

***EAST POINT TRANSIT ORIENTED  
DEVELOPMENT PLAN – LCI STUDY:  
MARKET ASSESSMENT UPDATE***

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Prepared for:

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## **I. EXECUTIVE SUMMARY**

### **A. Demographic Summary**

The Great Recession has adversely impacted the City of East Point, and it has not yet fully recovered. The population and household count of the TOD Area as well as that of the City have declined since 2000. Housing vacancy peaked in 2010 at approximately 20%, and currently are between 15% and 18% in the local market. In addition foreclosures remain prevalent within the City.

However, the little new development that has occurred within the City and the TOD Area has performed better than the existing housing stock. Anecdotal occupancy data indicate that newer development (since 2000) has moved within the market much better than existing, aging supply. That said, the substantial supply currently available is much more than the market is projected to need within the next five to ten years. The continued excess supply will have an impact on pricing, even for new housing.

Despite this, there are a few emerging markets within East Point that can attract potential users to the TOD Area. Most notably, the City continues to retain and attract senior households (65+). There is potential to serve this community with more appropriate designed units (smaller, fewer stairs...). In addition, the socioeconomic data indicate there are growing numbers of more affluent households (earning over \$75,000) and Hispanic households. The increase in wealthier households is a positive sign that can be built upon with higher quality multifamily homes adjacent to the MARTA station.

There are opportunities to attract households to the TOD Study Area. Having direct, fast access to downtown Atlanta and Hartsfield Jackson International Airport is a strong selling point. That said, socioeconomic trends indicate that these transportation and location assets are not enough to draw substantial interest in East Point. That said, East Point's greatest potential is to attract new households. As a result, investments in creating a more dynamic community will be a critical component of the potential success for attracting new residents.

### **B. Economic Base Summary**

Civilian employment for the TOD is trending down since 2010, while for the City the declines from 2010 to 2014 are projected to begin reversing themselves. Nonetheless, the overall labor force participation rates are marginally declining and remain below 60 percent, perhaps in part reflecting the aging of the population. Several industry sectors (business establishments) are showing signs of strengthening since 2011 as the economy continues to recover from the Great Recession, although several sectors remain below pre-recession levels. Recent growth is notable among the accommodation and food sector as well as the retail sector, each of which have typically lower wages.

Given the TOD Area already did not have a business mix that is conducive to attracting new residents and additional businesses, the economic data indicate the area will trend worse into

the near future rather than better. Simply put, the East Point TOD market is not competitive within the local and regional market to sustain its current business base. Without some intervention from the City and Fulton County to proactively attract business to the area, the TOD Area will be challenged to reach its potential.

### **C. Real Estate Summary**

Opportunities for additional office and/or industrial development in East Point are best represented by specific end-users or owner operators as the inventory of available space and the average asking leases rates do not appear adequate to support new speculative development in the TOD Area at this time. From an industrial perspective, these uses are not compatible with the vision expressed through interviews of City leadership and local stakeholders and the previous analysis. From an office perspective, the market has sufficient space currently available to meet existing and demand into the near future. The Wagon Works and Buggy Works properties have more than 75,000 SF of vacant space alone.

The market area exhibits potential for additional retail development in the TOD Area, particularly among specific store types or merchandise lines. However, the generally low asking rents and the available space (either through lease or acquisition) exceeds the estimated demand for additional development, when measure in total. Furthermore, the layout and condition of the space is not conducive for immediate occupancy. It is possible that some opportunities exist for smaller scale, local customer based retail in East Point, but in RKG's opinion the opportunity for regional or national chain development is limited unless part of an overall destination location.

Residential market opportunities have the greatest short-term potential given the presence of the MARTA station. However, land assemblage and development costs create a challenge, when the potential per-unit market pricing (\$120,000 to \$180,000) is considered. Any residential development, in the short term, will require some form of public private partnership, likely on land assemblage and cost reduction. In any case, the greatest potential is for projects that deliver 30-70 units a year. The exception would be a signature, catalytic project developed on the "Commons" site as part of a larger TOD mixed-use development that integrates into the civic fabric of Downtown and provides new ground floor retail space.

### **D. Recommendations**

- *Develop an implementation coalition for the TOD Area* – There are a number of public and non-profit landowners and stakeholders that should be included in an implementation strategy for the TOD Area in East Point. Entities such as MARTA, Fulton County, the East Point DDA and IDA should be brought together to finalize a strategy and aid in implementation.
- *Perform a more detailed feasibility study for a catalytic mixed use development project on the Commons* – The Commons site is large enough to attract a catalytic mixed use development project seeking a MARTA station location. However, prior to marketing this opportunity, the City needs to get the Commons properties under contract. Performing a feasibility analysis for that site will help ensure the City can negotiate viable deals for privately held land.

- Focus on infill development opportunities – In addition to the Commons opportunity, there are a number of smaller vacant and poor conditioned properties in the TOD Area that could accommodate infill development. Given the proximity to the MARTA station, these smaller scale projects may have greater potential in the short term. The City should inventory these properties and outreach to the property owners to educate them on the City’s vision and identify potential redevelopment sites.
- Develop a proactive marketing and recruitment strategy for the TOD Area – Given the amount of currently vacant commercial property in the TOD Area, the City should consider developing a formal economic development strategic plan to identify potential business targets and create a marketing strategy. The effort should include creating a formal marketing and recruitment/retention strategy to retain existing businesses, assist businesses in growing within East Point, and attract new businesses. The economic development strategy should also focus on the City’s industrial opportunities as well (outside the MARTA station area).
- Institute a broad façade improvement program for downtown property owners – For those property owners not seeking to redevelop their buildings, the City should institute a matching grant program to assist owners in updating their building façades. Providing a more appealing building inventory will compliment any streetscaping endeavors.
- Increase code enforcement to address disinvested properties – While the City should always encourage investment as a primary initiative, sometimes a more regulatory approach is necessary. Investments in streetscape and building façades can be adversely affected by individual properties that remain disinvested.
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## **II. INTRODUCTION**

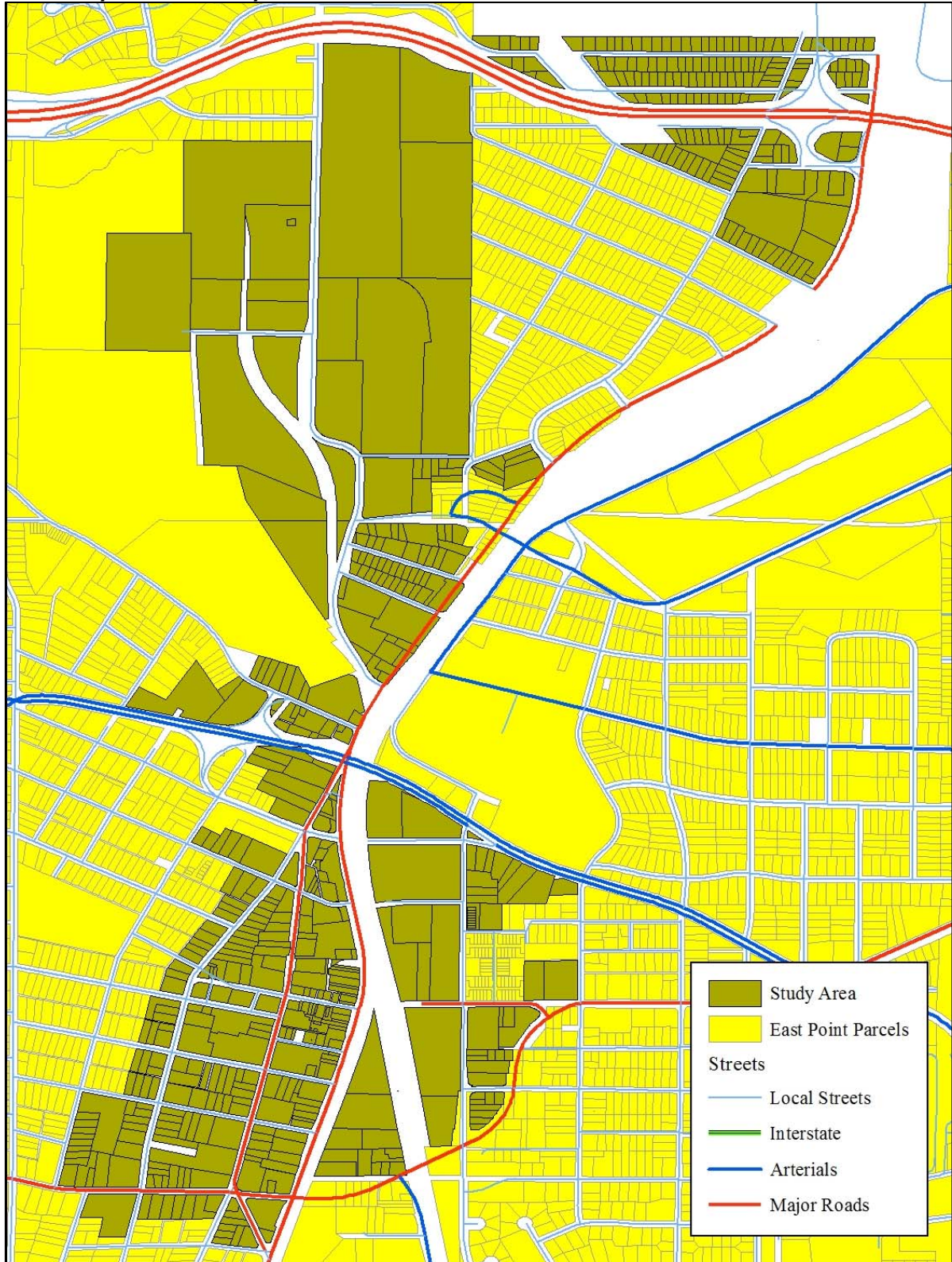
The purpose of this analysis is to arrive at an informed understanding of the existing economic strengths and challenges within the defined Transit-Oriented Development (TOD) Area of the City of East Point. The analysis is expressed in the economic context of the overall City, the TOD Area's total potential market area and greater Metropolitan Atlanta so as to understand East Point's relative position within this context, as well as to highlight potential competitive advantages for attracting new development/investment to Downtown East Point. This effort builds upon the work completed during the original LCI analysis of 2012.

### **A. Study Area Boundaries**

The demographic profiles and market-demand analyses contained within this report are based on several geographically-defined areas. The analyses of current and projected demographic profile of the TOD Area, as well as the potential market-driven development growth are based fundamentally on the market areas that the real estate market – office, industrial, retail and residential for purposes of this analysis – depend upon for support and growth. In this analysis, each industry type has a related market area. For purposes of these analyses, the following definitions are applied to the areas referenced in both the Demographic Profile section, as well as the subsequent real estate market analyses.

1. "TOD Area" is the same as the LCI Study Area as determined by the City of East Point in its successful LCI application to the Atlanta Regional Commission (Map II-1). While technically there are two separate TOD areas under study—one around each of the two MARTA stations that are adjacent to the Study Area (East Point and Fort McPherson)—this report defines the entire LCI Study Area as the "TOD Area". There was no change to this boundary from the original 2012 report.
2. "East Point" is the same as the city limits of the City of East Point and is used for purposes of comparison to the TOD Area. There was no change to this boundary from the original 2012 report.
3. "Primary Market Area" or "Downtown Area" is the area where the majority of market interest will come for new residential and commercial activity within the TOD Area. These boundaries vary by land use type, as market consumption of residential, retail, and office space differs. The boundaries used in this report were refined from the original 2012 report (see below).
4. "Secondary Area" refers to the geographic area where real estate activity likely will draw all, or almost all, of its market interest from both consumers and potential users. As with the Primary Market Area, the Secondary Area boundary varies by land use type. The boundaries used in this report were refined from the original 2012 report.

**Map II-1**  
**TOD Study Area Boundary**

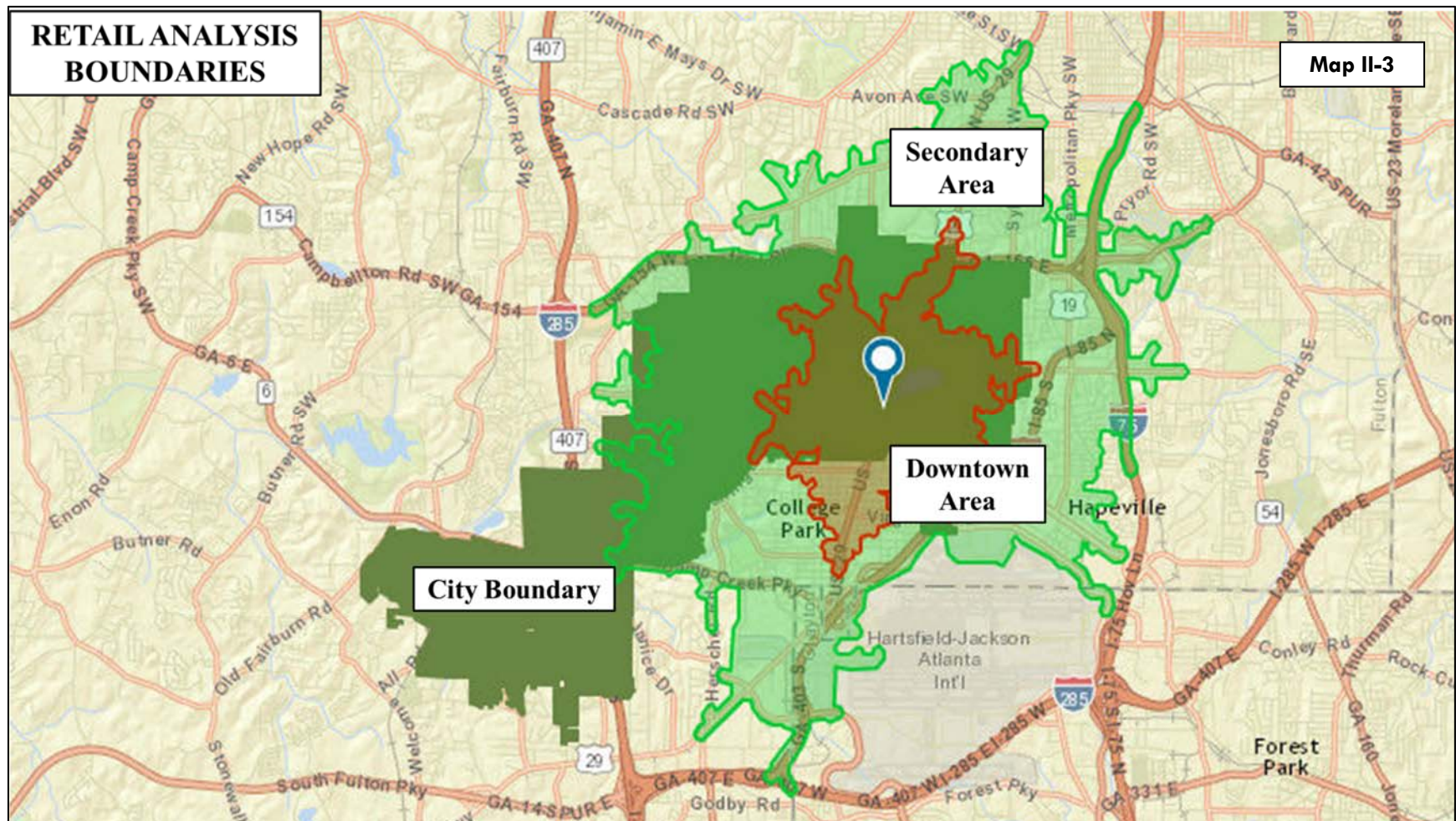




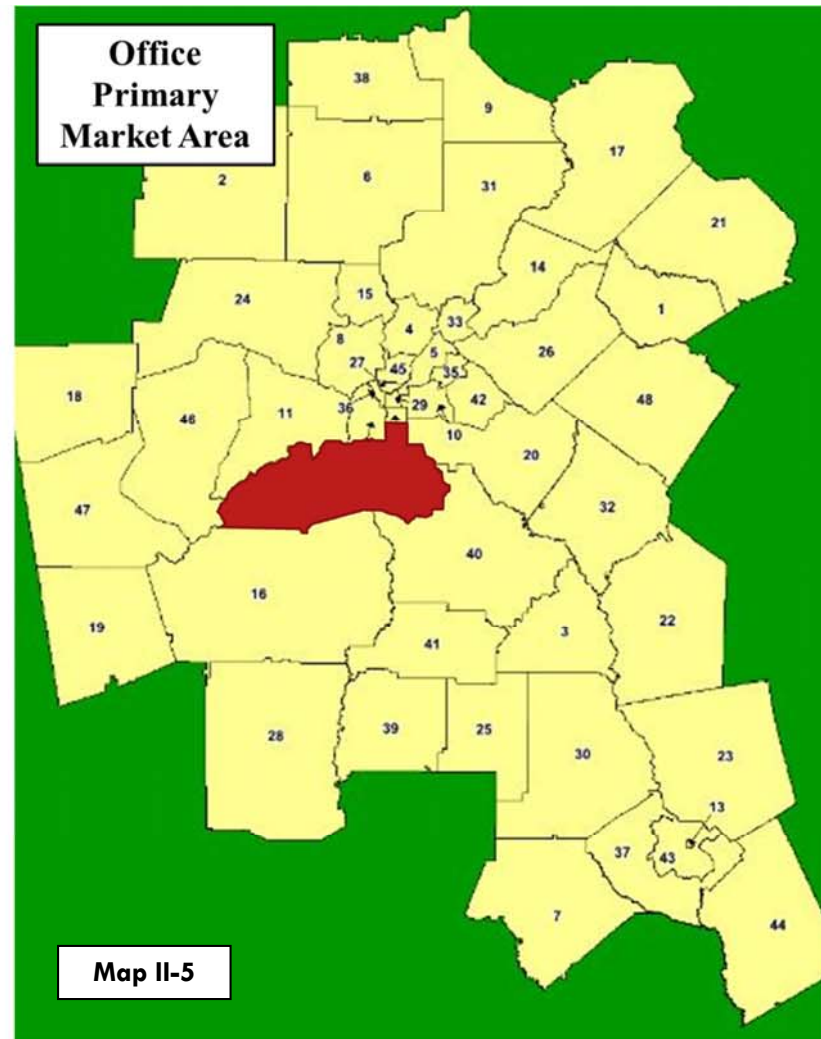




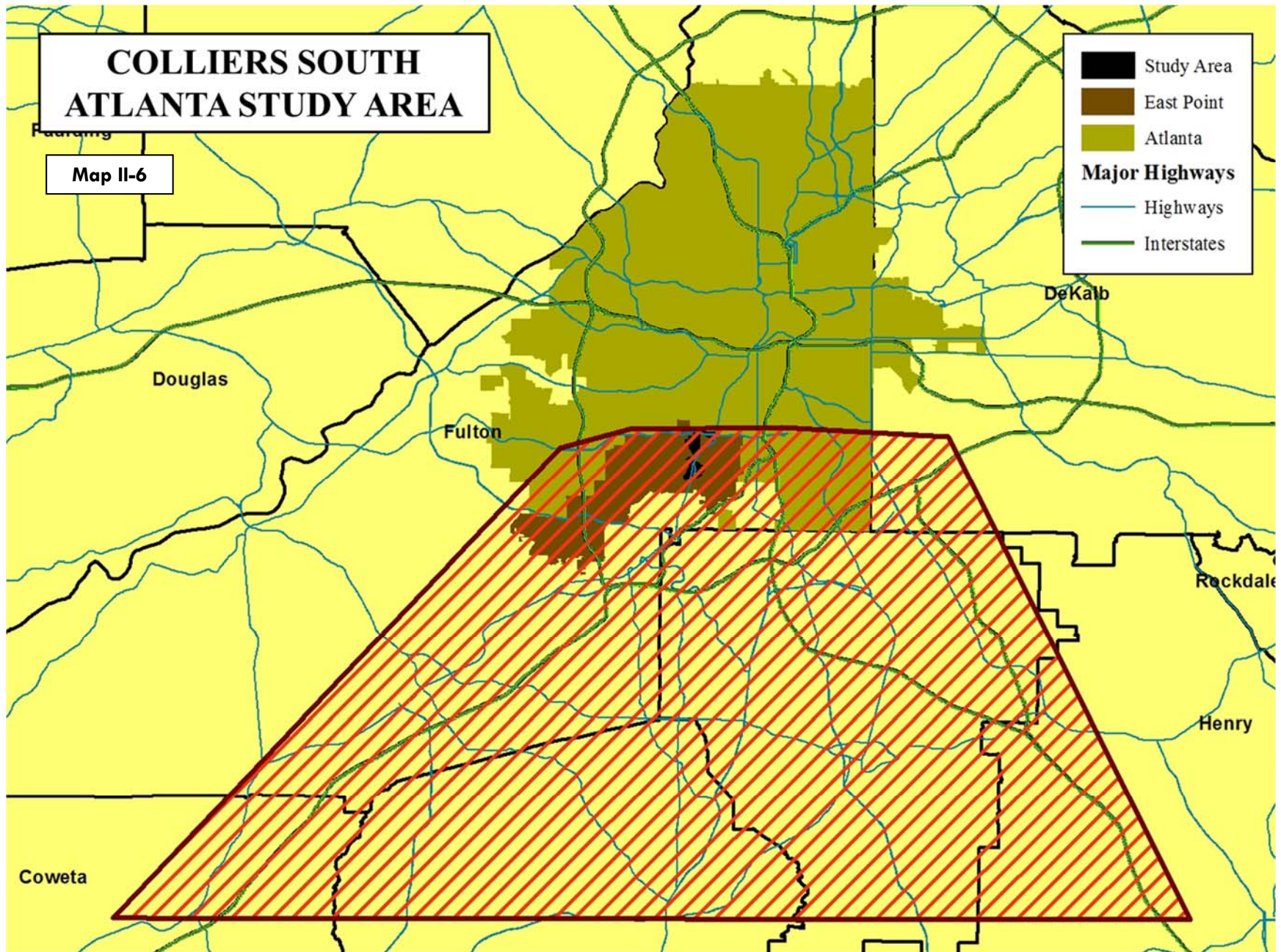
The retail analysis focused on the geographic boundaries that a new retail/service business in Downtown East Point likely would draw most of its consumers. The boundaries were created using a 4-minute (Primary Market Area) and 8-minute (secondary area) drive time from Downtown. As with the residential analysis, these areas estimate where a consumer would consider a destination equally further from Downtown as they would consider Downtown. The boundaries are slightly tighter given the higher competitiveness of the retail market in the area.



The office and industrial market analyses focused on much larger geographic areas as the residential and retail analyses given the differences in market activity. Simply put, office and industrial businesses have a more liberal substitution effect due to their more regional (or national) business focus. To this point, the analysis was done at the local submarket level (Primary Trade Area) and more regional South Atlanta market (Secondary Trade Area) as defined by Colliers.







### III. DEMOGRAPHIC ANALYSIS

This chapter presents selected baseline and projected demographic indicators for the East Point, Georgia – TOD, the City of East Point, Georgia and the East Point, Georgia market (all as previously defined).

#### A. Population

The population of the East Point TOD declined by more than 4,500 persons between 2000 and 2010 (refer to **Error! Reference source not found.** III-1) and while there has been a nominal increase in population since, the population is projected to continue to decline through 2019. The projected 2019 population is slightly greater than the observed population in 2010. As a result, the TOD population in 2000 accounted for 41 percent of the City of East Point and is projected to decline to less than a 35 percent representation by 2019.

Similar to the TOD, the City population declined during the last decade, increased somewhat through 2014, but is projected to resume declining through 2019. However, unlike the TOD the percent declines in the City are less precipitous and the 2019 population is projected to be 3,000 more persons than in 2010. As a result, the City population maintains about a 25 percent representation of the market area (12-minute drive time about the TOD).

**Table III-1**  
**Population Trends and Projections**  
**East Point TOD LCI Update**  
**2000-2019**

	2000 Census	2010 Census	'00-'10 Change	'00-'10 % Change	2014 Estimate	2019 Projection	'14-'19 % Change
<b>POPULATION</b>							
East Point TOD[1]	16,810	12,277	(4,533)	-27.0%	13,359	12,738	-4.6%
as % of City	41.0%	36.4%			35.8%	34.6%	
East Point City	40,976	33,708	(7,268)	-17.7%	37,341	36,827	-1.4%
as % of Market Area	26.5%	25.6%			25.8%	25.3%	
East Point Market Area[2]	154,665	131,786	(22,879)	-14.8%	144,734	145,453	0.5%
<b>HOUSEHOLDS</b>							
East Point TOD[1]	6,303	5,073	(1,230)	-19.5%	5,525	5,355	-3.1%
as % of City	41.7%	38.1%			37.5%	36.0%	
East Point City	15,105	13,318	(1,787)	-11.8%	14,742	14,862	0.8%
as % of Market Area	26.7%	25.4%			25.6%	25.2%	
East Point Market Area[2]	56,575	52,427	(4,148)	-7.3%	57,525	59,062	2.7%

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

[1] TOD includes census tracts 1060.14, 100.01/.03, 1110.01/.02, 1120.12/.13/.21 thru .26, 1230.01/.03

[2] Market Area defined as 12-minute drive time about TOD

#### I. Diversification

The population of the TOD is diversified with approximately 70 percent as non-white in 2010 and projected for 2019 (refer to Table III-2). The City population is somewhat less diversified with about 84 percent of the population classified as non-white. Both the TOD and the City are realizing growth in the Hispanic population, with an increase of 190 and 560 persons (2010

to 2019) of Hispanic background in the TOD and the City, respectively. By 2019, nearly one-half of the City’s Hispanic population is projected to reside in the TOD, similar to the 2010 percentage.

**Table III-2**  
**Race and Ethnic Population Trends and Projections**  
**East Point TOD LCI Update**  
**2000-2019**

	2000 Census	2010 Census	'00-'10 Change	'00-'10 % Change	2014 Estimate	2019 Projection	'14-'19 % Change
<b>NON-WHITE POPULATION</b>							
East Point TOD[1]	12,393	8,546	(3,847)	-31.0%	9,215	8,841	-4.1%
as % of Population	73.7%	69.6%			69.0%	69.4%	
East Point City	34,467	28,242	(6,225)	-18.1%	31,262	31,051	-0.7%
as % of Population	84.1%	83.8%			83.7%	84.3%	
East Point Market Area[2]	136,538	117,659	(18,880)	-13.8%	129,074	130,295	0.9%
as % of Population	88.3%	89.3%			89.2%	89.6%	
<b>HISPANIC ETHNICITY POPULATION</b>							
East Point TOD[1]	2,303	1,939	(364)	-15.8%	2,093	2,130	1.8%
as % of Population	13.7%	15.8%			15.7%	16.7%	
East Point City	2,979	3,898	919	30.8%	4,313	4,455	3.3%
as % of Population	7.3%	11.6%			11.6%	12.1%	
East Point Market Area[2]	8,940	9,503	563	6.3%	10,352	10,857	4.9%
as % of Population	5.8%	7.2%			7.2%	7.5%	

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

## 2. Age

The East Point area is getting older. Although the population aged 65 years and older has declined from 2000 to 2010 for both the TOD and for the City, persons aged 55 and under have declined at a faster rate. In fact, all three study areas experienced a net decline in persons aged below 55 years old (refer to Table III-3) during this study period. The TOD area’s only growth

**Table III-3**  
**Age Cohort Population Shifts**  
**East Point TOD LCI Update**  
**2000-2019**

Age Cohort	2000-2010			2014-2019		
	TOD Area	East Point	Market Area	TOD Area	East Point	Market Area
0 to 4	-44.5%	-25.3%	-13.6%	-2.2%	2.6%	2.5%
5 to 14	-41.7%	-30.5%	-30.2%	-4.2%	-2.0%	1.3%
15 to 19	-33.2%	-21.0%	-17.3%	-9.8%	-7.7%	-7.8%
20 to 24	-38.2%	-24.2%	-19.0%	-11.3%	-11.6%	-12.6%
25 to 34	-34.4%	-19.5%	-17.8%	-7.9%	-1.6%	2.8%
35 to 44	-26.7%	-24.7%	-28.4%	-6.4%	-0.4%	1.6%
45 to 54	-2.4%	-14.8%	-7.4%	-14.2%	-10.8%	-9.9%
55 to 64	53.0%	41.0%	35.1%	4.3%	0.6%	2.6%
65 to 74	-24.1%	2.5%	15.3%	25.5%	23.3%	21.7%
75 to 84	-46.3%	-32.7%	-22.6%	13.6%	16.6%	18.9%
85+	-31.0%	-0.8%	2.9%	-10.2%	1.0%	4.6%

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015



age cohort during this time period was the 55 to 64 years old. For the larger areas (the City as a whole and the Market Area), population growth occurred in the 66-74 year old cohort as well. The projection data indicates the region will continue to concentrate with older residents. The TOD area is expected to continue to lose persons aged under 55 years old and gain those 55 and older. Only the larger Market Area is projected to experience growth in a number of age cohorts below 55 years old.

The population projection data indicate the TOD Area and the City’s elderly population has increased since and are projected to continue to increase. In 2019, the elderly population is projected to comprise 10 and 11 percent of the area population, respectively. The projected elderly population in the Market Area, at nearly 17,400 persons, represents the greatest percent of the total population (12 percent in 2019).

The data indicate that East Point and the surrounding market is not competitive in attracting younger, working-age population. There are a number of factors affecting this, including competition from other areas within metropolitan Atlanta (i.e. Decatur) and the availability of services and amenities in East Point. The lack of age diversity in the TOD study area indicates that the transportation advantages of having a MARTA station and being proximate to Interstate 85 is not enough to draw working-aged residents. To this end, providing a better mix of housing along with quality support services are necessary to reverse the aging trends.

### 3. Education

In 2010 approximately 1,990 persons in the TOD (aged 25 and older) had less than a high school education (refer to Table III-4). By 2019 this is projected to increase to 2,170 persons and on both time periods about one-fourth of the TOD population (aged 25 and older) does not have a high school degree. Within the City the percentage of the 25 and older population without a high school degree is less, but still averages around 18 to 19 percent for 2010 and 2019. Of note, despite a high concentration of non-high school graduates (percent terms) the absolute number is decreasing (for the 2014 to 2019 term). This is dissimilar to the East Point

**Table III-4**  
**Adult (25+Years Old) Education Attainment Shifts**  
**East Point TOD LCI Update**  
**2000-2019**

Education Completed	2000-2010			2014-2019		
	TOD Area	East Point	Market Area	TOD Area	East Point	Market Area
No Schooling Completed	-0.7%	-9.7%	-4.8%	-7.3%	-5.3%	-0.2%
Grade K - 8	-33.0%	-17.2%	-33.1%	-0.6%	-0.5%	1.1%
Grade 9 - 11	-47.4%	-37.4%	-35.9%	-2.9%	-1.2%	2.0%
High School Graduate	-33.1%	-17.6%	-13.2%	-4.4%	-0.8%	1.9%
Some College, No Degree	6.3%	-12.4%	16.5%	-5.4%	-0.8%	4.5%
Associates Degree	7.1%	-17.8%	39.3%	-0.5%	4.3%	3.4%
Bachelor's Degree	31.8%	24.8%	33.0%	-4.4%	1.5%	3.9%
Graduate Degree	59.5%	33.5%	-5.7%	-3.8%	3.5%	2.5%

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

market where the absolute number of persons (25 and older) without a high school degree is projected to increase through 2019.

More people (aged 25 and older) in the TOD had some college in 2010 when compared with 2000, and this has continued for 2014, without a commensurate increase in those with a college degree. As a result, the percentage of the TOD population (aged 25 and older) without a high school degree remains around 25 percent, those with some college but no degree remains at around 23 percent and those with a college degree remains constant at about 25 percent. Similar consistency patterns (percentages) are also observed for the City and the East Point market.

## B. Households

Similar to the population trends and projections, the East Point TOD Area is steadily losing households (refer to Table III-1). The TOD Area lost more than 1,230 households between 2000 and 2010. Despite a partial recovery through 2014 (most likely due to the rebound from the economic recession), the area is projected to resume its household loss into the future. While the City as a whole and the larger Market Area also experienced declined during the 2000s and a partial recovery through 2014, these areas are projected to experience modest increases in the number of households through 2019. Although none of the study areas are projected to return to their 2000 household levels, the data indicate that the TOD Area does not have the same competitive advantages of attracting residents back into the area. This finding is counter to most transit areas, as these locations tend to outperform the surrounding area due to the attractiveness of mass transit.

### 1. Household Size

The average household size within the three study areas has become smaller during the 2000s. Each study area saw a decline of 6 percent to 10 percent in average household size (refer to Table III-5). This finding is consistent with the other demographic data, as the population is getting older. Older households tend to have fewer persons in them (i.e. empty nesters, single person households...). This indicates that housing development in the TOD Area may need to focus on smaller units such as lofts and one-bedroom units to take advantage of the greatest potential market. These smaller units also are good for attracting young professional households.

**Table III-5**  
**Average Household Size**  
**East Point TOD LCI Update**  
**2000-2019**

	2000 Census	2010 Census	'00-'10 Change	'00-'10 % Change	2014 Estimate	2019 Projection	'14-'19 % Change
East Point TOD Area	2.67	2.42	(0.25)	-9.4%	2.42	2.38	-1.7%
City of East Point	2.68	2.51	(0.17)	-6.3%	2.51	2.45	-2.4%
East Point Market Area	2.73	2.51	(0.22)	-8.1%	2.52	2.46	-2.4%

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

## 2. Household Income

Household incomes in the greater East Point area are well below regional levels. The City of East Point had a 2014 median household income level of \$37,858. The TOD area and the Market Area are even lower (refer to Table III-6). The increase in median household income from 2000 to 2010 for each of the three study areas did keep pace with inflation during the last decade. Furthermore, median income levels declined from 2010 to 2014 without adjusting for inflation due to the economic recession. The decline in income level likely is correlated to the increase in unemployment as well as the potential loss of households where they have relocated to find new ones.

**Table III-6**  
**Household Income Trends and Projections**  
**East Point TOD LCI Update**  
**2000-2019**

	2000 Census	2010 Census	'00-'10 Change	'00-'10 % Change	2014 Estimate	2019 Projection	'14-'19 % Change
<b>MEDIAN HOUSEHOLD INCOME</b>							
East Point TOD Area	\$28,449	\$34,542	\$6,093	21.4%	\$34,091	\$37,924	11.2%
City of East Point	\$32,321	\$38,433	\$6,112	18.9%	\$37,848	\$42,634	12.6%
East Point Market Area	\$27,645	\$29,886	\$2,241	8.1%	\$28,724	\$31,760	10.6%
<b>AVERAGE HOUSEHOLD INCOME</b>							
East Point TOD Area	\$33,627	\$48,017	\$14,390	42.8%	\$48,163	\$56,300	16.9%
City of East Point	\$40,744	\$55,461	\$14,717	36.1%	\$54,288	\$64,655	19.1%
East Point Market Area	\$36,547	\$44,687	\$8,140	22.3%	\$43,306	\$51,123	18.1%

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

The result has been a much higher number of households earning below \$15,000 (net increase of 174 households) as well as a greater concentration of elderly (and likely retired) households living of no/low annual income benefits. Regardless, the relatively lower income levels can be a challenge for any new home development, as it will require a number of households to move into the area from other locations. As noted, having good transportation options has not been enough to draw new residents to East Point and the TOD Area. To this point, creating a strong transit node and providing value to prospective residents will be an important component for implementation.

## 3. Households, by Household Income

While there has not been substantial growth in median household income in East Point, the area has seen growth in the number of households earning above \$100,000. The number of households earning more than \$75,000 (refer to Table III-7 **Error! Reference source not found.**) increased by more than 85% in the TOD Area, with the greatest growth occurring for households earning above \$150,000. The projection data indicate this trend will continue into the future. In 2010, about 17 percent of the households in the TOD had incomes in excess of \$75,000 and this is projected to increase to a 23 percent representation by 2019. While the net number of these households is relatively low, the trend in having higher income levels in East Point and around the TOD Area indicates that market activity exists for the City/TOD Area.

**Table III-7**  
**Income Bracket Shifts**  
**East Point TOD LCI Update**  
**2000-2019**

Income Bracket	2000-2010			2014-2019		
	TOD Area	East Point	Market Area	TOD Area	East Point	Market Area
Under \$15,000	-36.6%	-30.2%	-10.9%	-17.5%	-15.7%	-10.1%
\$15,000 to \$24,999	-31.9%	-24.8%	-17.5%	-11.2%	-10.4%	-0.1%
\$25,000 to \$34,999	-31.1%	-24.6%	-12.7%	-9.2%	-6.2%	-2.0%
\$35,000 to \$49,999	-24.2%	-21.2%	-9.8%	-1.6%	-1.8%	2.4%
\$50,000 to \$74,999	1.0%	-1.4%	-10.1%	-8.1%	-5.0%	0.4%
\$75,000 to \$99,999	43.8%	27.2%	9.8%	23.5%	24.5%	27.5%
\$100,000 to \$150,000	85.4%	83.6%	59.5%	43.6%	45.2%	50.0%
\$150,000 and Above	340.5%	120.2%	95.0%	31.6%	42.2%	46.2%

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

### C. Housing and Tenure

Between 2000 and 2010 the number of housing units and households (i.e., occupied housing units) declined in the TOD (refer to Table III-8), while the number of households declined in the City and in the market area. Across all three geographies there was an increase in the number of vacant housing units, ranging from a 170 percent increase in the Market Area to as much as a 265 percent increase in the City. Despite some recovery in housing units and households in the TOD since 2010, the projections for 2019 indicated a continued decline with the exception of increasing vacant units.

**Table III-8**  
**Housing Tenure Trends and Projections**  
**East Point TOD LCI Update**  
**2000-2019**

	2000 Census	2010 Census	'00-'10 Change	'00-'10 % Change	2014 Estimate	2019 Projection	'14-'19 % Change
<b>EAST POINT TOD AREA</b>							
Total Housing Units	6,858	6,676	(182)	-2.7%	6,730	6,614	-1.7%
Occupied Housing Units	6,303	5,073	(1,230)	-19.5%	5,525	5,355	-3.1%
Owner Households	2,782	2,567	(215)	-7.7%	2,646	2,541	-4.0%
Renter Households	3,521	2,506	(1,015)	-28.8%	2,879	2,814	-2.3%
Vacant Housing Units	555	1,603	1,048	188.8%	1,205	1,259	4.5%
<b>CITY OF EAST POINT</b>							
Total Housing Units	16,176	17,224	1,048	6.5%	17,731	18,139	2.3%
Occupied Housing Units	15,105	13,318	(1,787)	-11.8%	14,743	14,861	0.8%
Owner Households	6,825	6,378	(447)	-6.5%	6,753	6,761	0.1%
Renter Households	8,280	6,940	(1,340)	-16.2%	7,990	8,100	1.4%
Vacant Housing Units	1,071	3,906	2,835	264.7%	2,988	3,278	9.7%
<b>EAST POINT MARKET AREA</b>							
Total Housing Units	61,662	66,163	4,501	7.3%	67,390	69,740	3.5%
Occupied Housing Units	56,575	52,427	(4,148)	-7.3%	57,525	59,062	2.7%
Owner Households	22,007	19,689	(2,318)	-10.5%	20,503	20,574	0.3%
Renter Households	34,568	32,738	(1,830)	-5.3%	37,022	38,488	4.0%
Vacant Housing Units	5,087	13,736	8,649	170.0%	9,865	10,678	8.2%

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

Dissimilar to the TOD, both the City and the market area are projected to realize growth in housing and households over the 2014 to 2019 time period. All three areas have experience and are projected to continue to experience a declining average household size, perhaps in part reflecting the projected increase in the elderly population (i.e., generally smaller households).

### 1. Occupancy Rates

Housing occupancy has declined substantially from 2000 through 2014. The TOD Study Area housing occupancy declined from almost 92% in 2000 to 76% in 2010 (refer to Table III-9). This most likely is the result of the economic recession. However, the 2014 occupancy estimates (82.1%) indicate the area has not recovered to the 2000 levels despite a net decline in total housing units. Both the City as a whole and the Market Area have experienced similar declines in occupancy. These relatively soft occupancy levels (82% to 85%) will have an effect on the potential to deliver additional units in the TOD Area. Simply put, the ample available supply will keep housing prices low into the foreseeable future. To this point, any new housing built in the TOD Area will have to provide comparable value for any price premiums over the surrounding market. In other words, the East Point market offers considerable substitution potential if housing costs for TOD development is too high for the local market.

**Table III-9**  
**Housing Occupancy Trends**  
**East Point TOD LCI Update**  
**2000-2019**

	2000 Census	2010 Census	2014 Estimate	2019 Projection
<b>EAST POINT TOD AREA</b>				
Occupied Units	91.9%	76.0%	82.1%	81.0%
Owner Occupied Units	44.1%	50.6%	47.9%	47.5%
Renter Occupied Units	55.9%	49.4%	52.1%	52.5%
Vacant Units	8.1%	24.0%	17.9%	19.0%
<b>CITY OF EAST POINT</b>				
Occupied Units	93.4%	77.3%	83.1%	81.9%
Owner Occupied Units	45.2%	47.9%	45.8%	45.5%
Renter Occupied Units	54.8%	52.1%	54.2%	54.5%
Vacant Units	6.6%	22.7%	16.9%	18.1%
<b>EAST POINT MARKET AREA</b>				
Occupied Units	91.8%	79.2%	85.4%	84.7%
Owner Occupied Units	38.9%	37.6%	35.6%	34.8%
Renter Occupied Units	61.1%	62.4%	64.4%	65.2%
Vacant Units	8.3%	20.8%	14.6%	15.3%

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

### 2. Units in Structure by Tenure

East Point has as housing unit mix typical of an inner-suburb community. Approximately 70% of all housing units are single family units. However the City does have more than 9,300 units in multifamily buildings. The breakdown of housing by type is similar in the TOD Study Area, indicating there has been little infill development to take advantage of the MARTA station's



access to downtown Atlanta. However, the allocation of units varies by housing tenure. More than 97% of owner-occupied units are single family units for both the TOD area and the City as a whole. In contrast, single family units account for approximately 50% of renter occupied units (refer to Table III-10). Approximately 525 of the 4,865 units within the TOD Area are multifamily buildings with more than five units. This contrasts the City as a whole, where there are more than 7,000 multifamily units in such buildings. This finding contrasts most mass transit station areas, where multifamily development has become popular.

Furthermore, there are few owner-occupied condominium developments in East Point. Fewer than 180 multifamily ownership units are in buildings with more than five units, with 11 being in the TOD Study Area. The lack of condominium development further indicates some of the challenges that the TOD Study Area faces, as a desirable MARTA station areas have attracted condominium development in the past.

#### **D. Summary Implications**

The Great Recession has adversely impacted the City of East Point, and it has not yet fully recovered. The population and household count of the TOD Area as well as that of the City have declined since 2000. Housing vacancy peaked in 2010 at approximately 20%, and currently are between 15% and 18% in the local market. In addition foreclosures remain prevalent within the City.

However, the little new development that has occurred within the City and the TOD Area has performed better than the existing housing stock. Anecdotal occupancy data indicate that newer development (since 2000) has moved within the market much better than existing, aging supply. That said, the substantial supply currently available is much more than the market is projected to need within the next five to ten years. The continued excess supply will have an impact on pricing, even for new housing.

Despite this, there are a few emerging markets within East Point that can attract potential users to the TOD Area. Most notably, the City continues to retain and attract senior households (65+). There is potential to serve this community with more appropriate designed units (smaller, fewer stairs...). In addition, the socioeconomic data indicate there are growing numbers of more affluent households (earning over \$75,000) and Hispanic households. The increase in wealthier households is a positive sign that can be built upon with higher quality multifamily homes adjacent to the MARTA station.

There are opportunities to attract households to the TOD Study Area. Having direct, fast access to downtown Atlanta and Hartsfield Jackson International Airport is a strong selling point. That said, socioeconomic trends indicate that these transportation and location assets are not enough to draw substantial interest in East Point. That said, East Point's greatest potential is to attract new households. As a result, investments in creating a more dynamic community will be a critical component of the potential success for attracting new residents.

## IV. ECONOMIC BASE ANALYSIS

This chapter presents selected baseline and projected economic and labor force indicators for the East Point, Georgia – TOD, the City of East Point, Georgia and the East Point, Georgia market (all as previously defined).

### A. Employment

Employment of the civilian population (aged 16 and older) has declined within the TOD Study Area (refer to Table IV-1). This is similar to the recent declines for both the City as a whole and the Market Area. As noted in the demographic section, this most likely is due to the economic recession. However, employment projections indicate that while the TOD Area is projected to continue to lose jobs, the City (2%) and Market Area (4%) are projected to reverse their respective job loss over the next five years. The data likely reveals the challenges the TOD area faces, having a much less diverse employment base than the larger areas. That said, the lack of an business recruitment and retention strategy will make major TOD Area investments (i.e. Wagon Works) continue to struggle to fill existing vacancies.

**Table IV-1**  
**Civilian Employment Indicators**  
**East Point TOD LCI Update**  
**2000-2019**

	2000 Census	2010 Census	'00-'10 Change	'00-'10 % Change	2014 Estimate	2019 Projection	'14-'19 % Change
<b>CIVILIAN (16+) EMPLOYMENT</b>							
East Point TOD[1]	6,851	5,442	(1,409)	-20.6%	5,254	5,177	-1.5%
as % of City	38.3%	36.1%			35.4%	34.1%	
East Point City	17,899	15,069	(2,830)	-15.8%	14,836	15,178	2.3%
as % of Market Area	29.1%	28.6%			29.2%	28.7%	
East Point Market Area[2]	61,604	52,695	(8,909)	-14.5%	50,828	52,851	4.0%
<b>CIVILIAN (16+) UNEMPLOYED</b>							
East Point TOD[1]	677	953	276	40.8%	690	493	-28.6%
as % of City	37.4%	36.5%			36.3%	35.1%	
East Point City	1,811	2,611	800	44.2%	1,900	1,405	-26.1%
as % of Market Area	NA	NA			NA	NA	
East Point Market Area[2]	NA	NA			NA	NA	
<b>CIVILIAN (16+) UNEMPLOYMENT RATE</b>							
East Point TOD[1]	9.0%	14.9%	5.9%	40.8%	11.6%	8.7%	-28.6%
East Point City	9.2%	14.8%	5.6%	44.2%	11.3%	8.5%	-26.1%
East Point Market Area[2]	NA	NA			NA	NA	
<b>LABOR FORCE PARTICIPATION RATE</b>							
East Point TOD[1]	62.3%	66.8%	4.5%	-15.1%	56.4%	56.7%	-4.6%
East Point City	65.9%	68.1%	2.2%	-10.4%	58.0%	58.4%	-0.9%
East Point Market Area[2]	NA	NA			NA	NA	

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

[1] TOD includes census tracts 1060.14, 100.01/.03, 1110.01/.02, 1120.12/.13/.21 thru .26, 1230.01/.03

[2] Market Area defined as 12-minute drive time about TOD

## 1. Unemployment

Not surprisingly, the TOD Area experiences a sharp rise in unemployment (nearly 41 percent) between 2000 and 2010. This finding corresponds with the loss of employment in the area. Since 2010, the region’s economic recovery has led to a lower net number of unemployed persons and unemployment rate in the TOD Area. However, this reduction in unemployment also is reflective of the diminishing labor market as people have moved away.

This is evident in the labor force participation rate data (those aged 16 and older who are either employed or unemployed). Participation increased in the TOD in last decade, reflecting the economic strength the region had prior to the recession. However, the participation rate has since declined since 2014. As noted, this likely is a product of both a decline in potential laborers as people have moved to find work as well as the growth in persons over 65 years old, who most likely are retired.

## B. Business Trends

The City of East Point (zip code 30344) realized a decline in businesses from 2007 through 2011, of approximately 50 businesses (refer to Table IV-2). The number of businesses has increased since 2011 as the general economy has improved overall, but still falls below the 2007 count. The greatest declines were in office use sectors such as finance, insurance, real estate and professional/technical services, along with the manufacturing sector. Industry sectors realizing overall growth include management, administration, education and accommodations/food. The retail sector experienced a nominal decline of three percent over the 2007 to 2013 period.

## C. Summary Implications

Civilian employment for the TOD is trending down since

**Table IV-2**  
**Establishment Trends by Industry Sector, 2007 - 2013**  
 East Point TOD LCI Update  
 Zip Code 30344, East Point, Georgia

Businesses by Type of Space	2007	2011	2013	% Change
<b>OFFICE/FLEX (and % of Total)</b>	<b>28.7%</b>	<b>26.8%</b>	<b>25.5%</b>	
Information	12	13	13	8.3%
Finance/Insurance	35	25	26	-25.7%
Real Estate	42	38	32	-23.8%
Professional/Technical	69	60	49	-29.0%
Management	6	4	9	50.0%
Admin/Waste Services	26	25	33	26.9%
Subtotal	190	165	162	-14.7%
<b>INSTITUTIONAL (and % of Total)</b>	<b>15.6%</b>	<b>17.9%</b>	<b>17.3%</b>	
Educational Services	9	10	13	44.4%
Health/Social Assistance	94	100	97	3.2%
Subtotal	103	110	110	6.8%
<b>COMMERCIAL (and % of Total)</b>	<b>39.0%</b>	<b>39.6%</b>	<b>41.2%</b>	
Arts and Entertainment	15	11	17	13.3%
Accommodation/Food	69	78	83	20.3%
Retail Trade	99	88	96	-3.0%
Other (non-governmental)	75	67	66	-12.0%
Subtotal	258	244	262	1.6%
<b>INDUSTRIAL (and % of Total)</b>	<b>16.6%</b>	<b>15.6%</b>	<b>16.0%</b>	
Construction	34	28	28	-17.6%
Manufacturing	27	23	20	-25.9%
Wholesale Trade	29	22	30	3.4%
Trans/Warehousing	20	23	24	20.0%
Subtotal	110	96	102	-7.3%
<b>TOTAL</b>	<b>662</b>	<b>616</b>	<b>636</b>	<b>-3.9%</b>
<b>Total Employment</b>	<b>35,685</b>	<b>38,416</b>	<b>39,261</b>	<b>10.0%</b>

Source: U.S. Census, RKG Associates, Inc. 2015

2010, while for the City the declines from 2010 to 2014 are projected to begin reversing themselves. Nonetheless, the overall labor force participation rates are marginally declining and remain below 60 percent, perhaps in part reflecting the aging of the population. Several industry sectors (business establishments) are showing signs of strengthening since 2011 as the economy continues to recover from the Great Recession, although several sectors remain below pre-recession levels. Recent growth is notable among the accommodation and food sector as well as the retail sector, each of which have typically lower wages.

Given the TOD Area already did not have a business mix that is conducive to attracting new residents and additional businesses, the economic data indicate the area will trend worse into the near future rather than better. Simply put, the East Point TOD market is not competitive within the local and regional market to sustain its current business base. Without some intervention from the City and Fulton County to proactively attract business to the area, the TOD Area will be challenged to reach its potential.

## V. REAL ESTATE ANALYSIS

This chapter presents selected real estate trends and indicators for the City of East Point. AS noted in the Introduction, the market area for the retail, office, and industrial market areas vary. This chapter also offers an overview of the local residential market and trends (as offered through interviews with area real estate professionals and brokers).

### A. Office Market

There is more than 221.5 million SF of office space throughout the metro Atlanta market (refer to Table V-1) as of the first quarter of 2015. Approximately 13.5 million SF, or 6 percent, is situated in the South Atlanta submarket which includes East Point. Approximately 11 percent of the total metro office properties are located in the submarket. The vacancy rates for the submarket and the metro are similar, with the submarket accounting for 6 percent of the metro vacant SF. More than one-third of the first quarter absorption occurred in the submarket (at 200,000 SF), however there are currently no new developments under construction. The average asking rent rates in the submarket are about \$5/SF below that for the metro (or 75% of the metro average).

**Table V-1**  
**Office Market Metrics: First Quarter 2015**  
**East Point TOD LCI Update**

	Property Count	Existing Inventory*	Total Vacant*	Percent Vacant	Absorption*	New Supply*	Under Con- struction*	Avg. Asking Rent/SF
South Atlanta	391	13,471,685	2,073,284	15.4%	237,091	200,000	0	\$15.95
Total Atlanta	3,507	221,583,361	34,612,370	15.6%	644,329	200,000	1,690,604	\$20.01
Submarket as % of Total	11.1%	6.1%	6.0%	6.0%	36.8%	100.0%	0.0%	79.7%

Source: U.S. Colliers International, RKG Associates, Inc. 2015

\*Metrics in square feet.

According to Grubb & Ellis, the Atlanta office market demand continued its positive trend in the first quarter of 2015, which marked its eighth consecutive quarter of positive absorption. The overall vacancy rate is down compared to the fourth quarter of 2014 and the market's improved fundamentals have resulted in an uptick in average asking rents.

#### 1. East Point

A sampling of office properties for lease in the City of East Point (see Table V-2), as of June 2015, indicates nearly 60,000 square feet (SF) as available with an average asking rent rate of \$1.20/SF/month (or about \$14.40/SF annually). The advertised available space ranges from less than 200 SF to as much as 18,300 SF, averaging a bit less than 5,000 SF. Much of this space is located in the East Point TOD Area, particularly the Buggy Works and Wagon Works sites. A sampling of East Point office space for sales (refer to Table V-3) offers seven different properties ranging from 1,100 SF to 19,100 SF with an average asking price of slightly less



than \$61/SF. Although not an exhaustive inventory of available properties, the pricing suggests that new built space, unless for specific needs or an owner occupant, could range from two to three times higher than the available inventory.

**Table V-2**  
**Sample of Office for Lease**  
**East Point, Georgia**

Location - Address	Building Type	Current Status	Square Feet	Rent/SF (Monthly)	Lease Terms
2891 Church Street	Med Office	Active	10,487	\$0.57	NNN
1526 Earl Forrest Ave	Off - Loft	Active	10,765	\$1.33	Mod Gross
1531 East Cleveland Ave	Off - Loft	Active	1,475	\$1.33	Mod Gross
2833 Main St	Office	Active	1,462	\$0.83	Full Service
2781 Main St	Med Office	Active	1,800	\$1.25	NNN
1514 East Cleveland Ave	Office	Active	900	\$0.97	Mod Gross
1514 East Cleveland Ave	Office	Active	1,190	\$1.26	Mod Gross
1514 East Cleveland Ave	Office	Active	18,297	\$1.51	Full Service
2465 Main St	Office	Active	6,900	NA	Mod Gross
2791 Main St	Office	Active	130	\$6.54	Full Service
2818 East Point St	Office	Active	2,602	\$1.00	Full Service
2788 Bayard St	Med Office	Active	3,828	\$1.17	NNN
<b>Total or Average</b>			59,836	\$1.20	

Source: LoopNet Services, RKG Associates, Inc. 2015

**Table V-3**  
**Sample of Office for Sale**  
**East Point, Georgia**

Location - Address	Building Type	Current Status	Square Feet	Asking Price	Asking/ SF
1203 Cleveland Ave	Office	Active	11,000	\$1,000,000	\$90.91
2839 Church St	Off - Retail	Active	8,044	\$555,000	\$69.00
1909 Washington Ave	Office	Active	1,073	\$99,900	\$93.10
2981 Church St	Med Office	Active	10,487	\$524,900	\$50.05
1720 Washington Ave	Office	Active	19,108	\$869,999	\$45.53
2962 Harris St	Office	Active	6,048	\$330,000	\$54.56
2706 Harris St	Office	Active	5,120	\$324,000	\$63.28
<b>Total or Average</b>			60,880	\$3,703,799	\$60.84

Source: LoopNet Services, RKG Associates, Inc. 2015

Information provided by local brokers and business ownership indicate these asking rents within the TOD Area are at or above the nearby competitive markets (i.e. Hapeville and College Park). It was reported that landlords are holding onto pre-recession pricing levels

more adamantly in East Point than these other markets, leading to greater vacancies. To this point, the City would be best served assisting the existing office landlords to attract and retain tenants. Creating strategies to increase office space within the TOD Area, specifically near the MARTA station, would only create competition with existing space. Given the area’s current market climate, the existing vacant space will take more than 10 years to lease up even with an aggressive absorption rate. The creation of an economic development retention and recruitment strategy likely would accelerate office consumption.

**B. Industrial Market**

Industrial properties in the South Atlanta submarket account for almost 17 percent of all metro industrial properties and nearly 25 percent of the square footage (refer to Table V-4). At the end of the first quarter (2015) the 14.1 million SF of vacancy in the submarket accounted for 26 percent of metro industrial vacancy and the vacancy rate in the submarket was greater than in the metro. Conversely, almost two-thirds of industrial absorption was realized in the submarket and 32 percent of the under construction inventory. Similar to the office market, the average asking rent rates in the submarket for industrial were about 80 percent that for the metro as a whole.

**Table V-4**  
**Industrial Market Metrics: First Quarter 2015**  
**East Point TOD LCI Update**

	Property Count	Existing Inventory*	Total Vacant*	Percent Vacant	Absorption*	New Supply*	Under Construction*	Avg. Asking Rent/SF
South Atlanta	1,663	152,947,120	14,063,421	9.2%	2,395,864	503,192	7,446,240	\$3.00
Total Atlanta	9,908	624,137,665	53,980,302	8.6%	3,731,664	1,588,172	18,099,209	\$3.77
Submarket as % of Total	16.8%	24.5%	26.1%	26.1%	64.2%	31.7%	41.1%	79.6%

Source: U.S. Colliers International, RKG Associates, Inc. 2015

\*Metrics in square feet.

According to Grubb & Ellis, the Atlanta industrial market vacancy is less than 10.4 percent of the third quarter of 2014, noting that vacancy rates had not fallen below 10 percent since the first quarter of 2008.

**1. East Point**

A limited sample of industrial properties for lease in East Point (current as of June 2015) indicates nearly 122,000 SF available with an average asking lease of slightly less than \$8/SF annually (refer to Table V-5). None of the marketed space is less than 10,000 SF, possibly suggesting a tight market for smaller independent industrial users such as contractors. This is evident along both Central Avenue (southeast of the MARTA station) and Lawrence Avenue, where there is little building vacancy that can be observed. A sampling of 950,000 SF of industrial space available in east Point (as of June 2015) indicates an average asking price of less than \$13/SF, however, this is heavily influenced by one large property. Without the 550,000 SF offering the average asking price approximates \$35/SF.

The industrial sector is the healthiest within East Point. The City's proximity to rail (runs through the TOD Area), air (Hartsfield Jackson) and road (Interstate 85) make it an ideal location for regional, national, and international industrial users. While the Lawrence Avenue area is a strong economic engine for the City and should not be encroached upon, industrial is the least compatible use for a TOD-style development. To this point, the existing industrial uses within the City should be supported, but away from the immediate MARTA station area. A more productive strategy would be for the City to assist existing industrial and automotive uses within the MARTA station area relocate to either of the two existing industrial areas.

### C. Residential Market

According to Coldwell Banker Atlanta<sup>1</sup>, there are 194 single family listings in East Point (as of June 2015) ranging in asking prices from \$14,900 to \$309,000. The average asking price is approximately \$110,800, which is less than the median owner value of \$120,000 observed in 2010 (refer to Table V-7). There were nine listings for condominium/townhomes

with an average asking price of \$75,600. Conversations with local real estate professionals active in East Point indicated that housing prices and market activity vary by location within the City, but that in general there has been little new product introduced in the market over the past few years.

<sup>1</sup> Please refer to [http://www.coldwellbankeratlanta.com/realtors/Georgia/East\\_Point.htm](http://www.coldwellbankeratlanta.com/realtors/Georgia/East_Point.htm) for additional information.

**Table V-5**  
**Sample of Industrial for Lease**  
**East Point, Georgia**

Location - Address	Building Type	Current Status	Square Feet	Rent/SF (Monthly)	Lease Terms
3124 Plant St	Whse	Active	17,250	\$0.34	NNN
2675 Martin St	Whse	Active	30,000	\$0.42	NNN
3150 Aero Ct	Whse	Active	12,500	\$0.38	Mod Gross
1562 East Forrest Ave	Flex	Active	50,000	\$1.08	Mod Gross
1154 Oakleigh Dr	Whse	Active	12,220	\$0.31	Mod Gross
<b>Total or Average</b>			121,970	\$0.66	

Source: LoopNet Services, RKG Associates, Inc. 2015

**Table V-6**  
**Sample of Industrial for Sale**  
**East Point, Georgia**

Location - Address	Building Type	Current Status	Square Feet	Asking Price	Asking/ SF
3124 Plant St	Whse	Active	17,250	\$550,000	\$31.88
1525 Willingham Dr	Whse	Active	18,240	\$1,200,000	\$65.79
1356 Milledge St	Whse	Active	26,000	\$399,000	\$15.35
3151 Aero Ct	Whse	Active	12,500	\$525,000	\$42.00
1559 East Taylor Ave	Whse	Active	10,500	\$300,000	\$28.57
1671 Williams Ave	Whse	Active	3,800	\$136,000	\$35.79
1720 Washington Ave	Whse	Active	19,108	\$869,999	\$45.53
2181 Sylvan Rd	Whse	Active	160,000	NA	NA
2115 Sylvan Rd	Whse	Active	132,094	NA	NA
2110 Lawrence St	Whse	Active	550,000	\$4,500,000	\$8.18
<b>Total or Average</b>			949,492	\$8,479,999	\$12.90

Source: LoopNet Services, RKG Associates, Inc. 2015

**Table V-7**  
**Median Housing Values**  
**East Point TOD LCI Update**  
**2000 - 2010**

	2000 Census	2010 Census	'00-'10 Change	'00-'10 % Change
East Point TOD[1]	\$74,390	\$111,541	\$37,151	49.9%
as % of City	85.4%	92.9%		
East Point City	\$87,057	\$120,018	\$32,961	37.9%
as % of Market Area	110.6%	103.2%		
East Point Market Area[2]	\$78,698	\$116,345	\$37,647	47.8%

Source: U.S. Census, Alteryx, and RKG Associates, Inc. 2015

[1] TOD includes census tracts 1060.14, 100.01/.03, 1110.01/.02, 1120.12/.13/.21 thru .26, 1230.01/.03

[2] Market Area defined as 12-minute drive time about TOD

Reportedly there is little to no residential development immediately proximate to the MARTA Station and the general pricing and available throughout the City is all neighborhood dependent. New single-family construction is apparent in Camp Creek but less so elsewhere. Much of the housing stock is retrofitted and refurbished, with families staying in playing and adding on as required. Many homes can be purchased at about \$80,000; and if properly renovated then turned for \$160,000. Homes in East Point with good locations and modern amenities are generally on the market for less than a month at current. Otherwise, two to three months is a reasonable time on the market.

Discussions with another local real estate professional indicated that East Point was a very up and coming area, the “next Midtown”, prior to the Great Recession. Since then recovery has been gradual with limited new residential development but extensive renovations. As indicated by others, the location and the quality of the renovations to the existing stock dictate price and days on the market. Some inventory moves within a month and commands prices of \$180,000 to \$190,000. East Point is the cost alternative for much of the housing elsewhere in the metro area, but prices have not necessarily reached the point to warrant extensive new construction. An exception might be for townhomes and apartments for a gentrifying population base which appreciates the “suburban” quality of East Point but nonetheless wants “urban” lifestyle amenities.

#### D. Retail Market

The estimated retail spending demand (2014) among the households in the East Point TOD averaged nearly \$8,800 for selected retail goods and services (refer to Table V-8) and totals \$48.5 million. By comparison the retail spending demand for City households was slightly greater at \$8,900 (or nearly \$131 million in total). While per household demand in the TOD is slightly less than that for the City, the aggregate demand in the TOD represents 37 percent of the citywide demand. Conversely, the citywide per household demand exceeds that for the market but accounts for 30 percent of the market demand in the aggregate.

**Table V-8**  
**Average Household Retail Demand For Selected Items, 2014**  
**East Point, Georgia**

<b>Retail Categories</b>	<b>East Point TOD [1]</b>	<b>East Point City</b>	<b>TOD as a % of City</b>	<b>East Point Market [2]</b>	<b>City as a % of Market</b>
Building Materials & Garden Equipment & Supply Dealers	\$382	\$432	88.4%	\$341	126.7%
Clothing & Clothing Accessories Stores	\$680	\$695	97.9%	\$607	114.4%
Electronics & Appliance Stores	\$214	\$223	96.3%	\$189	117.6%
Food & Beverage Stores	\$2,572	\$2,597	99.0%	\$2,333	111.3%
Food Service & Drinking Places	\$1,763	\$1,773	99.4%	\$1,454	121.9%
Furniture & Home Furnishings Stores	\$274	\$288	95.1%	\$235	122.5%
General Merchandise Stores	\$1,986	\$1,986	100.0%	\$1,747	113.7%
Pharmacy and Other Health Services	\$442	\$436	101.2%	\$402	108.4%
Specialty/Niche Retail	\$293	\$283	103.6%	\$247	114.6%
Sproing, Hobby and Music	\$171	\$168	101.4%	\$143	117.8%
<b>Total per Household</b>	<b>\$8,777</b>	<b>\$8,881</b>	<b>98.8%</b>	<b>\$7,699</b>	<b>115.3%</b>
<b>Total (\$million)</b>	<b>\$48.49</b>	<b>\$130.92</b>	<b>37.0%</b>	<b>\$442.57</b>	<b>29.6%</b>

Source: U.S. Census, Alteryx, RKG Associates, Inc. 2015

[1] TOD includes census tracts 1060.14, 100.01/.03, 1110.01/.02, 1120.12/.13/.21 thru .26, 1230.01/.03

[2] Market Area defined as 12-minute drive time about TOD

## **1. GAP Analysis**

Excluding large box stores and many general merchandisers, most retailers (unless part of a destination retail center) derive the majority of their sales from a reasonably tight geographic area, often measured in drive-times. The extent of such a market area is impacted by surrounding competition, road patterns, drive-times (convenience) and natural barriers, to mention a few. Typically, retail sales diminish with distance and density. Consumers prefer to shop close to home whenever possible (the distance factor) and the further they must travel the more likely there are alternative and competitive shopping venues (the density factor). This analysis considers a reasonable drive-time primary market area to be around 4-minutes, with a secondary drive-time market area of 4 to 8-minutes about the East Point TOD.

The estimated retail spending demand within an approximate 4-minute drive-time of the East Point TOD is \$159.3 million (refer to Table V-9) with \$122.2 million in sales being captured by local merchants, indicating sales leakage of \$37.1 million. All markets experience some degree of sales leakage, i.e., local demand not captured by local stores, as consumers shop to/from work, by catalogue and internet, and more basically, perceive greater choices and better prices elsewhere. Also, in some instances, select store types are simply not present in the immediate market. As stated, sales leakage from the 4-minute drive-time market is \$37.2 million and there is an additional \$59 million in sales leakage from the 4 to 8-minute drive-time market.

In addition to natural growth, the recapture of sales leakage can afford the opportunity for additional retail development. Many other factors also apply such as traffic counts, visibility, availability of sites and often local zoning regulations. Nonetheless, this analysis assumes a modest 3 percent to 10 percent recapture of sales leakage from each of the drive-time markets. As indicated in V-9, such a recapture could support 20,300 square feet (SF) to 67,600 SF of new retail development. Whether there are appropriate sites within the immediate vicinity of the TOD is a separate issue.

## **2. Available Properties**

A sample of retail properties for lease in East Point (current as of June 2015) found nearly 53,000 SF available, ranging from freestanding development to neighborhood strip centers and larger shopping plazas. The average asking lease rate was \$6.50/SF on an annualized basis. Assuming that rent equates to five to eight percent of operating costs for a retailer, then the implied sales volumes required to support these rents range around \$100/SF to \$150/SF, nominal to attract new development of a regional or chain nature and low generally low to support new development. The marketed 53,000 SF represents almost 80 percent of the high range of supportable development identified in Table V-10.

More than 83,000 SF of retail space is currently being marketed (a sample from June 2015) in East Point (refer to Table V-11) representing more than 120 percent of the upper range of identified supportable new development in Table V-9. To this point, the addition of new retail space in the TOD Area would create additional competition for existing retail space.

Table V-9  
Retail Gap Analysis and Storing Opportunity  
East Point TOD and Surrounding Area

5% 15% 25%

Major Merchandise Line	EAST POINT GA TOD - 4 minute drive			East Point GA TOD - 4 to 8 minute drive			Estimated Supportable NEW SF of Retail thru Recapture		
	Demand	Sales	(Shortage)	Demand	Sales	(Shortage)	3%	5%	10%
			/Surplus			/Surplus			
	\$159,341,917	\$122,218,542	(\$37,123,375)	\$453,342,047	\$394,318,264	(\$59,023,783)	20,281	33,801	67,602
<b>Motor Vehicle and Parts Dealers-441</b>	\$2,918,827	\$3,277,690	\$358,863	\$7,455,822	\$10,394,390	\$2,938,568	0	0	0
Automotive Parts/Cars, Tire Stores-4413	\$2,918,827	\$3,277,690	\$358,863	\$7,455,822	\$10,394,390	\$2,938,568			
<b>Furniture and Home Furnishings Stores-442</b>	\$4,416,084	\$3,093,143	(\$1,322,941)	\$12,335,776	\$7,518,569	(\$4,817,207)	769	1,282	2,563
Furniture Stores-4421	\$2,342,176	\$2,210,607	(\$131,569)	\$6,543,145	\$3,411,359	(\$3,131,786)	326	544	1,088
Home Furnishing Stores-4422	\$2,073,908	\$882,536	(\$1,191,372)	\$5,792,631	\$4,107,210	(\$1,685,421)	443	738	1,475
<b>Electronics and Appliance Stores-443</b>	\$4,429,406	\$1,172,449	(\$3,256,957)	\$12,637,428	\$9,121,675	(\$3,515,753)	1,144	1,906	3,812
Household Appliances Stores-443111	\$594,252	\$44,554	(\$549,698)	\$1,664,289	\$668,327	(\$995,962)	299	499	997
Radio, Television, Electronics Stores-443112	\$2,860,193	\$909,776	(\$1,950,417)	\$8,156,827	\$3,279,072	(\$4,877,755)	585	975	1,951
Computer and Software Stores-44312	\$874,684	\$218,119	(\$656,565)	\$2,527,607	\$202,911	(\$2,324,696)	259	432	864
Camera and Photographic Equipment Stores-44313	\$100,277	\$0	(\$100,277)	\$288,705	\$4,971,365	\$4,682,660			
<b>Building Material, Garden Equip Stores -444</b>	\$22,182,327	\$12,509,102	(\$9,673,225)	\$60,528,625	\$16,537,664	(\$43,990,961)	5,995	9,992	19,983
Home Centers-44411	\$8,024,181	\$481,810	(\$7,542,371)	\$22,136,476	\$2,014,304	(\$20,122,172)	2,243	3,738	7,477
Paint and Wallpaper Stores-44412	\$297,798	\$4,216,676	\$3,918,878	\$779,513	\$2,833,935	\$2,054,422			
Hardware Stores-44413	\$2,064,247	\$1,022,201	(\$1,042,046)	\$5,793,459	\$0	(\$5,793,459)	1,108	1,847	3,695
Other Building Materials Dealers-44419	\$5,587,932	\$4,249,520	(\$1,338,412)	\$15,376,097	\$7,317,540	(\$8,058,557)	663	1,106	2,211
Building Materials, Lumberyards-444191	\$3,086,671	\$2,538,895	(\$547,776)	\$7,780,998	\$4,371,885	(\$3,409,113)	297	495	989
Outdoor Power Equipment Stores-44421	\$687,470	\$0	(\$687,470)	\$1,913,330	\$0	(\$1,913,330)	372	619	1,238
Nursery and Garden Centers-44422	\$2,434,028	\$0	(\$2,434,028)	\$6,748,752	\$0	(\$6,748,752)	1,312	2,186	4,373
<b>Food and Beverage Stores-445</b>	\$32,571,527	\$19,169,661	(\$13,401,866)	\$94,069,698	\$61,161,235	(\$32,908,463)	2,031	3,385	6,769
Supermarkets, Grocery (Ex Conv) Stores-44511	\$20,121,628	\$16,617,081	(\$3,504,547)	\$58,653,268	\$53,062,914	(\$5,590,354)	496	827	1,654
Convenience Stores-44512	\$1,427,022	\$466,738	(\$960,284)	\$4,091,424	\$1,436,209	(\$2,655,215)	289	482	964
Specialty Food Stores-4452	\$2,630,500	\$180,105	(\$2,450,395)	\$7,650,970	\$634,743	(\$7,016,227)	562	937	1,875
Beer, Wine and Liquor Stores-4453	\$8,392,377	\$1,905,737	(\$6,486,640)	\$23,674,036	\$6,027,369	(\$17,646,667)	683	1,138	2,277
<b>Health and Personal Care Stores-446</b>	\$14,744,556	\$3,199,669	(\$11,544,887)	\$44,185,271	\$18,267,992	(\$25,917,279)	2,460	4,100	8,200
Pharmacies and Drug Stores-44611	\$11,861,119	\$2,216,435	(\$9,644,684)	\$35,620,609	\$14,435,489	(\$21,185,120)	1,779	2,964	5,929
Cosmetics, Beauty Supplies, Perfume Stores-44612	\$1,038,284	\$451,276	(\$587,008)	\$3,130,889	\$2,465,225	(\$665,664)	85	142	285
Optical Goods Stores-44613	\$523,388	\$220,192	(\$303,196)	\$1,463,248	\$880,752	(\$582,496)	87	145	290
Other Health and Personal Care Stores-44619	\$1,321,765	\$311,766	(\$1,009,999)	\$3,970,525	\$486,526	(\$3,483,999)	509	848	1,696
<b>Clothing and Clothing Accessories Stores-448</b>	\$12,095,333	\$4,178,108	(\$7,917,225)	\$34,635,429	\$45,758,752	\$11,123,323	2,162	3,603	7,206
Men's Clothing Stores-44811	\$1,382,554	\$0	(\$1,382,554)	\$4,027,106	\$627,493	(\$3,399,613)	455	759	1,518
Women's Clothing Stores-44812	\$1,382,554	\$894,315	(\$488,239)	\$4,027,106	\$9,157,150	\$5,130,044			
Children's, Infants Clothing Stores-44813	\$419,048	\$0	(\$419,048)	\$1,250,164	\$67,652	(\$1,182,512)	143	239	478
Family Clothing Stores-44814	\$3,428,955	\$0	(\$3,428,955)	\$9,957,542	\$1,142,438	(\$8,815,104)	1,563	2,605	5,210
Clothing Accessories Stores-44815	\$269,720	\$1,414,094	\$1,144,374	\$782,260	\$473,370	(\$308,890)			
Other Clothing Stores-44819	\$537,427	\$844,339	\$306,912	\$1,562,963	\$1,558,015	(\$4,948)			
Shoe Stores-4482	\$1,057,315	\$30,389	(\$1,026,926)	\$3,109,486	\$4,945,318	\$1,835,832			
Jewelry Stores-44831	\$3,171,098	\$827,691	(\$2,343,407)	\$8,670,548	\$11,130,997	\$2,460,449			
Luggage and Leather Goods Stores-44832	\$446,662	\$167,280	(\$279,382)	\$1,248,254	\$16,656,319	\$15,408,065			
<b>Sporting Goods, Hobby, Book, Music Stores-451</b>	\$4,120,005	\$447,671	(\$3,672,334)	\$12,323,950	\$3,060,248	(\$9,263,702)	1,879	3,132	6,264
Sporting Goods Stores-45111	\$1,882,206	\$0	(\$1,882,206)	\$6,802,615	\$409,600	(\$6,393,015)	1,034	1,724	3,448
Hobby, Toys and Games Stores-45112	\$1,055,722	\$150,277	(\$905,445)	\$2,981,256	\$985,571	(\$1,995,685)	458	763	1,527
Sew/Needlework/Piece Goods Stores-45113	\$268,515	\$0	(\$268,515)	\$750,992	\$240,945	(\$510,047)	173	288	577
Musical Instrument and Supplies Stores-45114	\$386,253	\$0	(\$386,253)	\$886,815	\$573,879	(\$312,936)	95	159	318
Book Stores-451211	\$385,175	\$0	(\$385,175)	\$1,161,215	\$344,472	(\$816,743)	118	197	394
News Dealers and Newsstands-451212	\$57,885	\$183,274	\$125,389	(\$136,873)	\$175,385	\$312,258			
Pre-recorded Tapes, CDs, Record Stores-45122	\$84,249	\$114,120	\$29,871	(\$122,070)	\$330,396	\$452,466			
<b>General Merchandise Stores-452</b>	\$29,933,335	\$11,391,560	(\$18,541,775)	\$87,279,600	\$73,123,853	(\$14,155,747)	2,091	3,484	6,969
Department Stores Excl Leased Depts-4521	\$12,803,716	\$1,474,725	(\$11,328,991)	\$37,436,904	\$22,905,137	(\$14,531,767)	1,536	2,560	5,121
All Other General Merchandise Stores-45299	\$17,129,619	\$9,916,835	(\$7,212,784)	\$49,842,696	\$50,218,716	\$376,020	554	924	1,848
<b>Miscellaneous Store Retailers-453</b>	\$6,327,228	\$5,936,223	(\$391,005)	\$17,491,929	\$5,339,307	(\$12,152,622)	1,751	2,918	5,836
Florists-4531	\$217,356	\$222,492	\$5,136	\$591,952	\$233,287	(\$358,665)	35	59	118
Office Supplies and Stationery Stores-45321	\$1,300,900	\$1,284,260	(\$16,640)	\$3,509,960	\$1,369,966	(\$2,139,994)	235	392	784
Gift, Novelty and Souvenir Stores-45322	\$1,529,737	\$1,183,007	(\$346,730)	\$4,315,892	\$1,655,501	(\$2,660,391)	564	940	1,879
Used Merchandise Stores-4533	\$483,467	\$1,400,325	\$916,858	\$1,392,909	\$780,863	(\$612,046)			
Other Miscellaneous Store Retailers-4539	\$2,795,768	\$1,846,139	(\$949,629)	\$7,681,216	\$1,299,690	(\$6,381,526)	916	1,527	3,055
<b>Foodservice and Drinking Places-722</b>	\$25,603,289	\$57,843,266	\$32,239,977	\$70,398,519	\$144,034,579	\$73,636,060	0	0	0
Full-Service Restaurants-7221	\$11,534,949	\$29,601,411	\$18,066,462	\$31,658,981	\$88,232,730	\$56,573,749			
Limited-Service Eating Places-7222	\$10,217,512	\$5,296,327	(\$4,921,185)	\$28,101,701	\$34,419,236	\$6,317,535			
Special Foodservices-7223	\$2,792,917	\$21,011,557	\$18,218,640	\$7,674,712	\$19,294,813	\$11,620,101			
Drinking Places -Alcoholic Beverages-7224	\$1,057,911	\$1,933,971	\$876,060	\$2,963,125	\$2,087,800	(\$875,325)			

Source : Claritas and RKG Associates, Inc.

### E. Summary Implications

Opportunities for additional office and/or industrial development in East Point are best represented by specific end-users or owner operators as the inventory of available space and the average asking leases rates do not appear adequate to support new speculative development in the TOD Area at this time. From an industrial perspective, these uses are not compatible with the vision expressed through interviews of City leadership and local stakeholders and the previous analysis. From an office perspective, the market has sufficient space currently

available to meet existing and demand into the near future. The Wagon Works and Buggy Works properties have more than 75,000 SF of vacant space alone.

The market area exhibits potential for additional retail development in the TOD Area, particularly among specific store types or merchandise lines. However, the generally low asking rents and the available space (either through lease or acquisition) exceeds the estimated demand for additional development, when measure in total. Furthermore, the layout and condition of the space is not conducive for immediate occupancy. It is possible that some opportunities exist for smaller

scale, local customer based retail in East Point, but in RKG’s opinion the opportunity for regional or national chain development is limited unless part of an overall destination location.

Residential market opportunities have the greatest short-term potential given the presence of the MARTA station. However, land assemblage and development costs create a challenge, when the potential per-unit market pricing (\$120,000 to \$180,000) is considered. Any residential development, in the short term, will require some form of public private partnership, likely on land assemblage and cost reduction. In any case, the greatest potential is for projects that deliver 30-70 units a year. The exception would be a signature, catalytic project developed on the “Commons” site as part of a larger TOD mixed-use development that integrates into the civic fabric of Downtown and provides new ground floor retail space.

**Table V-10**  
**Sample of Retail for Lease**  
**East Point, Georgia**

Location - Address	Center/ Building Type	Current Status	Square Feet	Rent/SF (Monthly)	Lease Terms
3480 Camp Creek Pkwy	Shopping Ctr	Active	16,011	NA	NA
2455 Delowe Dr	Strip Ctr	Active	23,586	\$0.42	NNN
2455 Delowe Dr	Strip Ctr	Active	5,587	\$0.47	NNN
2455 Delowe Dr	Strip Ctr	Active	689	\$0.94	NNN
2787 Main St	Restaurant	Active	4,200	\$1.00	NNN
1046 Cleveland Ave	Freestanding	Active	1,100	\$1.27	Mod Gross
1789 Washington Ave	Retail	Active	1,661	\$0.75	Full Service
<b>Total or Average</b>			52,834	\$0.54	

Source: LoopNet Services, RKG Associates, Inc. 2015

**Table V-11**  
**Sample of Retail for Sale**  
**East Point, Georgia**

Location - Address	Center/ Building Type	Current Status	Square Feet	Asking Price	Asking/ SF
2455 Delowe Dr	Strip Ctr	Active	53,082	\$1,950,000	\$36.74
2796 East Point St	Neighborhood	Active	2,800	\$175,000	\$62.50
2839 Church St	Street Retail	Active	8,044	\$555,000	\$69.00
1720 Washington Ave	Auto Retail	Active	19,108	\$869,999	\$45.53
<b>Total or Average</b>			83,034	\$3,549,999	\$42.75

Source: LoopNet Services, RKG Associates, Inc. 2015