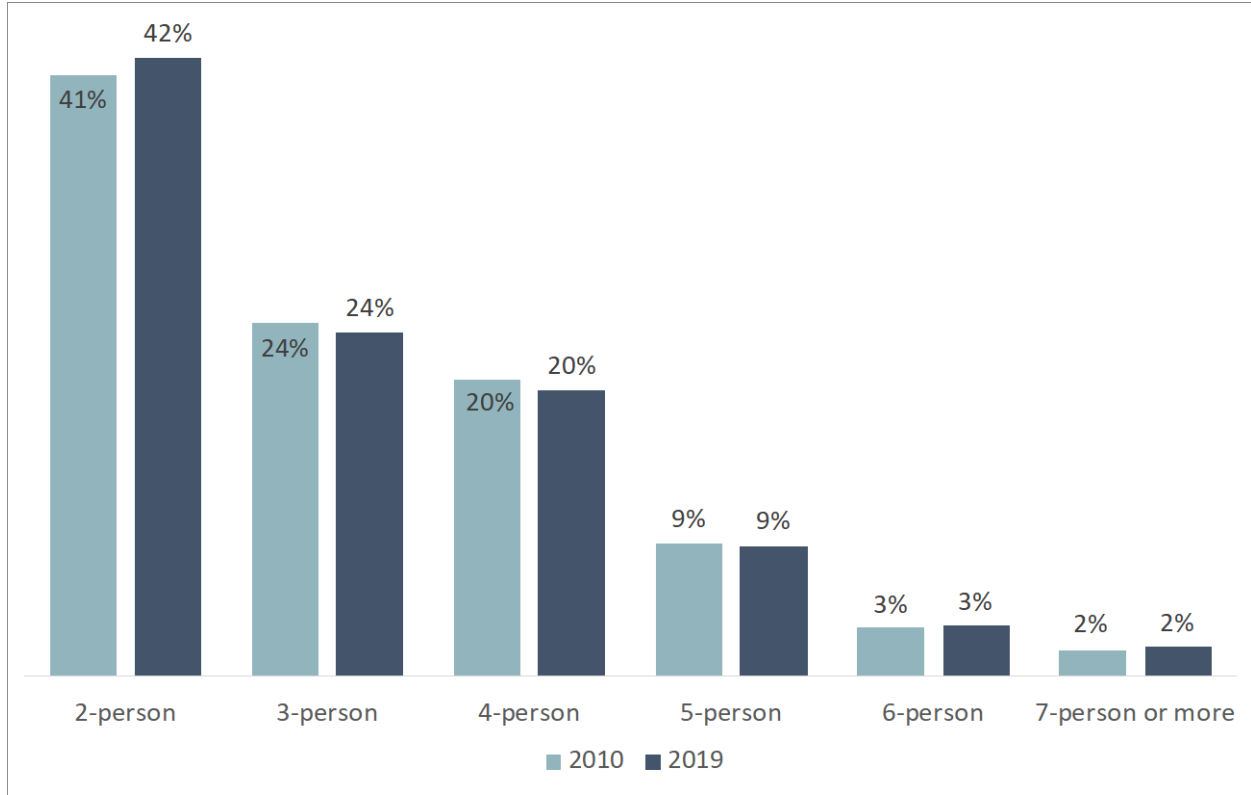


Source: ACS 5-Year Estimates, 2010 and 2019: B11016



**Georgia added 276,378 households since 2010, reaching a total of 3.75 million.** In 2019, there were 2.52 million family households (67%) and 1.23 million non-family households (33%). The Census defines non-family households as individuals who live alone or share their residence with unrelated individuals. Household size remained virtually unchanged for both family and non-family households.

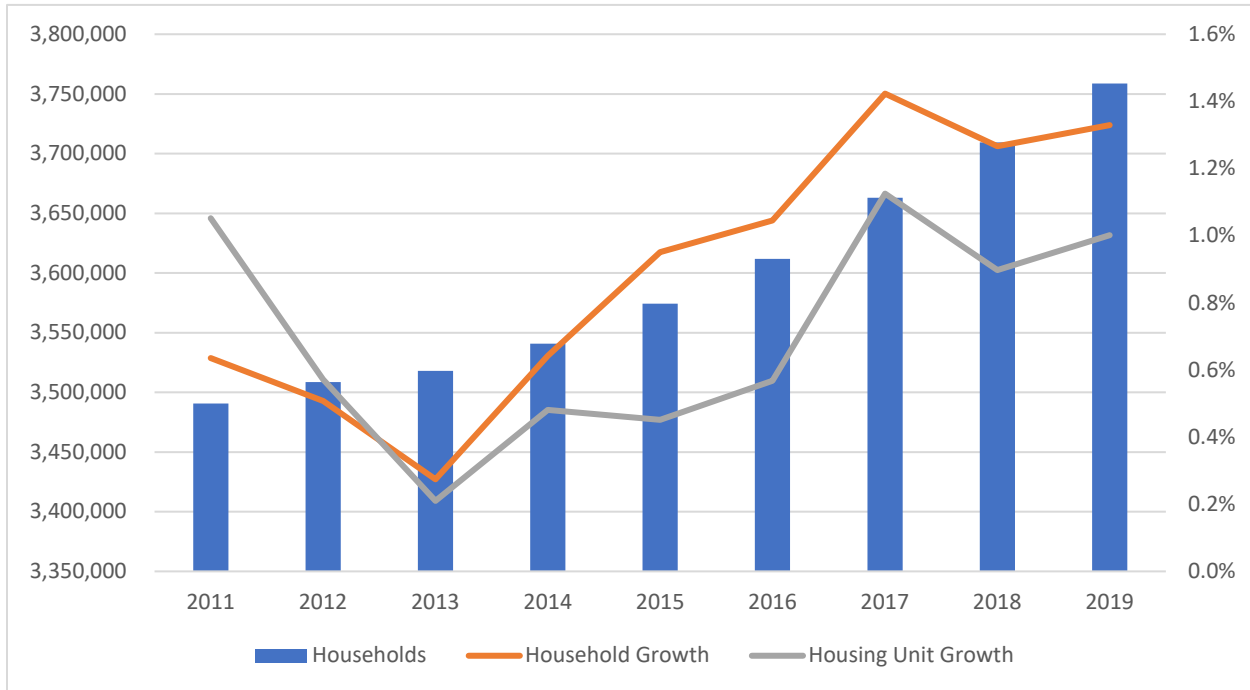
**FIGURE 2-3 GEORGIA HOUSEHOLD TRENDS, 2010-2019**



Source: ACS 5-Year Estimates, 2010 and 2019: B11016

**Household growth has outpaced housing unit growth since 2013.** With more households being created than housing units produced, the housing inventory can't expand at an adequate rate to meet demand. When households grow faster than the total number of people, it suggests that new households are not simply a result of births or in-migration to the state, but also reflect changes in preferences and lifestyles. These underlying shifts in household size or household type have a significant influence on housing demand.

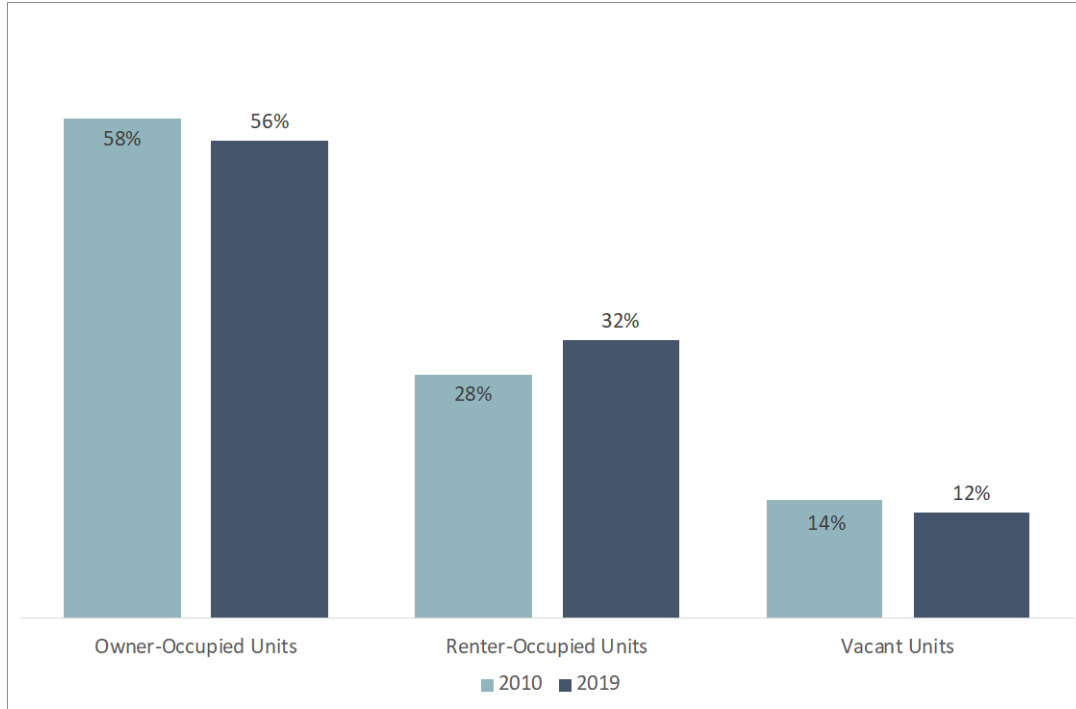
**FIGURE 2-4 HOUSEHOLD GROWTH HAS OUTPACED HOUSING UNIT GROWTH SINCE 2013**



Source: ACS 5-Year Estimates, 2010-2019: DP04

**Most Georgia households are owner-occupied with a statewide homeownership rate of 63.3%.** In 2019, there were 4.28 million housing units in Georgia with 3.75 million occupied (87%). The increase in renter-occupied units was driven in part by higher production rates of new units.

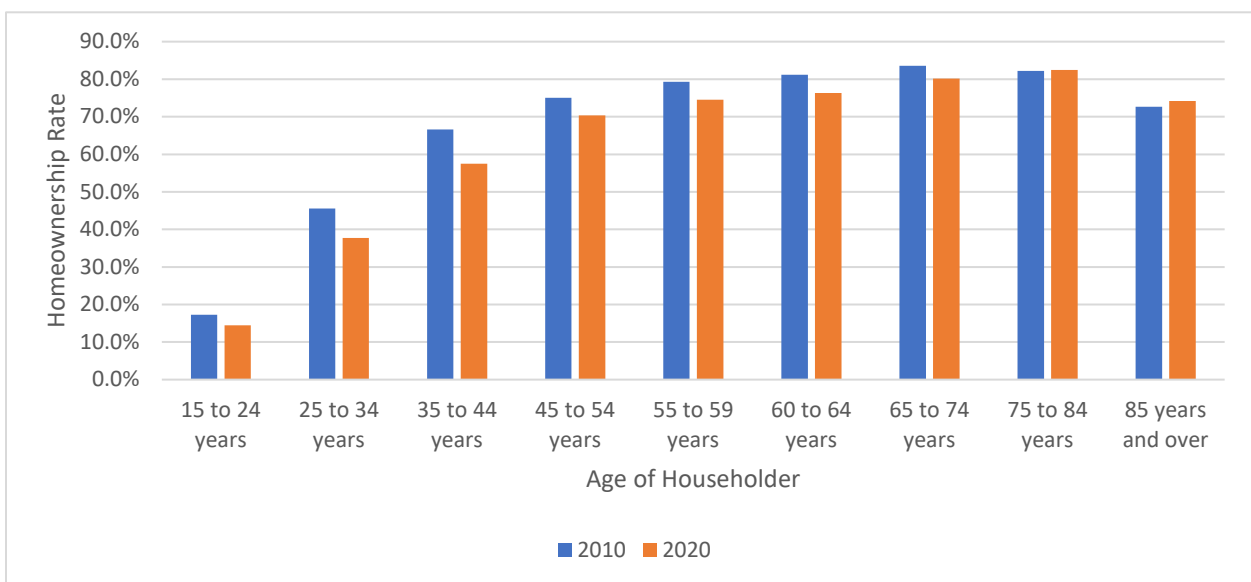
**FIGURE 2-5 GEORGIA HOUSING OCCUPANCY TRENDS, 2010-2019**



Source: ACS 5-Year Estimates Data Profiles, 2010 and 2019: B25003

**Homeownership has fallen among all age groups younger than 75 years.** Increasing housing costs, a lack of adequate sales inventory, and an increasing expansion of the rental market are driving these trends.

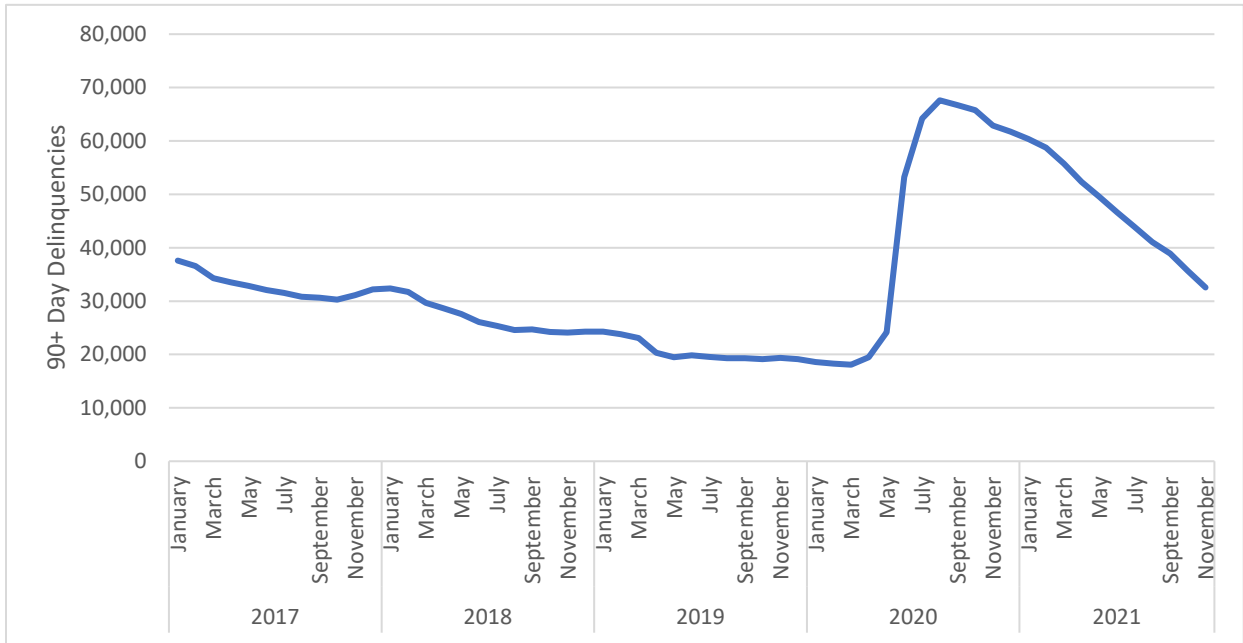
**FIGURE 2-6 AGE OF GEORGIAN HOMEOWNERS, 2010-2020**



Source: ACS 5-Year Estimates Data Profiles, 2010 and 2020: B25007

*After peaking in 2020 due to the pandemic, mortgage delinquencies in Georgia have continuously trended downward, although they remain higher than pre-pandemic levels.* This is likely attributed to housing assistance from the CARES Act and other protections that were implemented during the pandemic; however, these safeguards are nearing expiration. Households in precarious financial situations coupled with rising inflation, increasing utilities or other homeownership costs may continue to be at-risk.

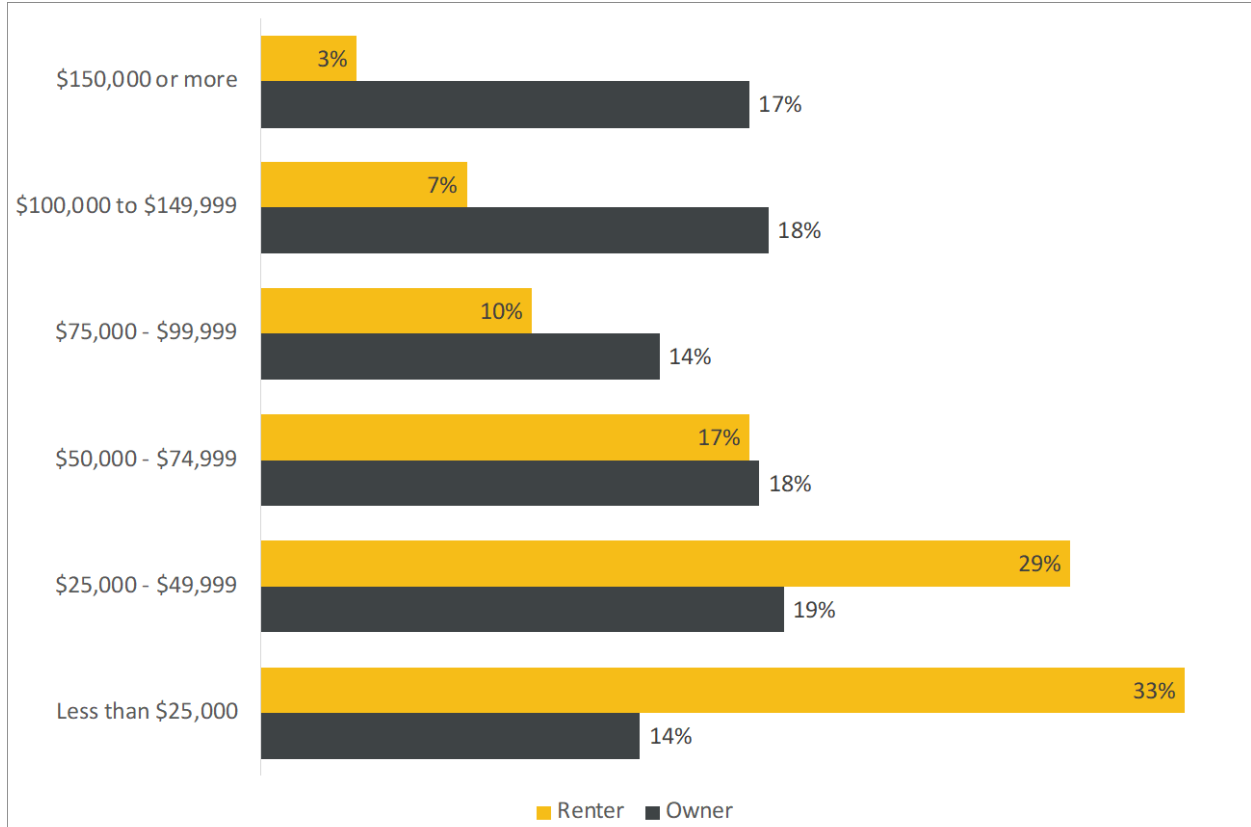
**FIGURE 2-7 GEORGIA MORTGAGE DELINQUENCIES, 2017-2021**



Source: CoreLogic

**Households making less than \$25,000 a year accounted for 33% of all renter-occupied households but only 14% of all owner-occupied households.** Renter households tend to have lower incomes than owner households, making it more difficult to achieve homeownership. Other factors impeding homeownership efforts include higher rents making it difficult for homebuyers to save, rising interest rates, and a very low sales inventory.

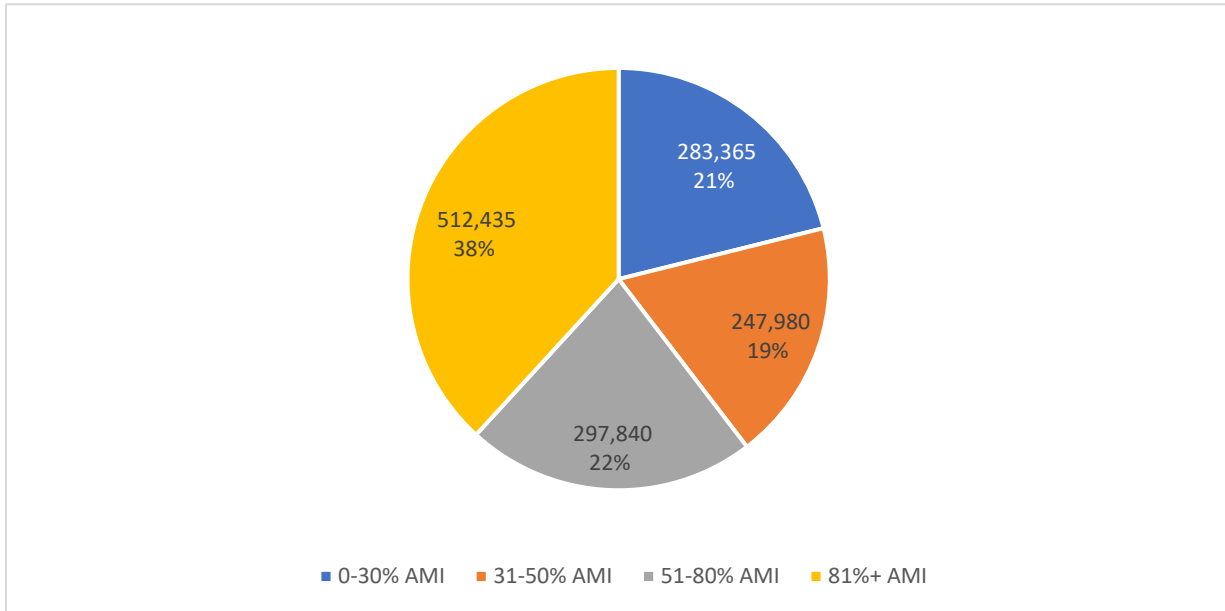
**FIGURE 2-8 GEORGIA TENURE TRENDS, 2019**



Source: ACS 5-Year Estimates, 2015-2019

*Among renter households, 21% are extremely low-income and 38% are very low-income.* The majority of renter households have incomes up to 80% AMI.

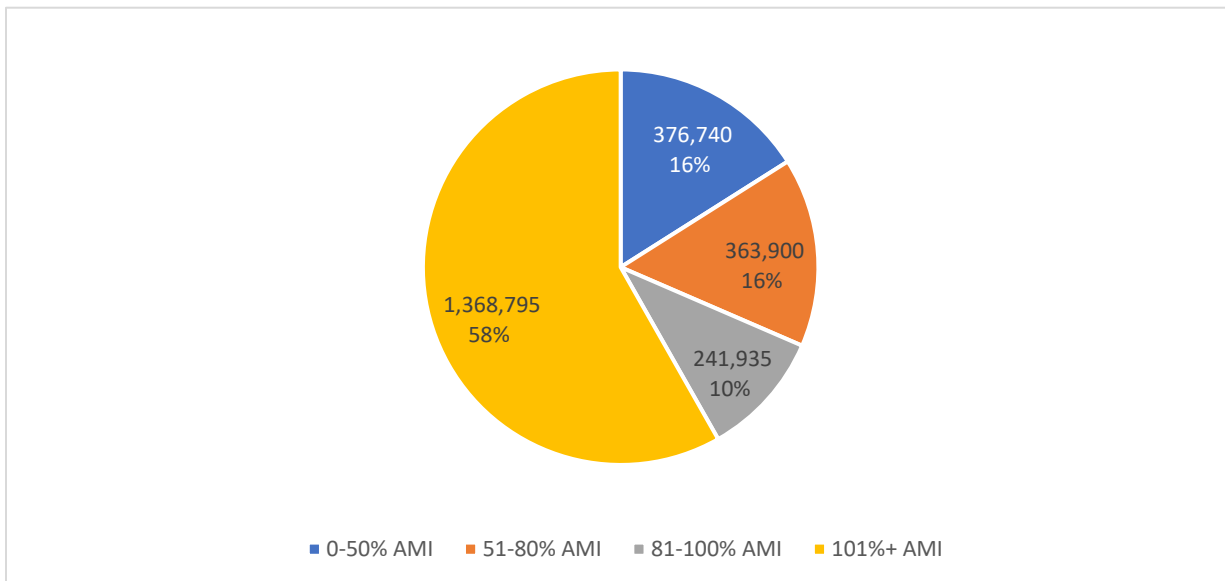
**FIGURE 2-9 GEORGIA RENTERS BY INCOME, 2019**



Source: Comprehensive Housing Affordability Strategy (CHAS), 2015-2019

*The majority of Georgia homeowners earn 101% or more of the State median income.* Homeowners under 80% AMI represent nearly a third.

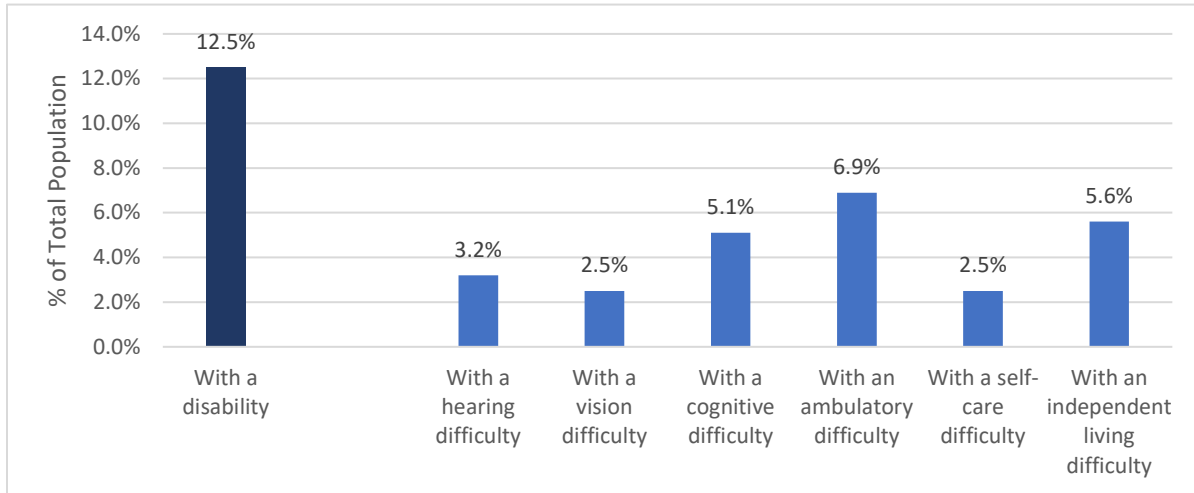
**FIGURE 2-10 GEORGIA HOMEOWNERS BY INCOME, 2019**



Source: Comprehensive Housing Affordability Strategy (CHAS), 2015-2019

**Approximately one in eight households have at least one member with a disability.** The most common disabilities include individuals with independent living difficulties, ambulatory difficulties, and hearing difficulties. In 2020, 5% of households received Supplemental Security Income (SSI). SSI provides monthly benefits to people with limited income and resources who are disabled, blind, or age 65 or older. Blind or disabled children may also get SSI. On average, Georgia recipient households received \$836 in SSI per month in 2020.

**FIGURE 2-11 GEORGIANS WITH DISABILITIES, 2019**

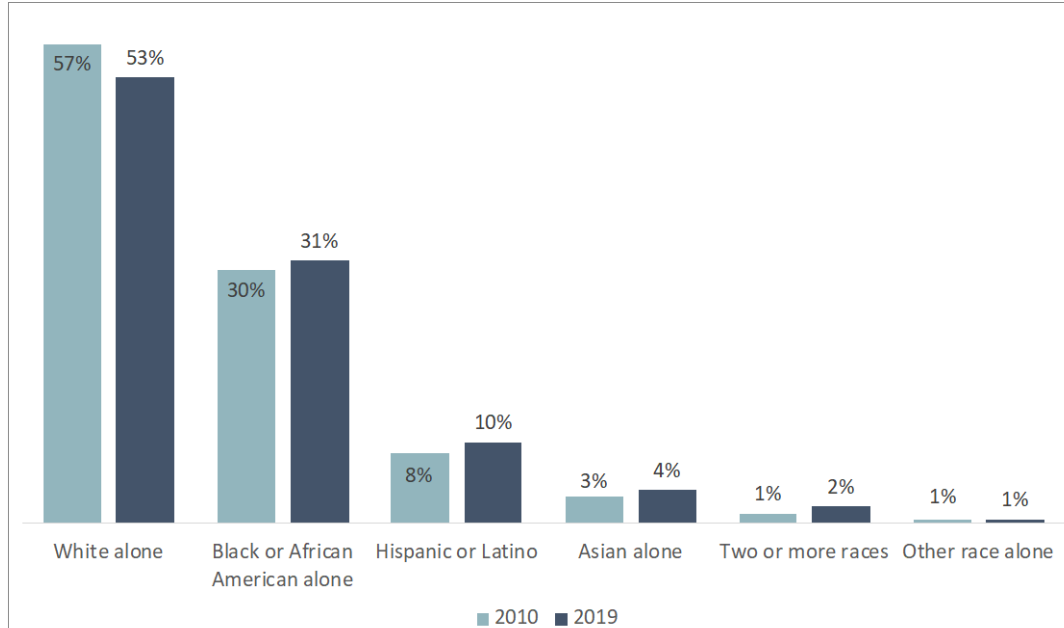


Note: Percentages will total more than 100% since individuals can have more than one disability type.

Source: ACS 5-Year Estimates: S1810

**Increases in non-White populations coupled with a decrease in White residents are diversifying Georgia’s population.**

**FIGURE 2-12 GEORGIA’S DIVERSIFYING POPULATION, 2010-2019**

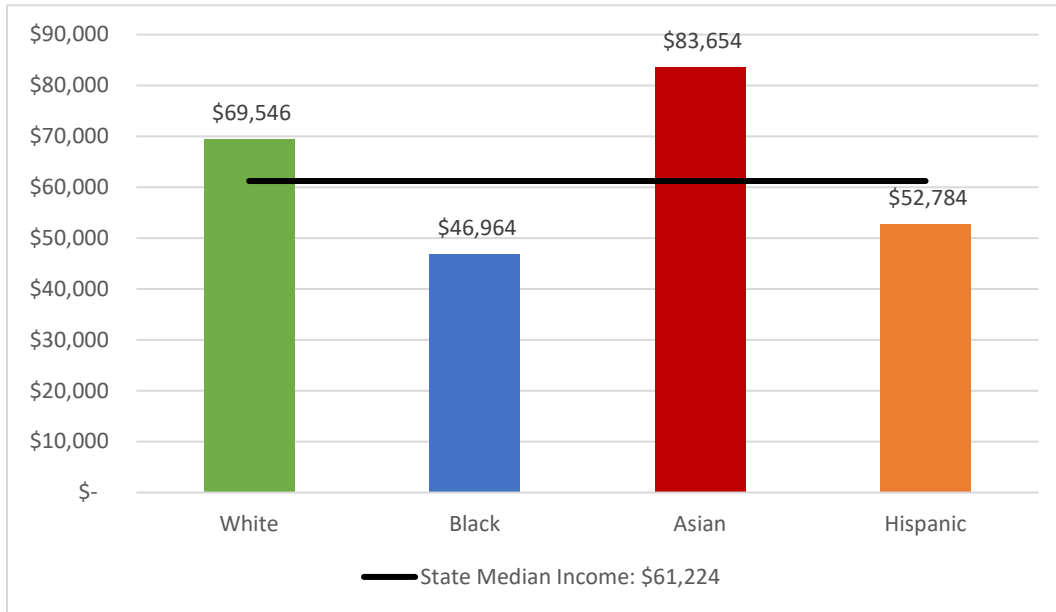


Source: ACS 5-Year Estimates, 2010 and 2019: B03002

## INCOME AND POVERTY TRENDS

**Income disparity by race and ethnicity impacts housing stability.** Black and Hispanic households have lower median incomes than White and Asian households. This will impact their ability to access quality affordable housing, whether as renters or homeowners.

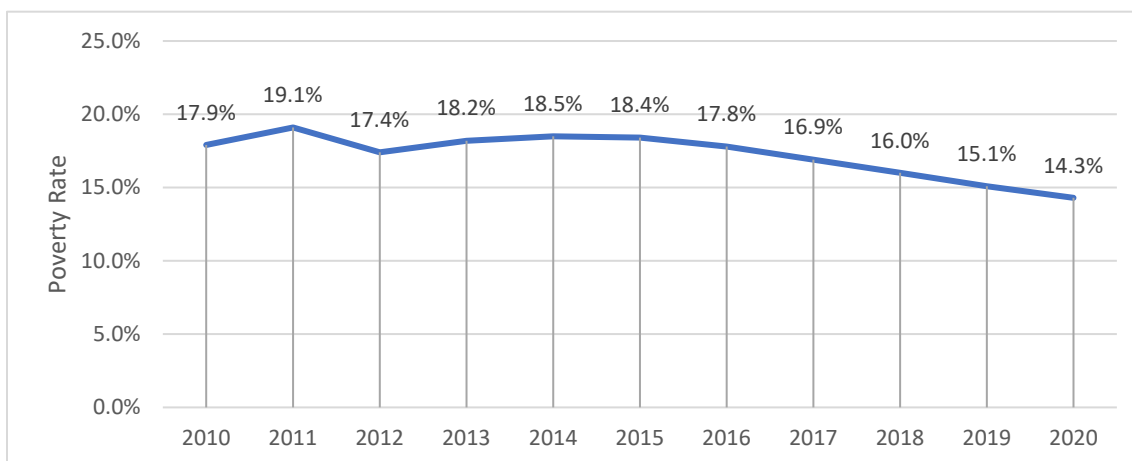
**FIGURE 2-13 GEORGIA'S INCOME DISPARITY, 2020**



Source: ACS 5-Year Estimates, 2020: B19013A, B19013B, B19013D, B19013I

**Georgia's poverty rate has been steadily declining since 2014.** After increasing to a high of 19.1% in 2011, the poverty rate dipped to 17.4% before rising once again, hitting 18.5% in 2014. Since then, the rate has declined annually, reaching 14.3% in 2020.

**FIGURE 2-14 GEORGIA POVERTY TRENDS, 2010-2020**

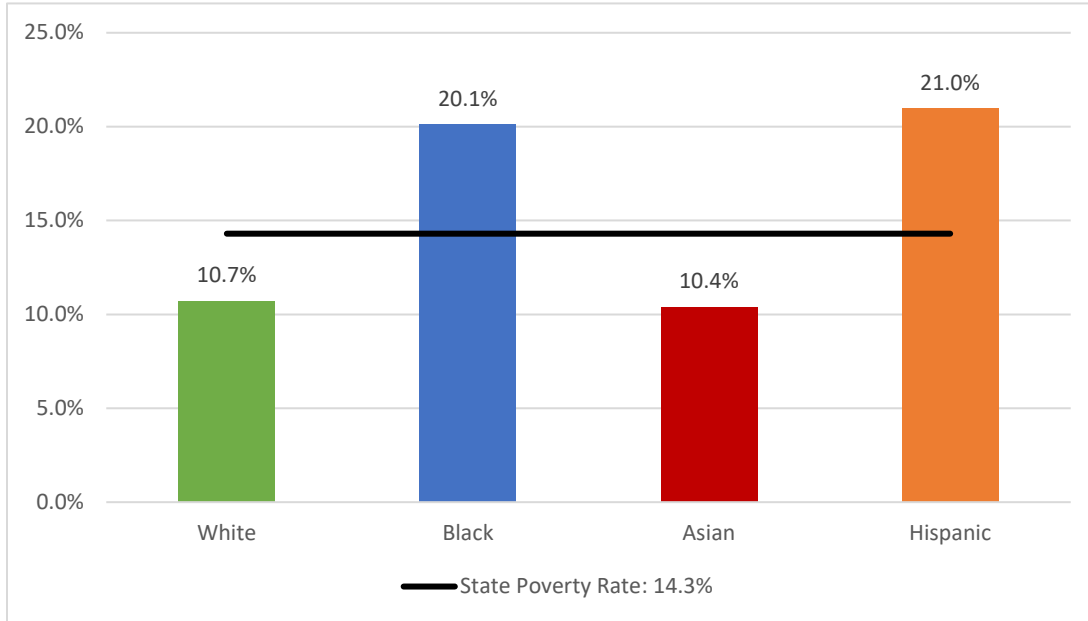


Source: ACS 5-Year Estimates, 2010 and 2020: S1701



*The poverty rates for Black and Hispanic households are twice as high as White and Asian households.* These trends not only limit their ability to access, obtain, or maintain quality affordable housing, but also restrict their access to affordable childcare, adequate groceries, health care and other necessities.

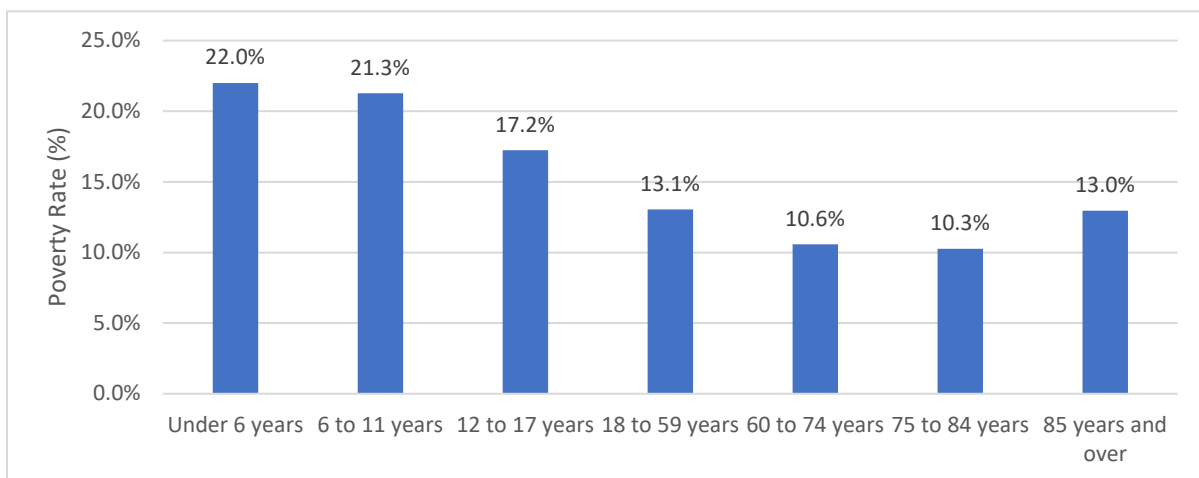
**FIGURE 2-15 GEORGIA POVERTY RATES BY RACE AND ETHNICITY, 2020**



Source: ACS 5-Year Estimates, 2020: B17020A, B17020B, B17020D, B17020I

*Poverty rates are highest among children under 18.* More than one in five children under 12 live in poverty. Over 60% of Georgians living in poverty are under 18 years old. Higher poverty among children places families with children, particularly female-headed households with children, at greatest risk for eviction, frequent moves and homelessness.

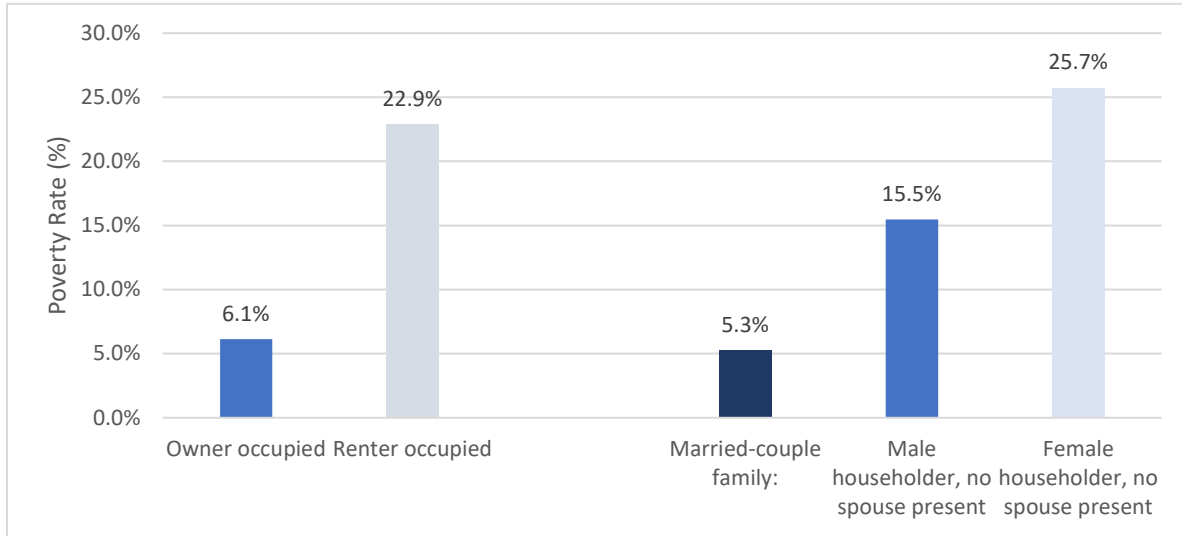
**FIGURE 2-16 GEORGIA POVERTY TRENDS BY AGE, 2020**



Source: ACS 5-Year Estimates, 2020: B17020

**One in four households in poverty included female-headed households with children.** Renter households are three times more likely than owner-occupied households to live in poverty. Single-parent households with children are three times (males) and five times (females) more likely to live in poverty than two-parent families.

**FIGURE 2-17 GEORGIA POVERTY TRENDS BY HOUSEHOLD TYPE, 2020**

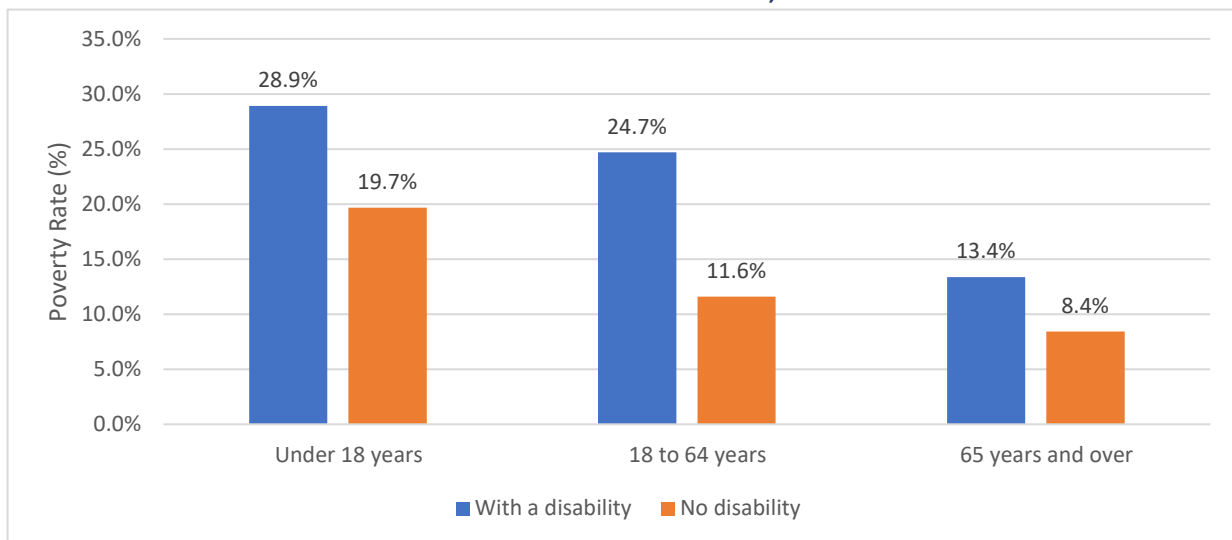


Source: ACS 5-Year Estimates, 2020: B17019

**Persons with disabilities are more likely to experience higher poverty rates than persons without disabilities.**

Households with at least one member with a disability tended to have significantly higher poverty rates than households without a member with a disability across all age groups. Among working-age adults, individuals with disabilities are over twice as likely to be experiencing poverty.

**FIGURE 2-18 GEORGIA POVERTY RATES BY DISABILITY STATUS, 2020**

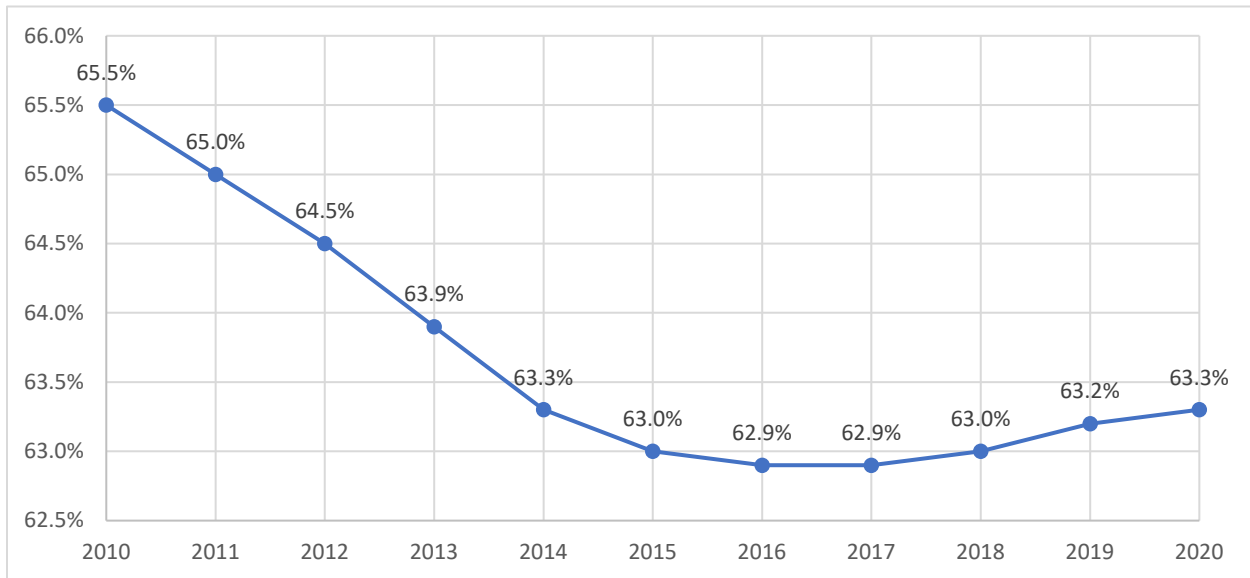


Source: ACS 5-Year Estimates, 2020: C18130

## EMPLOYMENT TRENDS

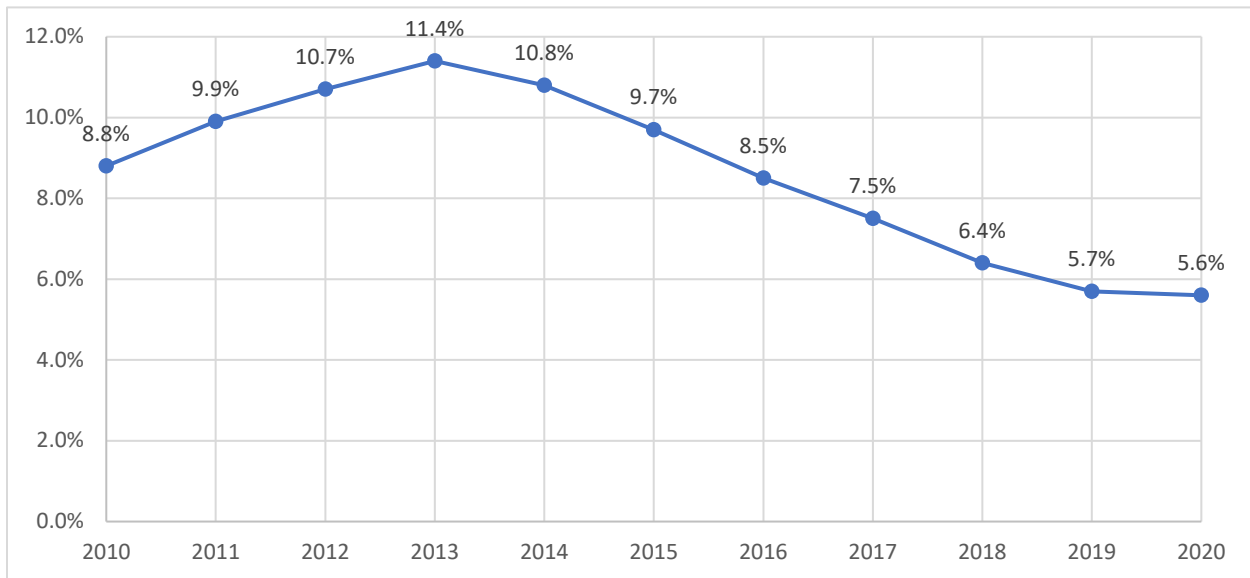
*The labor force has been steadily increasing since 2018.* Unemployment has fallen from 8.8% to 5.6% since 2010 while the labor force participation rate also declined before leveling off around 62-63%. With a more recent rate of unemployment of 3.1% in 2022, the decline is likely due to a slow recovery in the labor force since the onset of the pandemic in 2020. One factor impacting the steadily decreasing labor force participation rate overall is an aging population.

**FIGURE 2-19 GEORGIA CIVILIAN LABOR FORCE PARTICIPATION RATES, 2010-2020**



Source: ACS 5-Year Estimates, 2020: S2301

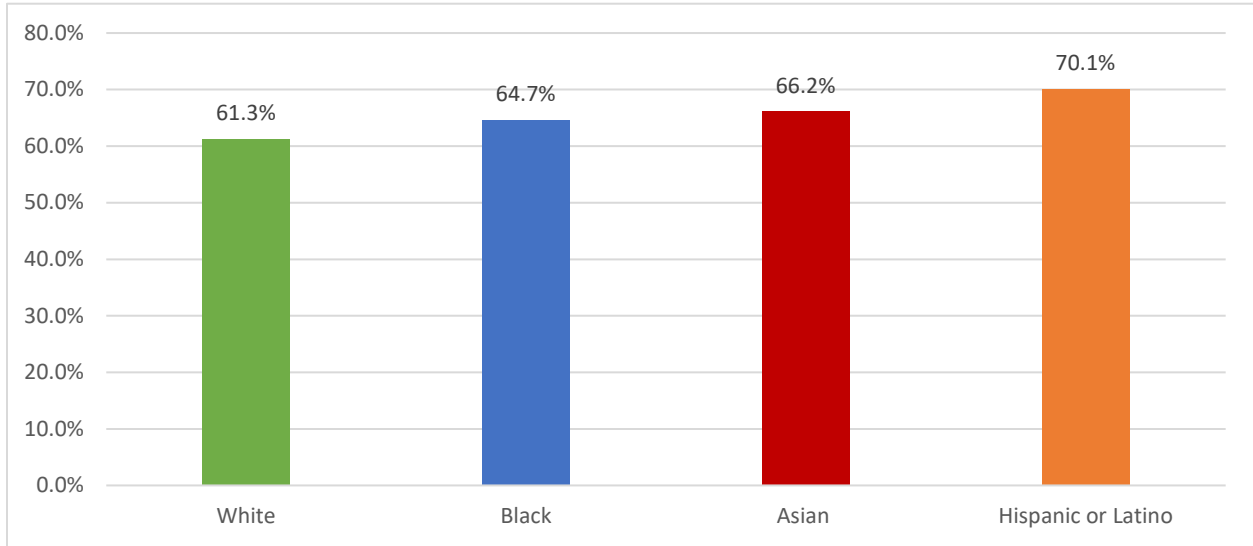
**FIGURE 2-20 GEORGIA UNEMPLOYMENT TRENDS, 2020**



Source: ACS 5-Year Estimates, 2020: S2301

**Labor force participation rates were highest among Hispanics and Asians.** Hispanics had the highest labor force participation rate at 70.1%. However, the lowest median incomes among Hispanics and Blacks are an indication of lower wages for employed Black and Hispanic individuals.

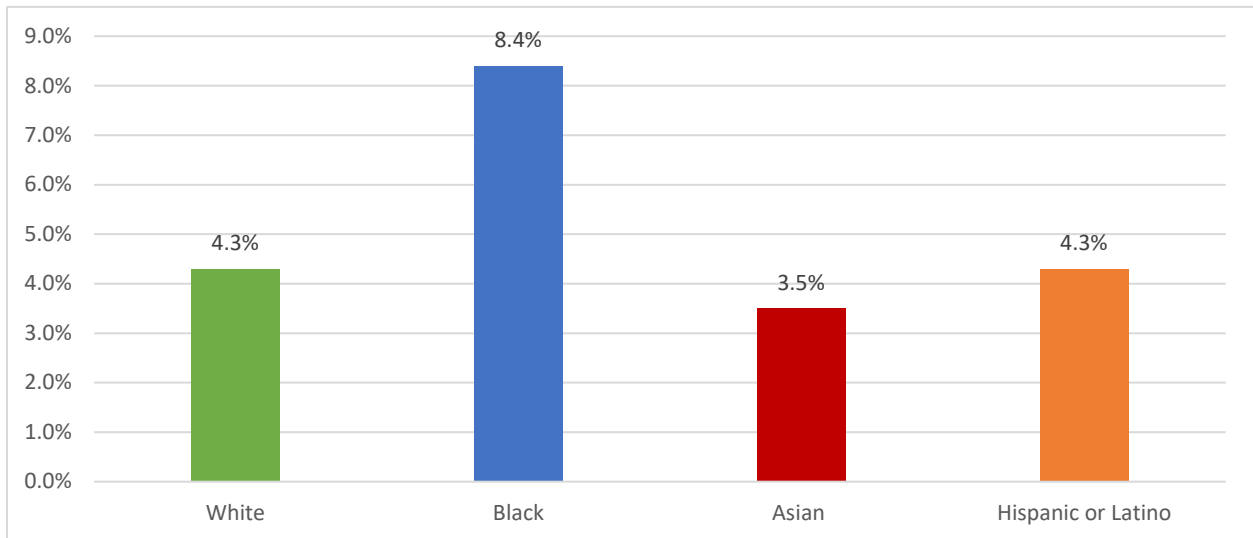
**FIGURE 2-21 GEORGIA LABOR FORCE PARTICIPATION RATES BY RACE AND ETHNICITY, 2020**



Source: ACS 5-Year Estimates, 2020: S2301

**Unemployment among Blacks is twice as high as other racial and ethnic groups.** The labor force includes people who are employed and unemployed but looking for work. Despite comparable labor force participation rates, higher rates of unemployment among Blacks, along with the highest poverty rate, may indicate that employment among Black Georgians reflects more part-time employment, lower wages compared to other groups, or other concerns regarding access to employment opportunities.

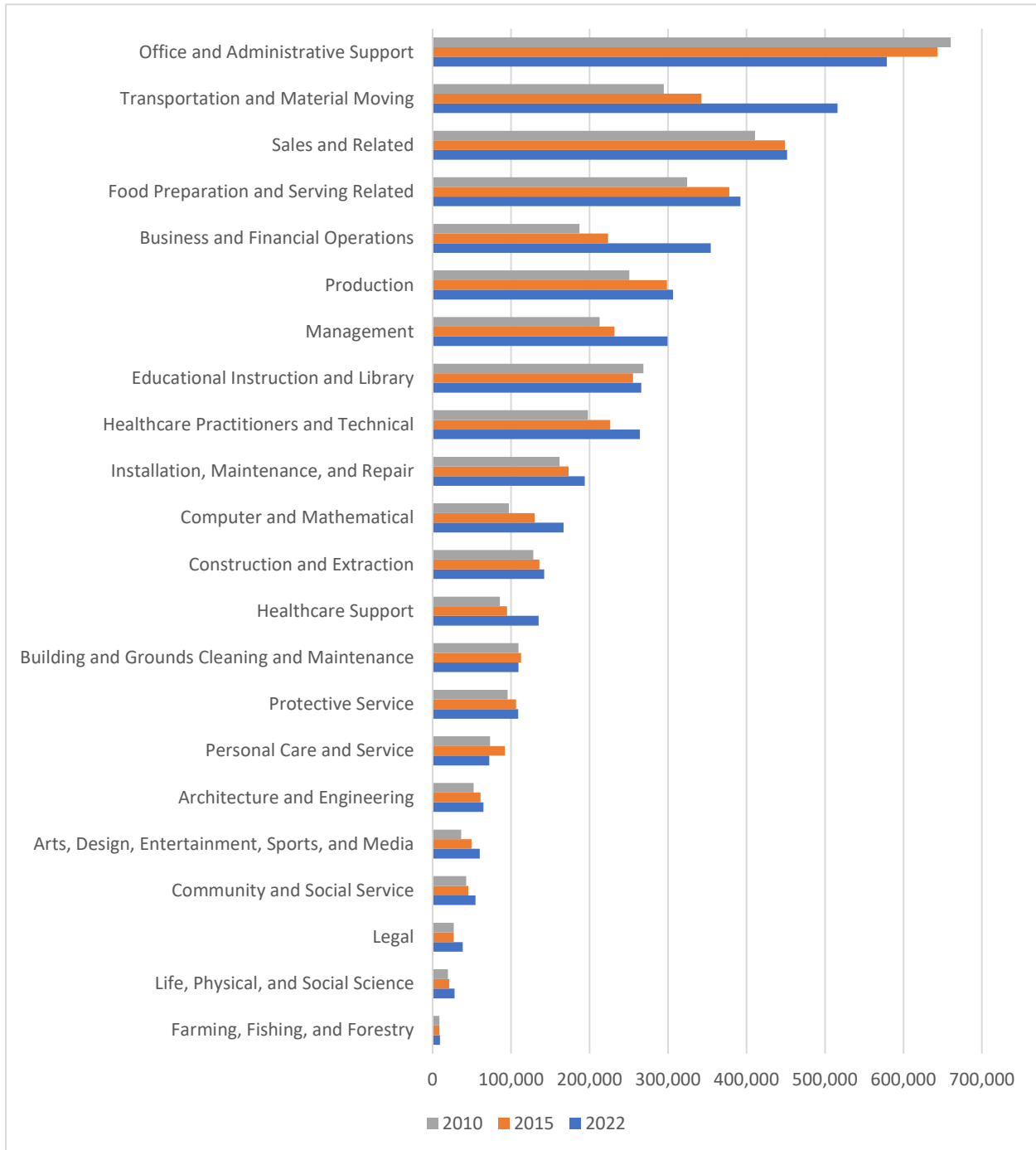
**FIGURE 2-22 GEORGIA UNEMPLOYMENT RATES BY RACE AND ETHNICITY, 2020**



Source: ACS 5-Year Estimates, 2020: S2301

*The top four employment sectors pay some of the lowest wages to employees.* Occupations in the sectors of Office and Administrative Support, Transportation and Material Moving, Sales and Related positions, and Food Preparation and Serving Related positions employed 42% of all Georgia’s workers in 2022. The higher employment rate among Black Georgians in these sectors aligns with prior indicators that Black Georgians may be receiving comparably lower wages when employed.

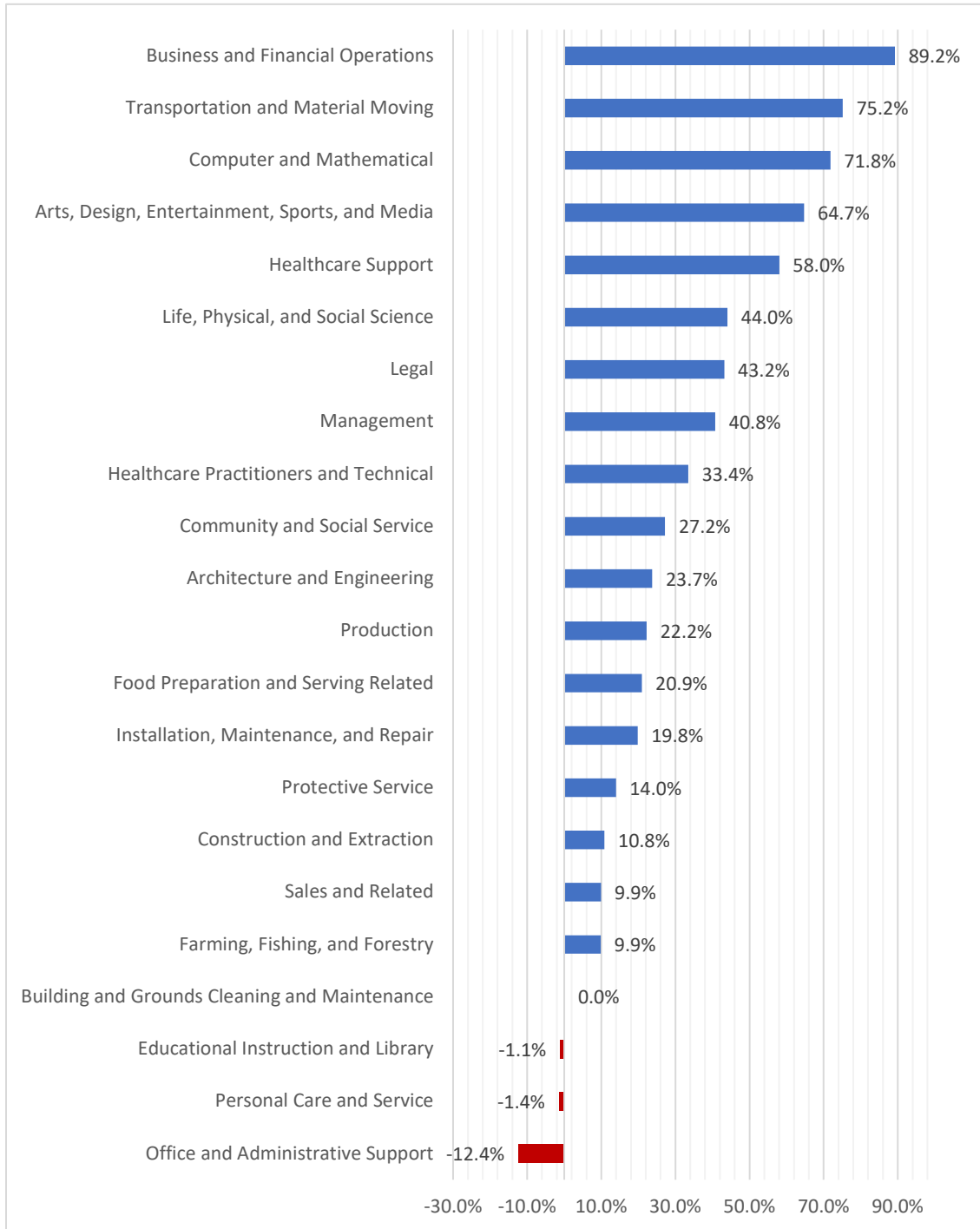
**FIGURE 2-23 CHANGES IN GEORGIA’S EMPLOYMENT BY SECTOR, 2010-2022**



Source: Occupational Employment and Wage Statistics, Bureau of Labor Statistics, 2010-2022

**Most of the highest economic growth sectors have higher educational requirements and offer the highest wages in Georgia.** The fastest growing sectors are Business and Financial Operations; Transportation and Material Moving; Computer and Mathematical; Arts, Design, Entertainment, Sports, and Media; and Healthcare Support occupations. By comparison, the largest employment sector, Office and Administrative Support, has declined 12.4% since 2010, the greatest loss among all sectors.

**FIGURE 2-24 GROWTH AND DECLINE AMONG GEORGIA’S ECONOMIC SECTORS, 2010-2022**

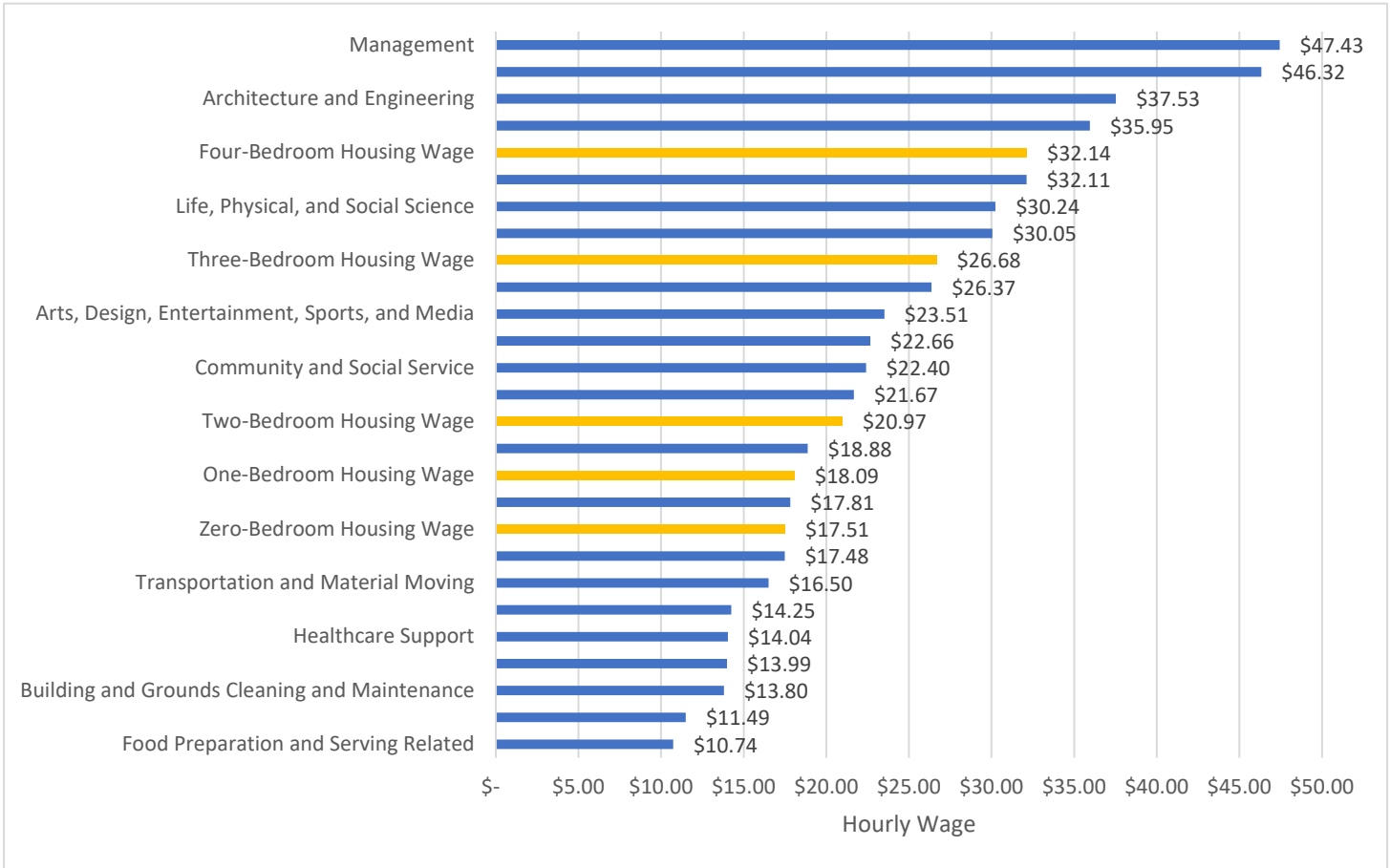


Source: Occupational Employment and Wage Statistics, Bureau of Labor Statistics, 2010-2022

**Employees working in several of the largest employment sectors cannot afford the Housing Wage for a one-bedroom apartment.** The Housing Wage is an estimate of the hourly wage a full-time worker must earn to afford a rental unit at HUD’s fair market rent<sup>3</sup> without spending more than 30% of their income on housing costs. The following chart illustrates how the median wage by occupation in Georgia compares to the housing wage necessary to afford rental housing by bedroom size. The various levels of the required Housing Wages are indicated in yellow.

**Eight occupation categories cannot reasonably afford a studio apartment based on their income.** These include some of the largest employment sectors, such as Transportation and Material Moving occupations, Sales and Related occupations, Food Preparation and Serving Related occupations, and Production occupations.

**FIGURE 2-25 GEORGIA’S HOURLY WAGES COMPARED TO HOUSING WAGES BY BEDROOM SIZE, 2021**



Source: National Low Income Housing Coalition, 2022 (<https://nlihc.org/oor/state/ga>); Occupational Employment and Wage Statistics, Bureau of Labor Statistics, 2021

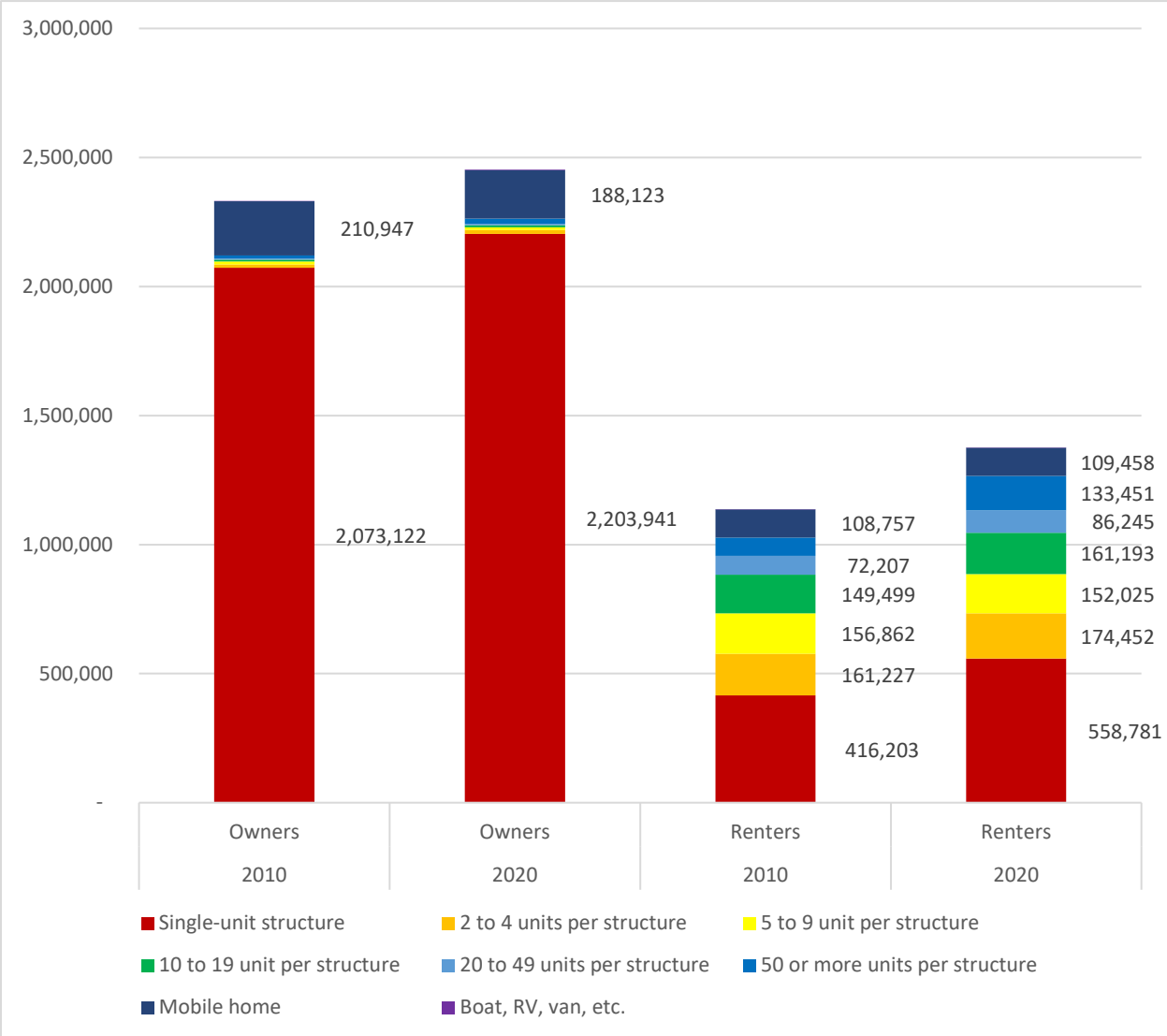
<sup>3</sup> The FMRs for the nation, states, and state nonmetropolitan areas in Out of Reach are calculated by NLIHC and reflect the weighted average FMR for the counties included in the larger geography. The weight for FMRs is the number of renter households within each county from the five-year 2016-2020 ACS. (Out of Reach 2022 by the National Low Income Housing Coalition, Appendix B.)

# PART 3: THE HOUSING MARKET

## HOUSING INVENTORY

*Single-family dwellings remain the predominant housing type, but recent trends reveal an increasing expansion in multi-family units.* It is estimated that 361,560 new housing units were created between 2010 and 2020, about two-thirds of which were rental units. The majority of owner-occupied structures are single-family dwellings, representing almost 90% of these structures. Since 2010, the inventory of single-family renter-occupied structures has increased 34%. Although this increase has resulted from an overall increase in new housing units, it could also be a factor of the build-to-rent/investor trend.

**FIGURE 3-1 GEORGIA’S HOUSING INVENTORY BY NUMBER OF UNITS PER STRUCTURE, 2020**



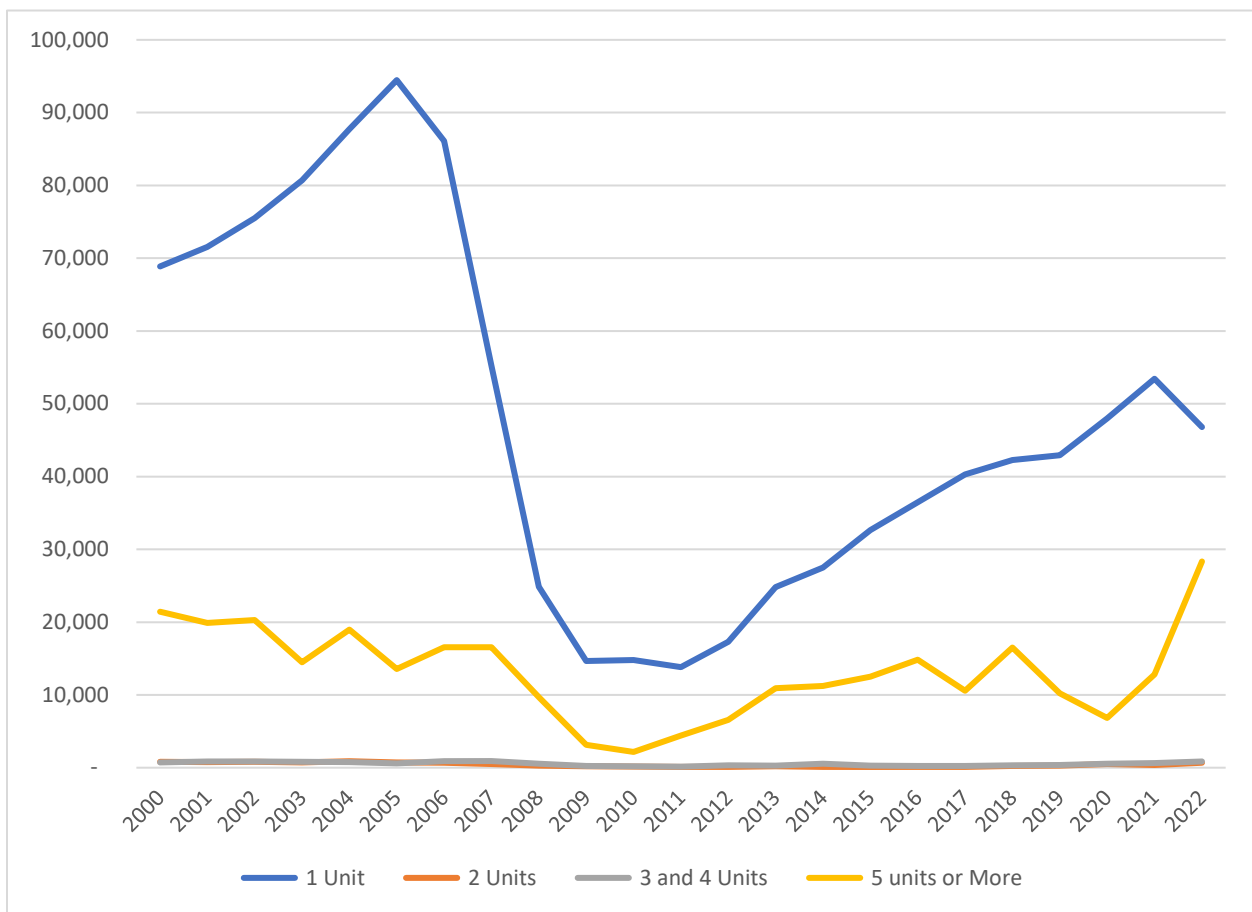
Source: ACS 5-Year Estimates, 2020: C18120



**Rental structures consisting of 5 or more units experienced the largest growth rate, increasing 86.4% between 2010 and 2020.** Building permits reflect the number of new structures proposed for development. Permits for multi-family apartment buildings might include 10 or 100 units but only a single permit is issued for the building. Single-family homes are the most common type of new construction, having peaked in 2005 but quickly followed by a rapid decline due to the housing bubble.

While the rate of issuing building permits has been recovering, more recently multi-family structures have experienced sharp growth while single-family houses have declined as recently as 2021 and continuing into 2022. The large growth in structures with five or more units indicates potential growth in middle housing options—something between single-family units and large-scale multi-family developments. Based on MLS data, middle housing options in the rental space have dramatically increased, having no listings in 2019 and 2020, only 143 listings in 2021, and increasing to 866 listings in 2022 (+505.6%).<sup>4</sup>

**FIGURE 3-2 GEORGIA TRENDS IN BUILDING PERMITS ISSUED, 2000-2022**



Source: US Census Building Permits Survey (BPS), 2000-2022

<sup>4</sup> Georgia MLS data had no rental listings in 2019 and 2020, 143 properties in 2021 and 866 properties in 2022 (+505.6% increase). For owner-occupied middle housing it seems to have peaked in 2020, then decreased in 2021 by 34.1%, and increased in 2022 by 24.6% without reaching 2020 levels. Data courtesy of Georgia MLS. Data deemed accurate, but not guaranteed.

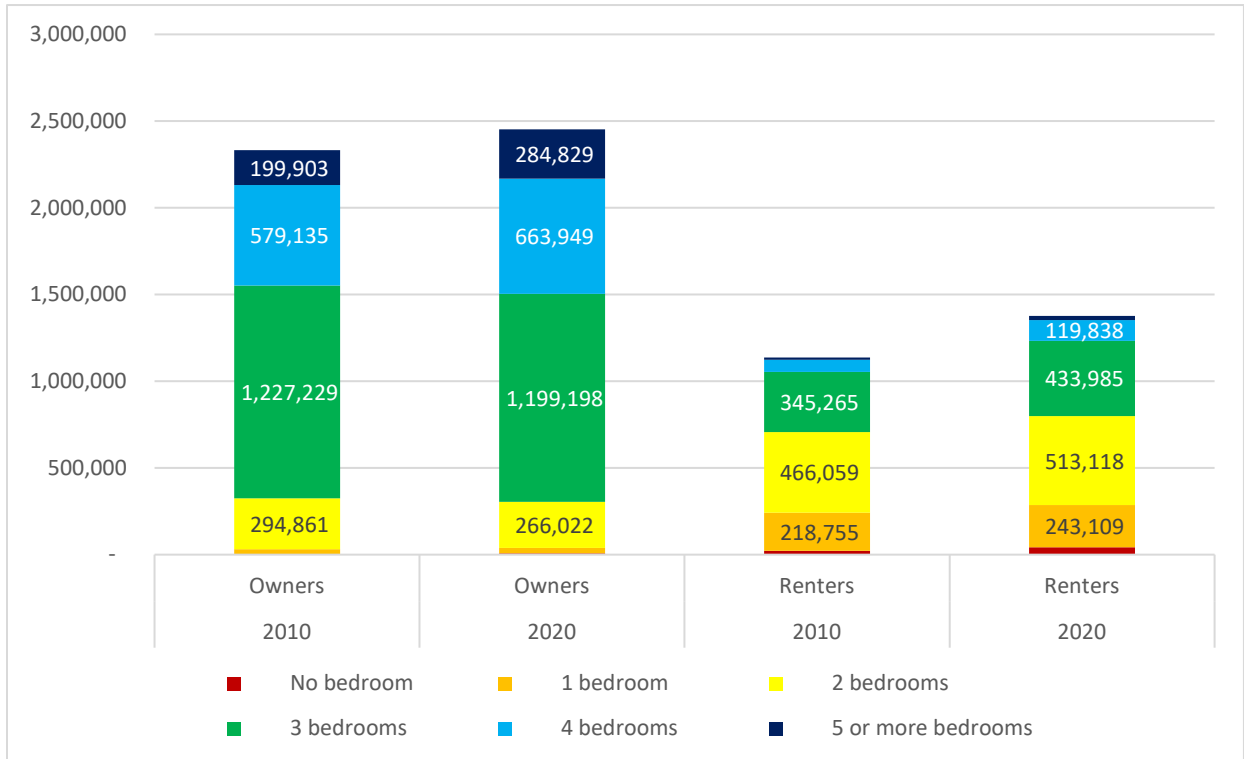
In 2010 Daniel Parolek coined the term “Missing Middle Housing” that includes building types between single-family units and high-rise multi-family structures. He defined Missing Middle Housing as “house-scale buildings with multiple units in walkable neighborhoods”. These include smaller multi-family structures such as duplexes, quadplexes, and courtyard apartments for providing more housing choice. Parolek referred to them as “ ‘Missing’ because they have typically been illegal to build since the mid-1940s and ‘Middle’ because they sit in the middle of a spectrum between detached single-family homes and mid-rise to high-rise apartment buildings, in terms of form and scale, as well as number of units and often, affordability.”



Source: <https://missingmiddlehousing.com/about>

*Owner-occupied units are more likely to be larger than rental units in terms of the number of bedrooms.* Nearly half of all owner-occupied units consist of three bedrooms and a quarter consist of four bedrooms. Renter-occupied units tend to have fewer bedrooms with nearly 40% consisting of two bedrooms and over 30% consisting of three bedrooms. Notably, there has been significantly large growth in the rental market for studios/efficiencies (+89.9% from 2010 to 2020) and four-bedroom apartments (+70.8%).

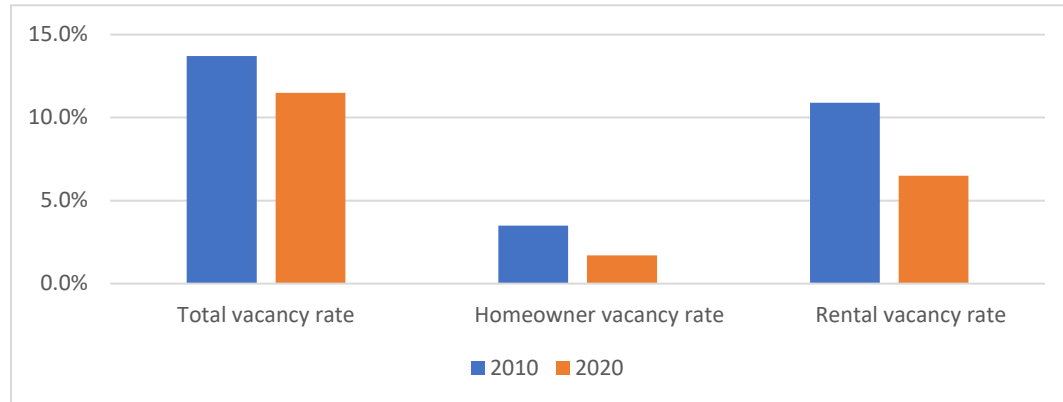
**FIGURE 3-3 GROWTH IN GEORGIA’S HOUSING INVENTORY BY BEDROOM SIZE, 2010-2020**



Source: ACS 5-Year Estimates, 2020: B25042

**The extremely low homeowner vacancy rate indicates a tight housing market that has implications for the rental market, too.** Georgia’s vacancy rate among homeowner units fell below 2% in 2020, indicating a very tight market. Often referred to as a seller’s market because of the high housing demand driving up sales prices, this trend also impacts on the rental market. If buyers are unable to purchase a home, they may remain in the rental market longer. With fewer rental units turning over, the rental vacancy rate will fall as it did in 2020. In fact, the rental vacancy rate fell by over 33% from 2010 through 2020. As a result of this pressure in the rental market, landlords expectedly raise rents due to surging demand. The overall vacancy rate decreased from 13.7% in 2010 to 11.5% in 2020.

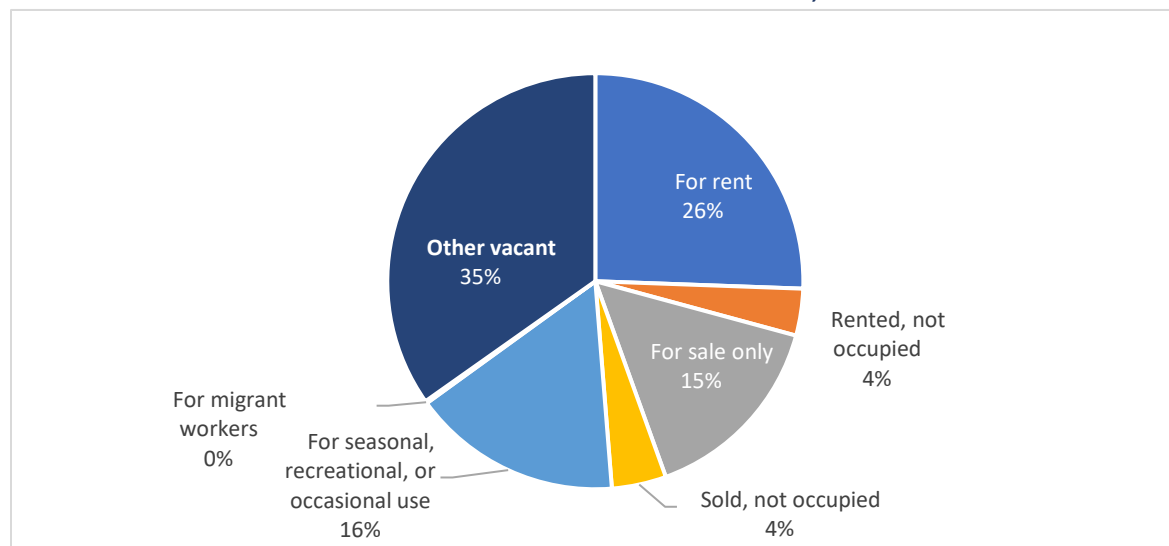
**FIGURE 3-4 VACANCY RATES AMONG GEORGIA’S HOUSING INVENTORY, 2020**



Source: ACS 5-Year Estimates, 2020: DP04

**Housing units that are off the market comprised the largest segment of vacancies in 2020.** About a third of all vacant units are categorized as “Other Vacant” and consist of housing units that are off the market. This category includes units that are held for the settlement of an estate, personal reasons, repairs, foreclosure, sheriff’s sale, and other reasons. Units listed for rent account for 26% of the inventory while units for sale account for 15%. Seasonal vacancies represent 16% of all vacancies and include second homes, vacation homes, short-term rentals, and other units where the owner has a primary residence elsewhere.

**FIGURE 3-5 STATUS OF GEORGIA’S VACANT HOUSING INVENTORY, 2020**

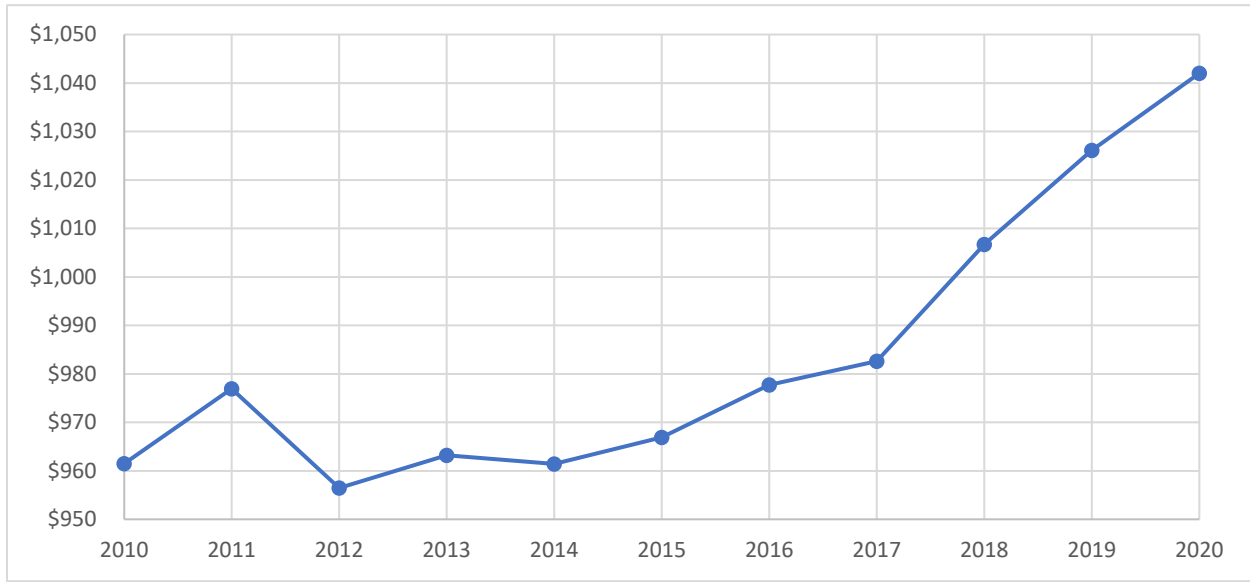


Source: ACS 5-Year Estimates, 2020: DP04

## HOUSING COSTS

**Median gross rent rose 7.6% to \$1,042 in 2020 from \$968 in 2015.** The National Alliance to End Homelessness reported that a 2020 study prepared by the U.S. Government Accountability Office “estimated that ‘a \$100 increase in median rent was associated with a 9% increase in the estimated homelessness rate.’”<sup>5</sup> This finding reinforces how the high risk factors of rising rent combined with inflation can worsen homelessness.

**FIGURE 3-6 TRENDS IN GEORGIA’S MEDIAN GROSS RENT, 2010-2020**

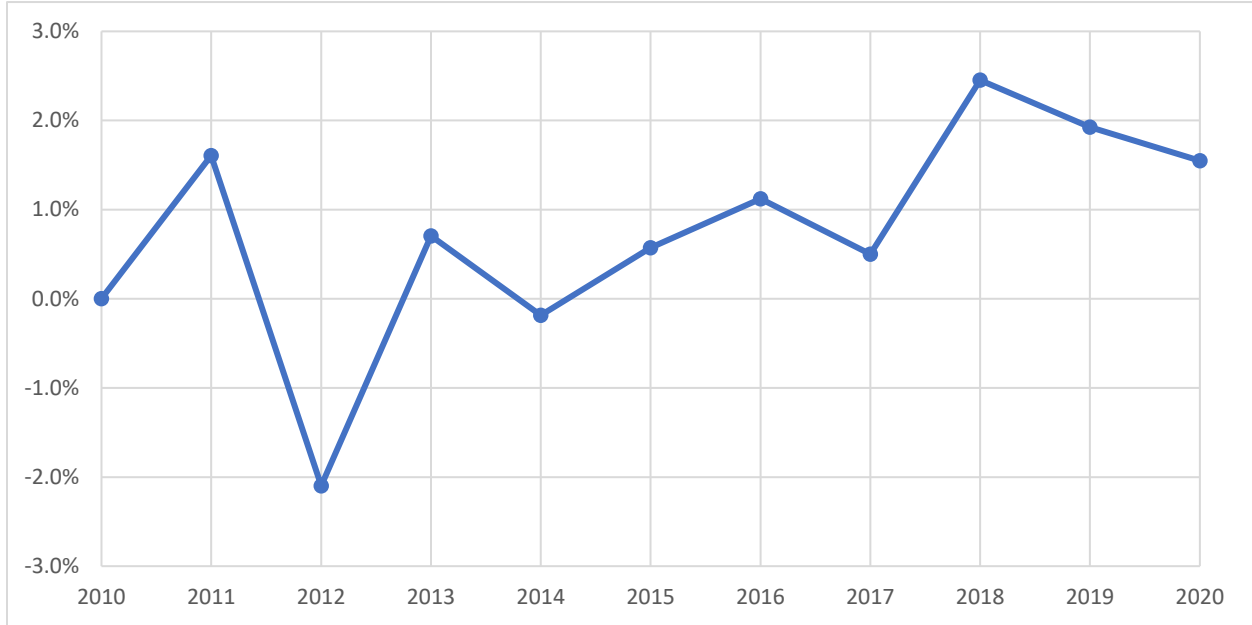


Source: ACS 5-Year Estimates, 2020: B25064

<sup>5</sup> Andrew Hall. “Rising Rents and Inflation Are Likely Increasing Low-Income Families’ Risk of Homelessness.” Endhomelessness.org, National Alliance to End Homelessness, <https://endhomelessness.org/blog/rising-rents-and-inflation-are-likely-increasing-low-income-families-risk-of-homelessness/#:~:text=In%20a%202020%20study%2C%20researchers,historically%20high%20rent%20prices%20a>nd. September 20, 2023.

*The change in median gross rent fluctuated wildly between 2010 and 2020 with a substantial recovery between 2013 and 2018, followed by a modest decline through to 2020.* Since then, the rental market has grown increasingly more expensive with rising rents due to high demand.

**FIGURE 3-7 CHANGE IN GEORGIA’S MEDIAN GROSS RENT, 2010-2020**

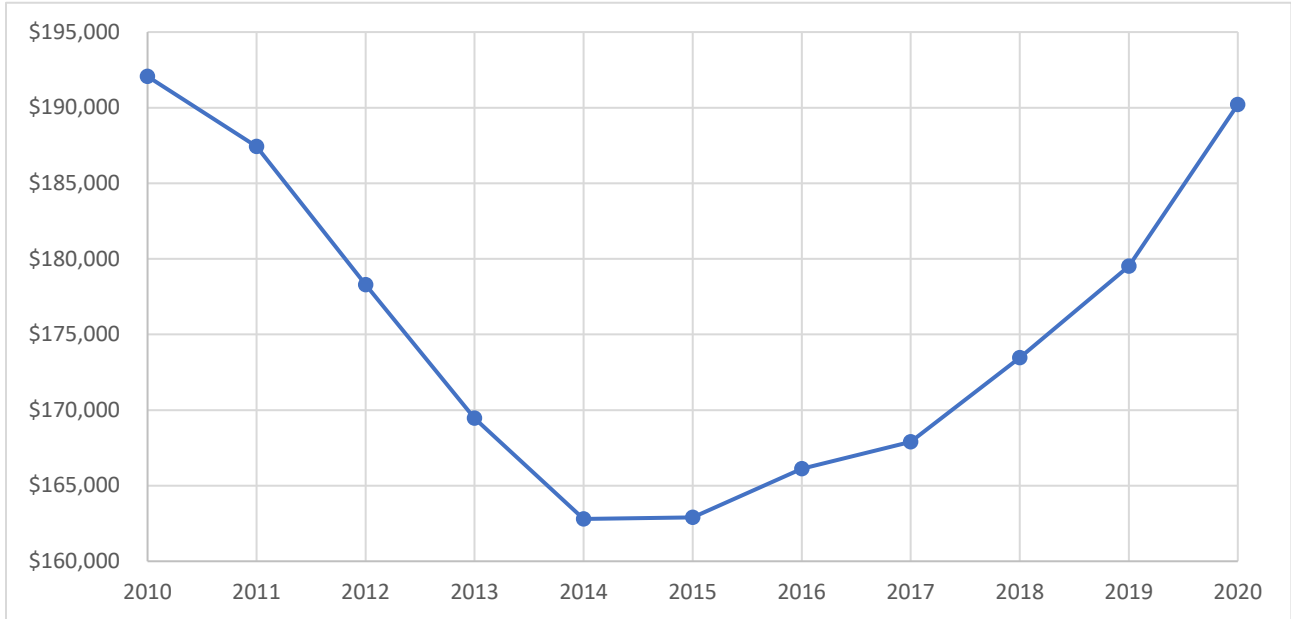


Source: ACS 5-Year Estimates, 2020: B25064

*After plunging to under \$165,000 in 2014, the median housing value nearly recovered by 2020 to 2010 levels.*

According to sales data from the Georgia Multiple Listing Service, the median sales price in 2020 was \$259,600.<sup>6</sup> According to ACS data, while home values had been steadily decreasing between 2010 through 2014, they began rising by 2016, even prior to the pandemic, with the sharpest rise of 5.9% during 2019.

**FIGURE 3-8 CHANGE IN GEORGIA’S MEDIAN HOUSING VALUE, 2010-2020**



Source: ACS 5-Year Estimates, 2020: B25077 & B25119

<sup>6</sup> Data courtesy of Georgia MLS. Data deemed accurate, but not guaranteed.

## HOUSING MARKET TYPOLOGIES

Georgia's housing market was analyzed by defining the market types across the State. Regardless of location, groups of several census tracts share common characteristics and trends. By categorizing these census tracts into discrete groups, it becomes easier to recommend appropriate initiatives for each market type. Describing housing markets by the levels of housing activity and access to opportunity provides a tool for strategically matching public resources and policies where they can have the greatest impact. For example, a market type consisting of stable neighborhoods with older housing stock might benefit from housing rehabilitation to preserve existing units that are affordable to low- and moderate-income households. By comparison, a market type with a higher level of activity (i.e., a higher level of buying and selling of housing units) located on a major corridor with public transit access might benefit from increasing density through zoning to expand housing inventory. Market typology is also useful as a local planning tool to assist residents in understanding the housing market forces impacting their neighborhoods. It is against the backdrop of the market types that other trends are presented and analyzed.

The market types used in this study are composed of two elements: the level of housing market activity and the level of access to opportunity. Housing market activity uses both empirical sales and rental data from the Georgia Multiple Listing Service (MLS) and the American Community Survey (ACS). Assessing access to opportunities allows for identifying where new affordable housing developments may be more financially feasible in the long-term due to proximity to factors that allow residents to have successful access to employment, quality education, and a healthy environment.

Georgia's markets are categorized into five types labeled 1 through 5 based on the relative levels of opportunity and housing market activity between census tracts. These are summarized on the following maps with more information provided in [Appendix C](#) (Housing Condition Model), [Appendix D](#) (Communities of Opportunity) and [Appendix E](#) (Housing Market Typologies).

The market typologies are important when considering program and policy effectiveness of Georgia's affordable housing initiatives. In a separate document created for the HNA (Georgia's Housing Programs Review), the distribution of Low-Income Housing Tax developments, Housing Choice Voucher holders, Community Development Block Grant projects, Georgia Dream homebuyers, and other projects are mapped against the backdrop of the market types. The results are very revealing.

## KEY FINDINGS

- **Market Type 1** is the largest housing market in terms of area, encompassing most of rural Georgia. Large parts of Columbus and Augusta-Richmond County also fall into this market type. The sales and rental market for Market Type 1 have similar geographies as Market Type 2.
- **Market Type 2** is primarily found in suburban and exurban Metro Atlanta. There is additional presence north of Warner Robins and in areas east of Columbus. The rental market has a larger presence in and around Savannah, including Bulloch and Effingham Counties, and northern Camden County.
- **Market Type 3** is found in both Atlanta city proper, outlying areas of Metro Atlanta, Athens-Clarke County, Valdosta, Northwest Georgia, Harris County and Troup County in western Georgia, and coastal Georgia. Market Type C in both the sales and rental market have similar geographic distributions.
- **Market Type 4** is scattered throughout the State but has very little presence in Metro Atlanta. It is present in other metro areas including Augusta-Richmond County, Savannah, Columbus, Warner Robins, Valdosta,



and Albany. The sales market has a larger presence in Augusta-Richmond County and Warner Robins. The rental market, on the other hand, shows a stronger presence in northeastern Georgia, northwestern Georgia, and Brunswick.

- **Market Type 5** is primarily concentrated in and around urban Metro Atlanta and Athens-Clarke County. The market is also present in other cities such as Columbus, Warner Robins, Savannah, Brunswick, and Camden County. The sales market has a much wider coverage than the rental market statewide. This extra coverage includes swaths of northeast Georgia, pockets of northwest Georgia, Jackson County, and Berrien County along US 76. The rental market has additional coverage around Statesboro, the home of Georgia Southern University.

FIGURE 3-9 RENTAL MARKET TYPES ACROSS GEORGIA

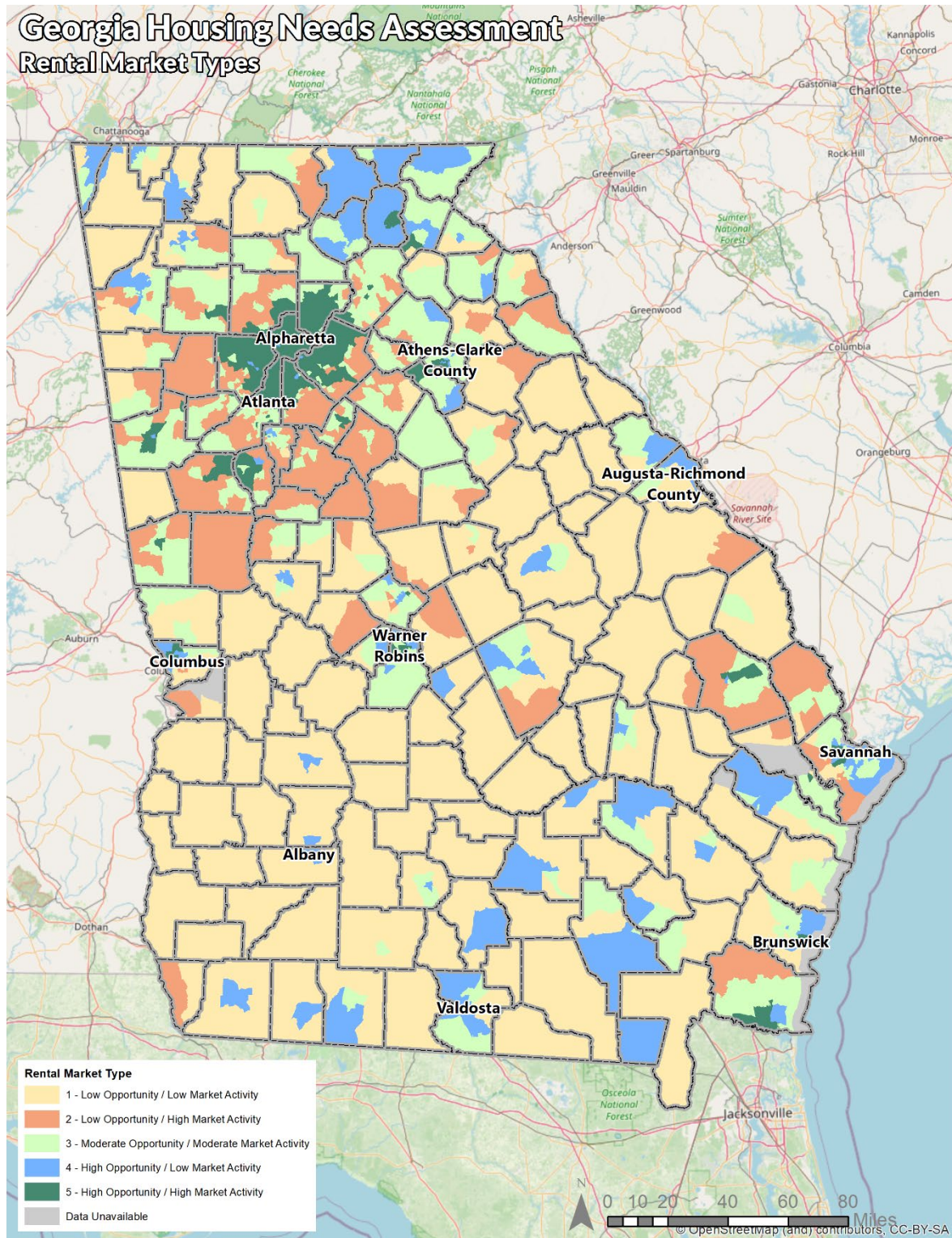
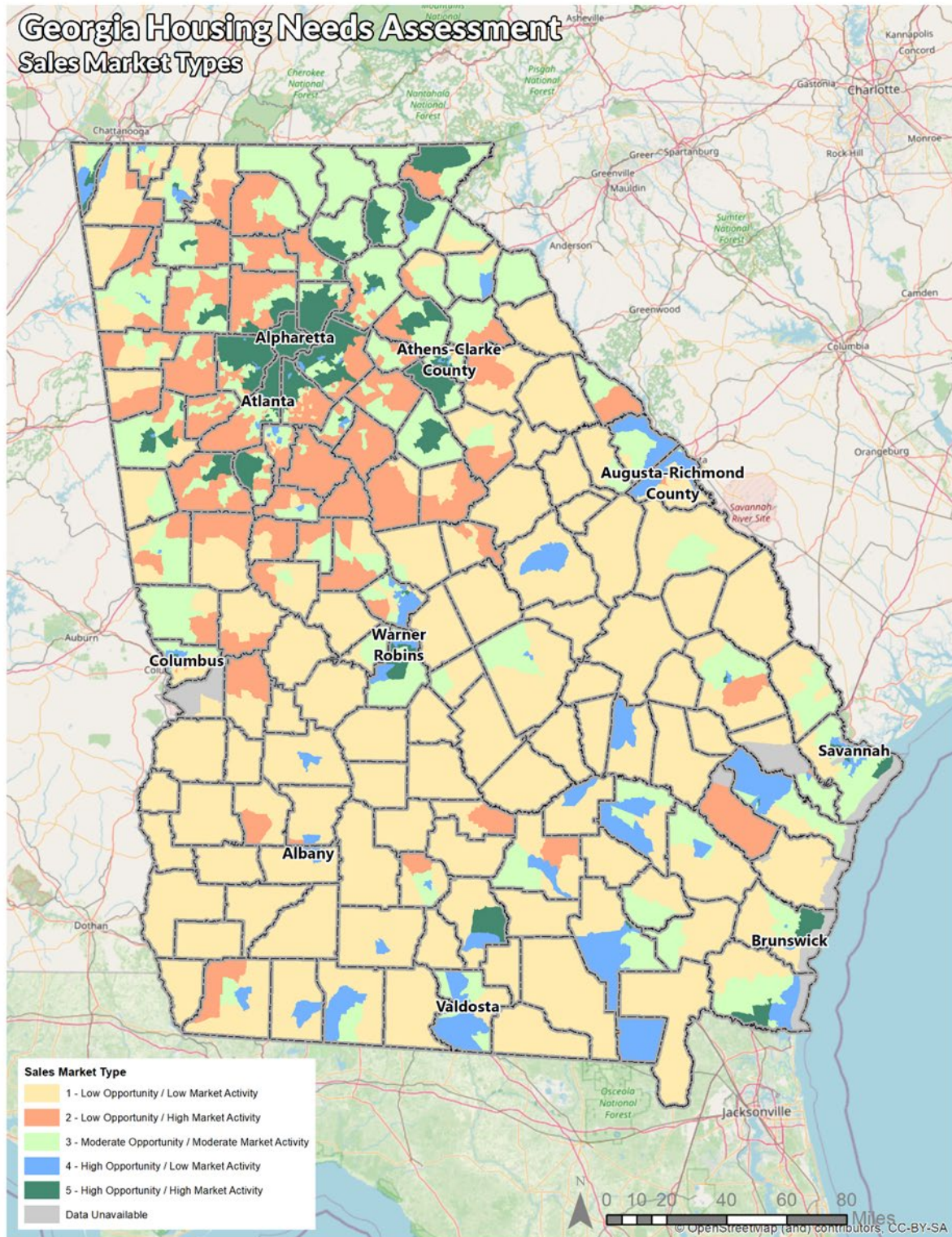


FIGURE 3-10 SALES MARKET TYPES ACROSS GEORGIA



## HOUSING GAP ANALYSIS

There are two components to determining the housing gap: cost burden and calculating whether the supply of housing units priced affordably for different income levels is sufficient for the number of households with incomes at those levels. See [Appendix F](#) for more information.

### COST BURDEN

*In 2019, 29.03% of all households in Georgia were estimated to be cost burdened.* Renters are more likely to be cost-burdened than owners with 43.4% of all renters paying more than 30% of their household income on housing costs compared to 19.3% of all homeowners.

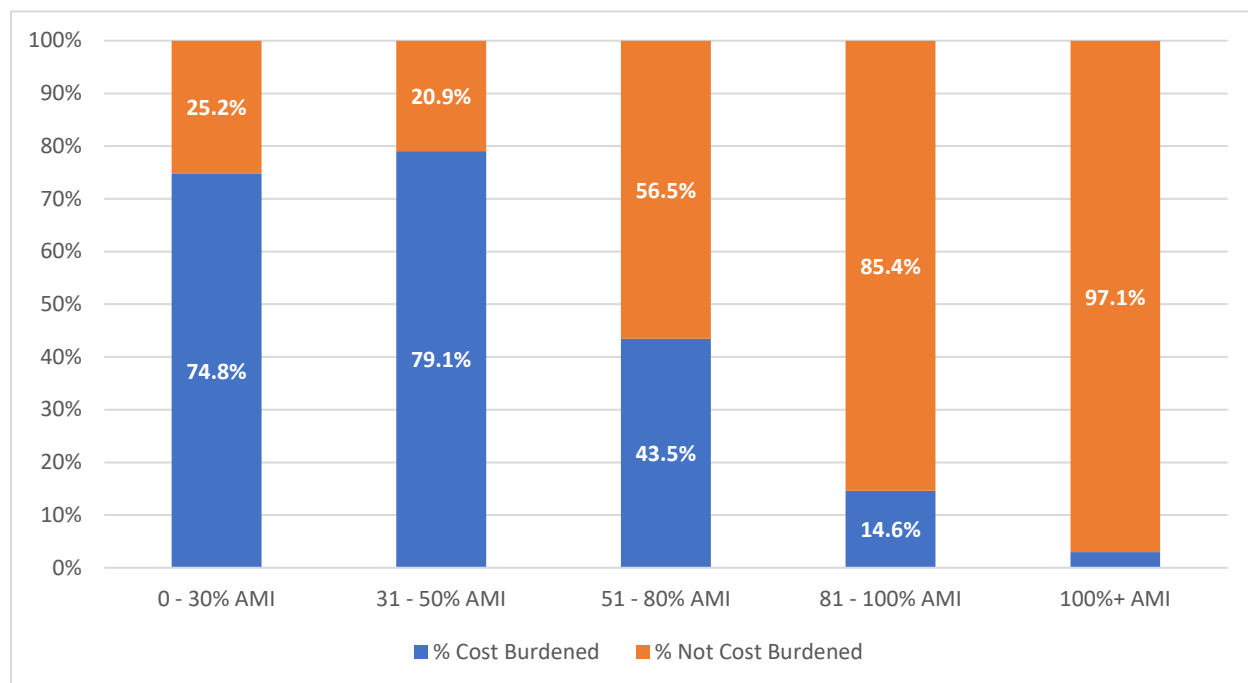
Cost burden, a measure of households that pay more than they can reasonably afford for their housing, is a major component required to understand housing need. If a household pays more than 30% of its income on housing costs, it is considered to be cost-burdened. For households that spend 50% or more on housing costs, they are considered severely cost-burdened. Lower income households experiencing severe cost burden have trouble paying for basic necessities such as food, transportation, and health care, among other necessities.

Certain groups are especially underserved by the private housing market due to unique barriers they face in finding and maintaining affordable, accessible housing (e.g., Georgians with disabilities). This makes cost burden among these populations both more likely and harder to overcome. Addressing the housing needs of these special populations while at the same time assuring that they do not become cost-burdened requires outreach, planning and coordination. The private sector housing market cannot always support these demographics adequately. Therefore, the specialized housing and assistance programs provided in Georgia are critical.

## RENTERS

**Renters earning 31-50% AMI were most likely to be cost burdened.** Households in this income tier have the highest rate of cost burden among all households, including both homeowners and renters. However, renters at 0-30% AMI are the largest group by number of cost-burdened renters in Georgia. Cost burden falls sharply among renters above 80% AMI.

**FIGURE 3-11 COST BURDEN RATES AMONG GEORGIA RENTERS, 2019**



Source: 2015-2019 CHAS

**FIGURE 3-12 COST-BURDENED GEORGIA RENTERS, 2019**

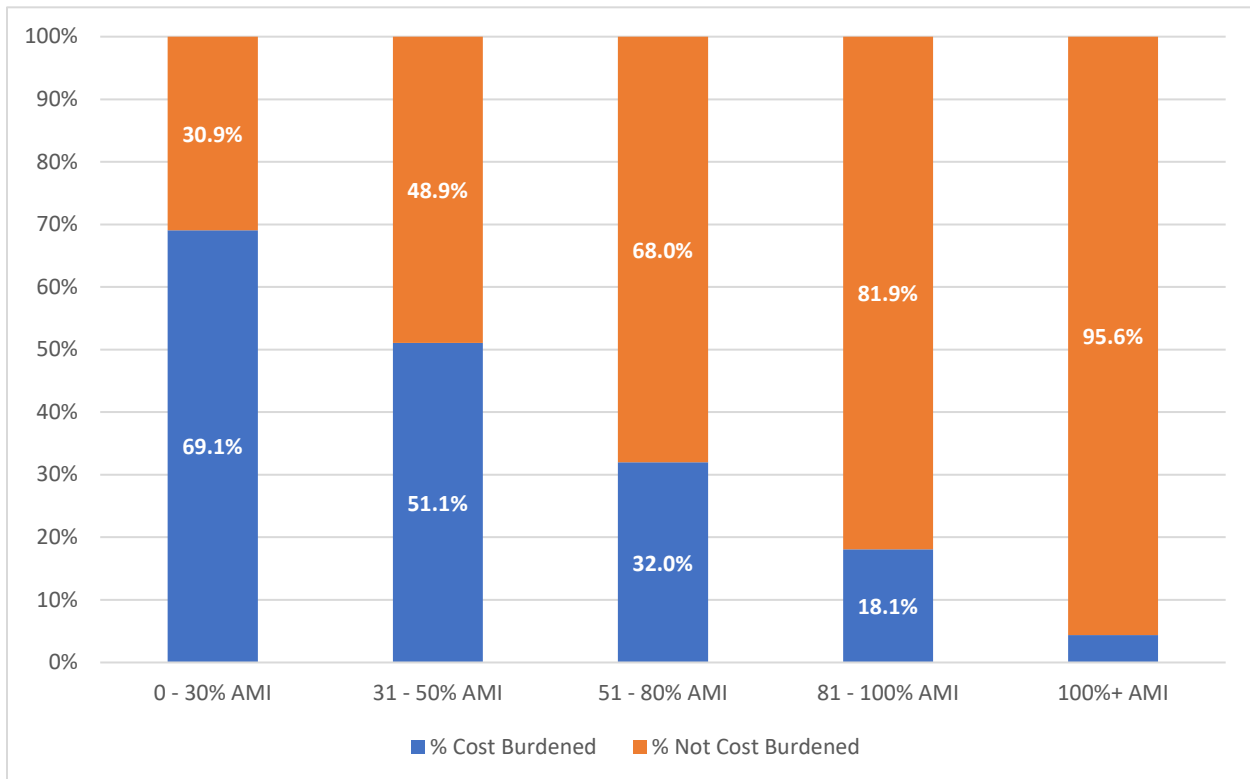
Income Tier	Renter Households	Cost Burdened Households	% Cost Burdened
0 - 30% AMI	322,760	241,270	74.8%
31 - 50% AMI	247,980	196,090	79.1%
51 - 80% AMI	297,845	129,510	43.5%
81 - 100% AMI	145,720	21,295	14.6%
100%+ AMI	366,720	10,780	2.9%
Total	1,381,025	598,945	43.4%

Source: 2015-2019 CHAS

## HOMEOWNERS

**The lowest income homeowners have the highest rate of cost burden.** Homeowners at 0-30% AMI are the most cost-burdened group among all owners. In Georgia, 19.3% of all homeowners were cost-burdened. When separated by income, however, there are clear differences. Two of every three homeowners at 0-30% AMI are cost-burdened, the third highest group in the state, among renters and homeowners. This income tier is the smallest group experiencing cost burden, accounting for 7.9% of all Georgia homeowners.

**FIGURE 3-13 COST BURDEN RATE AMONG GEORGIA HOMEOWNERS, 2019**



Source: 2015-2019 CHAS

**FIGURE 3-14 COST-BURDENED GEORGIA HOMEOWNERS, 2019**

Income Tier	Owner-Occupied Households	Cost Burdened Households	% Cost Burdened
0 - 30% AMI	187,190	129,295	69.1%
31 - 50% AMI	215,955	110,260	51.1%
51 - 80% AMI	363,900	116,325	32.0%
81 - 100% AMI	241,935	43,735	18.1%
100%+ AMI	1,368,795	59,945	4.4%
Total	2,377,775	459,560	19.3%

Source: 2015-2019 CHAS

## HOUSING SUPPLY AND DEMAND BY INCOME TIER

An Affordability Housing Gap analysis was conducted to determine the proportion of households across income tiers that do not have access to units that are both affordable and available. It's one thing to have housing units in a community that are affordable to lower income households, but if the units are not available to these households, then there is an inadequate supply to meet demand.

An affordable housing gap is the difference between the number of households earning a specific income and the housing units that are *both affordable and available to them*. Housing is *affordable* if a household can pay for it with no more than 30% of their income. Housing is *available* to a specific income group if it is vacant and priced affordably, or if it is currently occupied by a household at or below the defined income threshold. A gap between the supply of and the need for affordable housing represents households who are paying more for housing than they can reasonably afford. A unit is *unavailable* to a household if the unit is occupied by a household in a higher income tier. This is referred to as a housing mismatch. See [Appendix F](#) for more information.

Understanding the level of affordability of the current housing supply is a critical component to understanding housing need. A lack of an adequate supply of affordable units within each income tier results in a housing gap. The gap is the number of housing units that are needed within each income tier; however, it does not indicate a production goal. Rather, the housing gap indicates where a housing mismatch occurs.

## RENTERS

**The total number of rental units exceeds the total number of renter households in Georgia, yet there are inadequate supplies of units for the 0-30% AMI and 81%+ AMI income tiers.** As a result, many 0-30% AMI households reside in housing that is more expensive than their income tier. In fact, 0-30% AMI households occupy more housing units considered affordable to other higher income tiers (72.7% or 230,910 households) than housing considered affordable to those same 0-30% AMI households (30.6% or 86,650 households). Specifically, 34.4% of 0-30% AMI households reside in housing units considered affordable to 51-80% AMI households. This *housing mismatch* explains why there is a large affordability gap at the lower income tiers. In other words, high income households are renting down market. Increasing the overall supply of rental housing would help to alleviate this housing mismatch in Georgia.

**While the number of renter households at 81%+ AMI greatly exceeds the number of units affordable only to this income tier, this is offset by the excess supply of housing units affordable to 51-80% AMI households and, to a lesser degree, 31-50% AMI households.** Due to the large number of households earning 0-30% AMI and having to rent upmarket for available units, and many 80%+ AMI renter households competing with lower income households for units, many households up to 80% AMI are forced to rent beyond their affordable budget. It is estimated that 52.1% of 31-50% AMI households live in units not considered affordable to them. Only 9.0% of 51-80% AMI households reside in units beyond their affordability.

**It is not appropriate to aggregate the number of missing units and the gap numbers across all income tiers, only within each income tier.** The housing gap is not a production number; creating this number of units would result in a massive over-production of housing units.

**FIGURE 3-15 HOUSING GAP AMONG GEORGIA RENTERS, 2019**

Renter Households	0-30% AMI	31-50% AMI	51-80% AMI	81%+ AMI	Total <sup>5</sup>
Total Households	283,365	247,980	297,840	512,435	1,341,620
Affordable Housing Units	184,295	399,620	693,360	190,620	1,467,895
Units Occupied by Appropriate Income Tier <sup>1</sup>	86,650	88,200	158,410	118,355	451,615
Units Occupied by Other Income Households <sup>2</sup>	85,435	275,700	501,920	61,155	924,210
Missing Units for Appropriate Income Tier <sup>3</sup>	111,280	(115,920)	(362,490)	332,925	NA
Gap <sup>4</sup> (not a production goal)	196,715	159,780	139,430	394,080	NA

<sup>1</sup> Number of housing units occupied by a household of the same income tier (i.e., a 0-30% AMI household occupies a unit that is affordable to a 0-30% AMI household)

<sup>2</sup> Number of housing units occupied by a household that is not of the same income tier (i.e., a 0-30% AMI unit is occupied by a household above 30% AMI)

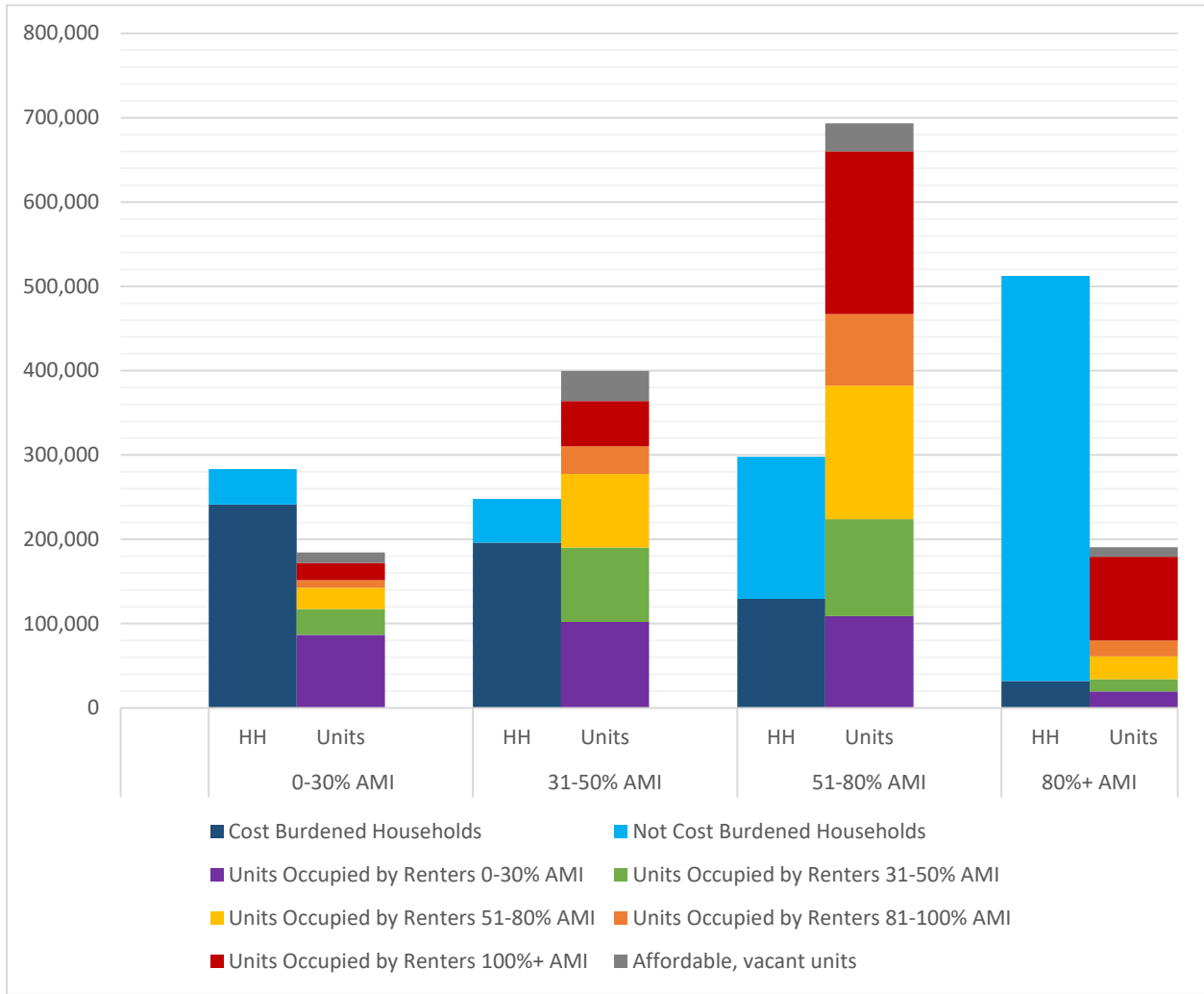
<sup>3</sup> Total Households minus Units Occupied by Appropriate Income Tier minus Units Occupied by Other Income Households

<sup>4</sup> Total Households minus Units Occupied by Appropriate Income Tier equals the number of units needed to house the balance of the households within that income tier that households are occupying above their income tier (i.e., the housing gap).

Source: 2015-2019 CHAS



**FIGURE 3-16 HOUSING MISMATCH AMONG GEORGIA RENTERS, 2019**



Source: 2015-2019 CHAS

See [Appendix F](#) for more information on the Housing Gap Analysis.

## HOMEOWNERS

**The largest gap among homeowners is found at the highest income tier where a housing gap of over 900,000 units is found.** As a result, households earning 100%+ AMI are occupying units affordable to lower income households and are the largest group occupying units at all income levels. This creates a housing gap at all income tiers between 0-100% AMI despite there being more affordable housing units than households at each of these income tiers. This *housing mismatch* explains why there is a large affordability gap at the lower income tiers. In other words, high income households are buying down market. As with the rental inventory, increasing the overall supply of sales housing would help to alleviate these gaps in Georgia.

**It is not appropriate to aggregate the number of missing units and the gap numbers across all income tiers of owner households, only within each income tier.** The housing gap is not a production number; creating this number of units would result in a massive over-production of housing units.

**FIGURE 3-17 HOUSING GAP AMONG GEORGIA HOMEOWNERS, 2019**

Owner Households	0-50% AMI	51-80% AMI	81-100% AMI	101%+ AMI	Total
Total Households	376,740	363,900	241,935	1,368,795	2,351,370
Affordable Housing Units	882,565	582,835	297,375	562,600	2,325,375
Units Occupied by Appropriate Income Tier <sup>1</sup>	241,175	99,050	23,875	437,535	801,635
Units Occupied by Other Income Households <sup>2</sup>	630,070	473,385	269,260	115,325	1,488,040
Missing Units for Appropriate Income Tier <sup>3</sup>	(494,505)	(208,535)	(51,200)	815,935	NA
Gap <sup>4</sup> (not a production goal)	135,565	264,850	218,060	931,260	NA

<sup>1</sup> Number of housing units occupied by a household of the same income tier (i.e., a 0-30% AMI household occupies a unit that is affordable to a 0-30% AMI household)

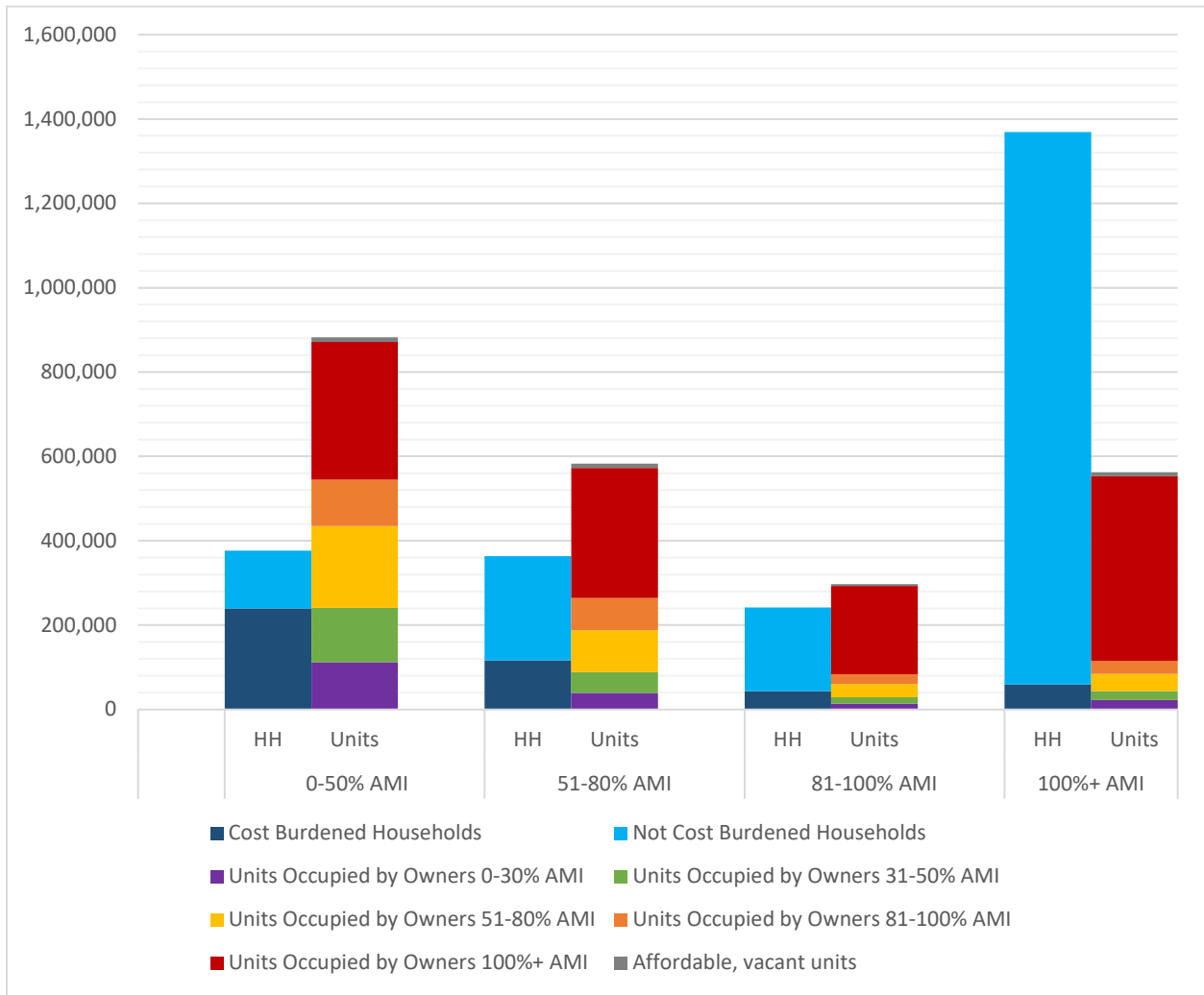
<sup>2</sup> Number of housing units occupied by a household that is not of the same income tier (i.e., a 0-30% AMI unit is occupied by a household above 30% AMI)

<sup>3</sup> Total Households minus Units Occupied by Appropriate Income Tier minus Units Occupied by Other Income Households

<sup>4</sup> Total Households minus Units Occupied by Appropriate Income Tier equals the number of units needed to house the balance of the households within that income tier that households are occupying above their income tier (i.e., the housing gap).

Source: 2015-2019 CHAS

**FIGURE 3-18 HOUSING MISMATCH AMONG GEORGIA HOMEOWNERS, 2019**



Source: 2015-2019 CHAS

See [Appendix F](#) for more information on the Housing Gap Analysis.