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Residential Market Analysis Across the Urban-to-Rural Transect

EXECUTIVE SUMMARY
AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

The Downtown and In-Town Neighborhoods
City of Brunswick, Glynn County, Georgia

October, 2019

This study determined the optimum market position for newly-introduced rental and for-sale housing units that could be developed within the City of Brunswick's Downtown and In-Town Neighborhoods over the next five years.

The Downtown and In-Town Neighborhoods Study Area is bounded by L Street to the north, Glynn Avenue to the east, 1st Avenue to the south, and Bay Street to the west. Within that Study Area, Downtown Brunswick generally encompasses the blocks between I Street to the north and George Street to the south, and between Albany Street to the east and Bay Street to the west. The "100 percent corner" of the Downtown is the intersection of Gloucester and Newcastle Streets.

SUMMARY OF FINDINGS

- An annual average of approximately 450 households comprise the core market potential for new affordable, workforce, and market-rate housing units in the Downtown and In-Town Neighborhoods each year over the next five years. These households have incomes at or above 60 percent of the area median family income.
 - Nearly half of those households currently live outside the City of Brunswick; the other half are households moving from one unit to another within the city.
 - Characterized by lifestage, these households include:
 - Younger singles and childless couples (64 percent);
 - Empty nesters and retirees (19 percent); and
 - Traditional and non-traditional families (17 percent).
 - The protracted ownership housing slump after the Great Recession has led to a measurable shift in market preferences from home ownership to rental dwelling units, particularly among younger households, yielding a higher share of consumer preference for multi-family rentals even among relatively affluent consumers than would have been typical just five years ago.
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- Reflecting those trends, in terms of housing propensities, 60.9 percent of the target households would prefer multi-family rental units, 6.5 percent would prefer multi-family for-sale units (condominiums), 11.2 percent would prefer single-family attached units (townhouses), and 21.4 percent single-family detached houses.
- The most appropriate unit types in the core Downtown are multi-family. Therefore, based on the multi-family tenure preferences and the income and financial capabilities of the target households, the optimum market position for newly-developed multi-family units that could be developed in the Downtown core includes:

HOUSING TYPE	UNIT RENT/PRICE RANGE	UNIT SIZE RANGE	BASE RENT/PRICE PER SQ. FT.
MULTI-FAMILY FOR-RENT—90.4%			
Lofts	\$675 to \$1,325	350 to 800 sf	\$1.66 to \$1.93
Apartments	\$975 to \$1,700	550 to 1,000 sf	\$1.70 to \$1.77
MULTI-FAMILY FOR-SALE—9.6%			
Condominiums	\$135,000 to \$260,000	750 to 1,650 sf	\$158 to \$180

- A variety of unit types are appropriate in the In-Town Neighborhoods. Again, based on the preferences of the target households, the optimum market position for newly-developed residential units that could be developed in the In-Town Neighborhoods includes:

HOUSING TYPE	UNIT RENT/PRICE RANGE	UNIT SIZE RANGE	BASE RENT/PRICE PER SQ. FT.
MULTI-FAMILY FOR-RENT—65.2%			
Apartments	\$650 to \$1,225	450 to 900 sf	\$1.36 to \$1.44
SINGLE-FAMILY ATTACHED FOR-SALE—11.9%			
Triplexes/Rowhouses	\$125,000 to \$150,000	950 to 1,150 sf	\$130 to \$132
Duplexes/Townhouses	\$160,000 to \$185,000	1,200 to 1,450 sf	\$128 to \$133
SINGLE-FAMILY DETACHED FOR-SALE—22.9%			
Cottages/Bungalows	\$145,000 to \$195,000	1,000 to 1,350 sf	\$144 to \$145
Urban Houses	\$200,000 to \$235,000	1,350 to 1,600 sf	\$147 to \$148

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- A capture of between 20 to 25 percent of the annual potential market for new multi-family rentals and condominiums could be achievable in Downtown Brunswick and is forecast as follows:

HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATES	ANNUAL UNITS ABSORBED
Multi-family for-rent	273	20 – 25%	55 - 68
Multi-family for-sale	<u>29</u>	20 – 25%	<u>6 - 7</u>
Total	302		61 – 75 units

Based on these capture rates, Downtown Brunswick should be able to absorb between 61 and 75 new rental and for-sale housing units per year each year over the next five years, or a total of 305 to 375 units over the five-year timeframe.

A capture of between 10 to 15 percent of the annual potential market for new rental and for-sale housing units could be achievable in the surrounding In-Town Neighborhoods, as follows:

HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATES	ANNUAL UNITS ABSORBED
Multi-family for-rent	273	10 – 15%	27 - 41
Single-family attached for-sale:	50	10 – 15%	5 - 8
Single-family detached for-sale	<u>96</u>	10 – 15%	<u>10 - 15</u>
Total	419		42 – 64 units

Based on these capture rates, the In-Town Neighborhoods should be able to absorb between 42 and 64 new rental and for-sale housing units per year each year over the next five years, or a total of 210 to 320 units over the five-year timeframe.

Together, the Downtown and In-Town Neighborhoods could support between 515 and 695 new rental and for-sale units over the next five years, which would not only attract new households to the city, but would also provide appropriate housing alternatives to retain many households that, due to a change in household composition or economic status, might otherwise have moved out.

