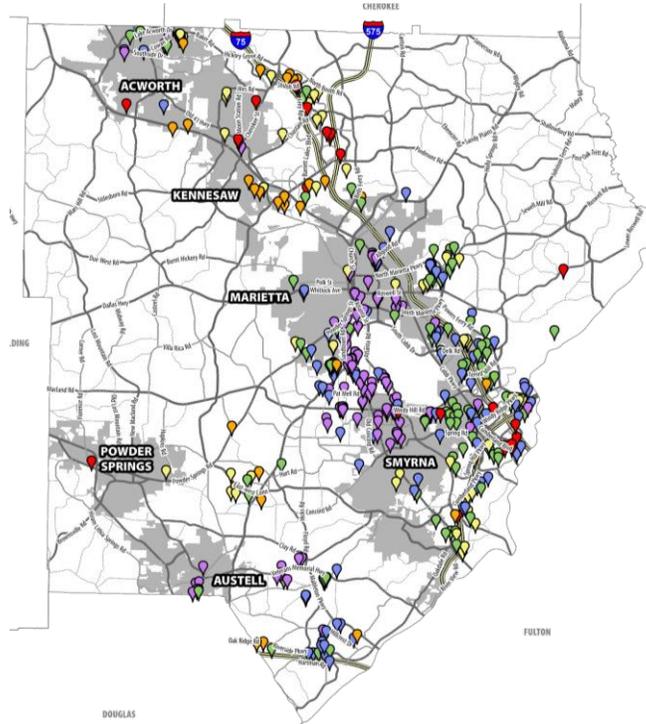


2018 Apartment Density Study



Cobb County...Expect the Best!

Cobb County Community Development Agency
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Introduction

The purpose of this document is to provide an update to two previous apartment density studies, and to provide descriptive information about where apartments are located in Cobb County. This study provides information for apartments county-wide, including those located within incorporated city limits. Integrating apartments located within city limits provides for a more complete analysis.

For the purposes of this study, apartment is defined as multi-family rental housing that is within a complex or a structure containing four or more units. Data was obtained from a variety of sources, including the Cobb County Tax Assessor's Office, Apartment Data Services (via the Atlanta Apartment Association), and U. S. Census Bureau. It should be noted that data obtained from Apartment Data Services includes apartments from market areas that extend beyond Cobb County. A companion piece to this document, *2018 Purpose-Built Student Housing Analysis*, provides an in-depth look at a new sub-section of apartments that focuses on student housing in Cobb County.

Previous Studies

County-Wide Apartment Density Assessment (1994)

The 1994 Apartment Density Assessment was prepared by the Cobb County Department of Community Development, Planning Division. The Assessment provided statistics for the County as a whole, and was divided by Atlanta Regional Commission (ARC) Super Districts. Statistics covered owner-occupied versus renter-occupied housing units, number of multi-family units, value, average age, vacancy rates, and average monthly rent. Analysis of depreciation of existing units was done by the Cobb County's Tax Assessor's Office. The study included an estimated breakeven value analysis, establishing a fair market value of properties that will generate enough revenue to cover the cost of all services the County provides.

Cobb County/Smyrna Joint Apartment Density Study (1994)

The 1994 joint study between Cobb County and the City of Smyrna was intended to coordinate policies addressing multi-family rental housing. The study, completed by the Cobb County Department of Community Development, Planning Division, covered a specific area bounded by the Chattahoochee River to the south, South Cobb Drive to the west, Cobb Parkway to the east and Windy Hill Road to the north. The study covered assessments of then existing multi-family rental development, vacant land that at the time was zoned for multi-family development, and an estimated residential breakeven value analysis. A parallel study, the *Smyrna Apartment Density Study*, prepared by a consultant hired by the City, is incorporated into the document. The study covers a variety of statistics on apartments within the City and its balance of apartments versus single-family residential. The plan offered recommendations the City could include in its Comprehensive Plan, such as completing additional studies and making adjustments to the future land use map.

Cobb County Apartment Density Study (2002)

The 2002 Cobb County Apartment Density Study offered information on the number of multi-family rental units in the County, along with additional information on age, fair market value, and vacancy rates. The data was divided by five sub-areas: Cumberland Galleria, East Marietta, South Cobb, Town Center, and West Cobb. Data was also compared with the 1994 numbers, showing an increase in total number of units, age of complex, and average fair market value. The study highlighted recommendations from the Blueprint Cumberland Livable Centers Initiative regarding quality of multi-family rental units in the Cumberland area. The study made recommendations for changes to the Cobb County Comprehensive Plan and the Future Land Use Map. It also recommended reducing the ratio between home ownership and rental units, as well as the redevelopment of existing apartments.

Apartment Density Update (2006)

The 2006 Apartment Density Update was a memorandum that provided updated data on the number of apartment units specifically in Commission District 2. The update demonstrated changes in the number of apartments in District 2 and the Cumberland area between 1994, 2002, and 2006.

Current Rental Housing Context

According to the 2016 U. S. Census American Community Survey (ACS) estimates, the population in Cobb County was 718,377. Of the total population, 34.6% or 248,738 people, lived in renter occupied housing units. This number includes not only apartments, but other rental housing as well. The U. S. Census breaks down the renter occupied housing units by number of units in a structure. The 2016 U. S. Census estimates that 44.4% of the population living in rental housing live in structures with 5 units or more. This indicates that almost half the population living in rental housing (or 15.4% of the total population) likely lives in an apartment.

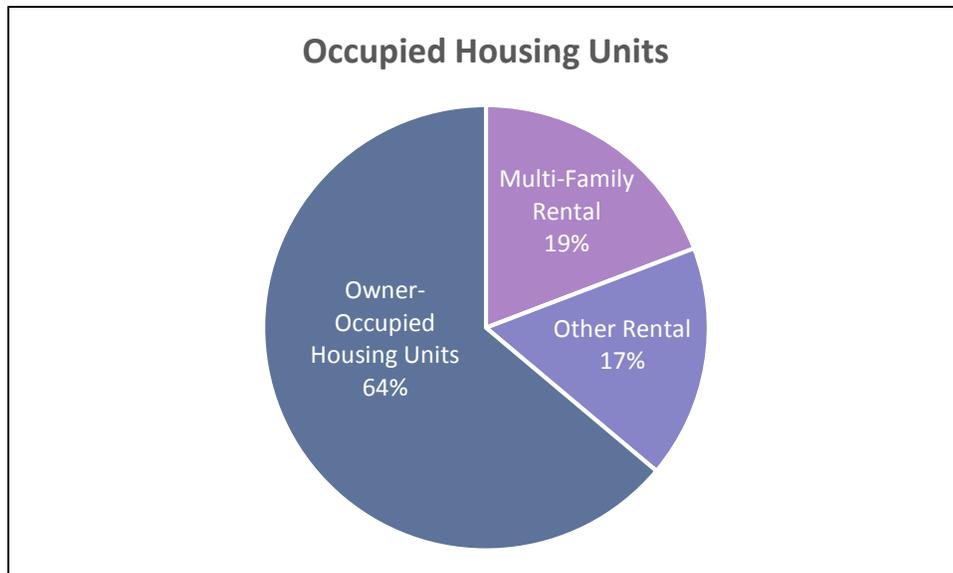
The 2016 ACS estimates indicate there were 293,084 total housing units in Cobb County. Of the total housing units, 271,975 were occupied housing units. Just over a third (36.1%) of the occupied housing units were renter-occupied units. Again, this includes not only apartments, but other rental housing. The ACS further breaks down the renter-occupied housing units by the number of units in a structure. Of the 98,257 renter-occupied housing units, 53.1% were structures with 5 or more units. This was 19.2% of the total number of occupied housing units that were likely apartments.

Table 1

Total Housing Units		
	1990 Census*	2016 Census Estimates
Total Housing Units	188,000	293,084
Multi-family Housing Units Renter-Occupied	50,760	52,209

Source: U. S. Census

Chart 1



Source: U. S. Census

Existing Apartment Context

Table 2 below provides a summary of data included in the report, comparing current conditions to previous apartment density studies. In 2017, per Cobb County Tax Assessor data (which defines apartment as a building with four or more units), there are 67,858 apartment units in Cobb County. This is a 15.9% increase from 2001 and an approximate 35.7% increase from 1994. The average fair market value per unit has also increased, with a 41.9% increase from 2001 and a 113.6% increase from 1994. Apartments, with a total fair market value of \$5.15 billion, provide for 6.7% of the total fair market value of all real estate in Cobb County. There are approximately 220,500 acres in Cobb County, so there is a total density of .31 apartment units per acre.

Table 2

Data	1994 County-Wide	2001 County-Wide	2017 County-Wide
Number of apartment units	55,342	58,549	67,858***
Average age of apartment complexes	16 years	22 years	38 years
Average fair market value per unit	\$27,569	\$41,518	\$58,897*
Average quality of construction	Moderate	N/A	Moderate**
Prevalent zoning district	RM-12	RM-12	RM-12
Average vacancy rate	20.9%	6.9%	6.5%
Average per square foot rental rates	\$.51	Unavailable	\$1.06
Total apartment density	.25 units/acre	Unavailable	.31 units/acre
Multi-family rental (as percent of total residential units)	28%	25%	22.8%

Source: Cobb County Tax Assessor's Office, Apartment Data Services, and Cobb County Community Development Agency

*Based on the Cobb County Tax Assessor's appraised values.

**Based on Apartment Data Services data, 81% of units are Class B and Class C apartments.

***This number is based on Cobb County Tax Assessor Data, which includes buildings with four or more units in contrast to the U. S. Census data, which included buildings with five or more units.

Apartment data was obtained from the Cobb County Tax Assessor's Office, including locations and whether the units were in the unincorporated portion of Cobb County or in one of Cobb's six cities. Table 3 below displays the percentage of the apartment units located in Cobb County's municipalities and compares them with information from the 2002 study. Kennesaw and Acworth saw the largest percentage increases in apartment units since 2001. The City of Marietta saw a 16.9% decrease over the same time span.

Table 3

Apartment Data by City Comparisons				
	2001 Data	2017 Data (Units)	2017 Data (%)	Change
Total number of apartment units	58,549	67,858	N/A	15.9% increase
Percent located in unincorporated Cobb	65%	43,879	64.66%	Negligible
Percent located in City of Marietta	19%	10,714	15.79%	16.9% decrease
Percent located in City of Smyrna	11%	7,409	10.92%	Negligible
Percent located in City of Kennesaw	<1%	4,278	6.30%	~530% increase
Percent located in City of Acworth	<1%	1,424	2.10%	~110% increase
Percent located in City of Austell	<1%	90	.13%	Negligible
Percent located in City of Powder Springs	<1%	64	.09%	Negligible

Source: Cobb County Tax Assessor's Office

Map 1

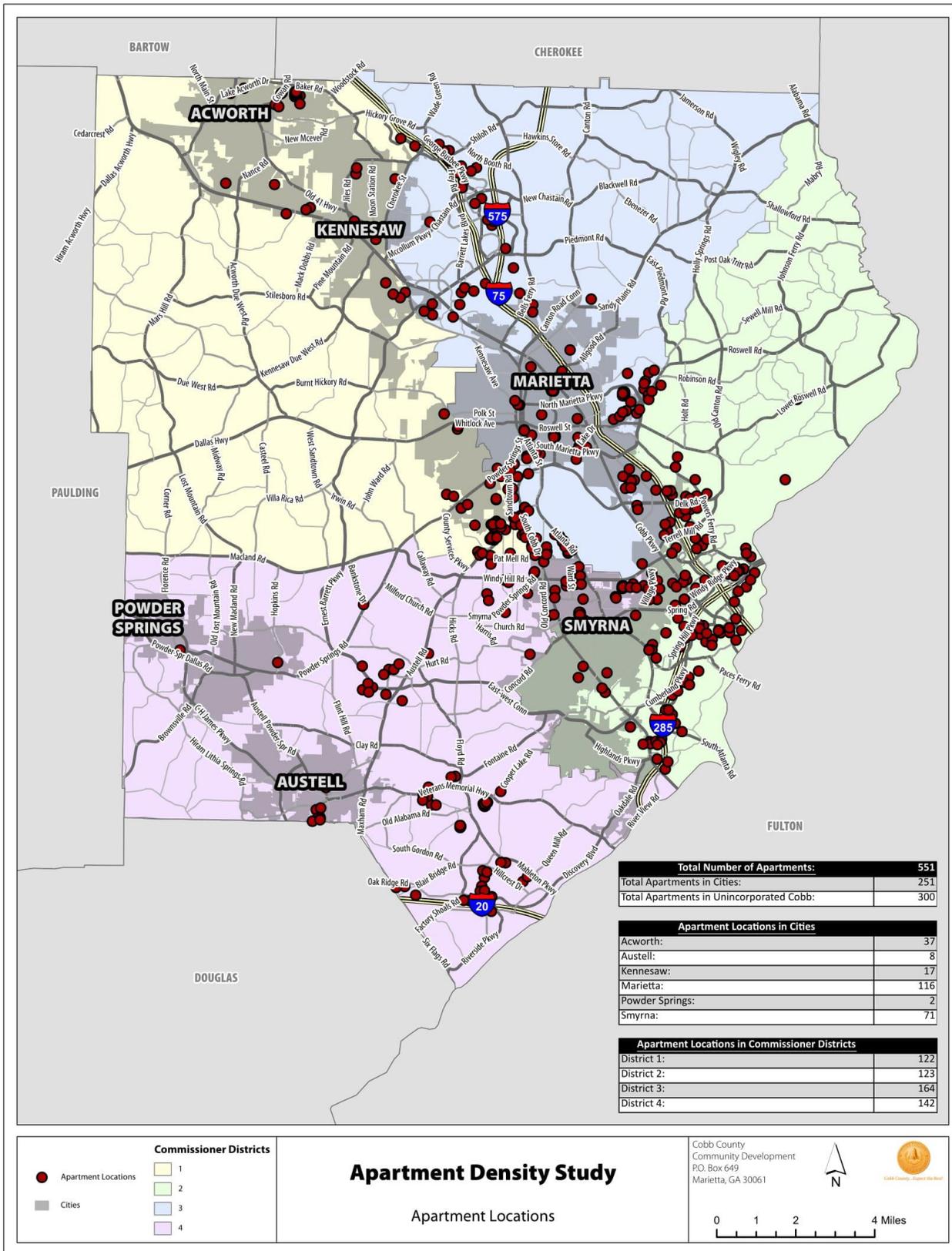
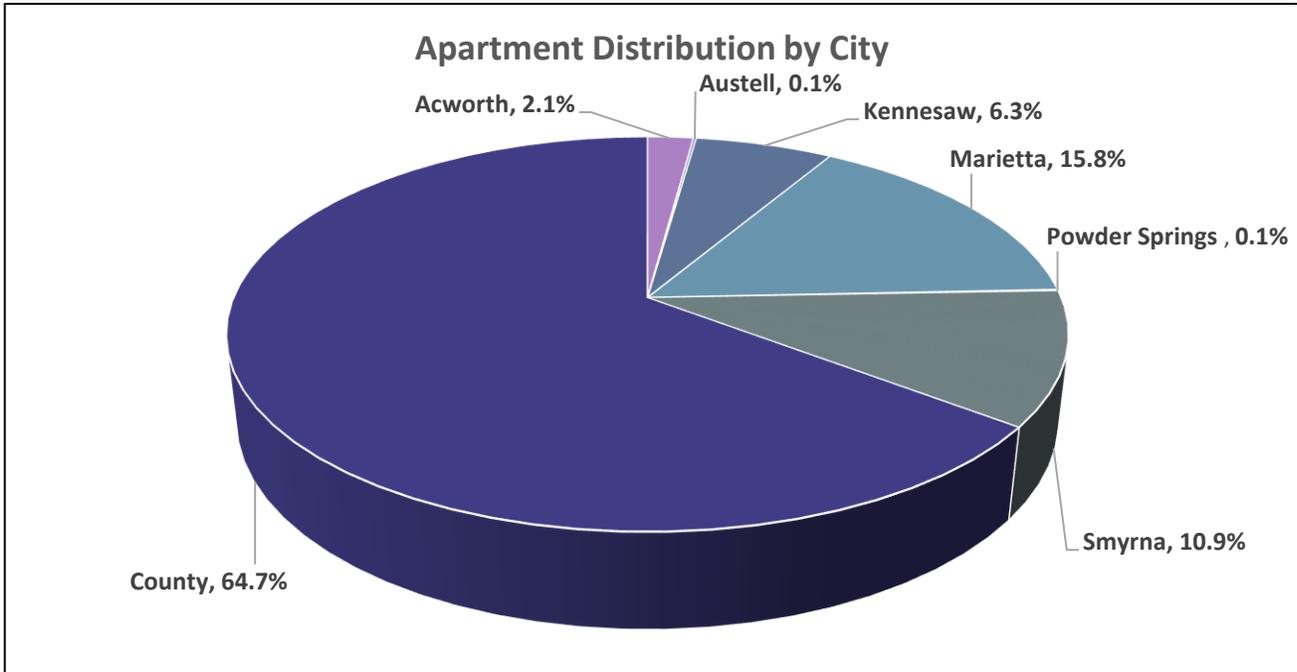


Chart 2 below displays the distribution of apartments across unincorporated Cobb and the cities. While the City of Marietta saw a 16.9% decrease in apartments from 2001 to 2017, it still has the largest percentage of apartment units for all cities at 15.8% followed by Smyrna with 10.9%.

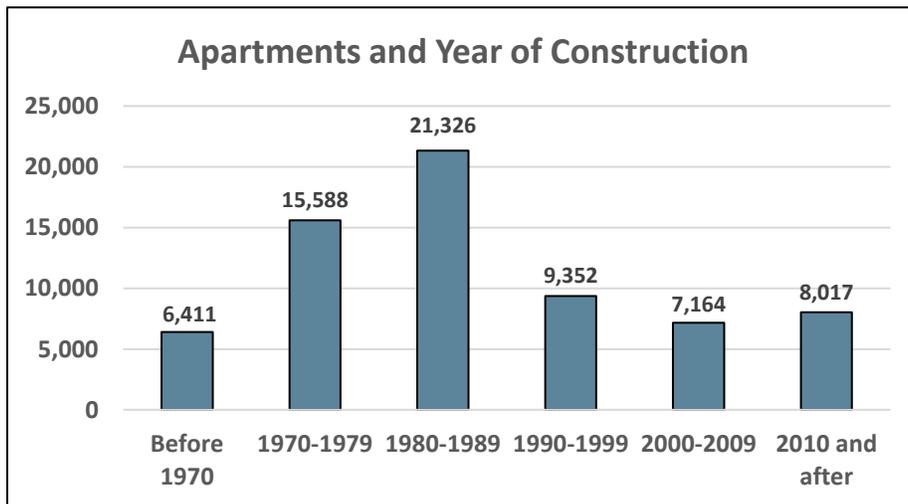
Chart 2



Source: Cobb County Tax Assessor's Office

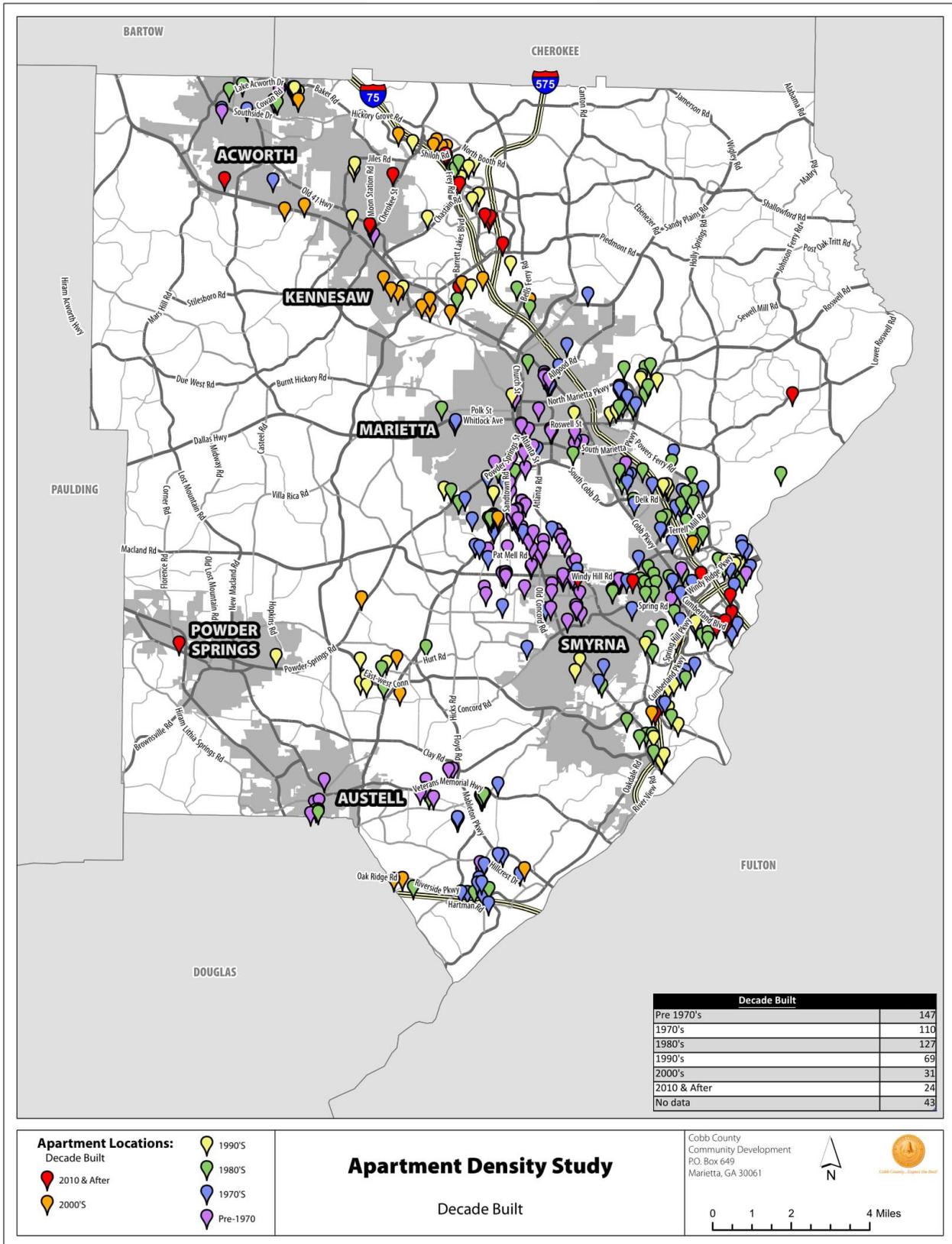
The average age of an apartment unit in Cobb County is 38.4 years, while the median age is 39.5 years. Over 50% of the apartment units were constructed in the 1970s and 1980s, while 36% of them were constructed in the 1990s and after. Chart 3 below shows the distribution of years of construction for the apartments in Cobb County.

Chart 3



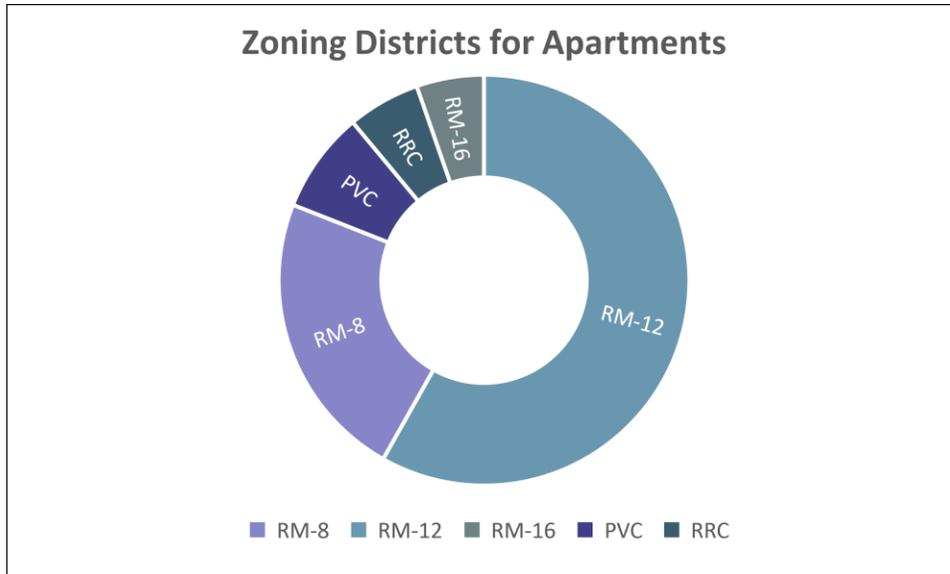
Source: Cobb County Tax Assessor's Office

Map 2



In both 1994 and 2001, the prevalent zoning district for apartments was RM-12. This remains the case in 2018. There are nine zoning categories that can accommodate multi-family residential uses in unincorporated Cobb County. Of the total acreage in those zoning categories, 55.3% of the acreage is in RM-12, followed by 21.7% in RM-8. Chart 4 and Table 4 below provide additional details on zoning districts and multi-family residential housing. A map showing the location of these zoning categories is on the following page.

Chart 4



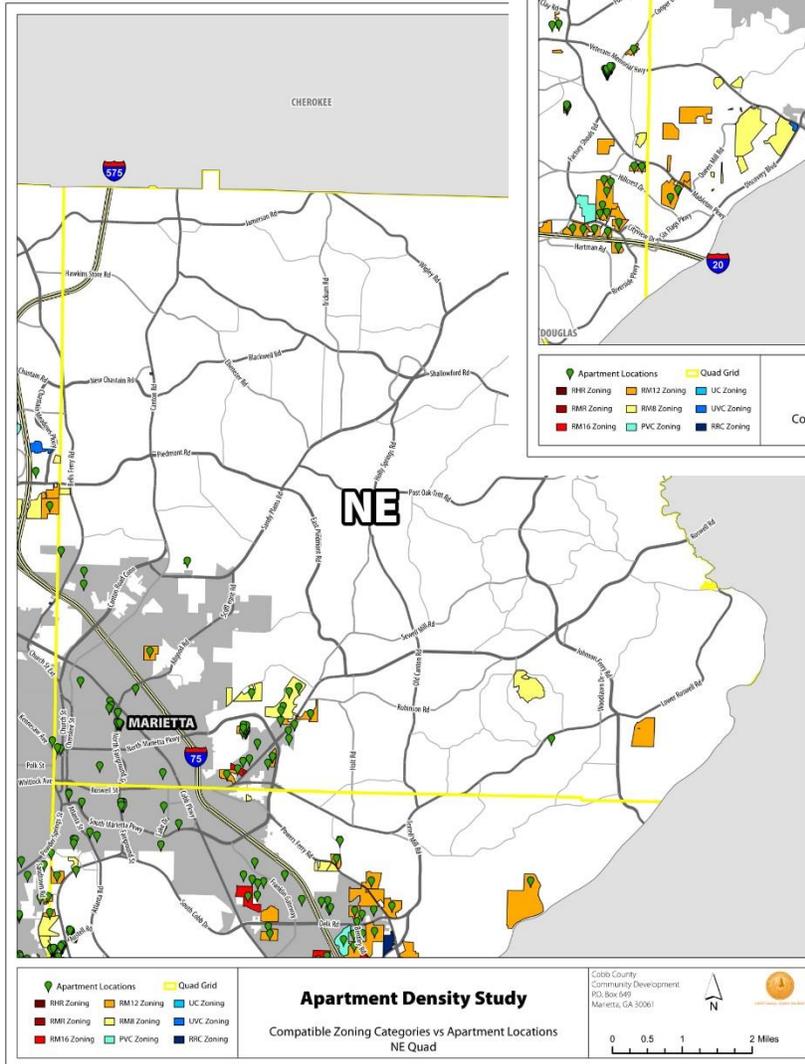
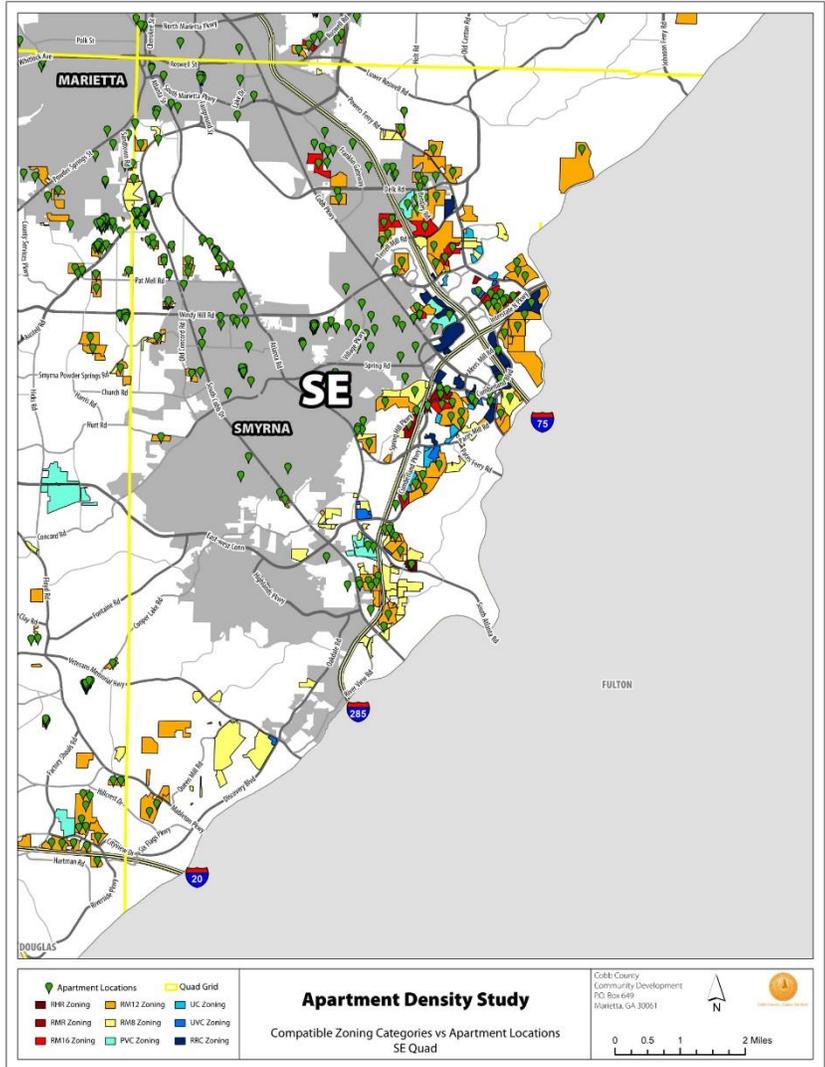
Source: Cobb County Community Development

Table 4

Prevalent Zoning Districts for Apartments		
Zoning Districts	Total Acreage	Percentage
RM-12	3,917.31	55.3%
RM-8	1,535.52	21.7%
PVC	537.14	7.6%
RRC	385.77	5.4%
RM-16	358.14	5.1%
UVC	124.41	1.8%
UC	123.35	1.7%
RMR	86.94	1.2%
RHR	19.26	0.3%
Totals	7,087.84	100.0%

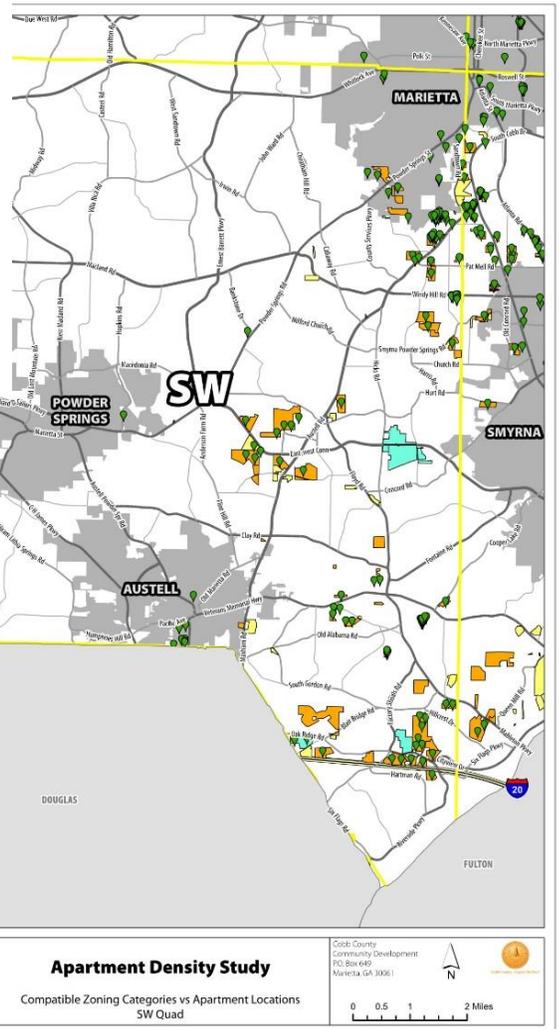
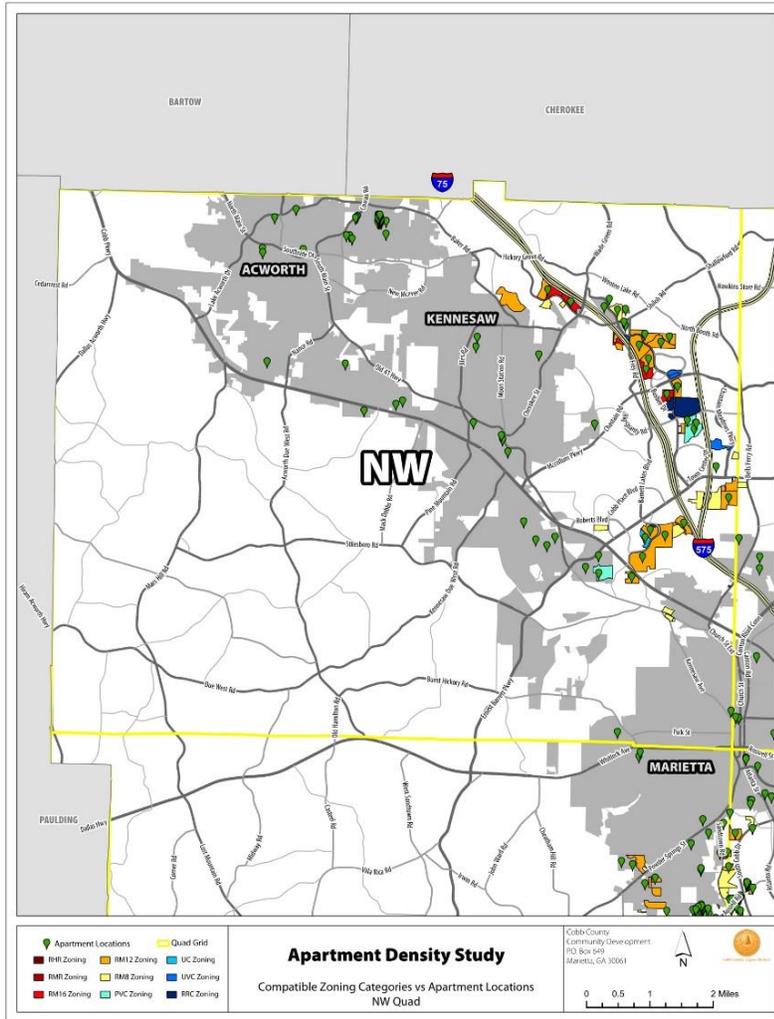
Source: Cobb County Community Development

Map 3



Map 4

Map 5

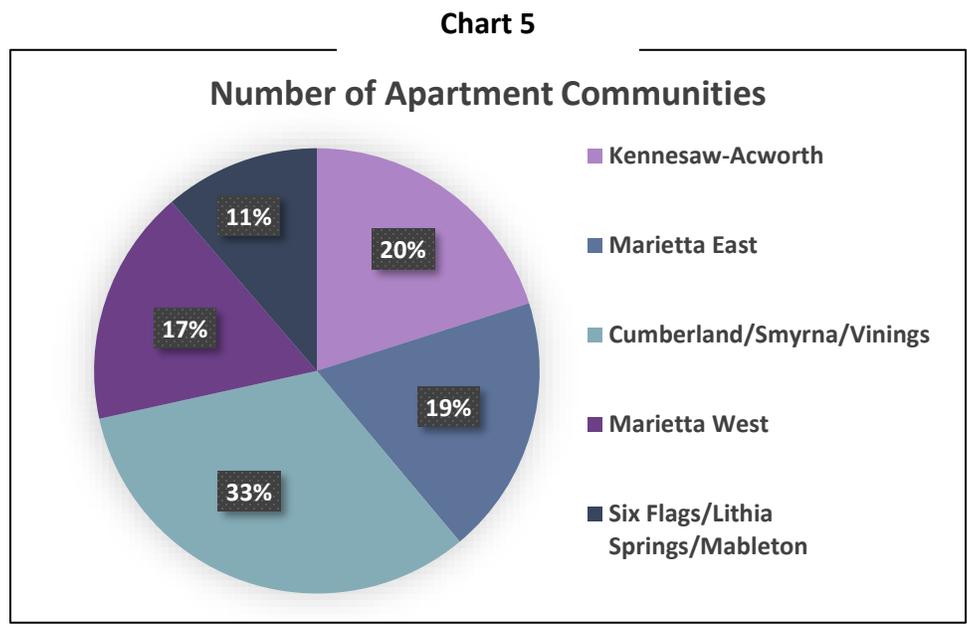


Map 6

Additional apartment data was obtained from Apartment Data Services, with assistance from the Atlanta Apartment Association. This data was current as of January 2018. The data is divided by five general locations. Kennesaw/Acworth includes the cities of Acworth and Kennesaw and Town Center Mall. Marietta East incorporates the areas east of I-75, around Delk Road, Powers Ferry Road, Lower Roswell Road, and Allgood Road. Cumberland/Smyrna/Vinings includes the City of Smyrna, Atlanta Road, South Cobb Drive, Windy Hill Road, and Cumberland Mall. Marietta West incorporates the City of Marietta and south along Powder Springs Road, Austell Road, and the East-West Connector. The Six Flags/Lithia Springs/Mableton area includes Riverside Parkway, Veterans Memorial Highway, and Floyd Road. It needs to be noted that the data includes some information from markets outside of Cobb County.

Since 2010, nearly 4,500 apartment units have been approved through rezoning and are either completed, under construction, or planned. Nearly 600 units have been constructed based on zoning cases since 2005. An additional 282 units have recently been re-zoned in the Cumberland area (Z-24 – 2018).

The Cumberland/Smyrna/Vinings area has the largest percentage of apartment communities at 33%, followed by the Kennesaw/Acworth area at 20% and Marietta West at 19%. This is illustrated in Chart 5.



Source: Apartment Data Services, Atlanta Apartment Association

The average occupancy rates for all the data areas exceed 90%, with an average of 93.5%. This leaves the vacancy rate for Cobb County at 6.5%, which is also the 2016 U. S. Census American Community Survey estimate. Rental rates (the Apartment Data Services utilizes price per square foot) range from \$0.87 (Marietta West) to \$1.18 (Kennesaw/Acworth), with an average of \$1.06 countywide. The average price per square foot in 1994 was \$.51.

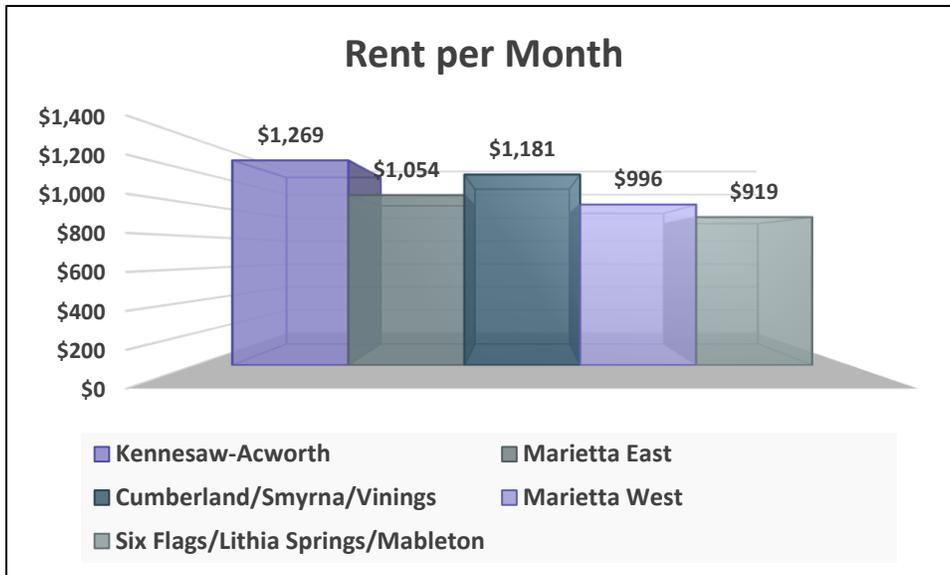
Table 5

Average Size, Rents and Occupancy Rates				
	Size (sf)	Price (\$/mo)	Rental Rate (\$/sf/mo)	Occupancy
Kennesaw/Acworth	1,075	\$1,269	\$1.18	93.8%
Marietta East	1,047	\$1,054	\$1.01	93.7%
Cumberland/Smyrna/Vinings	1,006	\$1,181	\$1.17	92.1%
Marietta West	1,145	\$996	\$0.87	93.6%
Six Flags/Lithia Springs/Mableton	993	\$919	\$0.93	91.7%
Average of All Areas	1,050	\$1,113	\$1.06	93.5%

Source: Apartment Data Services, Atlanta Apartment Association

The average rents range from \$919 (Six Flags/Lithia Springs/Mableton) to \$1,269 (Kennesaw/Acworth), with an average of \$1,113 countywide. The average countywide rental rates in 2002 were \$608 for an efficiency unit and \$982 for a three-bedroom unit. Chart 6 illustrates the rental rates across Cobb County. The average cost in 2002 was \$795. Using U. S. Bureau of Labor statistics data, the total inflation was 39.96%. When applied, this yields an inflation adjusted average rental rate of \$1,112.67 which is surprisingly close to the current average rental rate.

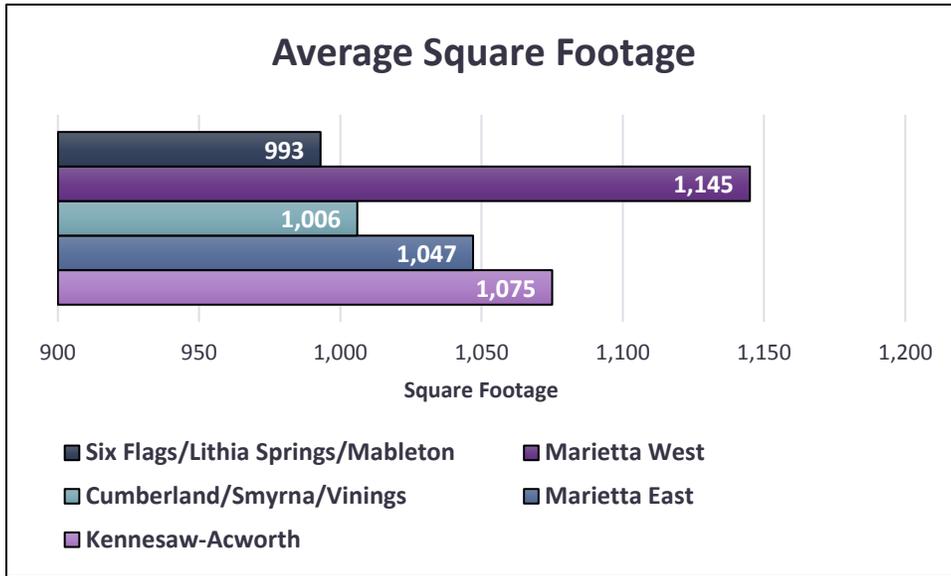
Chart 6



Source: Apartment Data Services, Atlanta Apartment Association

The Marietta West area has the largest square foot average per unit at 1,145 sq. ft., followed by Kennesaw/Acworth at 1,075 sq. ft. The average square footage per unit countywide is 1,050 sq. ft.

Chart 7



Source: Apartment Data Services, Atlanta Apartment Association

Conclusion

There have been significant changes concerning apartments since the last apartment density study was completed in 2002. Floor plans have tended to get larger. Additional apartments have been built and rental rates have risen. While the City of Marietta has seen a decrease in apartments, Acworth and Kennesaw have seen an increase and the County has virtually remained unchanged. Even with the increase in apartment units, occupancy rates for all areas of the county exceed 90%. This indicates the market conditions for apartments remain strong, stable, and viable. While the occupancy rates and rental rates continue in a positive direction, a notable concern is that over 50% of the apartment units were constructed in the 1970s and 1980s, demonstrating an aging apartment stock.

Because circumstances change, monitoring of the apartment stock within the county should continue. Encouraging apartments in areas that can accommodate additional density because of existing infrastructure will work to protect existing rural and stable single-family residential areas. The age of much of the apartment stock will prompt the need to investigate ways to address resulting issues of safety and potential redevelopment.