

City of Atlanta
Brownfields Area-Wide Planning
Pilot Program

Baseline Market Conditions and Site Analysis

Prepared For:

June, 2012



Prepared By:



BleaklyAdvisoryGroup

Study Overview

- ❖ Part of the Environmental Protection Agency's Area-Wide Planning Pilot Program.

- ❖ **Baseline Market Conditions** – A detailed presentation of the market conditions which will influence the redevelopment potential of the brownfields sites and revitalization of the primary market area as a whole. It includes:
 - ❖ Demographic Characteristics
 - ❖ Real Estate Market Conditions
 - ❖ Major Development Initiatives
 - ❖ Future Real Estate Demand

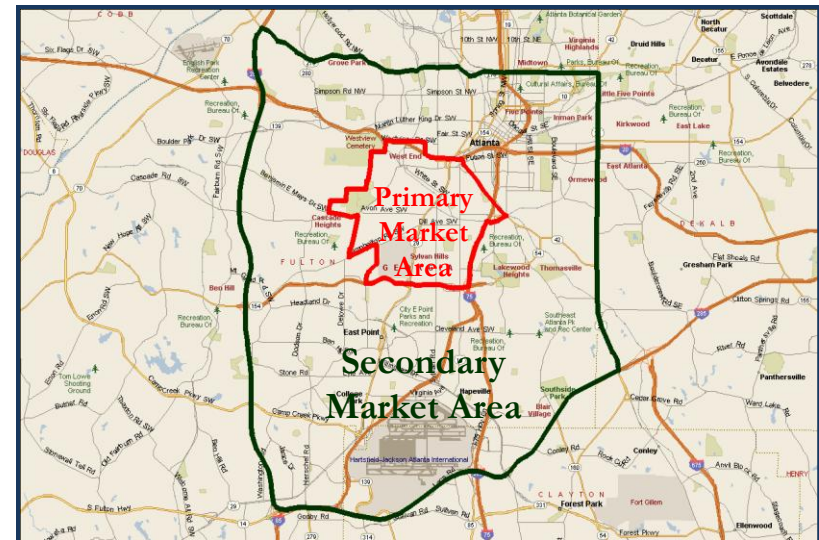
- ❖ **Site Analysis** – Bleakly Advisory Group gathered data from the Fulton County Tax Assessor, Fulton County GIS, City of Atlanta Department of Planning and completed a windshield survey of the sites. Using this data, BAG developed a redevelopment framework to guide the City in its revitalization efforts.

Study Area

- ❖ Includes eleven SW neighborhoods:
 - ❖ Westview
 - ❖ Cascade Road
 - ❖ Venetian Hills
 - ❖ Fort McPherson
 - ❖ Oakland City
 - ❖ West End
 - ❖ Sylvan Hills
 - ❖ Capitol View
 - ❖ Capitol View Manor
 - ❖ Pittsburgh
 - ❖ Adair Park

- ❖ The following analysis includes the Primary Market Area and a broader Secondary Market Area.

- ❖ **Primary Market Area** = 11 neighborhoods.
- ❖ **Secondary Market Area** = Donald Lee Hollowell Pkwy/North Ave to the North, Moreland Avenue on the East and I-285 on the South and West.
- ❖ Where possible, data for the City of Atlanta or Fulton County is used as a comparison.



Demographic Characteristics

- ❖ **Population Growth – The Primary and Secondary Market Areas have declined in population over the past decade in spite of the City’s modest growth.**
 - ❖ **Primary Market Area** - In 2010, there were an estimated 45,575 residents living in the Primary Market Area, a decrease of 13,079 residents, or -22.3% since 2000.
 - ❖ **Secondary Market Area** - In 2010, there were an estimated 251,686 residents living in the Secondary Market Area, a decrease of 44,331 residents, or -15.0% since 2000.
 - ❖ **City of Atlanta** - The City of Atlanta’s population increased 0.8% over the decade to 420,003 residents in 2010.

- ❖ **Race and Ethnicity – The Primary and Secondary Market Areas are not as diverse as the City as a whole.**
 - ❖ **Primary Market Area** - 90.9% of residents identify themselves as Black and 6.0% identify as White, with the remainder of residents identifying themselves as multiracial (1.5%), other (1.1%) or Asian (0.5%). Only 2.0% of PMA residents identify as Hispanic or Latino.
 - ❖ **Secondary Market Area** - 77.8% of residents indentify as Black, 15.9% as White, with the remainder of the residents identifying themselves as other (3.2%), multiracial (1.9%) and Asian (1.2%). Six percent of SMA residents identify as Hispanic or Latino.
 - ❖ **City of Atlanta** - 54.0% of residents identify as Black, 38.4% as White, and the remainder as Asian (3.1%), other (2.5%) and multiracial (2.0%). In the City, 5.2% of residents identify as Hispanic or Latino.

Demographic Characteristics

- ❖ **Educational Attainment – The population of the Primary Market Area is modestly educated.**
 - ❖ **Primary Market Area** - 22.8% of residents lack a high school diploma or GED and only 17.8% of residents have a Bachelor's or post-graduate degree.
 - ❖ **Secondary Market Area** - 20.3% of residents lack a high school diploma or GED and only 25.2% of residents have a Bachelor's or post-graduate degree.
 - ❖ **City of Atlanta** - 13.8% of residents lack a high school diploma or GED and 45.0% of residents have a Bachelor's or post-graduate degree.

- ❖ **Household Growth – The Primary and Secondary Market Areas have declined in households while the City has experienced modest household growth.**
 - ❖ **Primary Market Area** - In 2010, there were an estimated 18,599 households in the Primary Market Area, a decrease of 3,678 households, or -16.5%, since 2000.
 - ❖ **Secondary Market Area** - In 2010, there were an estimated 100,291 households in the Secondary Market Area, a decrease of 9,146, or -8.4%, since 2000.
 - ❖ **City of Atlanta** - The City of Atlanta's households increased 10.1% over the decade to 185,142 in 2010.

Demographic Characteristics

- ❖ **Household Size and Type – Households in the Primary Market Area are larger than in the surrounding areas and are more likely to be headed by a single female.**
 - ❖ **Primary Market Area** – Average household size was 2.5 persons. In the Primary Market Area, 29.9% of households were headed by a single female.
 - ❖ **Secondary Market Area** - Average household size was 2.3 persons. In the Secondary Market Area, 25.9% of households were headed by a single female.
 - ❖ **City of Atlanta** - Average household size was 2.1 persons. In the City, 16.5% of households were headed by a single female.

- ❖ **Household Income– Reflecting the resident’s modest educational attainment, household incomes in the Primary Market Area are lower than in the surrounding areas.**
 - ❖ **Primary Market Area** - Median household income is \$26,997. One in five households earn less than \$10,000 per year and only 5.1% of households earn over \$100,000 per year.
 - ❖ **Secondary Market Area** - Median household income is \$31,736. One in four households earn less than \$10,000 per year and 10.0% of households earn over \$100,000 per year.
 - ❖ **City of Atlanta** - Median household income is \$41,631. In the City, 15.6% of households earn less than \$10,000 per year and 20.5% of households earn over \$100,000 per year.

Demographic Characteristics

- ❖ **Housing Occupancy – There are many vacant housing units in all three areas.**
 - ❖ **Primary Market Area** – Of a total 24,019 housing units, 5,420 units (22.6%) were vacant.
 - ❖ **Secondary Market Area** - Of a total 128,784 housing units, 22.1% were vacant.
 - ❖ **City of Atlanta** - Of a total 224,573 housing units 17.6% were vacant.

- ❖ **Housing Tenure – The Primary Market Area is dominated by renters.**
 - ❖ **Primary Market Area** – Six out of ten occupied housing units are rented.
 - ❖ **Secondary Market Area** – Six out of ten occupied housing units are rented.
 - ❖ **City of Atlanta** – Five of ten occupied housing units are rented.

- ❖ **Housing Type – Single family housing is the dominant housing type in the Primary Market Area.**
 - ❖ **Primary Market Area** - 59.7% of housing units are single family. Remaining units are small multifamily units (22.2%), large multifamily properties (9.1%) and other housing (9.1%)
 - ❖ **Secondary Market Area** – 45.2% of housing units are single family.
 - ❖ **City of Atlanta** – 41.0% of housing units are single family.

- ❖ **Housing Age – The housing stock in the Primary Market Area is older than in the surrounding areas.**
 - ❖ Over half of area housing units were built prior to 1960. Only 11.2% of units were built after 2000, compared to 16.8% in the Secondary Market Area and 19.9% in the City of Atlanta.

Economic Characteristics

- ❖ **Business Establishments - In 2011 there were an estimated 1,218 businesses in Primary Market Area.**
 - ❖ 500 establishments(41%) were classified as services.
 - ❖ 11% were personal services.
 - ❖ 336 establishments (28%) were classified as retail trade.
 - ❖ 7% were Eating and Drinking places.

- ❖ **Business Employment- In 2011 there were an estimated 10,184 employees in Primary Market Area.**
 - ❖ 3,709 employees (36%) worked in the services industry.
 - ❖ 12% worked in educational services.
 - ❖ 2,575 employees (25%) worked in the retail industry.
 - ❖ 9% worked in Eating and Drinking Places.

Real Estate Market Conditions

- ❖ **New Home Sales – From 2006 to 2011, there were only 208 new home sales in the Primary Market Area.**
 - ❖ New home sales decreased from a high of 119 sales in 2006 to only nine sales in 2011 (-93%).
 - ❖ Average home sales price decreased from a high of \$196,279 to \$132,189 in 2010 (-33%).
 - ❖ Average home sales price increased slightly to \$140,155 in 2011.

- ❖ **New Single Family Sales – From 2006 to 2011, there were only 35 new SF home sales in the Primary Market Area.**
 - ❖ New SF home sales decreased from a high of 16 sales in 2006 to no sales in 2011.
 - ❖ Average new SF home sales price decreased from a high of \$262,500 to \$114,809 in 2010 (-56%).

- ❖ **New Townhome Sales – From 2006 to 2011, there were only 16 new TH home sales in the Primary Market Area.**
 - ❖ There were ten TH sales in 2006, but there have been no new TH sales since 2009.
 - ❖ Average new TH home sales price decreased from \$146,000 in 2006 to \$143,167 in 2009 (-2%).

- ❖ **New Condominium Sales – From 2006 to 2011, there were 157 new CO home sales in the Primary Market Area.**
 - ❖ New CO home sales decreased from a high of 93 sales in 2006 to nine sales in 2011 (-90%).
 - ❖ Average new CO home sales price decreased from \$167,303 to \$134,622 in 2010 (-20%).
 - ❖ Average CO home sales price increased slightly to \$140,155 in 2011.

Real Estate Market Conditions

- ❖ **Existing Home Sales – There were 5,320 sales of existing units in the Primary Market Area from 2004 to 2010, or an average of 760 per year.**
 - ❖ Pre-recession, the number of existing home sales ranged from 617 to 745 per year.
 - ❖ During the early recessionary period, home sales increased to a high of 1,168 in 2008.
 - ❖ The number of sales reached a low of 517 sales in 2010.
 - ❖ The average sales price for an existing home reached a high of \$113,000 in 2006, but has fallen sharply to \$23,900 in 2010.

- ❖ **Rental Apartments - Within the Primary Study Area, there are 13 apartment complexes which contain 1,788 units that are tracked by Reis, Inc.**
 - ❖ Complexes range in age from five to 48 years old with an average age of 32 years. There have been no complexes built since 2007.
 - ❖ Three complexes (21.7% of units) are classified as Class “A” and ten complexes (78.3% of all units) are classified as Class “B/C.”
 - ❖ Class “A” units rent for an average of \$823 per month . Class “B/C” units rent for an average of \$584 per month.
 - ❖ Class “A” complexes have a vacancy rate of only 3.6%, compared to 12.8% vacancy rate in the Class “B/C” complexes.

Real Estate Market Conditions

- ❖ **Industrial Space – There is 6.3 million square feet of industrial space in the PMA.**
 - ❖ 752,190 SF (12%) is reported vacant, comparable to the Secondary Market (13%) and the City (12%).
 - ❖ Rents range from \$1.50 to \$4.08, averaging \$2.89 per SF, higher than the Secondary Market Area (\$2.65), but slightly lower than the City of Atlanta (\$2.99).
 - ❖ The average age of industrial space in the Primary Study Area is 58.6 years old.

- ❖ **Retail Space– There is 2.3 million SF of retail space in the Primary Market Area.**
 - ❖ 103,013 SF (4.5%) is reported vacant, comparable to the Secondary Market Area (4%) and the City of Atlanta (6%).
 - ❖ Rents range from \$4.84 to \$20.70, averaging \$11.85 per SF, higher than the Secondary Market Area (\$9.81) but significantly lower than the City of Atlanta (\$17.30).
 - ❖ The average age of retail space in the Primary Study Area is 50.8 years old.

- ❖ **Office Space– There is only 186,811 SF of office space in the Primary Market Area.**
 - ❖ 16,759 SF (9%) is reported vacant, lower than the Secondary Market Area (14%) and the City of Atlanta (16%).
 - ❖ Rents range from \$10.00 to \$15.51, averaging \$13.25 per SF, lower than the Secondary Market Area (\$17.82) or the City of Atlanta (\$20.46).
 - ❖ The average age of office space in the Primary Study Area is 54.9 years old.

Major Initiatives Impacting the Study Area

- ❖ The Atlanta BeltLine
- ❖ Redevelopment of Fort McPherson
- ❖ Expansion of the Hartsfield-Jackson Atlanta International Airport
- ❖ Screen Gems and Tyler Perry Studios
- ❖ Expansion of Atlanta Metropolitan College
- ❖ Pittsburgh Neighborhood Revitalization

Future Real Estate Demand

- ❖ **Residential**—There will be demand for an estimated 4,700 residential units in the Primary Market Area over the next ten years. Growth will be determined by the area’s ability to capture some of this demand.
 - ❖ **Owner**—Over the 2012-2022 period there will be annual demand for 275 owner units in the Primary Market Area, or a total of 2,747 owner-occupied units over the 10-year period.
 - ❖ **Renter**—The demand for rental housing in the study area is estimated to be 195 units annually over the next 10 years, or a total of 1,953 units over the period.

Total Future Residential Demand		
	Annual	10-Year Total
Owner		
I. Demand from household growth 2012-2022	76	760
II. Demand from turnover of existing units	199	1,986
Total Demand for owner housing	275	2,747
Renter		
I. Demand from household growth 2012-2022	109	1,085
II. Demand from turnover of existing units	87	868
Total Demand for rental housing	195	1,953

Source: US Decennial Census, American Community Survey, Bleakly Advisory Group

Future Real Estate Demand

- ❖ **Commercial** —There will be demand for an estimated 577,000 SF of commercial development in the Primary Market Area over the next ten years.
 - ❖ Retail Space - 199,471 SF
 - ❖ Office Space - 299,393 SF
 - ❖ Industrial Space - 78,360 SF

Summary of Potential Future Commercial Demand 2012-2022		
	Annual	Total
Retail (S.F.)	19,947	199,471
Office (S.F.)	29,939	299,393
Industrial (S.F.)	7,836	78,360

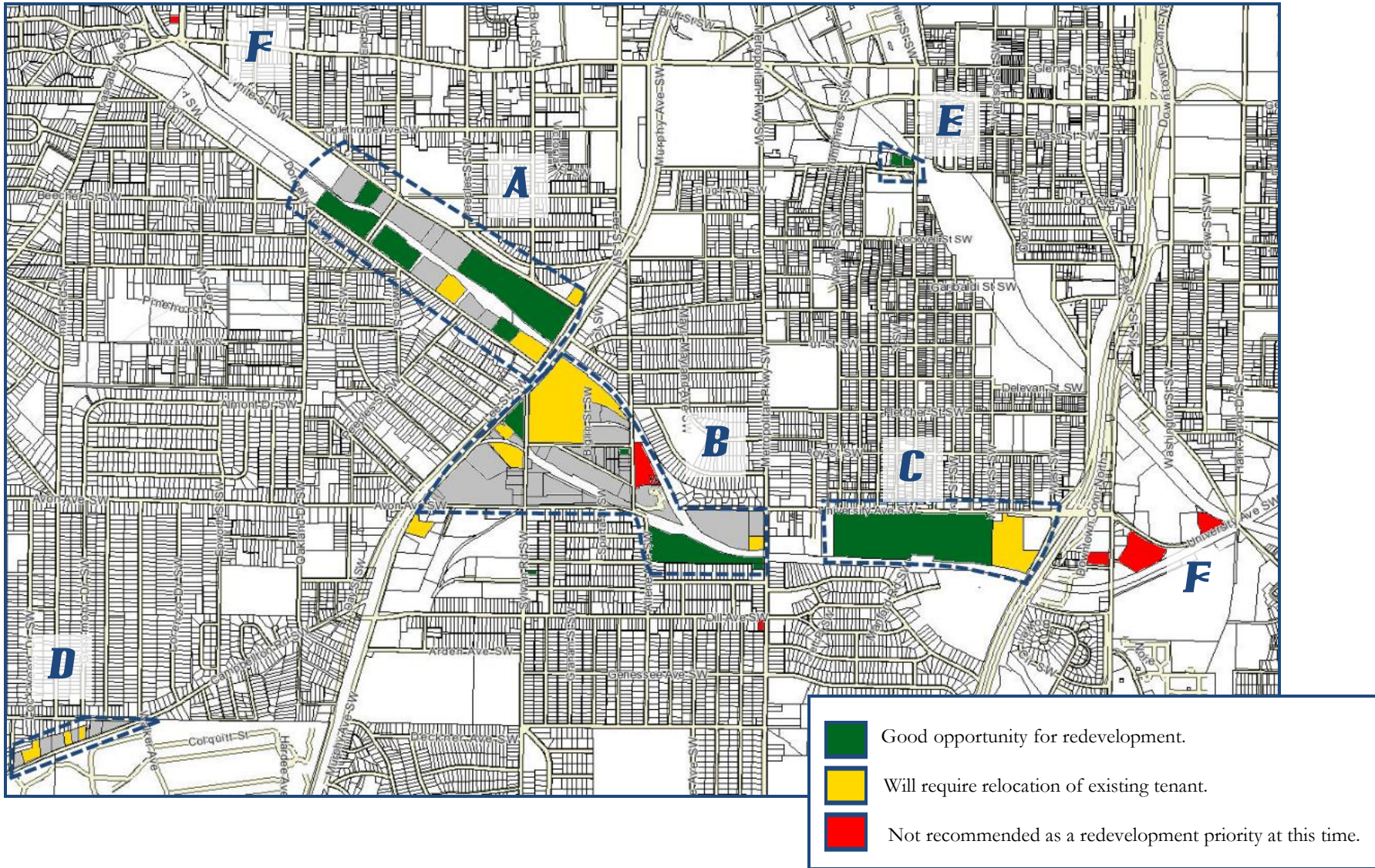
Source: US Census/BAG/ARC

Site Analysis

- ❖ **The Planning Pilot Program has identified 31 potential brownfield redevelopment sites.**

- ❖ **Methodology** – Data was gathered from the Fulton County Tax Assessor, Fulton County GIS, City of Atlanta Department of Planning and completed a windshield survey of the sites. Data gathered includes the following:
 - ❖ **Site Characteristics** –size, original, current and future land use, accessibility and visibility of the site, utilities and the current appraised value of the site.
 - ❖ **Surrounding Land Uses** – Transitioning land uses, particularly to residential, will require significant attention to the area as a whole, not just stand alone redevelopment.
 - ❖ **Current Site Development** – The 31 sites have a wide variety of current development. Few of the properties are good candidates for adaptive reuse – most will remain industrial/commercial or will need to be demolished and rebuilt new.
 - ❖ **Economic Incentives** – The City of Atlanta has several economic incentives available throughout the southside of Atlanta, including Tax Allocation Districts, particularly the BeltLine TAD, as well as Atlanta Renewal Communities and the Atlanta Empowerment Zone. These incentives will provide additional support for the redevelopment of some sites.
 - ❖ **Suitability for Redevelopment** – Using the above data, Bleakly Advisory Group has prepared a recommendation for redevelopment, described in detail below.

Redevelopment Framework Map



Redevelopment Framework

- ❖ **A - White-Donnelly Residential Mixed-Use District** –Presents a strong redevelopment opportunity.
 - ❖ Currently developed with industrial uses.
 - ❖ Could be revitalized as an industrial area with investments made in the buildings and re-tenanted.
 - ❖ Could be redeveloped into a mixed-use area focusing on medium-density residential uses, which reflect the residential nature of the surrounding areas.

- ❖ **B - Murphy Triangle Urban Business Park And Residential District** – Currently industrial in character with many vacant parcels and buildings.
 - ❖ Redevelopment will most likely require a large-scale investment that incorporates a vision for the entire area, rather than on a parcel by parcel basis.
 - ❖ Create a large urban business/industrial park, which will support business development and job opportunities in the area.
 - ❖ The eastern portion of the area will most likely be redeveloped as a mixed use area, focusing on residential development with commercial/retail uses along Metropolitan Parkway.

- ❖ **C - University Avenue Mixed-Use Village** – The two sites along University Avenue present an excellent redevelopment opportunity.
 - ❖ 35 acres with excellent access and visibility, both to University Avenue and I-85/I-75, as well as to the Atlanta BeltLine.
 - ❖ Could be redeveloped into the University Avenue Mixed-Use Village incorporating residential, commercial and civic uses.

Redevelopment Framework

- ❖ **D – Campbellton Road Retail** – Three of the sites studied are stand-alone retail with active tenants along Campbellton Road, just north of Fort McPherson.
 - ❖ Redevelopment will require assemblage of several adjacent properties.
 - ❖ Redevelopment will most likely be as retail.
 - ❖ Will most likely only be stimulated as changes occur at Fort McPherson.

- ❖ **E – Stephens Street Residential** – Two of the sites studied are located on Stephens Street, just to the east of a major rail line.
 - ❖ Atlanta Housing Authority has recently invested in a new multifamily residential property, Heritage Station, just to the south of the sites.
 - ❖ These sites could be redeveloped into medium-density residential units.
 - ❖ Will require significant buffering, both from the industrial uses and the railroad.

- ❖ **F – Not Recommended as a Redevelopment Priority** – There are six sites which are not recommended as redevelopment priorities at the current time.
 - ❖ Harmon Brothers Charter Service, has been purchased by Atlanta BeltLine, Inc., and is intended to be a park.
 - ❖ The remaining five sites are stand alone properties with apparently viable business tenants in place and appear unlikely to redevelop in the near future.