



# Existing Conditions: Markets & Economics

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## Demographics

From 2000 to 2009, Henry County's annual growth was one of the highest in the nation at 7.7 percent. Between 2000 and 2006 it was the nation's seventh fastest growing county, with a 58.1 percent increase. Local Retail Market Area growth averaged 6.1 percent over the past nine years, nearly matching the county's. While Greater Retail and Residential Market Areas growth fell shy of those of the county and Local Retail Market Area, they were substantial, at an annual average of 3.5 and 3.0 percent, respectively. These are equivalent to the regional average of 3.4 percent. In the next five years, growth is expected to slow in all geographies.

Growth in the elderly population will increase the importance of making retail and residential development

### What is a market area?

A market area is the zone from which the majority of customers for a use are expected to come.

- Local Retail Market Area, roughly a 5 minute drive from the study area,
- Greater Retail Market Area, roughly 20 minutes north and south along I-75, and
- Residential Market Area, roughly 20 miles from the study area.

attractive to the baby boomer/retiree market. This includes offering housing types that allow aging adults to downsize while remaining in the county, and developing pedestrian-friendly retail areas.

## Demographic Snapshot of 2009 Retail and Residential Market Areas

Demographic Indicator	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Henry County	Atlanta MSA
<b>Population</b>					
2009 (estimate)	24,705	544,075	1,274,801	202,104	5,543,390
2014 (estimate)	29,419	608,519	1,416,762	246,277	6,251,200
Avg. Ann. % Change ('00 to '09)	6.14%	3.50%	3.04%	7.71%	3.39%
Avg. Ann. % Change ('09 to '14)	3.82%	2.37%	2.23%	4.37%	2.55%
<b>Households</b>					
2009 (estimate)	8,614	185,986	442,855	70,098	2,012,567
2014 (estimate)	10,287	207,973	492,779	85,554	2,267,351
Avg. Ann. % Change ('00 to '09)	6.44%	3.37%	3.03%	7.71%	3.28%
Avg. Ann. % Change ('09 to '14)	3.88%	2.36%	2.25%	4.41%	2.53%
<b>Average Household Size</b>	2.86	2.89	2.84	2.87	2.71
<b>Median Age</b>	34 Years	33 Years	34 Years	36 Years	35 Years
<b>Median Household Income</b>	\$86,715	\$60,396	\$60,206	\$72,929	\$68,604
<b>Race</b>					
Percent White Alone	74%	44%	38%	77%	60%
Percent African American Alone	17%	46%	55%	18%	30%
Percent Hispanic	4%	7%	6%	3%	9%
<b>Educational Attainment</b>					
Associate Degree	9%	8%	7%	8%	7%
Four Year Degree or More	33%	19%	21%	21%	33%

**Strengths**

- Population and jobs will continue to grow.
- Diversity is a significant asset within the study area.

**Weaknesses**

- Rapid growth may have unintended consequences.

**Opportunities**

- Slowing growth will allow for planning to occur.

**Threats**

- An aging population could create problems unless new housing types are provided.



*New restaurants and shops could attract visitors*

**Summary of Market Study**

There is an existing and growing level of potential market support for residential, retail and office space in the study area. This table summarizes the supply and potential demand for these uses. In general, these figures bode

well for creating a model of growth for Henry County. The next phase of this study will identify retail and residential niches, methods for promoting mixed-use development, and other economic growth opportunities.

**Summary of Residential, Retail, and Office Markets**

	Residential	Retail	Office
Market Areas & Demographics	<ul style="list-style-type: none"> <li>• Market area: 20-mile radius</li> <li>• 440,000 households</li> <li>• Strong growth expected through 2014: 50,000 hholds</li> <li>• Median hhold income of \$60,200, above USA median</li> <li>• 66% homeownership rate</li> </ul>	<ul style="list-style-type: none"> <li>• Local market for convenience shopping: 5-min. drive</li> <li>• Greater market for destination shopping: 20-25 min. drive</li> <li>• 8,600 hholds in local market and 186,000 in greater market</li> <li>• Both markets show strong hhold growth</li> <li>• Median incomes of \$86,000 and \$60,400</li> </ul>	<ul style="list-style-type: none"> <li>• Estimated 2008 employment of 49,986</li> <li>• Anticipated Henry Co. employment growth of 34,300 by 2020</li> <li>• Major employers – Henry Co. Schools, Henry Medical Center, Henry Co. Gov't., SunTrust, FAA, Georgia Power</li> </ul>
Supply Trends	<ul style="list-style-type: none"> <li>• Drastic decline in resid. building permits in '08 and '09</li> <li>• Henry MLS sales in '09: 382 sales, avg. of \$143K</li> <li>• Sales down 18%, prices down 39% from 2007</li> <li>• Avg. absorption of 1-2 units/mo. at new subdivisions</li> <li>• Apt. vacancies from low to high 90s</li> </ul>	<ul style="list-style-type: none"> <li>• 3.8 million SF retail space in Henry County</li> <li>• Low vacancy county-wide of 6.7% or 253,000 SF</li> <li>• Avg. lease rate of \$15/SF triple net (NNN)</li> <li>• Major nearby retail centers – Henry Town Center, Henry Market-place, SouthPoint, Hudson Bridge Crossing</li> <li>• Local lease rates in high teens/low 20s</li> </ul>	<ul style="list-style-type: none"> <li>• 1.6 million SF in South Clayton/Henry County</li> <li>• 19% vacancy rate and \$22/SF avg. rent in Q2 2009</li> <li>• Absorption in 2007 – 158,500 SF vs. -6,000 thus far in 2009</li> <li>• No speculative space under development</li> <li>• Medical-space users make up large portion of tenant base</li> </ul>
Demand Potential	<ul style="list-style-type: none"> <li>• Potential for 1,331 for-sale units and 842 rental units in Study Area over 10 years</li> <li>• Potential prices: condo (\$125-\$175), twndhome (\$140-\$200), sf detached (\$165-\$275)</li> <li>• Potential rents: 1 bd (mid \$700-mid \$800) and 2 bd (mid \$800-low \$1,100)</li> </ul>	<ul style="list-style-type: none"> <li>• Existing market area leakage of \$256.5 million in sales (~1.2 million SF)</li> <li>• Potential for 877,000 SF of retail space in Study Area by 2019                             <ul style="list-style-type: none"> <li>- Specialty: 201,000 SF</li> <li>- Home Goods; 172,000 SF</li> <li>- Restaurants: 146,000 SF</li> <li>- Apparel: 92,000 SF</li> <li>- Convenience: 71,000 SF</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Potential demand for 592,000 SF of office space in Study Area through 2020</li> <li>• Users anticipated to be medical offices and professional and service businesses, such as legal, financial &amp; insurance companies</li> </ul>