



PALOMAR
Real Estate Group

Augusta Multifamily Market Update

2022

Table of Contents

Page 3 - Key Insights

Page 4 - Sales Comps

Page 5 - Map Overview

Page 10 - News Articles

Page 11 - Augusta

Page 12 - Marketing Plan

Page 13 - Timeline

Page 14 - Contact Information

Team



Ryan McArdle

Partner

706.631.8897

ryan.mcardle@thepalomargroup.com



David Rivers

Partner

706.840.0055

david.rivers@thepalomargroup.com



Steve Collins

Partner

706.564.8556

steve.collins@thepalomargroup.com



Jefferson Knox

Associate

706.294.8806

jefferson.knox@thepalomargroup.com



Lee Malchow


Associate


706.231.7249


lee.malchow@thepalomargroup.com


The Palomar Group is a full-service commercial Investment Sales firm. Their proven track record on both the acquisition and disposition sides are a direct result of their understanding of the marketplace, appropriate asset valuation based off current market conditions, and the alignment of assets to the most suitable and qualified Buyer/ Seller. The Team has worked on over 7 million square feet of retail, office and multifamily, having a hand in over \$700 million in transactions across 12 states.


 The Augusta multifamily market remains in growth mode, with developers putting units in place for population gains past, present, and future. New construction has been skewed toward Columbia County, which the U.S. Census Bureau estimates grew by over 25% between 2010 and 2020. This is the fourth-fastest market of any county in the state over that time frame.


 Investors have been active in Augusta over the past few quarters. Buyers are increasingly turning to tertiary markets such as Augusta for their relatively low pricing and high yields compared to major Southeastern metros such as Atlanta, Charlotte, and Nashville. For example, average pricing of \$140,000 represents a roughly \$90,000/unit discount to Atlanta, and average cap rates trend nearly 100 basis points above those in Atlanta.

 The pandemic did not have much of an impact on housing demand in Augusta, as strong population growth persisted despite the effects of the outbreak. While the metro's vacancy rate has increased over the past few quarters, that was due to the influx of new supply rather than a slowdown in demand. Trailing 12-month net absorption of roughly 590 is right around the metro's five-year annual average. With only about 690 units under construction, Augusta vacancies will likely improve over the next few quarters, as the market's economy continues to recover.

 New assets have generally leased up at a quick pace. Mason Augusta, which started moving in renters in March 2022, had nearly 30% of its 288 units occupied entering 22Q3. A pair of 2021 deliveries also stand out: The 296-unit Argento at Riverwatch averaged roughly 20 units per month lease-up, while the 252-unit Highland averaged about 25 units per month.

 Demographic trends in Augusta have helped bolster multifamily demand in the metro. Augusta is an affordable option for both blue-collar and white-collar workers, and rents of \$1,130/month are far below average asking rents in Atlanta, which are now about \$1,600/month. Population growth has also outpaced the national average over the past few years on a percentage basis. Overall, Augusta's population has increased by more than 55,000 since 2010, the largest nominal increase among Georgia markets, aside from Atlanta.

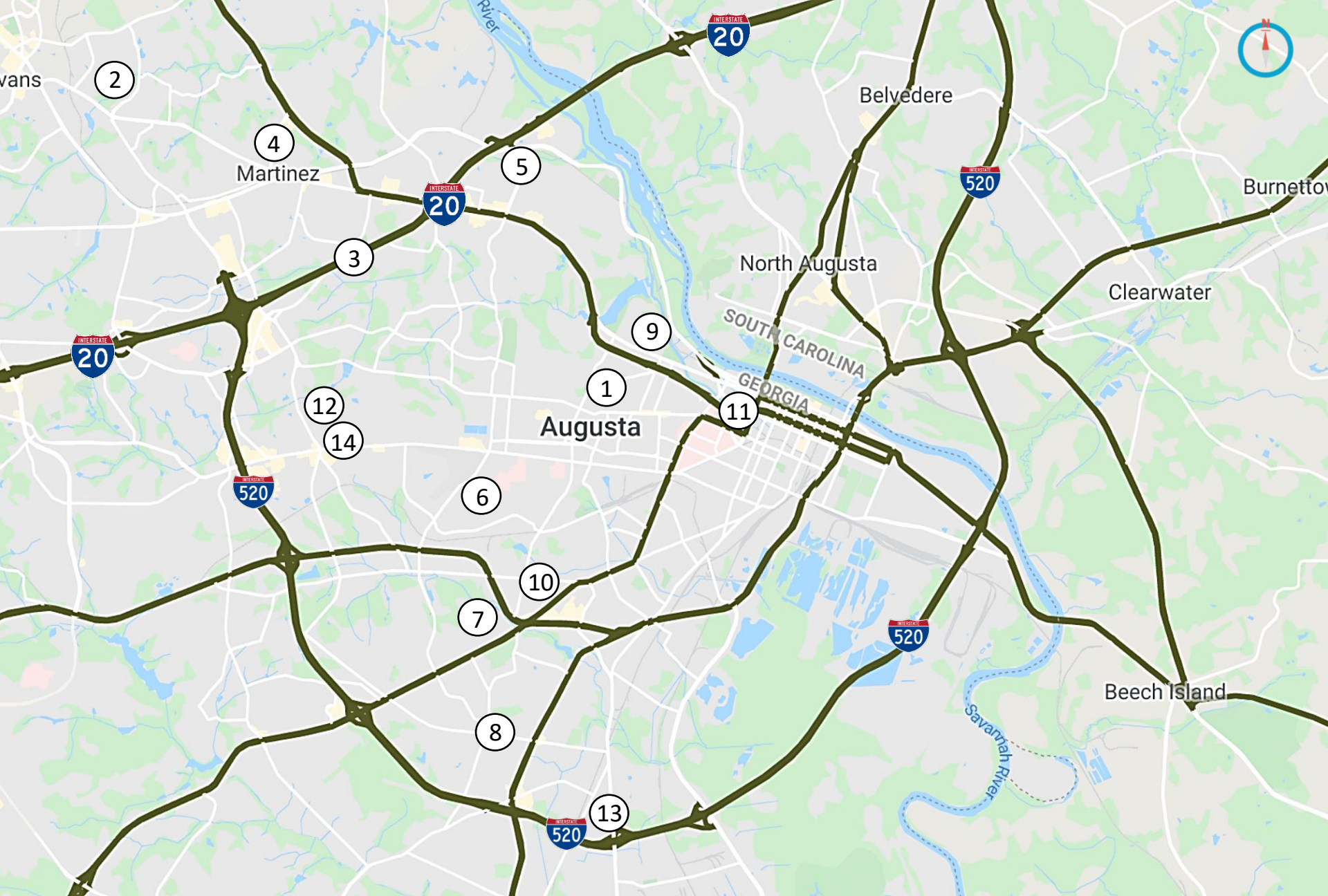
 Roughly 1,200 units have opened over the past 12 months in Augusta, representing a significant increase in supply. With 690 units under construction, or roughly 2.6% of inventory, supply-side pressure could ease in the near term.

 Overall, roughly 5,000 units have been added since 2010, representing a 20% increase in inventory. Nearly half of those units delivered within a 5-mile radius of the I-20 and I-520 interchange. Straddling the Central Augusta and Columbia County submarkets, this locale offers easy access to both Fort Gordon and Downtown. This cohort has benefited from vacancies well below the metro average, and rents come at a roughly 30% premium to the metro benchmark.

*Insights pulled from Costar

Sales Comps

	Property Name	Property City	Sale Price	Sale Date	Units	Price Per Unit
1	Terraces at Summerville	Augusta	\$16,800,000	7/15/2022	120	\$140,000
2	Shenandoah Ridge	Martinez		6/30/2022	272	
3	Ballantyne Commons	Augusta	\$50,000,000	6/21/2022	204	\$245,098
4	Petersburg Square	Martinez	\$8,500,000	6/10/2022	60	\$141,667
5	The Glen at Alexander	Augusta	\$40,000,000	6/6/2022	216	\$185,185
6	Clara Grace	Augusta	\$2,250,000	5/27/2022	33	\$68,182
7	Thomas Ridge Apartments	Augusta	\$8,420,000	4/22/2022	104	\$80,962
8	Green Meadows at 2910	Augusta	\$10,816,000	3/16/2022	104	\$104,000
9	1901 Broad St	Augusta	\$2,080,873	3/10/2022	16	\$130,055
10	Norris Place Apartments	Augusta		2/11/2022	40	
11	The Downtowner	Augusta	\$6,500,000	2/10/2022	104	\$62,500
12	The Landings @ 237	Augusta	\$37,613,770	2/2/2022	496	\$75,834
13	Forest Ridge	Augusta	\$4,100,000	2/1/2022	75	\$54,667
14	The Helios	Augusta	\$17,250,000	1/31/2022	188	\$91,755
Average			\$17,027,554		\$145	\$114,992





1. Terraces at Summerville – 817-824 Hickman Rd

Sale Date:	7/15/2022	Sale Price:	\$16,800,000	1 Bedroom	76 (63%)
Building SF:	114,246	Price/SF:	\$147	2 Bedroom	44 (37%)
Submarket:	Summerville	Price/Unit:	\$140,000	3 Bedroom	0 (0%)
Acres:	4.5	Units:	120	Buyer Type	Private
Prior Sale:	12/2020	Prior Sale Price:	\$12,800,000	Year Built:	1972



2. Shenandoah Ridge – 4079 River Watch Pky

Sale Date:	6/30/2022	Sale Price:	N/A	1 Bedroom	96 (35%)
Building SF:	222,768	Price/SF:	N/A	2 Bedroom	176 (65%)
Submarket:	Columbia County	Price/Unit:	N/A	3 Bedroom	0 (0%)
Acres:	11.82	Units:	272	Buyer Type	Private
Prior Sale:	7/2016	Prior Sale Price:	\$18,500,000	Year Built:	1982



3. Ballantyne Commons of Augusta – 3150 Skinner Mill Rd

Sale Date:	6/21/2022	Sale Price:	\$50,000,000	1 Bedroom	64 (31%)
Building SF:	232,192	Price/SF:	\$215	2 Bedroom	108 (53%)
Submarket:	West Augusta	Price/Unit:	\$245,098	3 Bedroom	32 (16%)
Acres:	19.81	Units:	204	Buyer Type	Private
Prior Sale:	7/2016	Prior Sale Price:	\$30,000,000	Year Built:	2009



4. Petersburg Square – 209-221 New Petersburg Dr

Sale Date:	6/10/2022	Sale Price:	\$8,500,000	1 Bedroom	0 (0%)
Building SF:	40,000	Price/SF:	\$213	2 Bedroom	52 (87%)
Submarket:	Columbia County	Price/Unit:	\$141,667	3 Bedroom	8 (13%)
Acres:	0.21	Units:	60	Buyer Type	Private
Prior Sale:	8/2015	Prior Sale Price:	\$1,890,000	Year Built:	1986



5. The Glen at Alexander – 1040 Alexander Dr

Sale Date:	6/6/2022	Sale Price:	\$40,000,000	1 Bedroom	24 (11%)
Building SF:	259,500	Price/SF:	\$154	2 Bedroom	132 (61%)
Submarket:	National Hills	Price/Unit:	\$185,185	3 Bedroom	60 (28%)
Acres:	15.33	Units:	216	Buyer Type	Private
Prior Sale:	7/2019	Prior Sale Price:	\$36,100,000	Year Built:	2003



6. Clara Grace Apartments – 2511 Cascade Dr

Sale Date:	5/27/2022	Sale Price:	\$2,250,000	1 Bedroom	33 (100%)
Building SF:	28,737	Price/SF:	\$78	2 Bedroom	0 (0%)
Submarket:	Highland Park	Price/Unit:	\$68,182	3 Bedroom	0 (0%)
Acres:	2.5	Units:	33	Buyer Type	Private
Prior Sale:	6/2018	Prior Sale Price:	\$1,452,000	Year Built:	



7. Thomas Ridge Apartments – 2509 Thomas Ln

Sale Date:	4/22/2022	Sale Price:	\$8,420,000	1 Bedroom	22 (21%)
Building SF:	168,028	Price/SF:	\$50	2 Bedroom	61 (59%)
Submarket:	Wheless Road	Price/Unit:	\$80,962	3 Bedroom	21 (20%)
Acres:	9.86	Units:	104	Buyer Type	Private
Prior Sale:	11/2021	Prior Sale Price:	\$6,136,000	Year Built:	1978



8. Green Meadows at 2910 – 2910 Richmond Hill Rd

Sale Date:	3/16/2022	Sale Price:	\$10,820,000	1 Bedroom	8 (8%)
Building SF:	120,000	Price/SF:	\$90	2 Bedroom	96 (92%)
Submarket:	Richmond Hill	Price/Unit:	\$104,000	3 Bedroom	0 (0%)
Acres:	8.8	Units:	104	Buyer Type	Private Equity
Prior Sale:	2/2021	Prior Sale Price:	\$5,720,000	Year Built:	1966





9. 1901 Broad St

Sale Date:	3/10/2022	Sale Price:	\$2,080,000	1 Bedroom	16 (100%)
Building SF:	64,908	Price/SF:	\$32	2 Bedroom	0 (0%)
Submarket:	West End	Price/Unit:	\$104,000	3 Bedroom	0 (0%)
Acres:	.66	Units:	16	Buyer Type	Private
Prior Sale:	12/2021	Prior Sale Price:	N/A	Year Built:	1891



10. Norris Place Apartments – 1931 Murphey Rd

Sale Date:	2/11/2022	Sale Price:	N/A	1 Bedroom	0 (0%)
Building SF:	36,000	Price/SF:	N/A	2 Bedroom	40 (100%)
Submarket:	Albion Acres	Price/Unit:	N/A	3 Bedroom	0 (0%)
Acres:	2.22	Units:	40	Buyer Type	Private
Prior Sale:	1/2019	Prior Sale Price:	\$650,000	Year Built:	1971



11. The Downtowner – 505 13th St

Sale Date:	2/10/2022	Sale Price:	\$6,500,000	1 Bedroom	104 (100%)
Building SF:	108,702	Price/SF:	\$60	2 Bedroom	0 (0%)
Submarket:	West End	Price/Unit:	\$62,500	3 Bedroom	0 (0%)
Acres:	4.2	Units:	104	Buyer Type	Private
Prior Sale:	4/2020	Prior Sale Price:	\$5,700,000	Year Built:	1984



12. Meadow Wood Place – 2400 Nordahl Dr. Augusta, GA 30906

Sale Date:	2/2/2022	Sale Price:	\$37,610,000	1 Bedroom	107 (22%)
Building SF:	102,060	Price/SF:	\$369	2 Bedroom	389 (78%)
Submarket:	Lake Aumond	Price/Unit:	\$75,834	3 Bedroom	0 (0%)
Acres:	45.63	Units:	496	Buyer Type	Private Equity
Prior Sale:	7/2020	Prior Sale Price:	\$20,000,000	Year Built:	1950



13. Forest Ridge – 1850 Apple Valley Dr

Sale Date:	2/1/2022	Sale Price:	\$4,100,000	1 Bedroom	59 (79%)
Building SF:	39,744	Price/SF:	\$103	2 Bedroom	16 (21%)
Submarket:	Southside	Price/Unit:	\$54,667	3 Bedroom	0 (0%)
Acres:	4.89	Units:	75	Buyer Type	Private
Prior Sale:	1/2018	Prior Sale Price:	\$2,774,000	Year Built:	1989



14. The Helios – 3232 Heritage Cir

Sale Date:	1/31/2022	Sale Price:	\$17,250,000	1 Bedroom	26 (14%)
Building SF:	144,160	Price/SF:	\$120	2 Bedroom	162 (86%)
Submarket:	Lake Aumond	Price/Unit:	\$91,755	3 Bedroom	0 (0%)
Acres:	11.58	Units:	188	Buyer Type	Private
Prior Sale:	1/2018	Prior Sale Price:	\$5,850,000	Year Built:	1967

Forbes

The Top Real Estate Markets Attracting Out-Of-State Buyers

May 3, 2022

As home buyers explore ways to up their odds of success in the face of intensifying cost pressures, new research indicates that interest in relocating is on the rise. In the first quarter of 2022, 40.5% of prospective buyers on Realtor.com viewed home listings outside of their current state, compared to 36.4% in 2021 and 33.4% in 2020.

Where are they heading? The top 10 destinations in rank order were El Paso, Texas; Albuquerque, New Mexico; Washington, D.C.; Birmingham, Alabama; Hartford, Connecticut; Omaha, Nebraska; McAllen, Texas; New York City; Augusta, Georgia; and Greensboro, North Carolina.

"After two years of pandemic remote work, offices have started to reopen, but instead of seeing a slowdown in the number of people interested in homes out of state, we're seeing an acceleration," said Realtor.com chief economist Danielle Hale.

[Read More](#)



Fall 2023 Completion Expected for Downtown Apartments

July 19, 2022

Construction is underway on a new downtown housing community that will have commercial space on the ground floor – and it's expected to be complete in a little over a year.

The development will be known as The Augustan, with an estimated completion date of fall 2023 at the end of the John C. Calhoun Expressway on 12th and Greene streets.

"We want this project to have a huge positive impact on downtown Augusta," said ATC Development CEO Woody Belangia. "ATC is excited to be part of the downtown renaissance that we can all feel happening."

The midrise, which the developers previously planned to name The Standard, will have 136 studio, one- and two-bedroom apartments.

[Read More](#)



Regency Mall revival: Housing, supermarket, retail planned

May 31, 2022

Plans were announced Tuesday morning for a major redevelopment of the site of the partially demolished Regency Mall.

There would be housing for up to 2,000 residents, plus a grocery store, several restaurants, a fitness center, a performing arts center, an "academic facility," green space, and stores at what's being called Cardinal Town Square.

Leading the announcement about Cardinal Town Square was Steven Kendrick, a former Richmond County tax commissioner who's running for mayor. He resigned the tax commissioner post after he announced his candidacy for mayor. He's also a board member of the Augusta Economic Development Authority.

Kendrick said the housing is key to the businesses that will be on the site and in the area because the residents will be the major customers who will infuse the area with a new life.

[Read More](#)



Multifamily Firms Join Forces on Build-to-Rent Portfolio

January 18, 2022

Two multifamily firms, Advenir and Oakley Group, are partnering to develop, acquire, and operate a portfolio of single-family build-to-rent properties.

Advenir Oakley Capital, a joint venture formed by the firms in October 2020, has a goal of accumulating a portfolio of 8,000 build-to-rent units by 2025 in Southeast and Midwest markets that demonstrate outsized demand stemming from strong job growth and in-migration as well as low taxation and local desirability.

In the fourth quarter of 2021, Advenir Oakley Capital made its first acquisitions, purchasing the 208-unit LEO at The Sanctuary in Rincon, Georgia; the 207-unit LEO at Augusta Commons in North Augusta, South Carolina; and the 197-unit LEO at West Fork in Conroe, Texas. In addition, it has a pipeline of approximately 3,700 units in various stages of predevelopment and development across 10 properties.

[Read More](#)



PALOMAR
Real Estate Group

AUGUSTA



AUGUSTA GEORGIA

Augusta is Georgia's second-largest city, and it's the second-oldest city in the state. With over half a million residents, the Augusta area has a variety of amenities, including a vibrant arts community and many fine restaurants. And unlike other growing cities in the Southeast, the area has fewer of the traffic snarls that plague so many metropolitan areas. In addition to the low cost of living and affordable housing, Augusta offers its residents a beautiful historic city with a diverse culture, active arts community and mild climate. The Augusta area is known for its balmy climate, with an annual average temperature of 64 degrees. Some studies suggest its location between the Atlantic and Gulf coasts contributes to generally mild winters. Those warm winters turned the region into a seasonal resort in the late 1800s and early 1900s and gave Augusta much of its early reputation for hospitality and warmth.

When it comes to events in Augusta, there's the Masters Tournament and then there's everything else. This isn't to say there isn't any other event that draws out-of-towners to the area, but golf's premiere event is such a big deal, even schools let out for that one week in April. The Masters Tournament is held on the beautiful grounds of Augusta National Golf Club. Another major event in Augusta is the largest Half-Ironman competition in the U.S.

Augusta is the center of shopping for the entire MSA, with a variety of downtown shops and suburban shopping centers and malls. A resurgence in downtown Augusta is occurring monthly, solidifying this area as the region's town center.

Health care continues to be one of the strongest employment sectors in Augusta, recognized as a regional health care provider. The area also is building a reputation as a leading medical research center.

From its pair of airports to multiple taxicab companies and a citywide public transit system, the Garden City's transportation offerings reflect a diverse set of services.

Georgia Cyber Innovation & Training Center:

Governor Nathan Deal recently signed a bill (pictured right) investing \$50M for a world class cyber range and training facility in Augusta to be developed in conjunction with Augusta University. The 150,000sf facility will be located at Augusta University's Riverfront Campus. "We have a chance for Georgia, and specifically, Augusta, to become the cyber capital of the United States, if not, the world" Augusta University President Brooks Keel said. The facility will combine academia, private industry and government to establish statewide cybersecurity standards. Construction of the facility will begin in the spring of 2017 and will take 18 months to complete.

US Army Cyber Command Locating at Augusta's Fort Gordon:

On November 29, 2016 ground was broken on an \$85M facility at Fort Gordon that will house the headquarters of the US Army's Cyber Command. The facility, to be completed in 2019, will operate with over 1,200 soldiers and civilians. Fort Gordon is already home to the US Army's Cyber Center of Excellence, which trains soldiers and civilians in cyber warfare.

NSA at Fort Gordon:

Already operational at Fort Gordon is the Gordon Regional Security Operations Center (pictured right). The 604,000sf facility, that cost \$286M to build, operates with over 4,000 soldiers and civilians. Additional expansion is expected on the 160 acre campus in the heart of Fort Gordon.

Marketing Plan:

In today's market, it is not good enough to simply send out an email blast and wait for the offers to roll in. While we will incorporate email blasts in our marketing plan via our internal list of over 5,000 prospects as well as blasts through mailout platforms such as PropertySend, Big Boy Blast and CREXI, our marketing efforts go far beyond that. We will individually and directly target owners of centers with a similar property as well as groups who have bought or sold similar assets in size, price point, and cap rate. We find these owners through our research across multiple databases including our own. We will reach these owners via phone calls, emails, and direct face to face contact. Our underwriting and Offering Memorandum will be extremely detailed and provide as much information as possible so as to limit a potential re-trade possibility.



Pre-Marketing (4 weeks)

- Sales Flyer Draft to Client
- Sales Flyer Complete and Approved
- Approval of CA by Client
- Offering Memorandum Approved by Client
- Online Offering Materials Completed

Marketing (5 weeks)

- Sales Flyer Distributed
- Offering Memorandum to Buyers
- Marketing and Property Tours

Bidding (2 weeks)

- Offer Deadline
- Best and Final
- Interviews and Buyer Selection
- Due Diligence Material Uploaded to Deal Room

Closing (8 weeks)

- Negotiate Purchase & Sale Agreement
- Buyer Due Diligence Period
- Close of Escrow



19 Week
Timeline



200,000+
Total Prospects Reached



Multiple
Platforms Used



95% Success Rate on
Listed Transactions

Contact Us



Ryan McArdle
Partner
706-631-8897
ryan.mcardle@thepalomargroup.com



David Rivers
Partner
706-840-0055
david.rivers@thepalomargroup.com



Steve Collins
Partner
706-564-8556
steve.collins@thepalomargroup.com



Lee Malchow
Associate
706.231.7249
lee.malchow@thepalomargroup.com



Jefferson Knox
Associate
706.294.8806
jefferson.knox@thepalomargroup.com



thepalomargroup.com



706-407-4443



206 Pitcarin Way Suite A
Augusta, GA 30909