



PALOMAR  
*Real Estate Group*

# Augusta Multifamily Market Update

2019 Year End

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# Team



Ryan McArdle

Partner

706.631.8897

[ryan.mcardle@thepalomargroup.com](mailto:ryan.mcardle@thepalomargroup.com)



David Rivers

Partner

706.840.0055

[david.rivers@thepalomargroup.com](mailto:david.rivers@thepalomargroup.com)



Steve Collins

Partner

706.564.8556

[steve.collins@thepalomargroup.com](mailto:steve.collins@thepalomargroup.com)



Jefferson Knox

Associate

706.294.8806

[jefferson.knox@thepalomargroup.com](mailto:jefferson.knox@thepalomargroup.com)



Lee Malchow

Associate

706.231.7249

[lee.malchow@thepalomargroup.com](mailto: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.

# 2019 Augusta Multifamily Investment Sales Stats

%

5.87%

Average Cap Rate



\$21,136,000

Average Sale Price



\$106,166

Average Price Per  
Unit



14

Transactions over \$1  
million



179

Average Units



1990

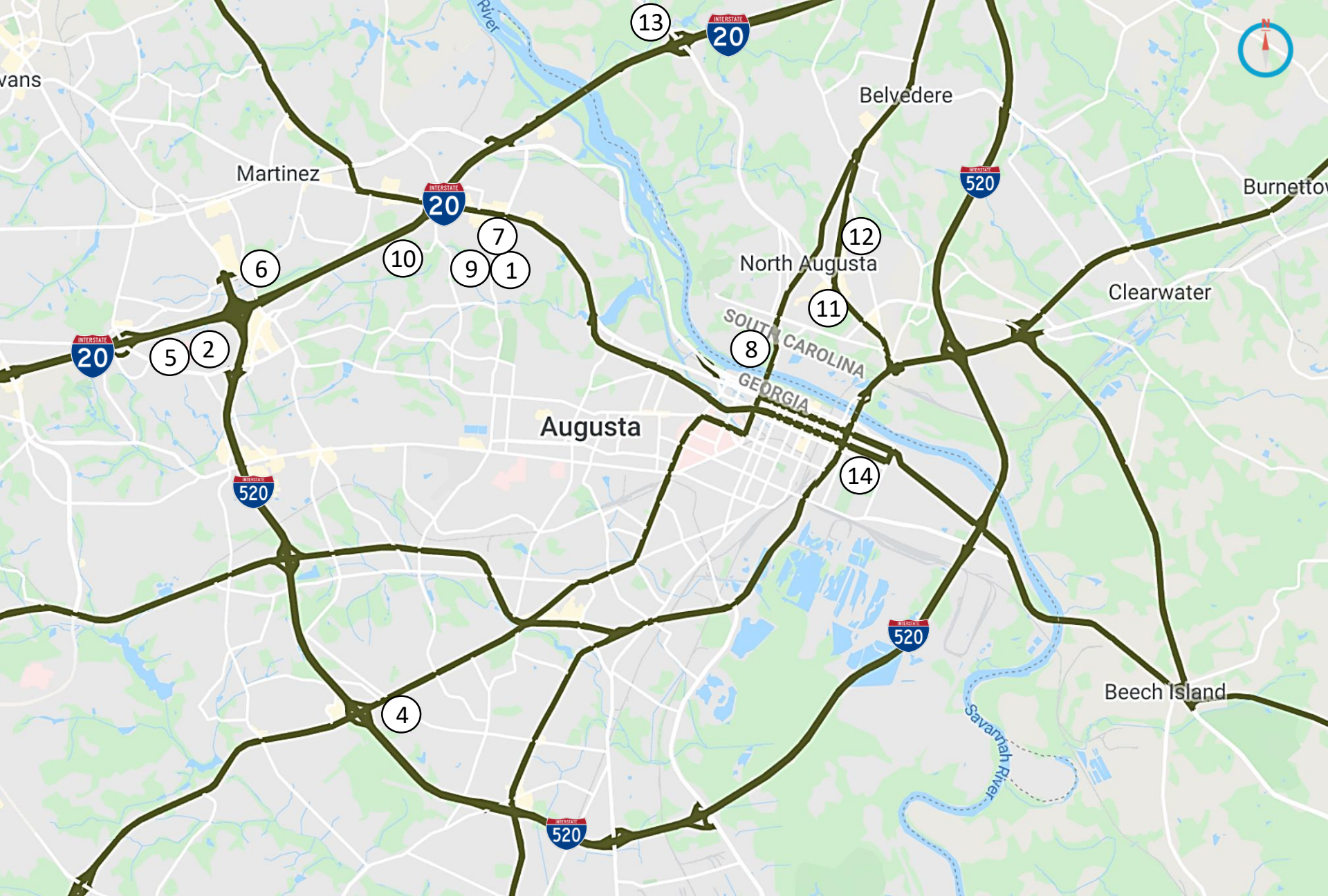
Average  
Year Built

# Key Insights

-  Of the 4,400 units brought online since 2010, nearly half have delivered within a five-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.
-  While occupancies have fluctuated, rent growth has been more insulated from the new supply as annual rent increases have bounced between 3% to 4% from 2018–19.
-  With very little supply underway, Augusta should remain one of the healthiest markets over the next few years in terms of overall fundamentals and rent growth.
-  Boosted by a handful of institutional-sized sales, sales volume in 2019 has already surpassed all other years in the expansion.
-  Pricing continues to appreciate in the metro, and cap rates have compressed to the lower-6% range.
-  Occupancies have recovered in Augusta after a slew of new deliveries hit the market in 2018 and at the beginning of 2019.
-  Net absorption is some of the strongest this expansion as these new properties lease up.
-  Median incomes are above the state average at around \$55,000 and have grown at a rate above the national average over the past 12 months.
-  Population growth is on par with the national average, while job growth on a trailing 12-month basis, particularly in the professional and business service sector, is comfortably above the 10-year average.
-  With the addition of the new Georgia Cyber Center and defense contractor Unisys' commitment to add hundreds of jobs, downtown Augusta could continue to see more investment in the coming years.
-  At \$870/SF, asking rents in the market are in the middle compared to other Georgia markets. Augusta offers almost a 20% discount to nearby Savannah.
-  Among submarkets, affluent Columbia County boasts the highest rents in the market at almost \$1,000/month.

\*Insights pulled from CoStar





# Sales Comps

<u>Property Name</u>	<u>Property City</u>	<u>Sale Price</u>	<u>Sale Date</u>	<u>Units</u>	<u>Price Per Unit</u>	<u>Cap Rate</u>	<u>Year Built</u>
1 The Enclave at Augusta	Augusta	\$19,600,000	10/29/2019	276	71,014		1972
2 The Estates at Perimeter	Augusta	\$41,000,000	9/27/2019	240	170,833	4.56	2007
3 Steeplechase Apartments	Aiken	\$7,700,000	9/23/2019	126	61,111	6.10	1976
4 Glenwood Apartments	Augusta	\$3,990,000	9/12/2019	28	142,500	7.00	1985
5 The Metropolitan Augusta	Augusta	\$24,000,000	8/19/2019	236	101,694		1986
6 Grand Oaks at Crane Creek	Augusta	\$58,000,000	8/2/2019	300	193,333	5.73	2016
7 The Glen at Alexander	Augusta	\$36,100,000	7/25/2019	216	167,129	5.65	2003
8 The Ironwood	North Augusta	\$51,940,000	7/22/2019	280	185,500	5.40	2018
9 Ten 35 Alexander	Augusta	\$21,590,000	7/19/2019	200	107,950		2001
10 Brandywine Place	Augusta	\$10,750,000	7/16/2019	114	94,298		
11 Crossroads Market Apartments	North Augusta	\$4,990,000	4/3/2019	74	67,432	6.50	1985
12 Pine Crest Apartments	North Augusta	\$5,250,000	3/21/2019	120	43,750		1973
13 Willow Wick Apartments	North Augusta	\$5,102,000	3/21/2019	104	49,057		1970
14 River Glen Apartments	Augusta	\$5,900,000	2/13/2019	192	30,729	6.00	1973
<b>Average</b>		<b>\$21,136,571</b>		<b>179</b>	<b>\$106,166</b>	<b>5.87</b>	<b>1990</b>





### 1. The Enclave at Augusta – 1101 River Ridge Dr, Augusta, GA 30909

<b>Sale Date:</b>	10/29/2019	<b>Sale Price:</b>	\$19,600,000	<b>1 Bedroom</b>	80 (29%)
<b>Building SF:</b>	296,880	<b>Price/SF:</b>	\$66.02	<b>2 Bedroom</b>	176 (64%)
<b>Cap Rate:</b>	NA	<b>Price/Unit:</b>	\$71,014	<b>3 Bedroom</b>	20 (7%)
<b>Acres:</b>	15	<b>Units:</b>	276	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	5/24/2017	<b>Prior Sale Price:</b>	\$14,000,000	<b>Year Built:</b>	1972



### 2. The Estates at the Perimeter – 50 Saint Andrew Drive, Augusta, GA 30909

<b>Sale Date:</b>	9/27/2019	<b>Sale Price:</b>	\$41,000,000	<b>1 Bedroom</b>	84 (35%)
<b>Building SF:</b>	264,942	<b>Price/SF:</b>	\$154.75	<b>2 Bedroom</b>	120 (50%)
<b>Cap Rate:</b>	4.56%	<b>Price/Unit:</b>	\$170,833	<b>3 Bedroom</b>	36 (15%)
<b>Acres:</b>	12.88	<b>Units:</b>	240	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	6/30/2017	<b>Prior Sale Price:</b>	\$31,000,000	<b>Year Built:</b>	2007



### 3. Steeplechase Apartments – 749 Silver Bluff Road, Aiken, SC 29803

<b>Sale Date:</b>	9/23/2019	<b>Sale Price:</b>	\$7,700,000	<b>1 Bedroom</b>	108 (86%)
<b>Building SF:</b>	95,004	<b>Price/SF:</b>	\$81.05	<b>2 Bedroom</b>	12 (10%)
<b>Cap Rate:</b>	6.10%	<b>Price/Unit:</b>	\$61,111	<b>3 Bedroom</b>	6 (5%)
<b>Acres:</b>	9.1	<b>Units:</b>	126	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	3/19/2015	<b>Prior Sale Price:</b>	\$4,476,000	<b>Year Built:</b>	1976



### 4. Glenwood Apartments – 2564 Lumpkin Road, Augusta, GA 30906

<b>Sale Date:</b>	9/12/2019	<b>Sale Price:</b>	\$3,990,000	<b>1 Bedroom</b>	16 (57%)
<b>Building SF:</b>	65,850	<b>Price/SF:</b>	\$60.59	<b>2 Bedroom</b>	12 (43%)
<b>Cap Rate:</b>	7.00%	<b>Price/Unit:</b>	\$142,500	<b>3 Bedroom</b>	0
<b>Acres:</b>	1.6	<b>Units:</b>	28	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	4/17/2019	<b>Prior Sale Price:</b>	\$2,970,000	<b>Year Built:</b>	1985





#### 5. The Metropolitan Augusta – 2900 Perimeter Parkway, Augusta, GA 30909

<b>Sale Date:</b>	8/19/2019	<b>Sale Price:</b>	\$24,000,000	<b>1 Bedroom</b>	172 (73%)
<b>Building SF:</b>	319,314	<b>Price/SF:</b>	\$75.14	<b>2 Bedroom</b>	64 (27%)
<b>Cap Rate:</b>	6.00%	<b>Price/Unit:</b>	\$101,695	<b>3 Bedroom</b>	0
<b>Acres:</b>	13.76	<b>Units:</b>	236	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	11/24/2015	<b>Prior Sale Price:</b>	\$14,225,000	<b>Year Built:</b>	1986

#### Off Market Deal

#### 6. Grand Oaks at Crane Creek – 680 Crane Creek Drive, Augusta, GA 30907

<b>Sale Date:</b>	8/2/2019	<b>Sale Price:</b>	\$58,000,000	<b>1 Bedroom</b>	148 (49%)
<b>Building SF:</b>	266,200	<b>Price/SF:</b>	\$217.88	<b>2 Bedroom</b>	152 (51%)
<b>Cap Rate:</b>	5.73%	<b>Price/Unit:</b>	\$193,333	<b>3 Bedroom</b>	0
<b>Acres:</b>	39.19	<b>Units:</b>	302	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	NA	<b>Prior Sale Price:</b>	NA	<b>Year Built:</b>	2016

#### Off Market Deal

#### 7. The Glen at Alexander – 1040 Alexander Drive, Augusta, GA 30909

<b>Sale Date:</b>	7/25/2019	<b>Sale Price:</b>	\$36,100,000	<b>1 Bedroom</b>	24 (11%)
<b>Building SF:</b>	259,500	<b>Price/SF:</b>	\$139.11	<b>2 Bedroom</b>	132 (61%)
<b>Cap Rate:</b>	5.65%	<b>Price/Unit:</b>	\$167,130	<b>3 Bedroom</b>	60 (28%)
<b>Acres:</b>	15.33	<b>Units:</b>	216	<b>Buyer Type</b>	Private Equity
<b>Prior Sale:</b>	12/14/2012	<b>Prior Sale Price:</b>	\$25,500,000	<b>Year Built:</b>	2003

#### 8. The Ironwood – 339 Railroad Avenue, North Augusta, SC 29841

<b>Sale Date:</b>	7/22/2019	<b>Sale Price:</b>	\$51,940,000	<b>1 Bedroom</b>	71 (25%)
<b>Building SF:</b>	318,121	<b>Price/SF:</b>	\$163.27	<b>2 Bedroom</b>	177 (63%)
<b>Cap Rate:</b>	5.40%	<b>Price/Unit:</b>	\$185,500	<b>3 Bedroom</b>	22 (8%)
<b>Acres:</b>	7.1	<b>Units:</b>	280	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	NA	<b>Prior Sale Price:</b>	NA	<b>Year Built:</b>	2018



#### 9. Ten 35 Alexander - 1035 Alexander Drive, Augusta, GA 30909

<b>Sale Date:</b>	7/19/2019	<b>Sale Price:</b>	\$21,590,000	<b>1 Bedroom</b>	86 (43%)
<b>Building SF:</b>	223,287	<b>Price/SF:</b>	\$96.65	<b>2 Bedroom</b>	86 (43%)
<b>Cap Rate:</b>	5.76%	<b>Price/Unit:</b>	\$107,950	<b>3 Bedroom</b>	28 (14%)
<b>Acres:</b>	16.78	<b>Units:</b>	200	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	8/18/2015	<b>Prior Sale Price:</b>	\$19,995,000	<b>Year Built:</b>	2001

#### 10. Brandywine Place - 337 Brandywine Place, Augusta, GA 30909

<b>Sale Date:</b>	7/16/2019	<b>Sale Price:</b>	\$10,750,000	<b>1 Bedroom</b>	71 (50%)
<b>Building SF:</b>	74,952	<b>Price/SF:</b>	\$114.12	<b>2 Bedroom</b>	71 (50%)
<b>Cap Rate:</b>	5.27%	<b>Price/Unit:</b>	\$75,704	<b>3 Bedroom</b>	0
<b>Acres:</b>	6.96	<b>Units:</b>	142	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	NA	<b>Prior Sale Price:</b>	NA	<b>Year Built:</b>	1989

#### Off Market Deal

#### 11. Crossroad Market Apartments – 474 Crossroads Drive, North Augusta, SC 29841

<b>Sale Date:</b>	4/3/2019	<b>Sale Price:</b>	\$4,990,000	<b>1 Bedroom</b>	34 (46%)
<b>Building SF:</b>	66,900	<b>Price/SF:</b>	\$74.59	<b>2 Bedroom</b>	40 (54%)
<b>Cap Rate:</b>	6.50%	<b>Price/Unit:</b>	\$67,432	<b>3 Bedroom</b>	0
<b>Acres:</b>	4.8	<b>Units:</b>	74	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	NA	<b>Prior Sale Price:</b>	NA	<b>Year Built:</b>	1986

#### 12. Pine Crest Apartments – 400 Swiss St, North Augusta, SC 29841

<b>Sale Date:</b>	3/21/2019	<b>Sale Price:</b>	\$5,250,000	<b>1 Bedroom</b>	40 (33%)
<b>Building SF:</b>	121,080	<b>Price/SF:</b>	\$43.36	<b>2 Bedroom</b>	80 (66%)
<b>Cap Rate:</b>	NA	<b>Price/Unit:</b>	\$43,750	<b>3 Bedroom</b>	0
<b>Acres:</b>	8.8	<b>Units:</b>	224	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	NA	<b>Prior Sale Price:</b>	NA	<b>Year Built:</b>	1973





### 13. Willow Wick Apartments – 1200 W Martintown Rd, North Augusta, SC 29841

<b>Sale Date:</b>	3/21/2019	<b>Sale Price:</b>	\$5,102,000	<b>1 Bedroom</b>	16 (15%)
<b>Building SF:</b>	122,562	<b>Price/SF:</b>	\$41.63	<b>2 Bedroom</b>	72 (70%)
<b>Cap Rate:</b>	NA	<b>Price/Unit:</b>	\$49,057	<b>3 Bedroom</b>	16 (15%)
<b>Acres:</b>	6.87	<b>Units:</b>	224	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	NA	<b>Prior Sale Price:</b>	NA	<b>Year Built:</b>	1970

### 14. River Glen Apartments – 201 E Telfair St, Augusta, GA 30901

<b>Sale Date:</b>	2/13/2019	<b>Sale Price:</b>	\$5,900,000	<b>1 Bedroom</b>	0
<b>Building SF:</b>	163,200	<b>Price/SF:</b>	\$36.15	<b>2 Bedroom</b>	192 (100%)
<b>Cap Rate:</b>	6.00%	<b>Price/Unit:</b>	\$30,792	<b>3 Bedroom</b>	0
<b>Acres:</b>	13.34	<b>Units:</b>	192	<b>Buyer Type</b>	Private
<b>Prior Sale:</b>	9/12/2013	<b>Prior Sale Price:</b>	\$4,900,000	<b>Year Built:</b>	1973

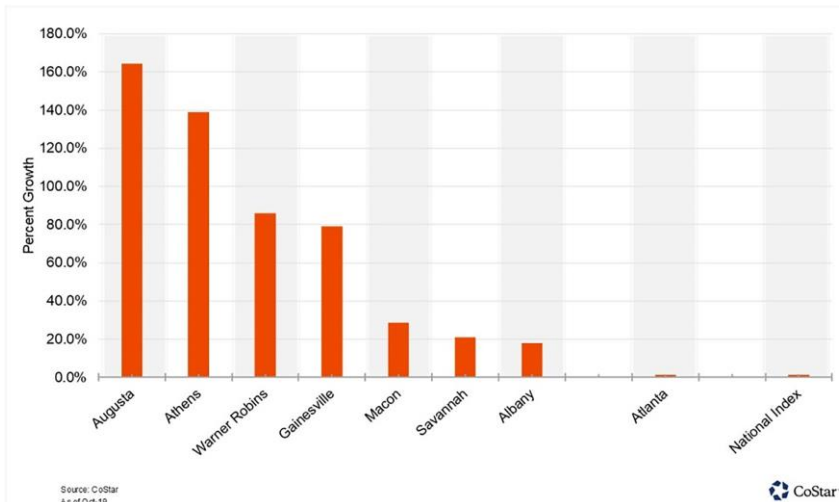
# Georgia a Hotspot for Multifamily Investment

October 31, 2019

Atlanta isn't the only place in Georgia seeing increased multifamily investment. While metropolitan Atlanta is in the top five nationally for total sales volume traded in the past four quarters, other Peach State markets are also getting in on the action. Augusta and Athens lead the way, as transaction volume more than doubled. This is in stark contrast to Atlanta, which has seen record sales volume but a negligible year-over-year increase. Nationally, sales volume is up only 1.3% year over year. Combining all the Georgia markets excluding Atlanta, sales volume for multifamily properties on a trailing 12-month basis stands around \$1.2 billion. If the rest of Georgia were its own market, it would be on par with Jacksonville, Florida, and above Miami. Savannah and Augusta have captured most of the sales volume over the past year. Some of the biggest transactions outside of Atlanta have been focused on these two markets, as investors have scooped up newer, high-quality apartment complexes. Most Georgia markets have enjoyed population and job growth above the national average in recent years. As these markets add new renters, in-state investors have gravitated towards multifamily properties in the fastest-growing markets outside of Atlanta.

[Read More](#)

## Multifamily Sales Volume Growth on a Trailing 12-month Basis



## The Augusta Chronicle

### Ivey Development acquires downtown land to build 155-unit apartment community

December 6, 2019

Ivey Development said Friday it has acquired land in downtown Augusta to build a 155-unit "class A" apartment community. The Evans-based homebuilder and developer, which has worked on versions of the proposal with city planning officials during the past year, said it closed on the 4.2-acre parcel at 636 11th St. on Thursday through an affiliated partnership company. Financial terms of the sale were not disclosed and public records on the transaction were not immediately available. The land had been owned by a company affiliated with Jeff and Joey Hadden, whose Phoenix Printing business is just west of the tract at 601 11th St. Ivey Development co-owner Matt Ivey said the upscale apartments will be called Millhouse Station and be available for lease by summer 2021. Ivey said the finished product – two four-story buildings with a clubhouse, fitness room, pool and dog park – aims to be the city's premier multi-family residential complex. Rents for one-bedroom units would be between \$1,000 to \$1,100 a month, while two-bedroom units will be in the \$1,400 range, Ivey said.

[Read More](#)

## NATIONAL REAL ESTATE Investor

### Multifamily REITs Are Once Again in Acquisition Mode

December 10, 2019

Multifamily REITs have shown more appetite for new acquisitions this year. "REITs have very much returned to the market," says Andrew Rybczynski, senior consultant at research firm the CoStar Group. After years of counting their pennies, REITs are once again major bidders for apartment assets. With their stock prices on the upswing, multifamily REITs are using the extra money to expand their portfolios. However, their overall acquisition volume is still below the levels seen earlier in the recovery. "Any of these companies, if you ask them, they would love to buy more," says Jon Miniman, portfolio manager with CBRE Clarion Securities. "They are trying to be disciplined from a buy perspective." Year-to-date in 2019, REITs have spent \$7.1 billion on apartment building acquisitions, according to CoStar data. That is enough to make this the biggest year for REIT apartment acquisitions since 2014.

[Read More](#)



# 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)

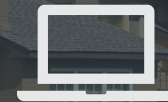
- Negotiate Purchase & Sale Agreement
- Buyer Due Diligence Period
- Close of Escrow



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](mailto:ryan.mcardle@thepalomargroup.com)



David Rivers  
Partner  
706-840-0055  
[david.rivers@thepalomargroup.com](mailto:david.rivers@thepalomargroup.com)



Steve Collins  
Partner  
706-564-8556  
[steve.collins@thepalomargroup.com](mailto:steve.collins@thepalomargroup.com)



Lee Malchow  
Associate  
706.231.7249  
[lee.malchow@thepalomargroup.com](mailto:lee.malchow@thepalomargroup.com)



Jefferson Knox  
Associate  
706.294.8806  
[jefferson.knox@thepalomargroup.com](mailto:jefferson.knox@thepalomargroup.com)



[thepalomargroup.com](http://thepalomargroup.com)



706-407-4443



206 Pitcarin Way Suite A  
Augusta, GA 30909