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Residential Market Analysis Across the Urban-to-Rural Transect

EXECUTIVE SUMMARY AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

Downtown Douglas and the City of Douglas
Coffee County, Georgia

October, 2021

This study determined the market potential and optimum market position for newly-introduced rental and for-sale housing units that could be developed over the next five years within Downtown Douglas and as infill throughout the city.

The Downtown Douglas Study Area is a multiple-block area bounded by Jackson Street in the north, midblock between Coffee and Gaskin Avenues in the east; by the CSX railroad tracks in the south, and by College Avenue in the west.



DOWNTOWN DOUGLAS STUDY AREA

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SUMMARY OF FINDINGS

- An annual average of 735 households of all incomes comprise the market potential for new and existing housing units in the City of Douglas each year over the next five years.
- Approximately 70 percent of those households live outside the City of Douglas; the other 30 percent are households that would be moving from within the city.
- Characterized by lifestage, these households include:
 - Younger singles and childless couples (59 percent);
 - Traditional and non-traditional families (25 percent); and
 - Empty nesters and retirees (16 percent).
- The optimum market position for new workforce and market-rate housing in the Downtown and the city as a whole has been developed to correspond to the housing preferences and financial capabilities of those target households with incomes at or above 60 percent of the area median family income (AMI): 60 to 80 percent for workforce units, and 80 percent or above for market-rate. Sixty percent AMI ranges from \$23,060 for a single-person household to \$35,590 for a five-person household; and 80 percent ranges from \$30,750 for a single-person household to \$47,450 for a five-person household.
- An annual average of just over 470 households with incomes at or above 60 percent of the area median family income therefore comprise the core market for new housing units in the city.
- Approximately 65 percent of those households (306 households) represent the market for Downtown housing, of which multi-family rental units account for more than 82 percent of target market preferences, reflecting the measurable increase in market preferences for rental dwelling units since the Great Recession, particularly among younger households. There is a higher share of consumer preference for multi-family rentals even among relatively affluent consumers compared to a decade ago. Condominiums represent just over seven percent of target market preferences for Downtown housing, and townhouses comprise 11 percent.
- The remaining 35 percent (165 households) prefer new detached houses elsewhere in the city.
- Therefore, based on the housing preferences and the income and financial capabilities of the target households, the optimum market position for newly-constructed workforce and market-

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rate residential units that could be developed in Downtown Douglas is shown on the following table:

HOUSING TYPE	UNIT RENT/PRICE RANGE	UNIT SIZE RANGE	BASE RENT/PRICE PER SQ. FT.
Workforce (60% to 80% AMI)			
Rental apartments	\$750-\$975	600-900 sf	\$1.08-\$1.25
For-sale townhouses	\$150,000-\$180,000	1,100-1,450 sf	\$148-\$175
Market-Rate (80% AMI and up)			
Rental apartments	\$950-\$1,500	600-1,000 sf	\$1.50-\$1.58
Condominiums	\$195,000-\$275,000	900-1,800 sf	\$124-\$136
For-sale townhouses	\$235,000-\$300,000	1,400-1,950 sf	\$154-\$168

- The optimum market position for newly-constructed workforce and market-rate single-family detached houses that could be developed in Douglas neighborhoods is shown on the following table:

Workforce (60% to 80% AMI)			
For-sale houses	\$200,000-\$245,000	1,400-1,800 sf	\$136-\$143
Market-Rate (80% AMI and up)			
For-sale houses	\$295,000-\$365,000	1,700-2,300 sf	\$159-\$174

- For the City of Douglas, capture rates of between 15 and 20 percent of the annual average number of potential renters and condominium buyers, between 10 and 15 percent of the annual average number of potential townhouse buyers; and between five and 10 percent of the annual average number of potential single-family detached buyers is supportable each year over the next five years, assuming the production of appropriately-positioned new housing.
- If new development could achieve these capture rates, between 44 and 57 new rental and for-sale workforce and market-rate housing units per year could be leased or sold in Downtown Douglas, or a five-year total of 220 to 285 new units. Between eight and 16 new for-sale single-family detached houses per year could be sold on infill sites in single-family neighborhoods surrounding Downtown or elsewhere in the city, or a five-year total of 40 to 80 new houses.
- The new construction would not only attract new households to the city, but would also provide appropriate alternatives for households that might otherwise have moved out.

