

Residential Market Scan



The market scan report gives an overview of the current and potential future trends of the residential housing market in Georgetown, with a specific focus on the Core Subarea that includes TRG and San José. The information provides context to make informed decisions about potential opportunities for continued development in Georgetown, as well as, the challenges rapid growth has to long-term residents. The report discusses general housing trends, population and housing characteristics, housing stock and values, housing affordability and supply/demand gap and challenges and opportunities for future residential growth.

STUDY AREA METHODOLOGY

The study area for the residential market scan consists of four Subareas, as shown in Figure 39. Both TRG and San José are included in the Core Subarea, along with other downtown neighborhoods. Census tract boundaries were chosen because they capture precise and detailed demographic information. Analyzing multiple Subareas will provide a better understanding of the development indicators that will showcase the continued growth in Georgetown and the challenges to legacy residents associated with this growth.

Census data from 2015, 2017, and 2019 captured changes in the Subareas over time and understood housing trends. Data from the City of Georgetown, the United States Census, the United States Department of Housing and Urban Development (HUD), Zillow, and other real estate market sources informed the analysis. In addition to Subarea boundaries, represented by the census tracts, the geographic units used for different analyses include zip codes, the City of Georgetown, and Williamson County.

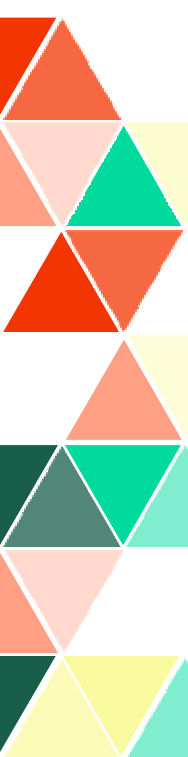
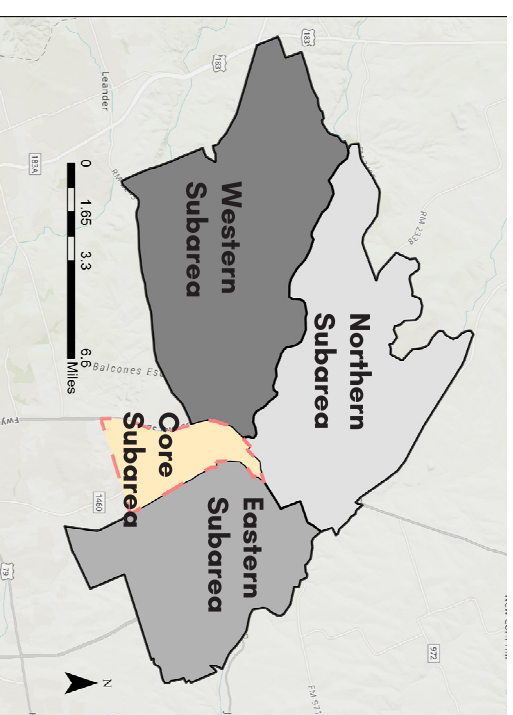


Figure 39: Study Area Map



GENERAL GROWTH TRENDS

Total population growth in Williamson County, the four Subareas, and total new residential building permits were all used to better understand the market potential.

Williamson County has seen an explosion of growth over the last decade. Between 2010 and 2017, the population of the county increased by 29.6%.¹ The most recent population estimate for Williamson County is 609,017, and is currently expected to maintain a yearly growth rate of 3.2%. Growth in the county can be attributed to both the growth in Austin, and the area's burgeoning tech industry

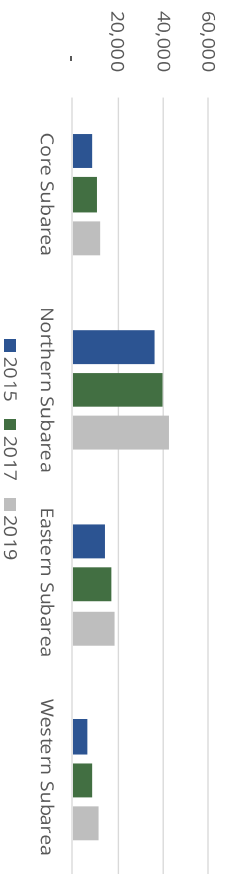
Similar to Williamson County, the City of Georgetown has experienced significant growth over the last decade. The current population of ¹ U.S. Census Bureau. (2021), 2015 - 2019 American Community Survey 5-year Public Use Microdata Samples.

Georgetown is 67,176, which is a 42% increase from 2010 when the population of the City was 47,400. Additional reasons for rapid growth in Georgetown include historic Downtown Georgetown and Southwestern University.

All Subareas have seen an increase in population between 2015 and 2019, as shown in Figure 40, with the four Subareas in the residential market scan increasing by 17,960. The Western Subarea saw a 66% increase in population, the most significant increase, followed by the Core Subarea, with a 40% increase in population. Figure 41 displays the estimated population growth for Georgetown for the next 5 years. Understanding

All Subareas Gained Population

Figure 40: Population Trend By Subarea



Source: American Community Survey

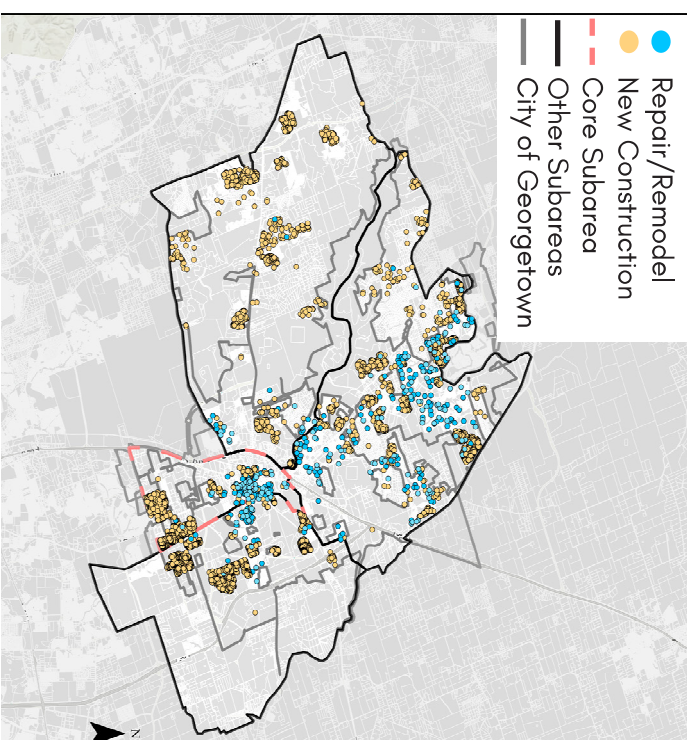
Figure 41: City of Georgetown Population Projections

Year	2022	2023	2024	2025	2026
Population Projection	76,221	79,803	83,554	87,481	91,592

Source: City of Georgetown

All Subareas Saw an Increase in Housing Units

Figure 42: New Construction and Rehabilitation Permits from 2015 to March 2021



Source: City of Georgetown, APD Urban Planning and Management

the potential growth trend for Georgetown helps anticipate the future need for housing units.

Residential Building Permits

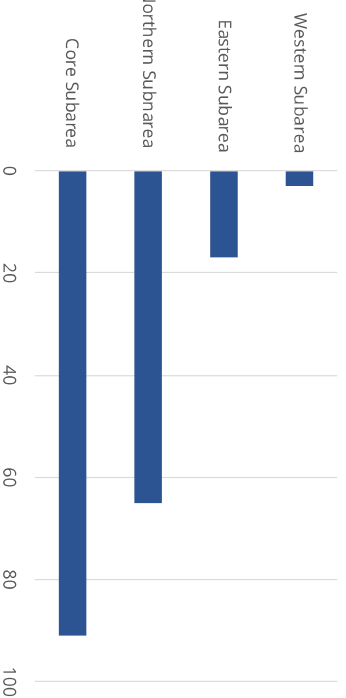
To better understand residential growth in the Subareas, residential permits from 2015 to March 2021 in the City of Georgetown were examined. Permits were filtered into three categories, New Construction, Remodel/ Rehabilitation and Demolition, and separated by Subarea. Some portions of the Subareas fall outside of the City of Georgetown, however filtering the permits by Subarea still allows for a better understanding of where

growth is occurring in the City of Georgetown. According to residential permits issued from 2015 to March of 2021 (Figure 42), there is significant residential growth in all four Subareas. The Eastern Subarea saw the largest increase in new residential units (2,343 units total), followed by the Northern Subarea (2,105 units total). The Core Subarea increased by 1,295 units, capturing 19% of new residential units built between 2015 and March 2021. The Core Subarea also saw significant amount of residential renovations between 2015 and 2021, with 102 homes being remodeled or renovated. The Core Subarea captured 28% of all residential remodels between 2015 and March of 2021, with only the Northern Subarea having a higher capture rate (55%). The significant amount of new residential homes and remodels occurring in the Core Subarea highlights that the area is attracting residents and suggests a strong market for this Subarea in the future. The Core Subarea also includes Downtown Georgetown, which living in proximity to will continue to drive demand for living in this Subarea.

Demolition permits were also examined between 2015 and March of 2021. As shown in Figure 43 the Core Subarea had the most demolition permits issued, capturing 52% of all demolition permits issued. The largest number of demolition permits issued in the Core Subarea was in 2020, with 33 permits issued. Overall, the permit data showcases that the Core Subarea has seen strong growth since 2015 and should continue to grow, especially due to its location and the abundance of historic building stock.

The Core Subarea Had The Most Demolition Permits Issued

Figure 43: Demolition Permits from 2015 to March 2021



Source: City of Georgetown, APD Urban Planning and Management

POPULATION CHARACTERISTICS

Education

Increased educational attainment is often the first sign that a neighborhood in close proximity to downtown is experiencing increased demand for housing. The increase in the percentage of the population with a bachelor's degree or higher represents a shift in the population's educational attainment. Increased educational attainment often attracts investment due to the population's increased buying power. Table 11 shows relatively stable educational attainment in the four Subareas between 2015 and 2017. The Core and Western Subareas experienced a slight increase in residents with at least a bachelor's degree between 2015 and 2017. The relatively unchanged percentages indicate that as people move into the Subareas, their educational attainment roughly matches the existing educational attainment percentages.

Age

The Core Subarea holds the highest percentage of residents aged 25-44 which could indicate the preference of this age group to live in proximity to Downtown Georgetown.

Income

In Georgetown, households earning above \$100,000 annually are the most likely income group to purchase a home due to the current high purchase price of homes in the City. The current average sales price in the City of Georgetown is \$480,000, requiring household incomes above \$100,000 for the house to be affordable. The percentage of households with incomes above \$100,000 increased the most in the Western Subarea, which also saw the greatest population increase. The Core Subarea had the second-largest increase in households with income over \$100,000, tracking the population increase, as the Core Subarea saw the second-largest population increase between 2015 and 2019.

Table 7: Demographic Information

Percent Bachelor's Degree or Higher					
Year	Core Subarea	Northern Subarea	Eastern Subarea	Western Subarea	
2015	26%	49%	32%	47%	
2017	23%	45%	30%	49%	
2019	28%	45%	32%	54%	
Percent Age 25-44					
2015	18%	7%	14%	8%	
2017	17%	7%	11%	10%	
2019	18%	7%	15%	10%	
Percent of Income Over \$100,000					
2015	15%	35%	28%	50%	
2017	21%	35%	33%	59%	
2019	27%	38%	39%	65%	

Source: American Community Survey

Major Takeaways



The City of Georgetown experienced a 42% increase in population since 2010. Population growth is projected to continue through at least 2026.



The Core Subarea had the third highest number of new residential permits issued from 2015 to March 2021, indicating a robust housing market.

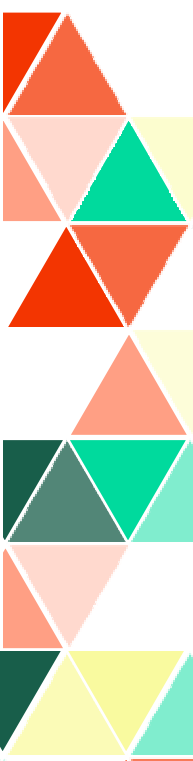


The Core Subarea Captured 52% of all demolition permits issued within the City of Georgetown.



The Core Subarea has seen a 14% increase in households with incomes above \$100,000.





AFFORDABILITY AND DEMAND GAP ANALYSIS

Understanding housing affordability provides neighborhood residents and local leadership a sense of the mismatch between household incomes and housing costs. Specifically, the analysis examines the difference in the number of households in a given income range and the number of housing units affordable to that income range. Mismatches between housing units and income ranges are typical, and point to a housing imbalance surplus or deficit. Thus, the result of this analysis can be used to address current housing needs in Georgetown across a range of incomes.

The Affordability Analysis utilizes a 3-person household to calculate housing values and rent amounts for each Area Median Income (AMI) group. The AMI is based on the 2019 Department of Housing and Urban Development (HUD) Income limits for the Austin-Round Rock-San Marcos Metropolitan Statistical Area. The 3-person household size was calculated using the average household size for the Core Subarea according to the 2019 American Community Survey data.

Owner Occupied Housing

There is a deficit of for sale units to accommodate households above 100% of AMI. These households earn more than \$86,311 per year. In addition, there is a surplus of units available to households below the area median income, earning less than \$86,311 per year. This likely means buyers with higher incomes are purchasing homes below their buying potential, which in turn reduces the availability of price appropriate homes for those with lower earnings.

Based on price-appropriate ratios of ownership affordability, homeowners can afford home values at three times their annual income. Households with

an annual income above 100% of AMI can afford homes above \$258,933. However, based on the Housing Valuation Analysis section of this report, the average market value for homes in the Core Subarea in 2019 is slightly above \$300,000. Effective in 2021, that figure has risen to \$352,357, meaning households must earn roughly \$117,000 per annum to afford to purchase a house. The deficit of ownership units in Table 8, reveals that 578 households earn very high incomes, and purchased homes priced below the maximum they can afford.

At the other end of the income spectrum, households below 100% of AMI face a surplus of homes. These households can afford homes priced less than \$258,933. While the surplus of 578 homes (Table 8) signifies that these households may live in houses they can afford, several factors render this statement untrue. First, the increase in property values increased tax payments for all residents, burdening homeowners at the lowest income levels. The burden of increased taxes on senior homeowners with fixed or limited incomes, is impactful. Any increase in taxes can create a shortfall in the ability to pay taxes, or purchase needs such as medicine, food, or transportation. Increasing property tax issues are explored in further detail in the following report section.

Table 8: Gap in Higher Incomes

Income Limits for 3-Person Households	Less than 50% AMI \$0-\$42,600	Between 50%-80% AMI \$42,601-\$67,950	Between 80% -100% AMI \$67,950-\$86,310	More than 100% AMI \$86,311-\$300,000
Ownership Homes	Surplus of 374	Surplus of 17	Surplus of 186	Gap of 578
Rental Units	Gap of 354	Surplus of 635	Gap of 169	Gap of 113

Renter Occupied Housing

There is a deficit of rental units to accommodate households above 80% AMI, and below 50% of AMI. Based on price appropriate ratios of rental affordability, renter households can afford rental units priced at up to 30% of their annual income. Households above 80% of AMI, earning more than \$67,950 can afford rents above \$1,699 a month. Households below 50% of AMI earn up to \$42,600 per year and can afford to pay up to \$1,065 a month in rent.

According to Table 11, there is a deficit of 354 rental units that are affordable for households that make under 50% of AMI. Rent for a unit in the 78626 zip code is \$1,360, and not affordable for households that make under 50% of AMI. Due to the lack of low-cost rental units, these households are burdened with paying more than they can afford on housing. As rent prices continue to increase, this issue will become more severe.

Rental units are difficult to provide for the lowest level of incomes. Across the United States, the private market is not built to develop new housing options for the lowest income brackets. Cities with success in providing such housing provide substantial public incentives for developers. Another option cities have is to protect and maintain existing affordable housing through various programs and options to incentivize property owners to maintain their rental units as affordable.



HOUSING VALUATION ANALYSIS

Median Home Value

The Core, Northern and Western Subareas have seen a dramatic increase in median housing value since 2015, as seen in Figure 44. In 2019 the Western Subarea had the highest median home value, at \$366,550. The Core Subarea initially had the lowest median home value but has seen a 35% increase in median housing value from 2015 to 2019, the most significant increase in any Subarea. Such a large increase in median home values, especially over such a short period, indicates a robust housing market in the Core Subarea and suggests the market will remain strong.

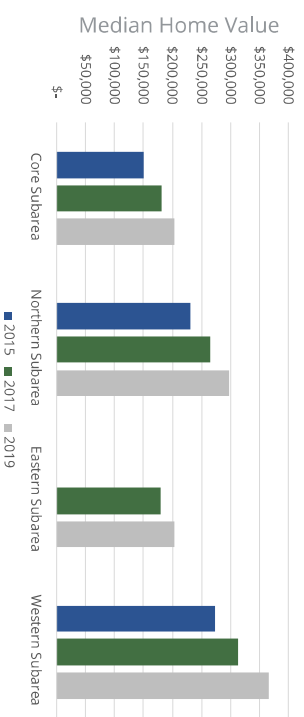
The most recent census data only shows trends through 2019, before the COVID-19 Pandemic began which drastically impacted the housing market. Households who could work remotely now have the flexibility to move to new places, and low-interest rates spurred a surge in homebuying by households in a financial position to do so. Throughout the United States, households moved out of large cities and to surrounding suburbs and satellite cities.¹ To better understand the impact of the housing demand surge caused by the COVID-19 Pandemic, market value data from 2020 and 2021 was examined for the City of Georgetown, the TRG neighborhood, and around the San José neighborhood.

A significant increase in the median home value in the Core Subarea indicates high demand for housing. Still, it can be problematic for long-term homeowners, especially when they are on a fixed income. A sudden and steep increase in median home value can impact their property taxes, creating increases they may be unable to afford.

¹ <https://www.bloombergenvironment.com/graphics/2021-citylab-how-americans-moved/>

All Subareas Saw an Increase in Median Home Value

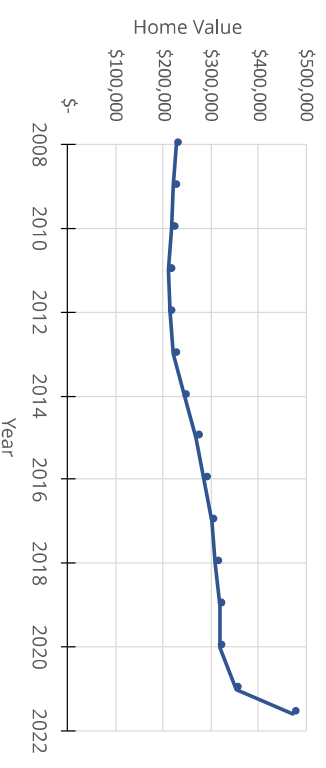
Figure 44: Median Home Values



Source: American Community Survey

\$480,000 Is The Current Average Home Value in Georgetown

Figure 45: Single-family Home Value in Georgetown



Source: Zillow, APD Urban Planning and Management

Average Market Value

Before the pandemic began, the average home value in Georgetown began stabilizing. Growth values tracked a similar rate from 2017 to 2019, with no increase between January 2019 and January 2020. At the start of 2021 the average home value in the City of Georgetown was \$352,357, an 11% increase from 2020, as shown in Figure 45. The current average home value in the City is \$480,000, a 35% increase from January 2020, highlighting the continued demand for housing in the City of Georgetown that was accelerated by the onset of the pandemic.

The TRG neighborhood is located in the 78626 zip code, which has the lowest average home value out of all the zip codes in Georgetown, but has seen the most significant percentage increase in value growth between 2019 and now with a current average market rate of \$429,102. Similar to the City of Georgetown, the 78626 zip code experienced a small but stable increase in the average home value, between 2019 and late 2020, but started to see a larger growth rate in late 2020 that has accelerated into 2021.

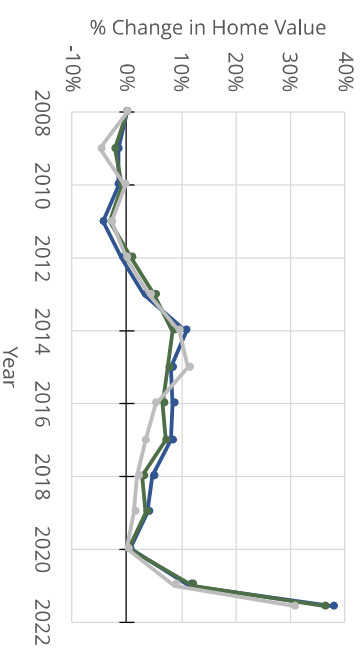
Table 9: Sales Data

Year	Core Subarea	TRG
2015	161	13
2016	245	15
2017	257	19
2018	341	18
2019	264	19
2020	366	17
2021	260	21
Total	1,903	122

Source: Austin Board of Realtors (ABOR)

Zip Code 78626 Has the Largest Increase in Home Value

Figure 46: Percent Growth Change by Zip Code

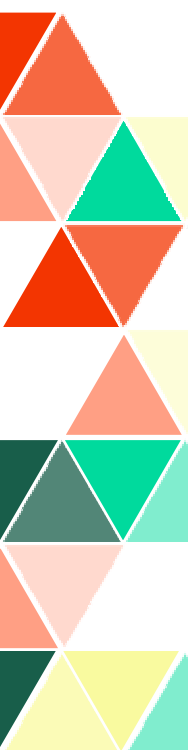


Source: Zillow, APD Urban Planning and Management

Sales Data

Homesales from 2015 to 2021 for the Core Subarea and TRG were examined to understand how the housing market influenced sales prices in TRG. Between 2015 and 2021, 122 homes were sold in the TRG neighborhood, while 1,903 were sold in the entire Core Subarea. Twenty-one homes have sold in TRG so far in 2021, the most homes sold in the neighborhood in one year. In the Core Subarea, 260 homes have sold so far in 2021. The Core Subarea saw the largest number of home sales in 2020, with 366 homes sold, aligning with the national trend of many sale transactions during the COVID-19 Pandemic. TRG saw seventeen home sales in 2021, the third-lowest amount since 2015.





Since 2015, the average sales price in TRG increased by 133%, from \$236,614 to \$551,894. By comparison, the average sales price in the Core Subarea has increased by 85%. The current average sales price in TRG is higher than the current average sales price of the entire Core Subarea, as shown in Figure 47

The average square footage of sold homes in TRG hovered around 1,500 square feet until 2018 when the average square footage started to increase. **In 2021, the average square footage of a home sold in TRG was 2,074**, up from 1,717 in 2015, and is closer to the square footage size of the average home sold in the Core Subarea. This signifies new construction or renovations which increased the livable space of homes.

In addition to homes becoming larger in TRG, recently sold homes are also becoming newer. **The average age of a home in TRG peaked at 48 years in 2017 and has been dropping every year since, with the average age in 2021 being 14 years.** The average age of homes sold in the Core Subarea in 2021 is 18 years, highlighting that recent TRG sales are of newer homes compared to the Core Subarea. This trend indicates

that newer and larger homes are being sold in the neighborhood, which influences the significant increase in sales price TRG experienced over the last five years.

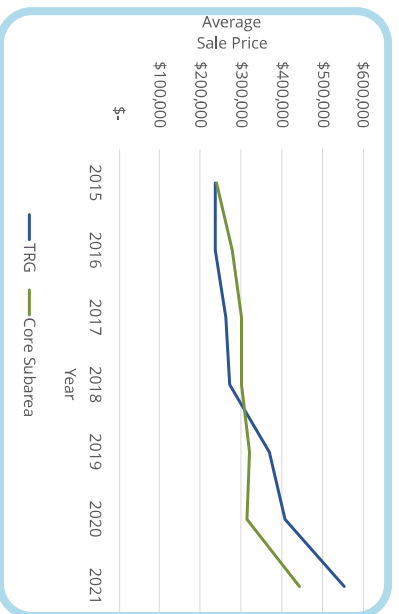
Overall, TRG experienced a significant increase in average home sale price since 2015, with the homes becoming newer, larger, and more expensive. As of 2021, the average home sale price in TRG is 8% more expensive than the average home sale price in the Core Subarea.

Recent Sales

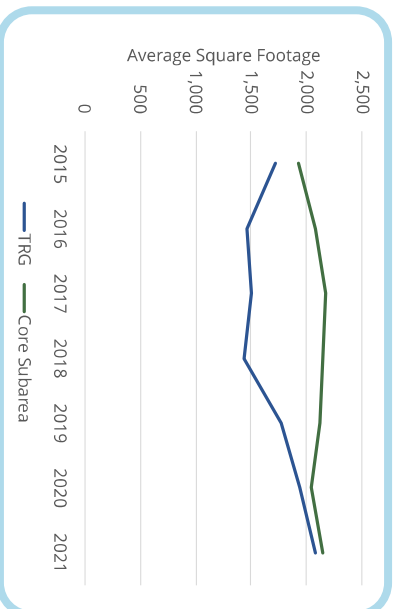
To better understand current market activity near the TRG neighborhood, recent sales data was examined. The data includes sales of single-family homes from April to September, 2021. Figure 48 shows recent home sales in and around TRG, with an average sales price of \$557,751, which is higher than both the average home value in the City of Georgetown, and the 78626 zip code. Table 13 identifies the average sales price and square footage for recent single-family home sales by the number of bedrooms.

The current sales data confirms that the City of Georgetown, and the TRG neighborhood are both seeing high sales prices that only households with incomes over \$100,000 can afford.

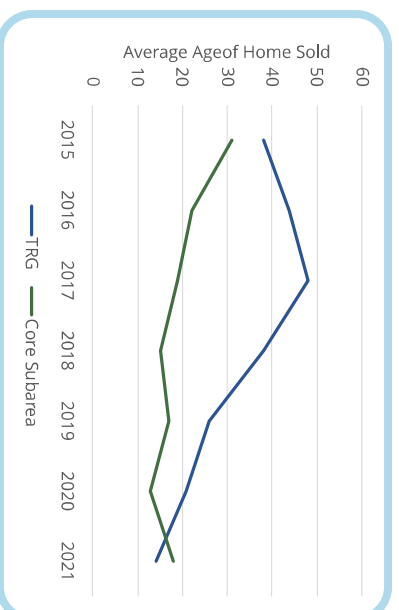
TRG Sales, Square Footage, and Age of Homes Sold
Figure 47: Sales Trends in TRG



Source: Austin Board of Realtors (ABOR)



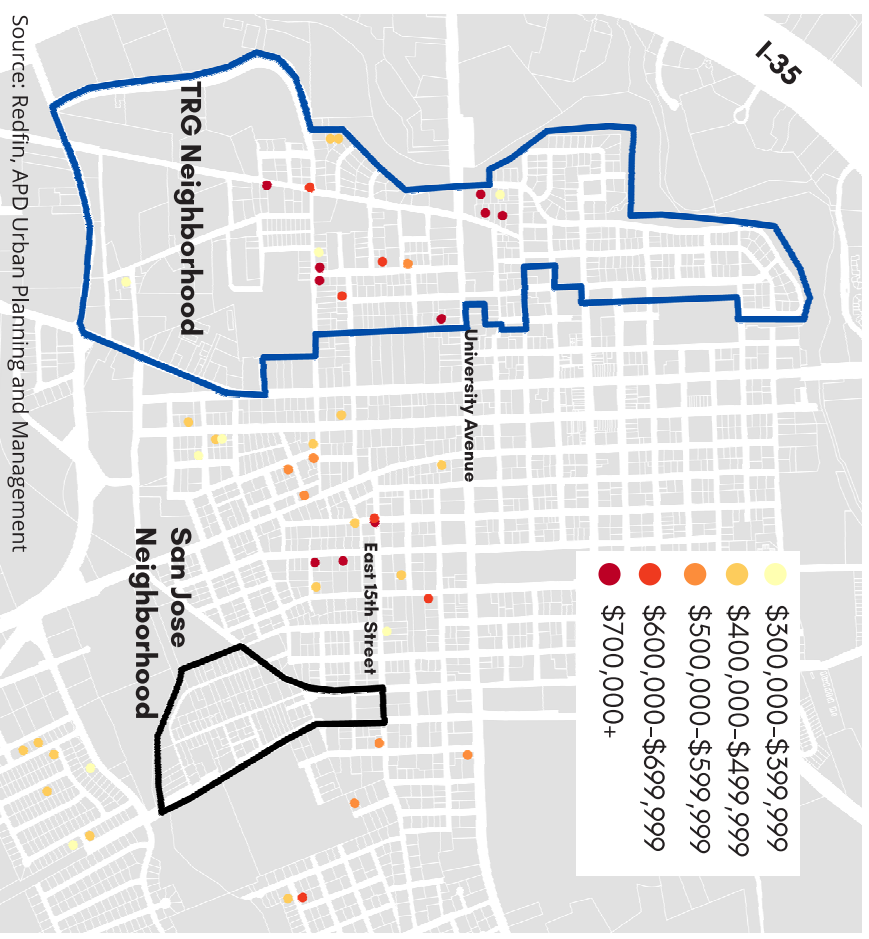
Source: Austin Board of Realtors (ABOR)



Source: Austin Board of Realtors (ABOR)

April 2021 to September 2021 Residential Home Sales

Figure 48: Recent Residential Home Sales





Source: Redfin, APD Urban Planning and Management


Table 10: Recent Sales Data


Bedroom Count	Average Sales Price	Average Square Footage	Average Sales Price Per Square Foot
1 Bedroom	\$0	\$0	\$0
2 Bedroom	\$346,243	1,230	\$344.53
3 Bedroom	\$404,018	2,002	\$263.19
4+ Bedroom	\$561,014	2,362	\$293.51
All Recently Sold Homes	\$557,751	2,061	\$270.56

Source: Redfin, APD Urban Planning and Management

 The current average sales price in the City of Georgetown has grown 35% in 2021 to \$480,000.

 The current average sales price in TRG is \$557,751, higher than the average home value in the City of Georgetown.

 It requires an income of nearly \$180,000 to afford a house near TRG. The average income in TRG is \$44,891.

 The Core Subarea experienced a 14% increase in households with incomes above \$100,000.



Neighborhood Appraisal Values

Georgetown's growth over the last decade is significant and recently accelerated by the home buying trend that started during the Covid-19 pandemic. To better understand how the robust housing market impacted the TRG neighborhood housing values, tax assessor data from 2015-2021 was examined. This data provides a neighborhood-level understanding of the impacts of recent value increases on existing home values and implications for tax bills.

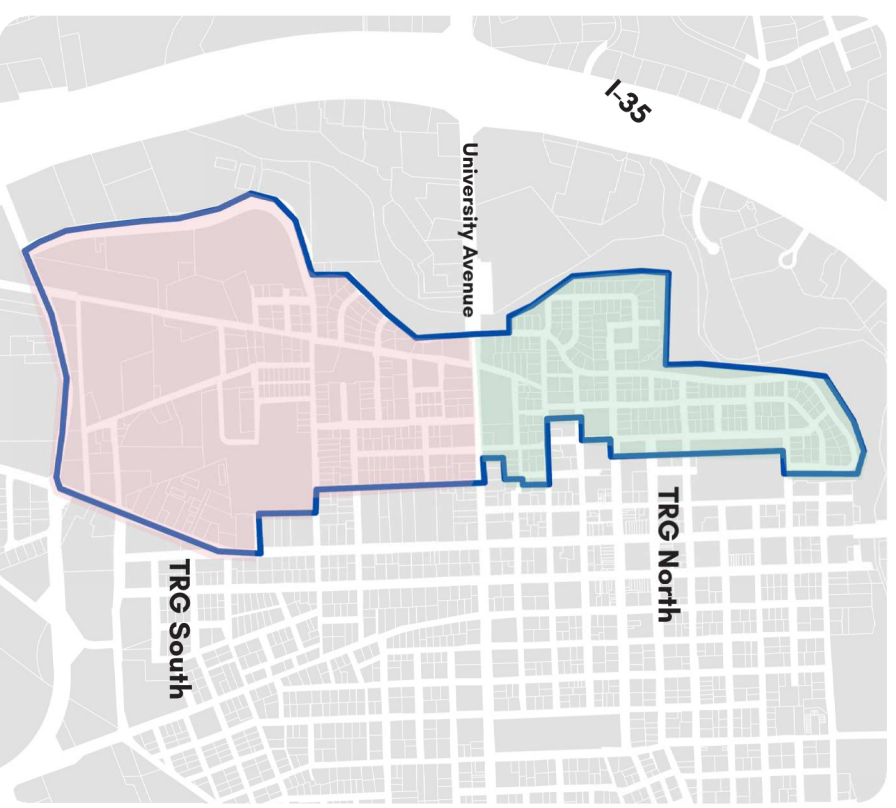
As homes sell at increasingly higher prices, the sales price influences the value of surrounding homes, making them more valuable. This relationship plays out through home assessments determined by Williamson Central Appraisal District (WCAD). The assessment value determines the amount of property taxes a homeowner must pay. To determine the value of a home, WCAD compares the home to other similar recently sold homes nearby. If homes sell at a higher rate than in the past, their sales price raises the assessed value of nearby properties. The increased property value can be positive when it increases homeowner equity. However, this value increase also produces negative consequences, higher property taxes for the homeowner. Increased taxes can threaten existing homeowners if they do not have enough income to absorb the extra expense. The increase can stress existing homeowners' ability to keep up with their tax payments. In extreme cases, homeowners may become displaced from their neighborhood when they can no longer afford the tax increases, and are forced to sell their home. This phenomenon is especially apparent in neighborhoods with historically low assessed values that begin to rapidly rise, such as what is occurring in the TRG neighborhood.

Since 2015, the Northern portion of TRG (TRG North on the map in Figure 49) has experienced a 137% increase in assessed values. **The average assessed value in TRG North has increased from \$95,928 to \$227,295,**



TRG North has Seen A 137% Increase in Assessment Values Since 2015

Figure 49: Neighborhood Appraisal Boundaries



as shown in Figure 50. **Values in TRG North realized at least a 10% year over year increase every year between 2015 and 2021, with the largest increase of 18% occurring between 2017 and 2018.** Between 2019 and 2021, assessment values rose 16% yearly, as shown in Figure 51. Values realized a steady increase in TRG North due to new development in the neighborhood that is often more expensive than the existing housing stock, driving up assessment values.

Continued significant property assessment increases in TRG can threaten existing residents' ability to stay in their homes, especially seniors on a fixed income and homeowners with lower incomes who cannot easily manage yearly increases in their housing costs.

In contrast, TRG South has seen an increase in assessment values between 2015 and 2021 of only 86%, increasing values from \$148,188 to \$276,058. There are more recently sold homes in TRG South than TRG North. The average year a home was purchased in TRG South is 2012 versus 2006 for TRG North. A greater number of recent purchases is one reason why the average assessment value in TRG South is higher than TRG North. Whereas, in TRG North any home sale will impact the assessed value of its older housing stock more significantly.

Homestead Exemptions

The first line of defense for homeowners against rapidly increasing property taxes is a Homestead Exemption. A Homestead Exemption allows homeowners to shield part of their home's value from taxation, lowering the amount paid in property taxes. Only a primary residence can qualify for a Homestead Exemption, and every jurisdiction has slightly different eligibility requirements for Homestead Exemptions.

Both the City of Georgetown and Williamson County offer various

Homestead Exemptions for their portion of property taxes. The most common exemptions and their definitions are in Table 11. Changes made to Williamson County Exemptions in 2021 created a Homestead Exemption for all homeowners and increased the 65+ Exemption amount from \$30,000 to \$90,000. A Homestead Cap Value also caps the increase in assessment values for homeowners with exemptions at 10%. This means that a homeowner with an exemption will not experience an assessment value increase of more than 10% per year. These changes will minimize homeowners' exposure from the rapidly increasing assessment values in the City of Georgetown.

In TRG South, there are an estimated 122 owner-occupied households, 106 of which currently have a Homestead Exemption. Additionally, 44 households have either an Over 65, Disabled or Disabled Veterans Exemption, providing additional tax relief.

Table 11: Current Exemption Definitions

Williamson County	
Homestead Exemption	3% or \$5,000, whichever amount is greater.
Homestead Cap	Assessed value increases are capped at 10% annually.
65+	\$90,000
City of Georgetown	
Homestead Exemption	\$5,000 or 3%, whichever amount is greater.
65+	\$12,000, and taxes are "frozen" at 2004 levels, or year exemption was established.

Source: WCAD, City of Georgetown

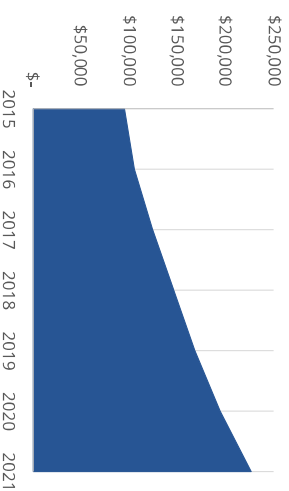


In TRG North, there are an estimated 107 owner-occupied households, 82 of which currently have a Homestead Exemption. In the North, there are 29 households that have either an Over 65, Disabled, or Disabled Veterans Exemption.

The high number of households in TRG with an exemption, paired with the recent changes made to Williamson County exemptions, should relieve some pressure existing homeowners face. This is especially true for seniors who now have a much larger amount deducted from their assessed value. However, some existing homeowners do not have an exemption and will not be protected from assessment value increases. Outreach efforts to ensure all homeowners have maximized their exemptions will be essential to help protect homeowners from significant value increases. For those with a homestead exemption, experiencing a 10% value increase year after year can still be problematic, especially for homeowners with a low income or those on a fixed income.

TRG North Average Assessed Value Has Risen to \$227,295

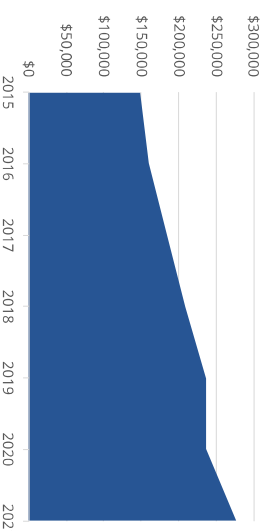
Figure 50: TRG North Appraisal Values



Source: WCAD, APD Urban Planning and Management

TRG South Appraisal Values Continue To Increase

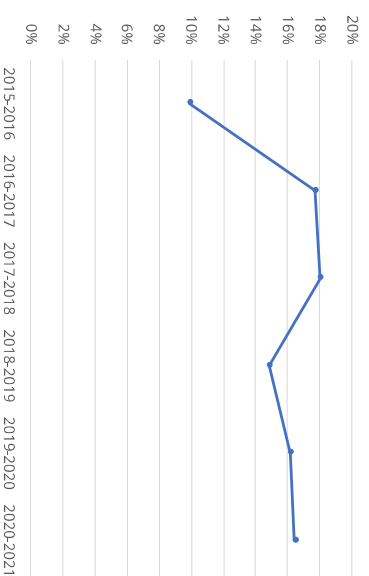
Figure 52: TRG South Appraisal Value



Source: WCAD, APD Urban Planning and Management

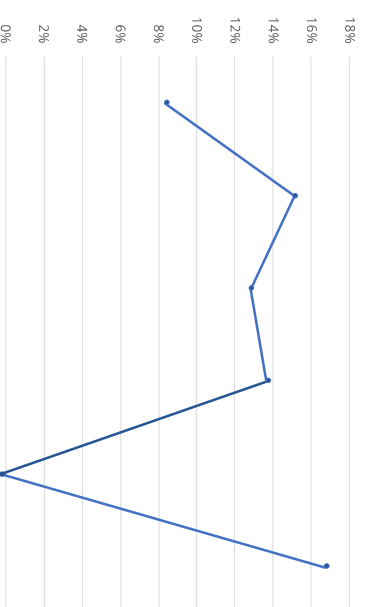
TRG North Values Continue To Increase

Figure 51: TRG North Appraisal Value Percent Increase



TRG South Percent Changes

Figure 53: TRG South Appraisal Value Percent Changes



Source: WCAD, APD Urban Planning and Management

Property in TRG increased 137% in assessment values between 2015 and 2021.



Recent changes to 65+ Exemptions will provide more tax relief for seniors.

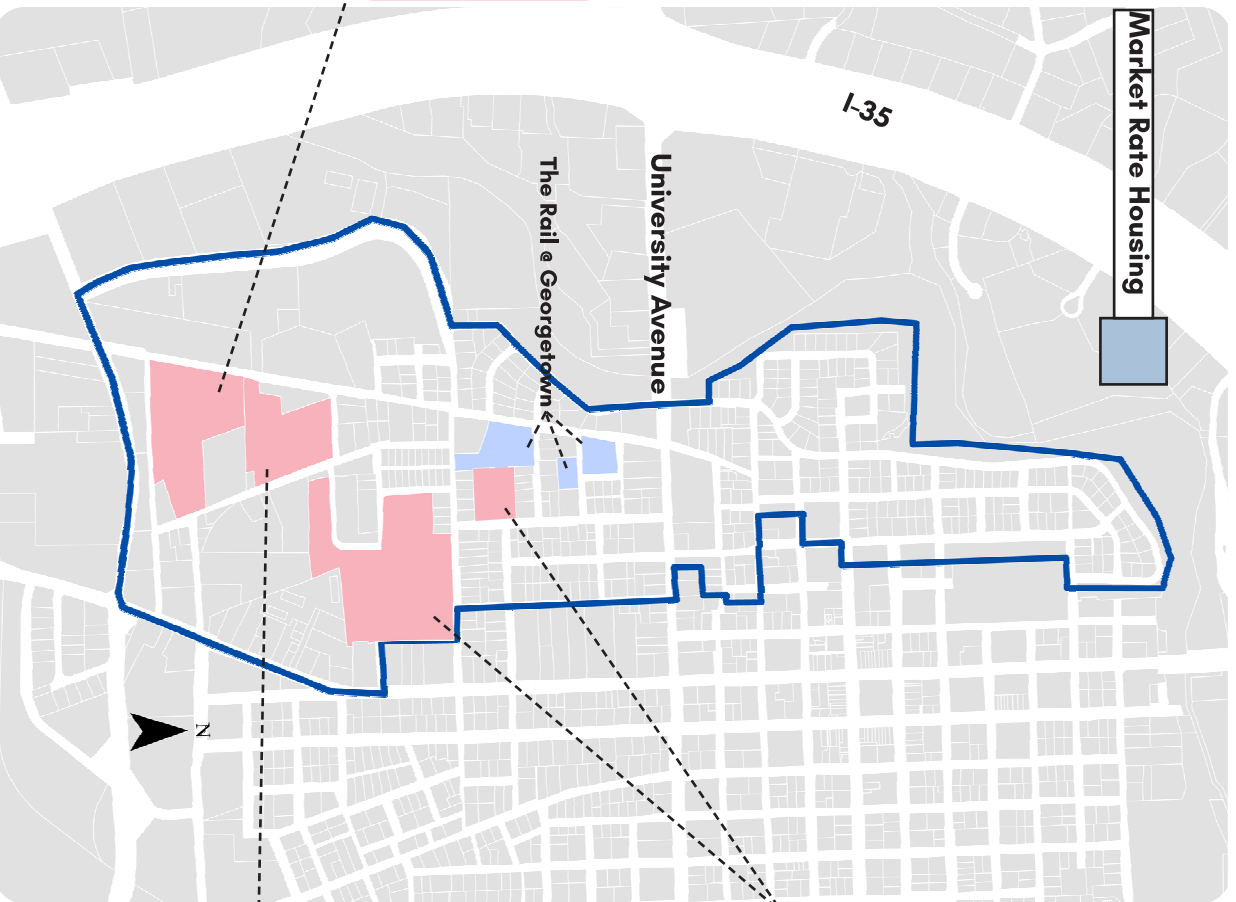


Currently, 82% of homeowners in TRG have a Homestead Exemption.



Homes recently sold in TRG are becoming larger and newer, changing the character of the neighborhood.

Market Rate Housing



- The Oaks at Georgetown**
- Low Income Housing Tax Credit Development
 - 192 units
 - Built in 1997
 - Average rent is \$1,048/unit

- Stonhaven**
- Owned by Georgetown Housing Authority
 - 158 units
 - Currently undergoing a major renovation, including sewer line replacements, and kitchen and bathroom updates

- San Gabriel Senior Village**
- Senior Low Income Housing Tax Credit Development
 - 100 units
 - Recently signed an additional 15 year affordability period
 - Average rent is \$1,034/unit

Source: APD Urban Planning and Management



MULTI-FAMILY HOUSING

TRG's diverse multi-family housing stock ranges from affordable dwelling units to market rate units. Unit size spans from one-bedroom to three-bedrooms. The plethora of multi-family products in the area provide TRG the ability to continue to grow as a mixed-income community. This enables residents of all incomes to enjoy amenities in downtown Georgetown while also being in close proximity to jobs and access to I-35.

Rental Trends

The rental trends analysis examined rent data at the zip code level. Zillow data was used to examine average rents for the 78626 zip code, which contains both the TRG and the San José neighborhood. In addition, rents were pulled from *www.hotpads.com* to provide a snapshot of the current asking rents for various apartments, condominiums, and single-family homes.

According to Zillow, average rent estimates for the 78626 zip code rose from \$1,170 in 2016 to \$1,642 in August 2021. The dramatic increase in asking rent is visible in Figure 54. The 40 percent increase in asking rents for zip code 78626 over a five-year period was also experienced by the neighboring 78628 zip code. Figure 55 graphs the increase in asking rents as small and gradual from 2016 to 2021. The most significant increase in asking rent of five percent occurred from 2016 to 2017. During 2021, the zip codes experienced the largest percent increase in asking rents. Based on average rents from April to August of 2021, rents are projected to continue increasing.

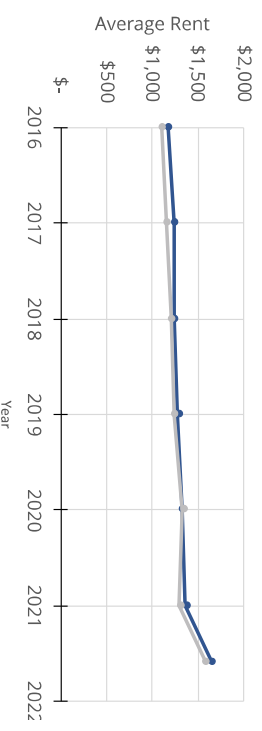
The asking rents pulled from *www.hotpads.com* confirm the Zillow data and provide additional information on rental unit types and asking rents. Data pulled from *www.hotpads.com* shows current asking rents as of

August of 2021. Single-family homes for rent in proximity to the TRG and the San José neighborhoods show an average asking rent of \$2,560 per month. The average size of a single-family home rental is 1,853 square feet and were all 3 and 4 bedrooms. For condominiums, the average asking rent is \$1,535 for 1,075 square feet. The majority of listings are for 2 and 3 bedroom condominiums. Asking rents for apartments vary widely based on the availability of 1, 2, and 3 bedroom apartments. The average asking rent for a 929 square foot 2-bedroom apartment is \$1,511. All apartment listings are located in traditional apartment communities common within the City of Georgetown.

The rent values for a condominium or apartment unit are comparable to average rent prices for the City of Georgetown, around \$1,571 per month for a 963 square foot unit.

The Current Average Rent for the 78626 Zip Code is \$1,642

Figure 54: Average Rents by Zip Code



Source: Zillow, APD Urban Planning and Management

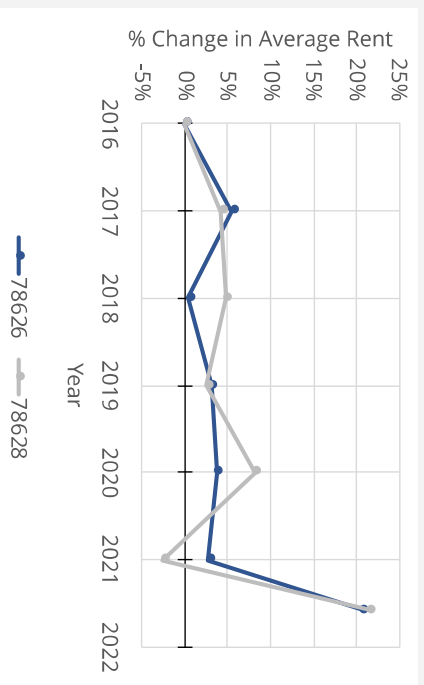
Table 12: Current Rent Averages by Housing Product

Product	Average Rent Price	Average Square Footage	Average Price Per Square Foot
Single-Family	\$2,650	1,853	\$1.38
Condo	\$1,535	1,075	\$1.43
Apartment	\$1,511	929	\$1.63

Source: Zillow, APD Urban Planning and Management

Highest Percent Change Occurs in 2021

Figure 55: Percent Change in Average Rents by Zip Code



Source: Zillow, APD Urban Planning and Management



The average single-family home rent price is \$2,650/month.



Average rents have increased 40% in the 78626 zip code since 2016, and are not affordable to households earning less than 80% AMI.

NEIGHBORHOOD VULNERABILITY ANALYSIS

The Neighborhood Vulnerability Analysis measures the risk of change and displacement to longtime residents. Projected property taxes and rents are analyzed as a factor of housing cost burden. As the Residential Market Scan details, housing values and rents steadily increased since 2015, but have experienced enormous increases during the COVID-19 pandemic. A side-effect of rising property values is increased property taxes and rents. Findings from the Neighborhood Vulnerability Analysis establishes the foundation for short and long-term recommendations for community retention and neighborhood preservation strategies.

The owner vulnerability assessment leverages the market analysis findings to project future property assessments and tax payments. Average assessment values were calculated for three types of homeowners: those with a standard Homestead Exemption, a Senior Exemption, and no Homestead Exemption for both TRG North and TRG South (Table 13) for TRG North shows a major difference in average assessment values and average property tax payments in 2021 between Homestead Exempted homeowners and those without an exemption. The difference in property assessments and property taxes between Exempt and Non-exempt households becomes more severe with each passing year. By 2026, Homestead Exempted homeowners may pay an average of \$4,132 in property taxes, while those without an exemption may experience a tax payment of \$10,468. This tax amount assumes an assessment value of \$504,995. A significant reason for the difference in property tax payments between homeowners with and without a Homestead Exemption is the Homestead Valuation Cap, limiting property assessments' increases to

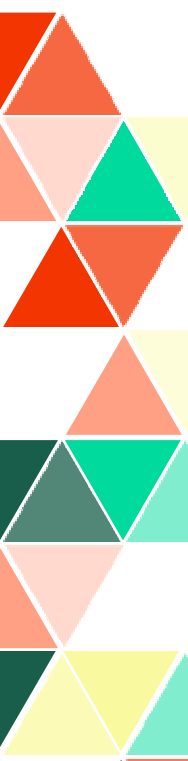


Table 13: TRG North Tax Projections

Exemption Type	Average 2021 Assessment	Average 2021 Property Tax	Average 2026 Assessment	Average 2026 Property Tax
Homestead Exemption	\$216,482	\$4,132	\$348,647	\$6,855
Senior Exemption	\$185,553	\$2,928	\$185,553	\$2,928
No Exemption	\$251,072	\$5,204	\$504,995	\$10,468

Source: WCAD, APD Urban Planning and Management

10% per year. Seniors will have an even lower tax burden if they have a 65+ Exemption.

The owner vulnerability assessment allows examination of the impact of property taxes from various perspectives. According to the census data in the Affordability and Gap Analysis, there are 371 homeowners in the Core Subarea that earn less than 50% of the AMI. These households earn a maximum of \$42,600 a year and can afford to pay a maximum of \$1,065 in housing costs. Marginal increases in property taxes for these households can potentially create a situation where the homeowners are unable to make property tax payments. According to Table 13, the projected increase in average property taxes for homestead homeowners in TRG North is \$2,723 by 2026. Homeowners with incomes below 50% of AMI may face displacement when unable to pay this increase, due to increased property taxes.

Table 14: Rent Projections

Year	Projected Asking Rent
2021	\$1,642
2022	\$1,611
2023	\$1,692
2024	\$1,777
2025	\$1,854
2026	\$1,935

Source: www.Hotpads.com, APD Urban Planning and Management

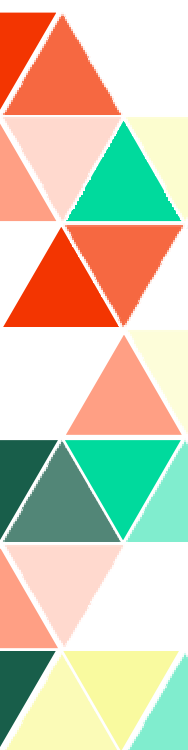
Table 15: TRG South Tax Projections

Exemption Type	Average 2021 Assessment	Average 2021 Property Tax	Average 2026 Assessment	Average 2026 Property Tax
Homestead Exemption	\$269,582	\$5,227	\$454,164	\$8,612
Senior Exemption	\$181,787	\$2,850	\$181,787	\$2,850
No Exemption	\$276,184	\$5,725	\$555,505	\$11,515

Source: WCAD, APD Urban Planning and Management

The renter vulnerability assessment employs the Market Scan findings to project future asking rents. The average asking rent as of August 2021 was \$1,642. Asking rents in the City of Georgetown are projected to increase to \$1,935 by 2026, an increase of \$293. This increase requires a household income of nearly \$80,000 annually to afford the projected rent, up from the \$65,000 needed now. To The current average income in TRG is \$74,742, meaning that as rents continue to increase, renter households in TRG will face a higher risk of becoming cost-burdened.





Major Takeaways

- The COVID-19 pandemic accelerated homebuying in 2020. Home values increased by 35% between January and August 2021 in the City of Georgetown, with zip code 78626 seeing the largest increase in home value.
- The rapid increase in home values in the City of Georgetown translated into higher assessment values, and property taxes for residents. This is especially true in the TRG neighborhood, where higher priced home sales impacted historically low home values and led to increased property taxes.
- Property assessments in TRG North increased from \$95,928 to \$227,295 between 2015 and 2021, a 137% increase. TRG South witnessed an increase of 86%. The result was higher property taxes for homeowners in TRG.
- Homes for sale in the City of Georgetown are priced above what the median income can afford in TRG. A homeowner unable to pay higher property taxes may be permanently displaced from the City of Georgetown.
- Recent increases to the Williamson County Homestead Exemptions may help reduce tax pressure on homeowners, especially seniors.
- The cost of housing units for rent increased 40% since 2016.

Concerns

- Constantly increasing property taxes can threaten the ability of existing homeowners to afford their homes, especially low-income homeowners and seniors on a fixed income.
- A homeowner who can no longer afford property taxes, and sells their home, faces a high possibility of permanent displacement from Georgetown.
- The drastic increase in rental costs between 2020 and 2021 may leave those households with incomes under 50% AML vulnerable.

Opportunities

- Ensure homeowners take advantage of maximum Homestead Exemptions they are eligible for. Homestead Exemption maximization plays a critical first line of defense against rapidly increasing property taxes.
- Educate homeowners on when and how to appeal property tax assessments.
- Establish an assistance program for existing homeowners to pay increased property taxes. A tax assistance program to help residents remain in their homes, may help residents stay in their neighborhood. This contributes to generational wealth building, and to the character of Georgetown. The program may require substantial support from non-profit organizations and other partners.
- Ensure naturally occurring affordable rental properties, and subsidized properties, are maintained. This will create a diverse range of housing stock in TRG.

Guss's DRUG

GRAND OPENING TEXAS

Commercial Market Scan

Cedar Brass Trailhead

Jim Hogg Trailhead
Overlook Trail

WALL
OBERSTOWN

WALL
WALL

WALL
WALL

WALL
WALL

WALL
WALL

WALL
WALL

WALL
WALL

WALL
WALL

TEXAS

*Prescriptions
Prescriptions*



RETAIL MARKET ANALYSIS

The retail market analysis examines retail supply, demand and leakage, along with consumer characteristics. Findings from this analysis inform decisions focused on future retail business potential.

Demand

Retail demand describes the annual retail purchases made in aggregate by households in the TRG neighborhood. The retail categories with the largest use are:

- Grocery Stores;
- Department Stores;
- Gasoline Stations;
- Restaurants/Other Eating Places; and
- Health & Personal Care Stores.

The annual demand for retail generated by consumers in the TRG neighborhood in 2017 was \$8,963,770. Grocery stores accounted for 31% of consumer spending followed by Department Stores at 21%. Table 16 shows the annual purchases for each of the categories.

Table 16: TRG Retail Demand in 2017

Demand		
Category	Annual Purchases	Percent
Grocery Stores	\$2,780,468	31%
Department Stores Excluding Leased Depts.	\$1,922,661	21%
Gasoline Stations	\$1,665,670	19%
Restaurants/Other Eating Places	\$1,649,045	18%
Health & Personal Care Stores	\$945,926	11%
Total	\$8,963,770	100%

Source: ESRI Community Analyst

Supply

Retail supply describes the total dollar amount of business conducted by all retail establishments in the TRG neighborhood. The retail categories with the largest quantity of sales are:

- Gasoline Stations;
- Restaurants/Other Eating Places;
- Auto Parts, Accessories & Tire Stores;
- Health & Personal Care Stores; and
- Specialty Food Stores.

The total annual sales of products in the TRG neighborhood in 2017 was \$11,332,156. Gas stations accounted for 45% of all sales followed by restaurants at 21%. Table 17 shows the annual sales for each of the categories.

Table 17: TRG Retail Supply

Supply		
Category	Annual Sales	Percent
Gasoline Stations	\$5,087,140	45%
Restaurants/Other Eating Places	\$2,414,350	21%
Auto Parts, Accessories & Tire Stores	\$2,150,240	19%
Health & Personal Care Stores	\$980,869	9%
Specialty Food Stores	\$699,557	6%
Total	\$11,332,156	100%

Source: ESRI Community Analyst





RETAIL RECOMMENDATIONS

In addition to supply and demand trends, the retail market analysis examines market surplus and leakage. This analysis determines growth opportunities within the market to capture revenue migrating outside of the neighborhood. Below are recommended retail options to better serve consumers in the TRG Neighborhood.

Grocery Store –2017 saw demand of \$2,780,468 in the TRG neighborhood for grocery store consumption. The actual retail sales by grocery stores was only \$425,240. This indicates consumers are leaving the neighborhood to fulfill grocery needs. The TRG neighborhood's central urban location is not suitable for most big-box grocery chains. A small locally owned boutique grocery store within the TRG neighborhood could capture some of the \$2,000,000 in lost consumer revenue. Consideration should be given to the newly opened ALDI just outside of the neighborhood which will likely capture some of the lost revenue.

Department Stores- The demand for department stores in the TRG neighborhood accounted for \$1,922,661 of purchases in 2017. There were zero retail sales by department stores in the neighborhood, meaning demand is strong in TRG for the goods and services a department store provides. Small format clothing or specialty apparel stores may capture revenue and fulfill residents needs. It should be noted the TRG's close proximity to Wolf Ranch Retail District likely fulfills the demand for this retail type.

Retail Demand Outlook - Demand for food away from home, entertainment and apparel in Georgetown is projected to increase by 26% over the next five years. Unmet demand for restaurants, departments stores, and grocery stores in TRG define the commercial uses that may succeed where introduced in the TRG neighborhood. Based on community feedback and the commercial market scan, there is an opportunity for restaurants, a coffee shop, or a local food hall.