



# **3. Market Analysis**



## Market Analysis

### Demographic and Socioeconomic Analysis Overview

The following demographic study provides an overview of the current socioeconomic status of the City of Hogansville and was conducted as part of the planning process for downtown redevelopment. Because it is also important to understand how a community's residents are faring in comparison to the surrounding area, many of the statistics provided in this study also include a comparison to Troup County and the State of Georgia.

#### Population

The City of Hogansville is a rural community located in the northeast corner of Troup County, Georgia. The City is directly adjacent to Coweta and Meriwether Counties and just outside the boundaries of Metro Atlanta. With 3,203 residents, Hogansville is the smallest of the three cities in Troup County. LaGrange, the county seat, has a population of approximately 30,770 and is by far the largest city in the county. West Point is located in the southwest corner of Troup County and is slightly larger than Hogansville with an estimated population of 3,730.

| POPULATION                   | City of Hogansville | Troup County | State of Georgia |
|------------------------------|---------------------|--------------|------------------|
| 2000 Census                  | 2,783               | 58,778       | 8,186,491        |
| 2010 Census                  | 3,060               | 67,044       | 9,687,653        |
| 2017 Estimate                | 3,203               | 70,418       | 10,375,263       |
| 2022 Projection              | 3,264               | 73,396       | 10,911,290       |
| <i>Population Growth</i>     |                     |              |                  |
| Percent Change: 2000 to 2010 | 10.0%               | 14.1%        | 18.3%            |
| Percent Change: 2010 to 2017 | 4.7%                | 5.0%         | 7.1%             |
| Percent Change: 2017 to 2022 | 1.9%                | 4.2%         | 5.2%             |

Source: Environics Analytics and Village Green Consulting

The City of Hogansville's estimated 2017 population of 3,203 represents an increase of 4.7% from the city's 2010 population of 3,060. It is projected that the population will increase by an additional 1.9% over the next five years to approximately 3,264. It is important to note that population growth over the next five years could be significantly greater if currently proposed housing developments move forward.

## Demographic and Socioeconomic Analysis

### *Population (continued)*

Over the past decade, population growth in Hogansville has been comparable to Troup County's population growth. Between 2010 and 2017, Troup County's population increased by just over 5.0% from 67,044 to 70,418. This is only slightly greater than the 4.7% rate of growth in Hogansville. However, over the next five years, it is projected that Troup County's population will grow at a somewhat faster rate than Hogansville, increasing from 70,418 to 73,396 for a growth rate of 4.2%.

### *Population Characteristics:*

#### Race/Ethnicity

In the City of Hogansville, the population falls largely into two racial categories: "White" (68.1%) and "Black/African American" (27.9%). Those identifying as "Two or More Races" account for 1.8% of the population, and those choosing "Some Other Race" are 1.3%. No other category accounts for more than one percent of the population.

| RACE / ETHNICITY: City of Hogansville |       |
|---------------------------------------|-------|
| White                                 | 68.1% |
| Black / African American              | 27.9% |
| American Indian                       | 0.3%  |
| Asian                                 | 0.6%  |
| Native Hawaiian / Pacific Islander    | 0.0%  |
| Some Other Race                       | 1.3%  |
| Two or More Races                     | 1.8%  |

*Residents of Hispanic or Latino heritage can be of any race. Approximately 4.0% of Hogansville residents identify as Hispanic or Latino.*

Source: *Environics Analytics*

## Market Analysis

### Population Characteristics:

#### Age

The average age of Hogansville residents is 37.6 years. This is very close to the average ages for Troup County (37.9) and the State of Georgia (37.7). It is slightly younger than the average age for the United States of 39.1 years. Those under the age of 18 make up approximately 26.2% of Hogansville's total population. This is slightly higher than the percentages in Troup County (25.0%), the State of Georgia (24.2%), and the United States (22.8%). Those age 65 and over make up 14.6% of the population in both Hogansville and Troup County. This is slightly higher than the percentage in the State of Georgia (13.4%) and slightly lower than the percentage in the United States (15.5%).

| AGE             | City of Hogansville | Troup County | State of Georgia | United States |
|-----------------|---------------------|--------------|------------------|---------------|
| Average Age     | 37.6                | 37.9         | 37.7             | 39.1          |
| Under Age 18    | 26.2%               | 25.0%        | 24.2%            | 22.8%         |
| Age 65 and over | 14.6%               | 14.6%        | 13.4%            | 15.5%         |

Source: Environics Analytics and Village Green Consulting

When looking at the population in ten-year age brackets (see graph on the following page), the "Age 5 to 14" cohort is the largest in Hogansville with approximately 15.0% of the total population. This is slightly higher than the percentages in Troup County (14.0%) and the State of Georgia (13.6%). For both Troup County and the State of Georgia, the "Age 15 to 24" cohort is the largest.

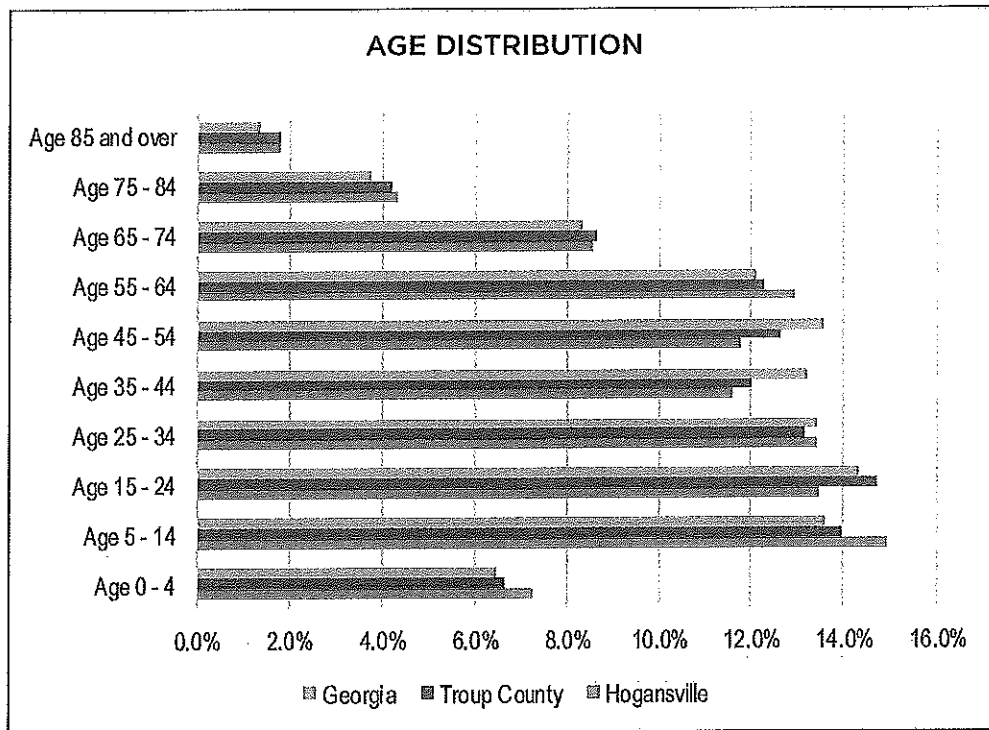


## Demographic and Socioeconomic Analysis

### *Population Characteristics:*

#### Age (continued)

After the age of 65, the share of the total population declines rapidly, with the “Age 65 to 74” cohort in Hogansville accounting for 8.5% of the population, the “Age 75 to 84” accounting for 4.3%, and the Age 85 and over representing just 1.8% of the total population.



### *Population Characteristics:*

#### Educational Attainment

Levels of educational attainment can have a significant impact on incomes and the potential for growth and economic development in a community. In the City of Hogansville, educational attainment levels are generally lower than in Troup County and the State of Georgia. Approximately 22.8% of Hogansville residents over the age of 25 do not have a high school diploma or GED. This is significantly higher than the percentages for Troup County (15.4%) and the State of Georgia (14.7%). Residents with only a high school diploma or GED account for 14.9% of Hogansville residents over the age of 25. This is higher than the figures for Troup County (10.0%) and the State of Georgia (9.2%).

## Market Analysis


### Population Characteristics:

#### Educational Attainment (continued)

The percentage of Hogansville residents with a Bachelor's Degree (6.5%) is comparable to the percentages for Troup County (6.6%) and the State of Georgia (7.1%). The percentage of Hogansville residents with a Master's Degree (8.1%) is somewhat lower than the percentage in Troup County (10.8%) and significantly lower than the percentage in the State of Georgia (18.0%). Those with a professional degree make up only 1.9% of Hogansville's adult population. For Troup County, approximately 5.5% have a professional degree, and the percentage is an even greater 7.5% for the United States. Only 1.0% of Hogansville residents have a Doctorate Degree. This is only slightly less than the percentages for Troup County (1.4%) and the State of Georgia (1.9%).

| EDUCATIONAL ATTAINMENT        | City of Hogansville | Troup County | State of Georgia |
|-------------------------------|---------------------|--------------|------------------|
| No High School Diploma        | 22.8%               | 15.4%        | 14.7%            |
| High School Graduate (or GED) | 14.9%               | 10.0%        | 9.2%             |
| Some College, No Degree       | 43.3%               | 37.3%        | 28.5%            |
| Associate's Degree            | 16.2%               | 22.4%        | 21.1%            |
| Bachelor's Degree             | 6.5%                | 6.6%         | 7.1%             |
| Master's Degree               | 8.1%                | 10.8%        | 18.0%            |
| Professional Degree           | 1.9%                | 5.5%         | 7.5%             |
| Doctorate Degree              | 1.0%                | 1.4%         | 1.9%             |

Source: Environics Analytics and Village Green Consulting



**CALLAWAY**  
HIGH SCHOOL

Local higher education systems near Hogansville.



UNIVERSITY of  
**West Georgia**



**LAGRANGE**  
COLLEGE

## Demographic and Socioeconomic Analysis

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### *Population Characteristics:*

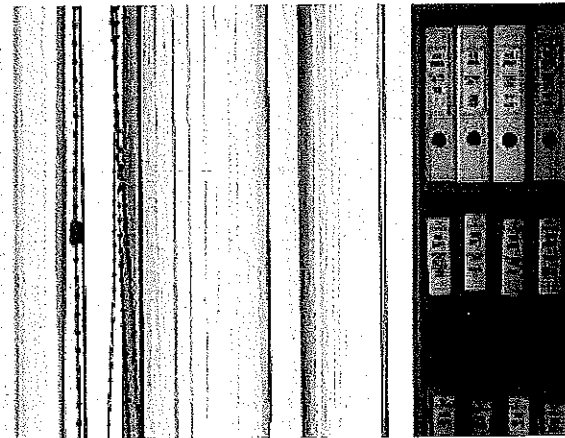
#### Occupations

Of the total population in the City of Hogansville age 16 and over, approximately 49.8% are employed, 8.2% are unemployed, and 42.0% are not in the labor force. The "Labor Force Participation Rate" in Hogansville is 58.0%, which is less than the rates for Troup County (60.4%) and the State of Georgia (62.2%).

In 2017, the average travel time to work for Hogansville residents was 29.0 minutes. This fairly long average commute indicates that a significant percentage of Hogansville residents work outside of the community.

Approximately 47.8% of Hogansville residents are employed in "White Collar" occupations, 33.5% work in "Blue Collar" occupations, and 18.7% work in "Service or Farming." A further breakdown of occupations is provided in the following table.

Approximately 14.9% of Hogansville residents are employed in fields related to "Office and Administrative Support," which is slightly higher than the 13.3% of United States residents who work in those sectors. Approximately 13.0% of Hogansville residents work in "Production." This is over twice the percentage of United States residents working in this sector and is likely a result of the significant presence of manufacturers in both Troup County and neighboring Coweta County. Approximately 10.6% of Hogansville residents work in "Sales and Related Fields," which is comparable to the United States percentage of 10.8%. No other sectors account for more than ten percent of occupations.



## Market Analysis

| OCCUPATION                             | City of Hogansville | United States |
|--|---------------------|---------------|
| Architecture/Engineering               | 0.8%                | 1.8%          |
| Arts/Design/Entertainment/Sports/Media | 0.6%                | 1.9%          |
| Building/Grounds Cleaning/Maintenance  | 3.4%                | 4.0%          |
| Business/Financial Operations          | 2.8%                | 4.8%          |
| Community/Social Services              | 0.6%                | 1.7%          |
| Computer/Mathematical                  | 0.9%                | 2.7%          |
| Construction/Extraction                | 4.3%                | 5.0%          |
| Education/Training/Library             | 2.0%                | 6.1%          |
| Farming/Fishing/Forestry               | 0.0%                | 0.7%          |
| Food Preparation/Serving Related       | 6.2%                | 5.9%          |
| Healthcare Practitioner/Technician     | 6.1%                | 5.7%          |
| Healthcare Support                     | 2.9%                | 2.5%          |
| Installation/Maintenance Repair        | 6.3%                | 3.2%          |
| Legal                                  | 0.0%                | 1.1%          |
| Life/Physical/Social Science           | 0.0%                | 0.9%          |
| Management                             | 8.4%                | 9.9%          |
| Office/Administrative Support          | 14.9%               | 13.3%         |
| Production                             | 13.0%               | 6.0%          |
| Protective Services                    | 4.0%                | 2.2%          |
| Sales/Related                          | 10.6%               | 10.8%         |
| Personal Care/Service                  | 2.2%                | 3.7%          |
| Transportation/Material Moving         | 9.9%                | 6.2%          |

Source: Environics Analytics and Village Green Consulting



## Demographic and Socioeconomic Analysis

### *Households*

In 2017, the City of Hogansville had an estimated 1,180 households. This represented a 3.6% increase over the 2010 figure of 1,139 households. Over the same time period, household growth was stronger in Troup County (4.7%) and the State of Georgia (7.5%). It is projected that the number of households in the City of Hogansville will increase by an additional 1.4% over the next five years to approximately 1,197. Over the same time period, the number of households in Troup County is projected to increase by a much greater 4.0%, and the growth rate for the State of Georgia is projected to be 5.4%.

| HOUSEHOLDS                   | City of Hogansville | Troup County | State of Georgia |
|------------------------------|---------------------|--------------|------------------|
| 2000 Census                  | 1,096               | 21,920       | 3,006,377        |
| 2010 Census                  | 1,139               | 24,828       | 3,585,584        |
| 2017 Estimate                | 1,180               | 25,983       | 3,854,460        |
| 2022 Projection              | 1,197               | 27,031       | 4,062,208        |
| <i>Household Growth</i>      |                     |              |                  |
| Percent Change: 2000 to 2010 | 3.9%                | 13.3%        | 19.3%            |
| Percent Change: 2010 to 2017 | 3.6%                | 4.7%         | 7.5%             |
| Percent Change: 2017 to 2022 | 1.4%                | 4.0%         | 5.4%             |

Source: Environics Analytics and Village Green Consulting



## Market Analysis

### Household Characteristics

In 2017, the average household size in the City of Hogansville was 2.71. This is slightly higher than the average household size in Troup County (2.62), the State of Georgia (2.62), and the United States (2.57). Single-person households account for 24.2% of the total households in the City of Hogansville. This is smaller than the percentage in Troup County (25.2%), the State of Georgia (25.9%), and the United States (27.3%). Approximately 36.5% of households in the City of Hogansville include at least one resident under the age of 18. This is slightly below the percentage in Troup County (38.0%), comparable to the State of Georgia (36.9%) and higher than the United States (33.5%).

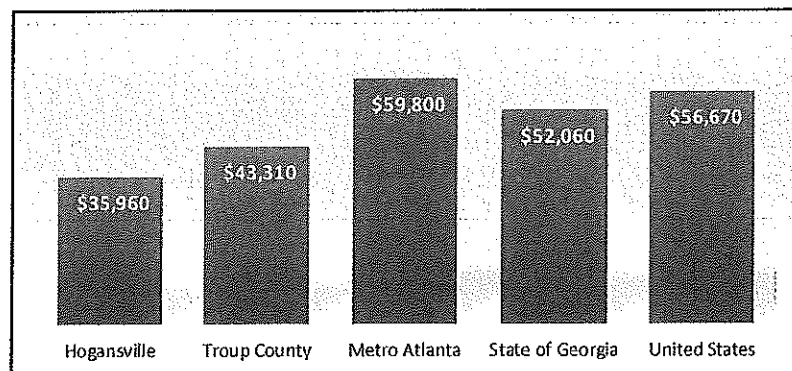
| AGE                                 | City of Hogansville | Troup County | State of Georgia | United States |
|-------------------------------------|---------------------|--------------|------------------|---------------|
| Average Household Size              | 2.71                | 2.62         | 2.62             | 2.57          |
| Single-Person Households            | 24.2%               | 25.2%        | 25.9%            | 27.3%         |
| Households with People Under Age 18 | 36.5%               | 38.0%        | 36.9%            | 33.5%         |

Source: Environics Analytics and Village Green Consulting

### Income

Household income is typically a strong indicator of the economic health of a community. In 2017, the estimated median household income for the City of Hogansville was approximately \$35,960. This is significantly lower than the median household incomes for Troup County (\$43,310),

2017 ESTIMATED  
MEDIAN HOUSEHOLD INCOME



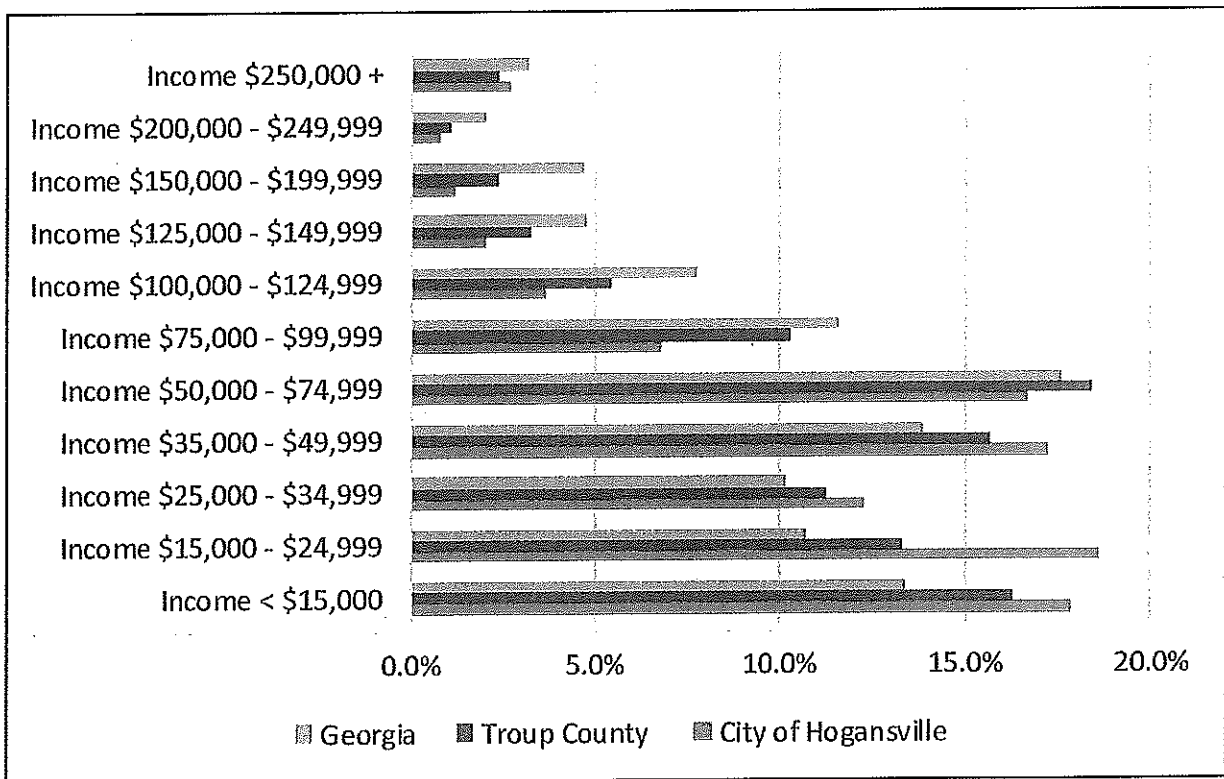
the State of Georgia (\$52,060) and the United States (\$56,670). Because Hogansville is located directly adjacent to Metro Atlanta, it is important to note that the metro area also has a much higher median household income of \$59,800.

## Demographic and Socioeconomic Analysis

### *Income* (continued)

The following graph provides a comparison of household incomes in Hogansville, Troup County, and the State of Georgia broken down into income categories. When looking at the household income categories below \$50,000, the City of Hogansville has a greater percentage than Troup County and the State of Georgia in every one of these lower income categories. The opposite is true for the brackets above \$50,000. With the exception of the \$250,000+ category, the City of Hogansville has a smaller percentage of households in all of the higher income brackets.

HOUSEHOLD INCOME



## Market Analysis

### Daytime Population / Employment

As of 2017, there were approximately 1,990 jobs located in and around the City of Hogansville. It is important to note that these employment figures are for all jobs located in the Hogansville area and not just those held by Hogansville residents. The employment numbers include jobs located within the City of Hogansville and in the nearby Meriwether Industrial Park.

The table below provides a breakdown of the local employment by industry category. The largest category by far is “Manufacturing,” accounting for approximately 54.2% of local jobs. This is not surprising considering that some of the largest employers in the area are manufacturers, including ContiTech, Dongwon Auto Parts, and Mando America Corporation. In addition, it was recently announced that Milliken will purchase the former Carter’s manufacturing plant near downtown Hogansville that has been vacant for several years. It is estimated that Milliken’s new warehouse operation will bring an additional thirty jobs to the area. The “Retail Trade” sector is also a significant contributor to the local employment base, representing approximately 16.0% of the job market. It is likely that the large Ingles supermarket is responsible for a significant number of these retail jobs. No other category accounts for more than 10% of local employment.

| HOGANSVILLE AREA EMPLOYMENT                |       |
|--|-------|
| Utilities                                  | 0.1%  |
| Construction                               | 0.9%  |
| Manufacturing                              | 54.2% |
| Wholesale Trade                            | 1.3%  |
| Retail Trade                               | 16.0% |
| Transportation and Warehousing             | 1.0%  |
| Information                                | 0.2%  |
| Finance and Insurance                      | 0.4%  |
| Real Estate and Rental and Leasing         | 0.5%  |
| Professional/Scientific/Technical Services | 0.8%  |
| Administrative/Support & Waste Management  | 1.5%  |
| Educational Services                       | 3.8%  |
| Health Care and Social Assistance          | 1.7%  |
| Arts, Entertainment and Recreation         | 0.4%  |
| Accommodation and Food Services            | 8.3%  |
| Other Services                             | 9.2%  |

Source: Environics Analytics and Village Green Consulting

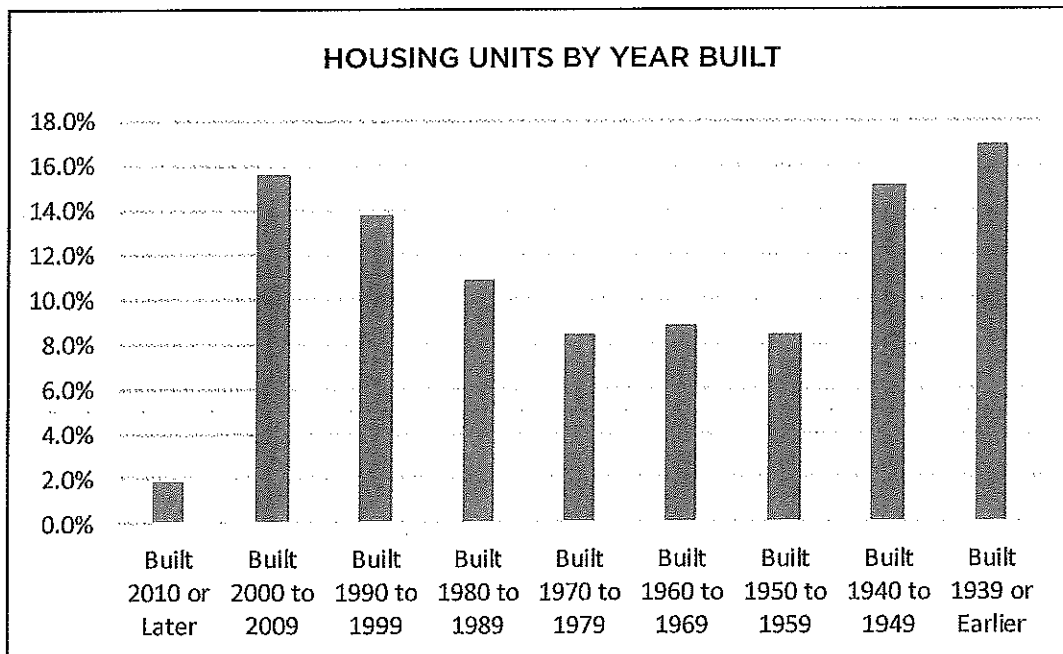
## Demographic and Socioeconomic Analysis

### *Housing*

In 2017, owner-occupied housing accounted for approximately 64.0% of the 1,180 occupied housing units in Hogansville. This was higher than the Troup County owner-occupied rate of 60.9%, but slightly below the percentage for the State of Georgia (65.6%).

Examining the age of the housing stock can provide a great deal of insight about a community and its economy. The median year of construction for homes in Hogansville is 1971. For Troup County the median is 1983, and for the State of Georgia the median year built is 1990. These figures indicate that Hogansville has seen significantly less residential development in recent decades than Troup County and the State of Georgia.

The chart below provides a breakdown of housing construction in Hogansville by decade. The largest percentage of housing was built before 1939 (16.9%) while the second highest percentage was built between 2000 and 2009 (15.7%). The fewest number of homes have been built since 2010 (1.9%).



## *Market Analysis*

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### *Key Findings for Demographic and Socioeconomic Analysis*

- Unlike many rural communities, the population in the City of Hogansville has been growing. The estimated 2017 population of 3,203 represents an increase of 4.7% from the City's 2010 population of 3,060. It is projected that the population will increase by an additional 1.9% over the next five years to approximately 3,264 with an opportunity for stronger growth if currently proposed housing developments are constructed.
  - In 2017, the estimated median household income for the City of Hogansville was approximately \$35,960. This is significantly lower than the median household incomes for Troup County (\$43,310), the State of Georgia (\$52,060), Metro Atlanta (\$59,800) and the United States (\$56,670). It is likely that these lower household incomes make it more difficult for Hogansville residents to make discretionary retail purchases.
  - Hogansville and adjacent areas have a significant employment base with approximately 1,990 jobs and a strong manufacturing sector representing approximately 54.2% of local employment. This strong employment base can provide the support necessary for additional residential and commercial growth.
  - In the City of Hogansville, educational attainment levels are generally lower than in Troup County and the State of Georgia. Approximately 22.8% of Hogansville residents over the age of 25 do not have a high school diploma or GED. This is significantly higher than the percentages for Troup County (15.4%) and the State of Georgia (14.7%). Lower levels of educational attainment can have a significant impact on incomes and can limit the potential for growth and economic development in a community.
  - The "Labor Force Participation Rate" in Hogansville is 58.0%, which is slightly less than the rates for Troup County (60.4%) and the State of Georgia (62.2%). Of the total population in the City of Hogansville age 16 and over, approximately 49.8% are employed, 8.2% are unemployed, and 42.0% are not in the labor force.
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## Retail Market Analysis

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### *National Retail Market*

With major retail chains announcing store closures on an almost monthly basis, it is easy to assume that the United States retail market is in a severe state of decline. However, according to a recent report from Colliers International, the United States retail market is actually performing fairly well, and over the next five years, spending in all major retail sectors is projected to increase. This expected growth will not be even across all retail sectors. For example, the "Beauty" category is projected to see increased sales of 31.7% over the next five years, and the sale of goods for the home is expected to rise 19.8% over the same time period, but sales of apparel are expected to only increase 12.8%.

Online sales are growing at a faster pace than sales in physical stores, and online purchases were forecast to account for 10% of total retail sales for the first time ever in 2017. While online retailing has slowed sales in physical stores and inflicted damage on some venerable retailers, the vast majority of retail purchases are still made in brick-and-mortar locations. Even with continued growth, online retail's share of total sales is forecast to reach only 13% by 2021.<sup>1</sup>

Department stores and enclosed malls have suffered the most from the competition with online retailing. Off-price retailers, restaurants, and destination retailers offering a unique experience are often seeing sales growth, and many of these businesses are expanding.

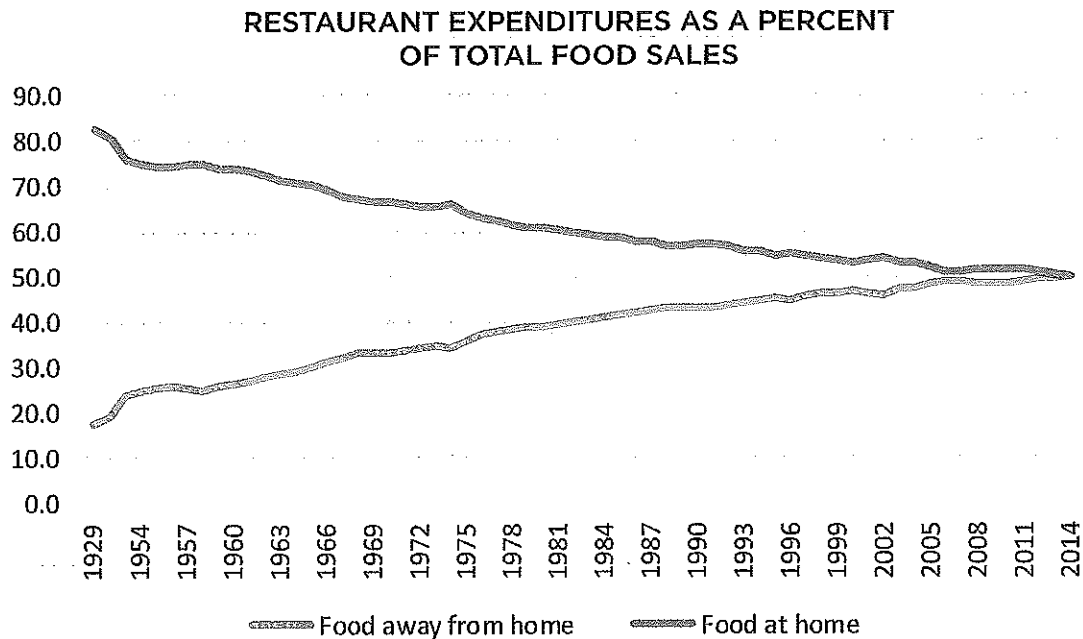
Restaurants, in particular, are largely immune to the effects of online shopping, and much of the restaurant industry has continued to see increased sales as consumers spend more of their discretionary income on dining out. As the following graph shows, in 2014 total spending on food consumed away from the home surpassed the total spending on food consumed at home for the first time. Spending on food away from home has grown at a remarkably consistent rate since records were first kept in 1929, and there is little evidence that this trend is reversing or slowing down.<sup>2</sup> For this reason, restaurants are increasingly sought out as anchors and traffic generators for retail developments.

1. "Retail Services Spotlight Report" Third Quarter 2017; Colliers International.

2. Source: USDA and Village Green Consulting

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## Market Analysis



### Study Area

#### Retail Market

The Study Area encompasses the commercial core of Hogansville including the historic downtown buildings along East and West Main Street and the car-oriented retail developments along Highway 29. Within the Study Area, there are approximately sixty-two commercial buildings with roughly 420,000 square feet of commercial space. Approximately 50% of these commercial spaces are currently vacant.

Retail businesses in the historic downtown include Station Coffeehouse, the Great Southern Pub, and the Blue Train Books used book store. Major retailers along Highway 29 include Rite Aid, Dollar General, and a Piggly Wiggly supermarket. Outside of the Study Area, but within the City of Hogansville, other major retailers include Ingle's supermarket and a Fred's dollar store. In addition, several fast food restaurants and gas stations are located near the Interstate 85 interchange.

According to local real estate agents, retail spaces in the historic downtown vary greatly in size with an average size of roughly 3,700 square feet. Typical rents in the downtown area range from \$500 to \$1,000 per month. For the larger spaces, this represents a very low rental rate per square foot.

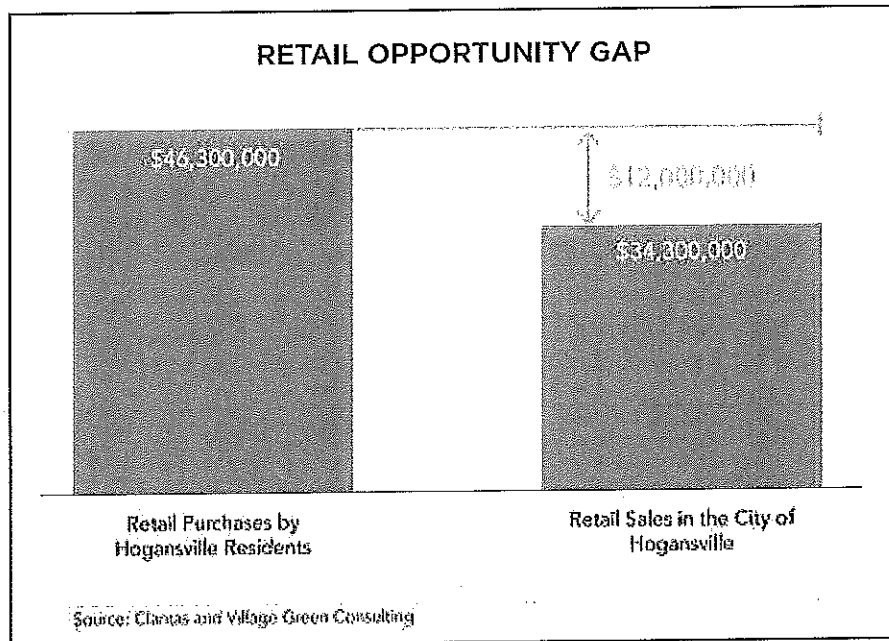


## Retail Market Analysis

### *Retail Leakage*

Retail sales are almost never spread evenly across a region. Some communities have a large number of retailers that attract customers from outside of the immediate area, while other communities have few retail options, and residents have to travel to other areas to make purchases. This phenomenon is measured by comparing how much residents living in a defined area spend on various retail goods versus how many dollars are spent on retail goods at stores located within that same area. The difference between the two figures can be described as a “surplus” of retail sales or a “gap” in retail sales.

Currently, Hogansville residents make an estimated \$46.3 million of retail purchases annually, but only \$34.3 million of retail sales take place within the City of Hogansville. This difference represents a net outflow of just under \$12 million dollars in retail spending.



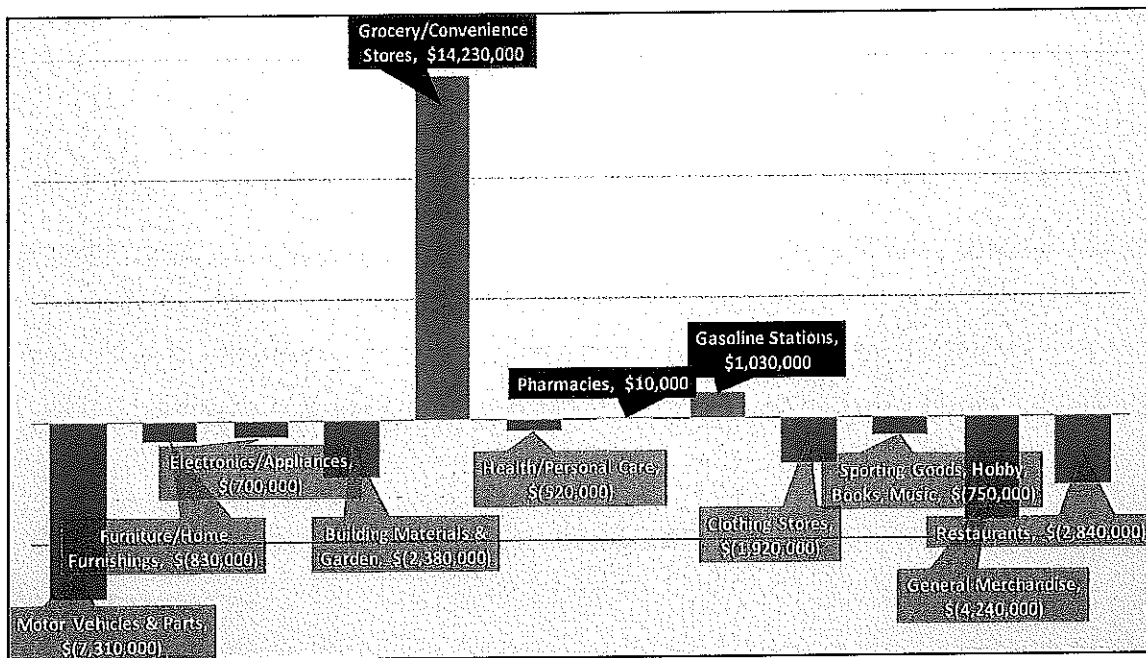
While the City of Hogansville loses a great deal of retail spending to surrounding communities, there are a few retail sectors where Hogansville is attracting customers from outside of the city. These include the “Supermarket”, “Pharmacies and Drug Stores”, and “Gasoline Stations” retail sector.

## Market Analysis

### Retail Leakage (continued)

The surplus in the “Supermarket” category is likely the result of the two grocery stores located within the City of Hogansville: Ingles and Piggly Wiggly. Because of its size and amenities, Ingles likely draws a large number of customers from outside of Hogansville. The Rite Aid store in the Study Area accounts for the very slight surplus in the “Pharmacies and Drug Stores” sector, and the gas stations and convenience stores attracting travelers from I-85 are the likely source of the surplus in the “Gasoline Stations” retail sector.<sup>3</sup> The full Retail Leakage Report for the City of Hogansville can be found in the Appendix of this document.

#### HOGANSVILLE RETAIL OPPORTUNITY GAP/SURPLUS BY CATEGORY



The outflow of retail spending from Hogansville in certain retail sectors can be attributed to “Retail Gravity.” According to the “Retail Gravity Model” larger cities have more retailers with more selection, and people are willing to travel longer distances to shop in this wider variety of stores. Thus, when two nearby cities are of greatly unequal size, the trade area of the smaller city will be smaller, giving the larger city a wider trade area and the ability to “steal” more retail sales from the surrounding smaller communities.<sup>4</sup>

3. Source: Claritas and Village Green Consulting

4. “Reilly’s Law of Retail Gravitation” by Matt Rosenberg, [www.thoughtco.com](http://www.thoughtco.com); March 17, 2017.

## Retail Market Analysis

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### *Retail Sales* (continued)

This 'selection' is demonstrated by the table on the following page that shows the retail surplus or gap for nearby cities. Opelika, Newnan, and LaGrange are the largest cities in the area, and they are attracting retail sales from the surrounding smaller communities of Roanoke, Hogansville, West Point, Franklin, Senoia, and Grantville.

There are more than 640 major retail buildings in the Newnan/Coweta County submarket with over 7.6 million square feet of space.<sup>5</sup> This includes the large Ashley Park development that serves a regional retail center. This development has Belk and Dillard's department stores as its major anchors along with a wide variety of big box stores and specialty retailers. As a result of this large number of regional retailers, the City of Newnan has total retail sales that are approximately 77.0% greater than the retail purchases made by Newnan residents. The City of Opelika also has a large number of regional retailers at the massive Tiger Town development. As a result, Opelika has annual retail sales that are more than twice the amount spent by the residents of Opelika. While the City of LaGrange has a smaller number of regional retailers, it is still able to attract outside retail dollars into its community. The LaGrange Mall is a small regional center that has been undergoing gradual redevelopment in recent years. It is anchored by Belk, TJ Maxx, Hobby Lobby, and Dunham's Sports.

At the opposite end of the spectrum, almost two-thirds of the total retail expenditures made by Grantville residents are lost to surrounding communities. This is not surprising since the City of Grantville has few retail establishments. For the City of Hogansville, 2017 retail sales equaled roughly 74% of the retail purchases made by Hogansville residents. This is stronger than the figures for West Point, Franklin, Senoia, and Grantville.

Because of its close proximity to the much larger cities of Newnan and LaGrange, it is likely that Hogansville is losing a large portion of its retail dollars to those two communities. In 2017, it is estimated that Newnan will have a retail sales surplus of over \$470 million dollars, and LaGrange will have a surplus of just over \$65 million.

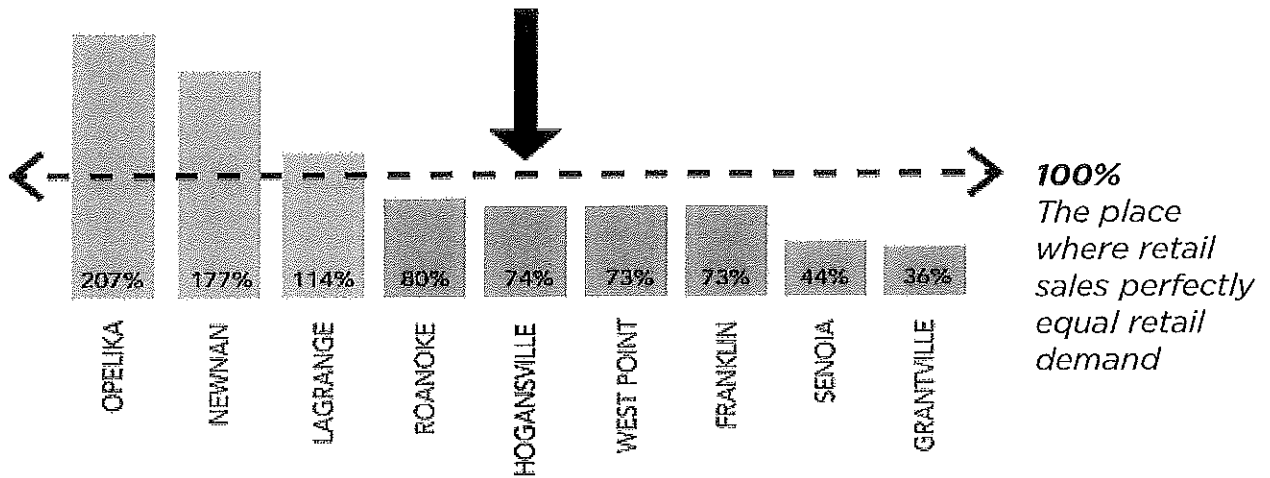
<sup>4</sup> "Reilley's Law of Retail Gravitation" by Matt Rosenberg, [www.thoughtco.com](http://www.thoughtco.com); March 17, 2017.

<sup>5</sup> Source: CoStar Retail Report: Atlanta Market Statistics, Third Quarter 2017

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## Market Analysis

### LOCAL RETAIL SALES VS. LOCAL RETAIL DEMAND



### Retail Trade Areas

Broadly speaking, retail can be divided into two categories: convenience retail and destination retail. Convenience retailers typically provide commodities necessary for everyday life. Examples of this type of retailer include grocery stores, drug stores, fast food restaurants, and dollar stores. Destination retailers provide a more specialized product mix and have to draw customers from a wider area. Examples of destination retailers would include department stores, specialty clothing stores, and full-service restaurants. Consumers typically make fewer trips to destination retailers, but the average purchase amount is often greater than for convenience retail.

#### CONVENIENCE RETAIL

- Purchases are made closer to home
- Purchases are made more frequently
- Retailers can be supported by a smaller population
- Selling lower-cost items
- Selling commodities that are necessary for everyday life

#### DESTINATION RETAIL

- Customers are willing to travel out of their local community
- Retailers draw customers from a large trade area.
- Purchases are made less frequently
- Selling higher cost items
- Often selling "luxuries" that require discretionary income

## Retail Market Analysis

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### *Retail Trade Areas* (continued)

Because of Hogansville's fairly close proximity to the much stronger retail markets in both LaGrange and Newnan, efforts to grow the retail market in downtown Hogansville will require a strategy to create a unique destination that can attract outside dollars into the community.

Successful downtowns become a destination by selling an experience and should include:

- An emphasis on unique goods and services not commonly found in chain stores
- Interesting architecture and store design
- A curated mix of businesses that encourage cross-shopping
- Two to three "anchor" businesses
- A walkable environment
- Large-scale festivals
- Consistent programming and entertainment designed to increase sales volume
- A unique character that reflects the people, history, and culture of the community

*In the modern economy, downtowns that flourish focus on providing for "wants" and not "needs."*

To understand the potential demand for retail in downtown Hogansville, it is important to establish likely trade areas. The Primary Trade Area represents the most likely source of consumers looking to make convenience retail purchases, and the Regional Trade Area is the area with the most potential to attract consumers looking for destination retailers. Based on discussions with local merchants and residents, the Primary Trade Area has been defined as the area within a ten-minute drive of the Study Area, and the Regional Trade Area has been defined as a forty-minute drive time.

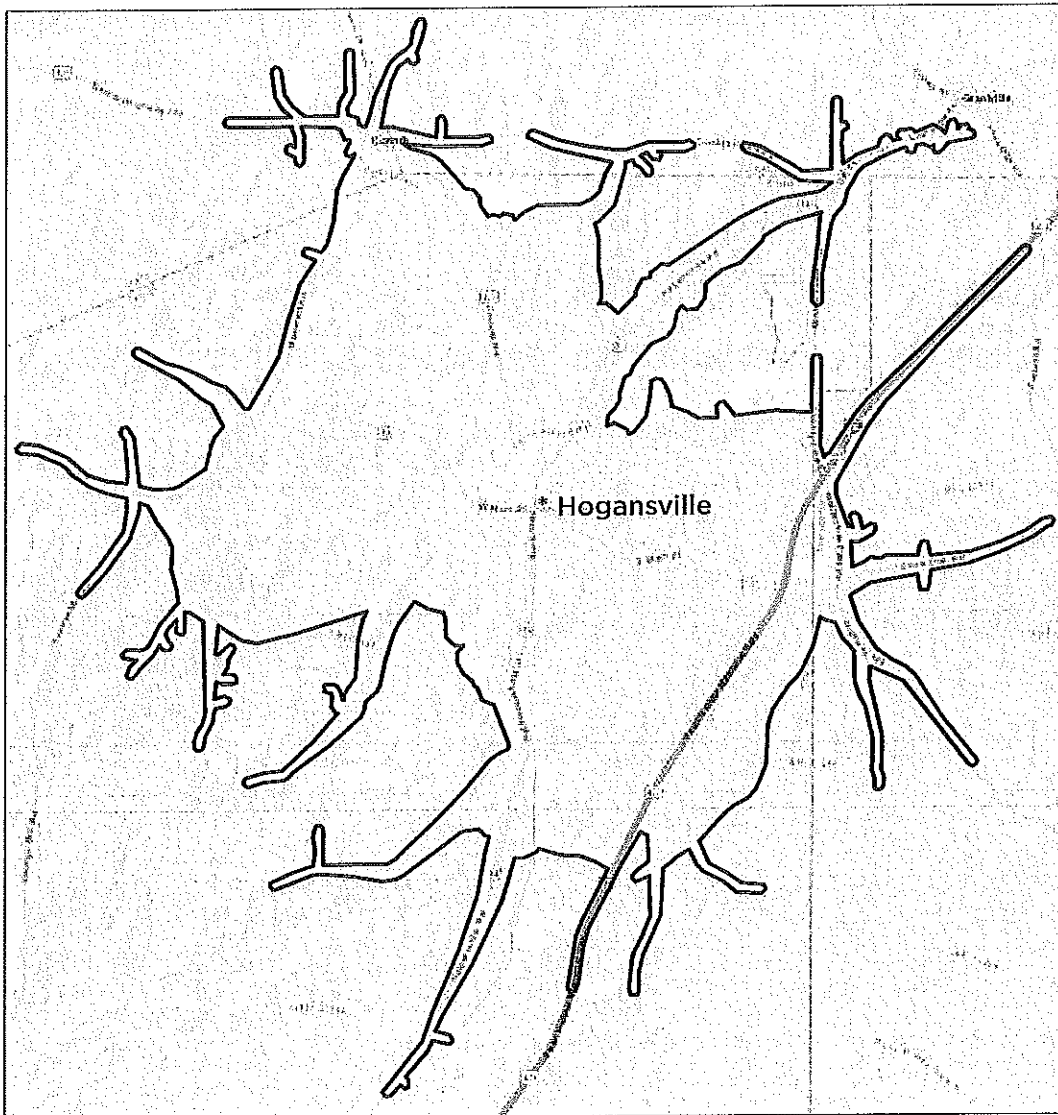
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## Market Analysis

### Primary Retail Trade Area

The population within a **ten-minute drive of downtown Hogansville** is approximately 5,030. Over the next five years, it is projected that the population in this area will increase by 2.7% to 5,170. The median household income for this area is \$38,180. In 2017, it is estimated that residents in this trade area will make \$89.3 million in retail purchases.

TEN-MINUTE DRIVE TIME

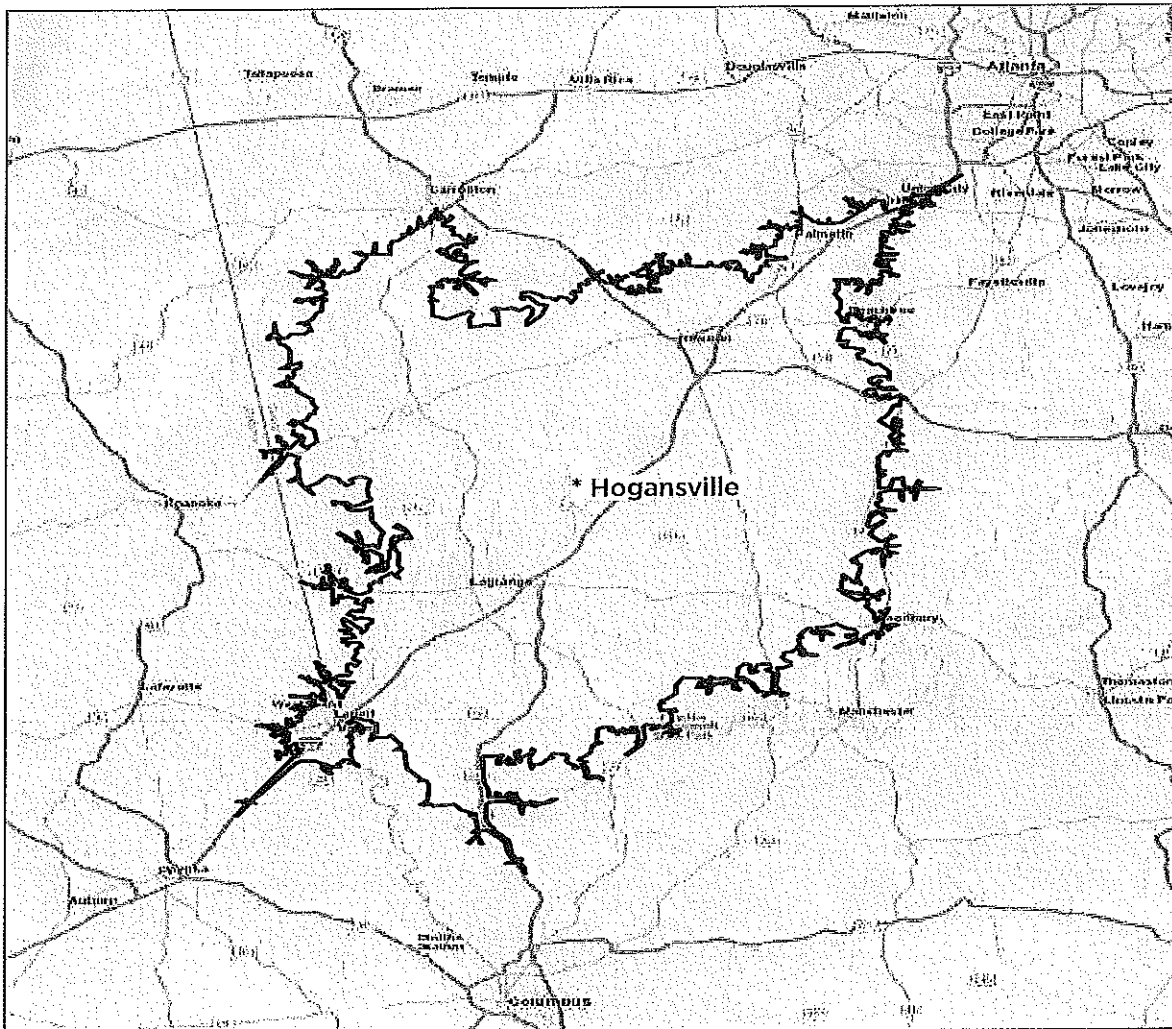


## Retail Market Analysis

### *Regional Retail Trade Area*

The population within a **forty-minute drive of downtown Hogansville** is approximately 271,470. Over the next five years, it is projected that the population in this area will increase by 5.5% to 286,430. The median household income for this area is \$52,400 which is significantly higher than the median income for the Primary Trade Area (\$38,180) and the City of Hogansville (\$35,960). In 2017, it is estimated that residents in this trade area will make \$4.7 billion in retail purchases.

**FORTY-MINUTE DRIVE TIME**



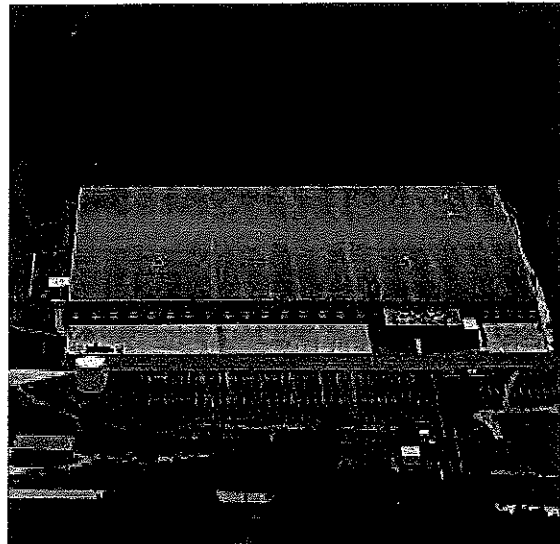
## *Market Analysis*

### *Additional Retail Demand Generators*

In addition to the residential population in the retail trade areas, there are several other sources of potential retail demand in Hogansville.

#### **LOCAL EMPLOYMENT BASE**

As noted in the Socioeconomic section, there were approximately 1,990 jobs located in and around the City of Hogansville in 2017. These employment numbers include jobs located within the City of Hogansville and in the nearby Meriwether Industrial Park. Some of the largest employers in the area include ContiTech, Dongwon Auto Parts, and Mando America Corporation. In addition, it was recently announced that Milliken will purchase the former Carter's manufacturing plant that has been empty for several years. It is estimated that this will bring an additional thirty jobs to the area.



Aerial of old Carter's plant  
image via The Newnan Times-Herald

#### **INTERSTATE 85 TRAFFIC**

Downtown Hogansville is located approximately three miles from Interstate 85, a major transportation corridor for the entire Southeastern United States. In 2016, the Georgia Department of Transportation recorded average daily traffic of approximately 51,300 vehicle along Interstate 85 at the Hogansville interchange.



image via AAroads.com



## Retail Market Analysis

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### *Additional Retail Demand Generators*

#### **GREAT WOLF LODGE**

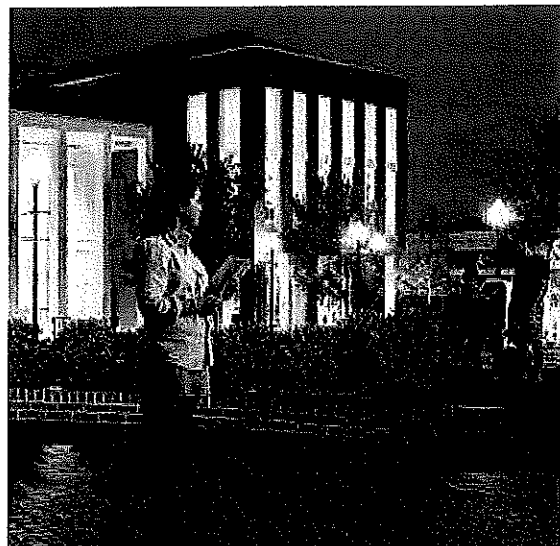
The Great Wolf Lodge development, a 500,000 square foot entertainment and recreation venue, will open in late May 2018 approximately fifteen miles from downtown Hogansville. This development will include a 93,000 square-foot indoor water park that will be open year round, along with a 456-room hotel:



Inside a Great Wolf Lodge  
image via [thepress.net/news](http://thepress.net/news)

#### **LAGRANGE COLLEGE**

LaGrange College has over 1,000 students and is located less than 15 miles from downtown Hogansville. With additional dining and entertainment choices, downtown Hogansville could begin to attract some of these students on a regular basis.



Frank and Laura Lewis Library  
at LaGrange College

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# *Market Analysis*

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## *Downtown Hogansville Retail Market*

### Challenges

- The population of the local community is fairly small.
- The median household income in the City of Hogansville is too low to support a great deal of discretionary retail spending.
- Downtown Hogansville does not yet have a critical mass of destination retailers that can work together to attract customers from outside of the community.
- Current rental rates for downtown commercial spaces are too low to support significant improvements to downtown buildings.
- Many of the retail spaces in downtown Hogansville are too large for modern destination retailers.

### Assets

- The historic downtown buildings are largely intact and structurally sound. Destination retail is based on creating an experience, and historic architecture can be a part of that experience.
  - The City of Hogansville, while located in a rural setting, is adjacent to areas with large and growing populations and significant disposable income.
  - Existing catalyst businesses such as the Station Coffeehouse and Karvelas Pizza Company, make Downtown Hogansville uniquely situated to grow into a dining and shopping destination.
  - Hogansville has a fairly large employment base with 1,990 people working in the immediate area.
  - The City of Hogansville is located along Interstate 85, a major transportation corridor for the Southeastern United States.
-

## Residential Market Analysis

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### *National Residential Market*

According to the National Association of Realtors, almost all major regions of the nation saw a significant increase in residential sales activity in late 2017. Existing home sales posted their third straight month of increases in November, reaching their strongest numbers in almost eleven years. Total existing home sales increased 5.6% to a seasonally adjusted annual rate of 5.81 million in November from an upwardly revised 5.50 million in October. Sales were 3.8% higher than the previous year with the highest sales figures since before the housing recession in December 2006 (6.42 million). The median sales price for existing homes was \$248,000 in November 2017, up 5.8% from November 2016 (\$234,000). This price increase marks the 69th straight month of year-over-year gains.

Total housing inventory for sale at the end of November 2017 was 1.67 million homes. This is 9.7% lower than the inventory levels of November 2016 (1.85 million homes). This figure has fallen year-over-year for thirty consecutive months. At the current pace of sales, there was a 3.4-month supply of available homes. This was down from a 4.0-month supply one year earlier in November 2016.<sup>1</sup>

### *Metro Atlanta Residential Market*

While the U.S. Census Bureau does not include Troup County in its definition of Metro Atlanta, the Hogansville housing market is impacted by the metro market and by the growth spilling out of neighboring Coweta County. For this reason, it is important to examine the Metro Atlanta residential market when looking at the growth potential of the Hogansville market.

Single-Family. In November of 2017, approximately 6,530 homes were sold in metro Atlanta through the Georgia MLS system. This represented an increase of 5.7% over the November 2016 figure of 6,180 homes sold. The median sales price for homes sold in November 2017 was \$205,460 which was 3.8% higher than the November 2016 median sales price of \$198,000. The residential inventory in November 2017 was approximately 2.71 months, which was a decrease of 13.9% from the November 2016 figure of 3.15 months.<sup>2</sup>

1. Source: "Existing-Home Sales Soar 5.6 Percent in November to Strongest Pace in Over a Decade," National Assoc. of Realtors: December 20, 2017  
2. Source: Georgia MLS

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## Market Analysis

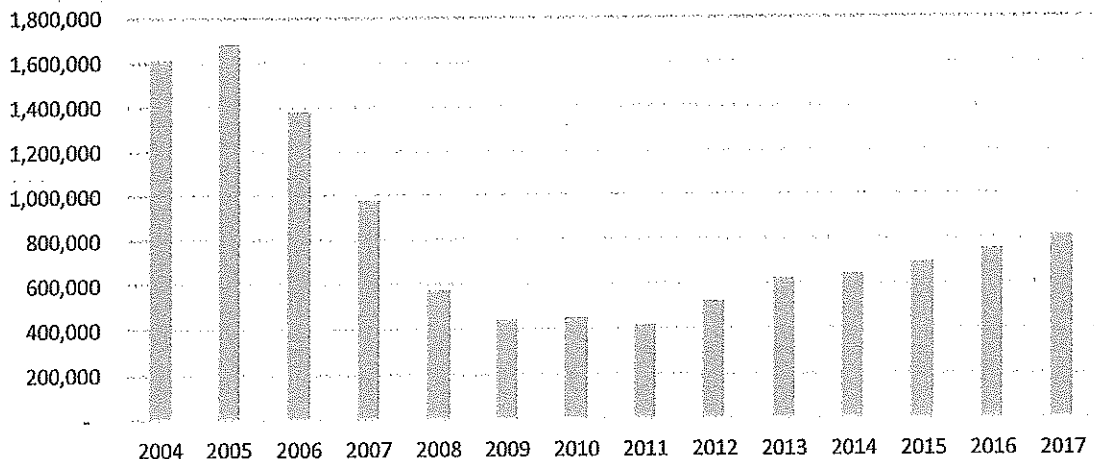
### *Metro Atlanta Residential Market* (continued)

Multi-Family. According to a third quarter 2017 market report from Marcus and Millichap, approximately 16,300 apartments were added to the Metro Atlanta market in 2017. The majority of these apartments were built in the suburbs. With expected absorption of only 11,600 units, vacancy was projected to rise to 5.7%. However, the average effective rent was expected to reach a record-breaking high of \$1,144 per month, a 7.7% increase over the prior year.

### *Residential Building Permits* National Market

The number of residential building permits issued each year can provide one of the clearest indicators of the health of the new home market. As can be seen in the following chart, the recession that began in 2007 had a profound impact on new home construction across the United States, and some aspects of the market have still not fully recovered. The chart displays total building permits issued for new single-family homes in the United States. Building permits reached a pre-recession high of approximately 1.68 million in 2005. The number of building permits reached its lowest point in 2011 with just over 418,000 permits issued, representing a decrease of 74.1% between 2005 and 2011. Since 2011, the number of permits has steadily increased, reaching almost 818,000 in 2017. While this demonstrates a significant improvement in new home construction, the 2017 figure is still 49.3% below the number of permits issued in 2005.<sup>3</sup>

**SINGLE-FAMILY BUILDING PERMITS - UNITED STATES**

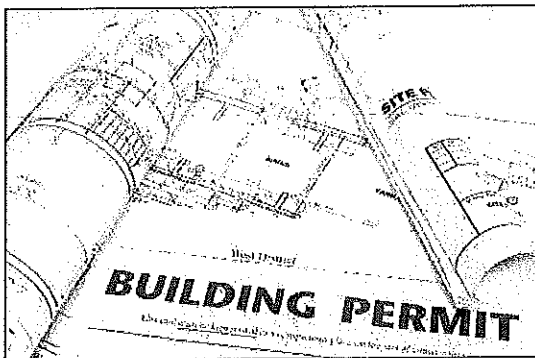
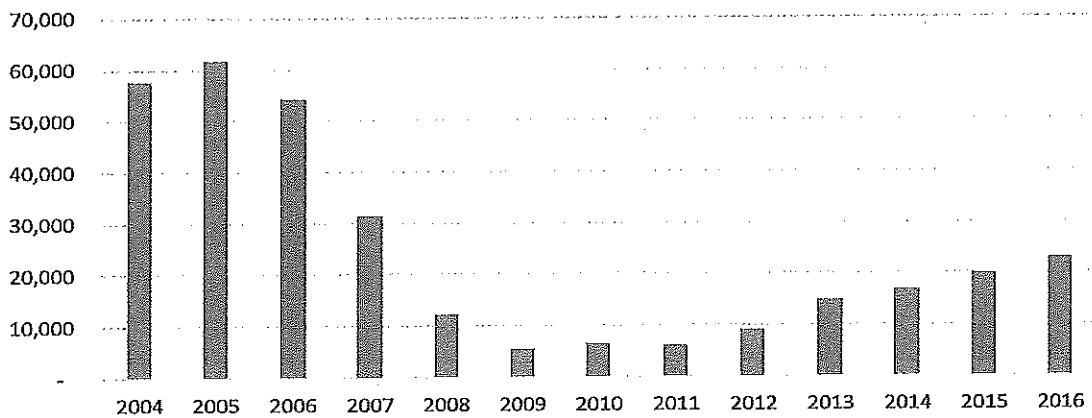


## Residential Market Analysis

### *Residential Building Permits* Metro Atlanta Market

The new home market in Metro Atlanta was impacted by the recession more severely than the rest of the United States. Single-family building permits issued in the metro area reached a pre-recession high of 61,840 in 2005. When the market reached its lowest point in 2009, only 5,460 permits were issued. This represents a decrease of 91.2% between 2005 and 2009. Since 2011, the number of permits issued has steadily increased each year, reaching 23,100 in 2016. While this figure represents a significant improvement, it is still 62.6% below the number of permits issued in 2005.<sup>4</sup>

**SINGLE-FAMILY BUILDING PERMITS - METRO ATLANTA**



3. Source: U.S. Census Bureau

4. Source: U.S. Department of Housing and Urban Development

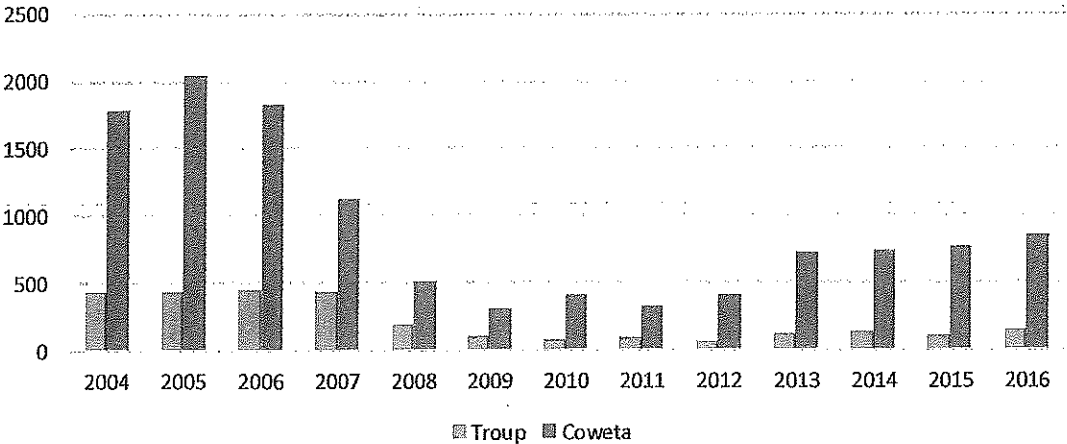
# Market Analysis

## Residential Building Permits Troup & Coweta County

According to local real estate professionals, a significant portion of Troup County’s residential growth prior to the recession was a result of growth spilling out of neighboring Coweta County. While the recession greatly slowed this momentum, it is likely that Troup County, especially the northern portions of the county near Interstate 85, will see significant residential growth in the future as the Coweta County market matures and land there becomes more expensive.

The following chart compares single-family building permits issued in Coweta and Troup Counties between 2004 and 2016. From the chart, one can see that Coweta County has a much larger new home market. At the height of the pre-recession housing market in 2005, there were 2,049 single-family building permits issued in Coweta County. In the same year, 442 permits were issued in Troup County. The number of single-family building permits in Coweta County reached its lowest point in 2009 when only 315 permits were issued. Troup County issued its fewest number of permits in 2012 with just 62 building permits. By 2016, the number of permits issued in Coweta County had reached 852, representing a substantial increase over the 2009 figure but still well below the number issued in 2005. There were 148 single-family permits issued in Troup County in 2016. This represents the largest number of permits since 2008, but it is still well below the years of 2004 to 2007 when between 438 and 456 permits were issued each year. <sup>5</sup>

**SINGLE-FAMILY BUILDING PERMITS - TROUP AND COWETA COUNTY**



5. Source: U.S. Department of Housing and Urban Development

## Residential Market Analysis

### *Hogansville Area Single-Family Residential*

There are approximately 1,280 single-family homes in the City of Hogansville, representing roughly 89.0% of the total housing units in the City.<sup>6</sup> Single-family homes in Hogansville vary greatly in size, age, and architectural style. The Study Area contains quite a few larger historic homes in and around the downtown commercial district. Adjacent to the Study Area, the City has a fairly large “mill village” that consists of smaller historic homes that were originally built as company-owned housing for workers in the local textile mill. Many of these homes are in need of repair and reinvestment. Elsewhere in the City of Hogansville, there are a variety of newer single-family neighborhoods that were largely developed between the 1950s and the early 2000s.

The following table provides information on single-family home sales in the Hogansville area. It is important to note that these statistics cover the City of Hogansville along with properties in the surrounding unincorporated areas of Troup County with a Hogansville address. Between 2012 and 2017, the number of homes sold annually increased from a low of 62 in 2012 to a high of 103 in 2017. As would be expected with a fairly small number of home sales, the average sales price has varied considerably, with a low of \$71,271 in 2012 and a high of \$147,536 in 2017. (It is important to note that the very high maximum sales price of \$915,000 in 2017 likely moved the average higher for that year.)

**HOGANSVILLE AREA - ANNUAL HOME SALES**

|                      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of Homes Sold | 62        | 68        | 78        | 73        | 98        | 103       |
| Minimum Sales Price  | \$10,000  | \$5,000   | \$5,100   | \$8,000   | \$11,000  | \$13,000  |
| Maximum Sales Price  | \$270,000 | \$370,000 | \$292,300 | \$407,000 | \$355,000 | \$915,000 |
| Average Sales Price  | \$71,271  | \$96,017  | \$99,700  | \$110,245 | \$118,664 | \$147,536 |

*Source: Environics Analytics*

## *Market Analysis*

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### *Hogansville Area Single-Family Residential Planned Developments*

The Village of Huntcliff is a single-family subdivision located on Highway 29 just north of the Study Area boundaries. Development of this neighborhood began in 2004. Approximately 23 homes were built before construction stopped during the housing recession. A local developer has purchased 52 vacant lots in the neighborhood with plans to construct new single-family homes with a potential target price of roughly \$175,000 to \$225,000. The same developer is also in the planning stages for a new subdivision in the City of Hogansville between the eastern boundaries of the Study Area and Interstate 85. Current plans call for approximately 180 single-family lots in this new development.

### *Hogansville Multi-Family Residential*

**Stony Ridge Apartments** – The Stony Ridge apartment community is located in the City of Hogansville, but outside of the Study Area. Funded through the Low Income Housing Tax Credit program, this property has subsidized rents and income restrictions. The community opened in August of 2014 and was developed by affordable housing provider Dash, Inc. Stony Ridge has 54 units with rents ranging from \$354 to \$580 per month. The occupancy rate is 100%, and according to property management, there is a waiting list with a current wait time of approximately 1.5 years.

**Hogansville Housing Authority Properties** – The Hogansville Housing Authority owns and manages three communities with approximately 100 units. These properties are located in the City of Hogansville but outside of the Study Area. They were built in the 1950s and 1960s. Rents vary and are subsidized based on the tenant's income.

**Downtown Residential Units** – According to local real estate agents, there are approximately seven residential units in the commercial core of downtown Hogansville. These units are scattered throughout the downtown area and range in size from 840 square feet to 1,930 square feet with an average size of approximately 1,300 square feet. The units have one to three bedrooms. Monthly rental rates are between \$575 and \$800 per month with an average rental rate of approximately \$635 per month.

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# Residential Market Analysis

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## *Hogansville Residential Market : Challenges & Assets*

### Challenges

- New home construction in the Hogansville area largely stalled during the recession that began in 2007, and the market has not yet fully recovered.
- While the demand for rental housing in Hogansville appears to be substantial, much of this demand depends on fairly low rental rates.
- A significant portion of the single-family housing stock in Hogansville is older and in need of substantial reinvestment.

### Assets

- The nearby Coweta County residential market has been steadily recovering from the recession with an increase in new home construction and rising home prices. Within the foreseeable future, there should be significant market pressure that will push home buyers into Troup County.
  - There is a small, but still significant portion of the public looking for "loft" housing in converted former commercial spaces. Downtown Hogansville has several buildings that are especially well-suited for conversion into this type of housing.
  - There is a relatively large employment base in the Hogansville area. If the downtown becomes more active and vibrant with shops, restaurants, and entertainment, many of these employees who are commuting into the area may also choose to live in the community.
  - The City of Hogansville has a large number of historic single-family homes. Homes with historic character are increasingly valued by a sizeable portion of the home buying public. Once renovated, these homes and neighborhoods could provide an attractive alternative to the suburban housing stock found in the rapidly developing areas to the north of Hogansville.
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## *Market Analysis*

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## Downtown Hogansville Market Recommendations

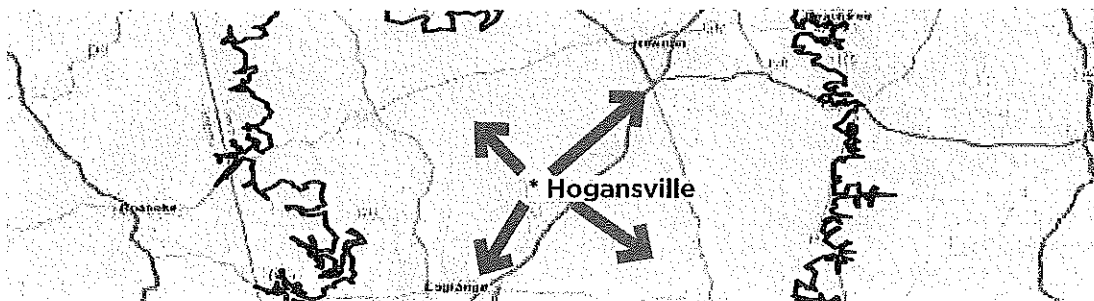
While downtown Hogansville faces certain challenges from a socioeconomic and market standpoint, it also has many assets that give it the potential to once again become a thriving center of commerce and an economic engine for the community. This document denotes 'Recommendation' references in red numbering "1". Since it is a "Market Recommendation" it will be referenced in a Gold color.

The following recommendations are designed to build on the strengths outlined in the market study:

- ① Focus on attracting customers from a broader region.

The Hogansville retail market is fairly small, and the local population cannot support a thriving downtown. However, downtown Hogansville is fortunate to be located in a region with a large and growing population and significant disposable income. Revitalization efforts should focus on expanding the downtown trade area from one serving only the local community to one attracting customers from across the region. The following table demonstrates the tremendous increase in the downtown customer base if the trade area is expanded from the City of Hogansville to the area within a 40-minute drive time.

| POPULATION                     | City of Hogansville | 40-minute drive time |
|--------------------------------|---------------------|----------------------|
| 2010 Census                    | 3,060               | 252,300              |
| 2017 Estimate                  | 3,203               | 271,500              |
| 2022 Projection                | 3,264               | 286,400              |
| <b>Median Household Income</b> | <b>\$35,960</b>     | <b>\$52,400</b>      |

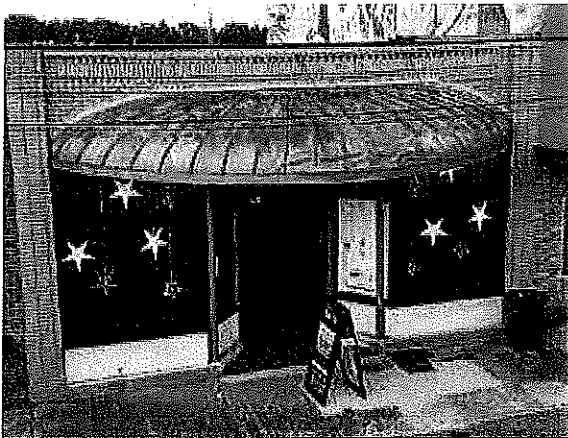


## Market Analysis

### ② Curate a mix of businesses that will create a regional destination.

At one time, downtowns provided a wide variety of essential goods and services and served as the commercial hubs of their communities. Prior to the 1980s, a typical downtown featured a broad mix of retail establishments including pharmacies, shoe stores, department stores, hardware stores, and variety stores. Most of these businesses are now gone, and their sales have shifted to “big box” stores located in automobile-oriented shopping centers. However, many downtowns have reinvented themselves and found success by providing unique and engaging experiences. While it is very unlikely that downtown Hogansville can regain the local convenience retail trade that it once had, it can become a dining and entertainment destination for the surrounding region. To become a destination, Hogansville will have to set itself apart from other downtowns in the area. The following businesses and activities could be supported in downtown Hogansville if they are part of an overall curated mix of tenants and programming designed to attract the regional consumer:

- Several unique restaurants
- Micro-brewery
- Performing arts (renovate Royal Theater)
- Music venues (both indoor and outdoor)
- Artist studios/makers spaces in former retail spaces



Renovated Black-box Theatre in Hapeville, GA



Recent success of the Southern Pub in downtown Hogansville

## Downtown Hogansville Market Recommendations

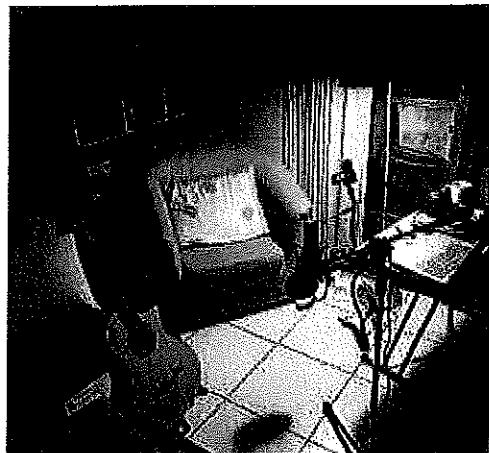
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### ③ Encourage additional downtown housing.

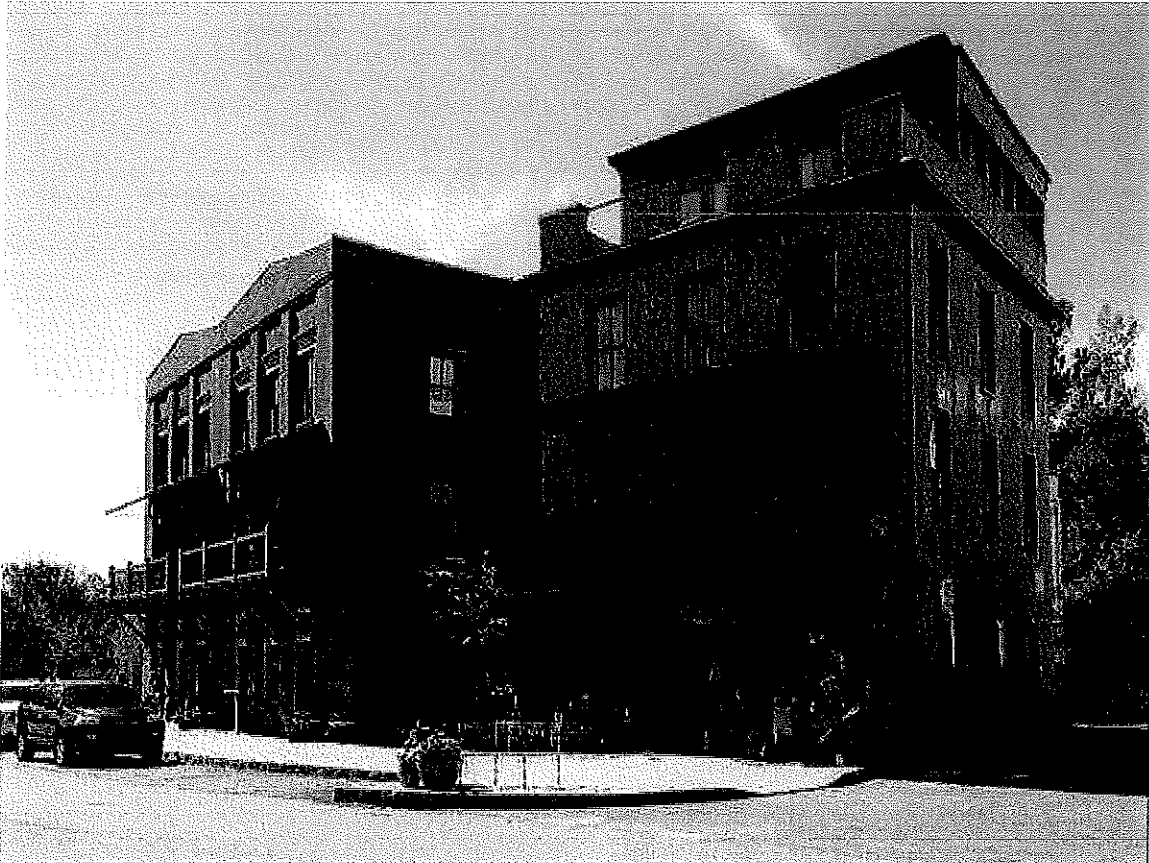
Downtown Hogansville has a small but successful housing market. Efforts should be made to increase the number of residential units in the downtown through the conversion of older buildings and new construction. The presence of additional residents on a 24-hour basis would add to the vibrancy of the area. In addition, downtown housing could attract new residents looking to live in a unique environment who might not otherwise have move to Hogansville. Because rents in the area tend to be fairly low, efforts should focus on creating simple, loft-style units.

### ④ Retrofit buildings to match the current downtown market.

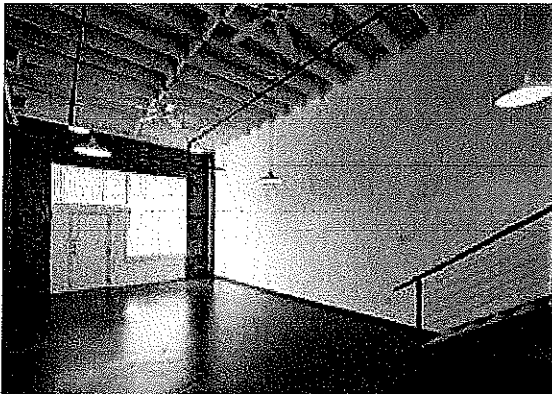
Most of the retail buildings in downtown Hogansville are too large for modern specialty retailers. This contributes to higher vacancy in the downtown and lower rental rates per square foot. Extended periods of vacancy and low rents make it difficult for property owners to justify investing in their properties. One solution to this problem could be to reconfigure the buildings. It is likely that some of the larger retail buildings would be more productive if they were subdivided to create several very simple loft-style spaces with a bathroom and a small kitchen. These spaces could then be rented for a variety of uses such as retail, office, artist studio, maker's space, or loft apartment. The flexibility of the spaces would widen the pool of potential tenants and allow uses to change with fluctuations in the market.



## *Market Analysis*



Denser downtown-style live/work housing at Serenbe in Palmetto, GA



Simple retrofitted loft / studio example via Village Green Consulting