

# WHY SAVANNAH?

In trying to find a rationale for the sharp increase in population for the Savannah area since the 1990 Census, the most cited causes among transplants are the “laid back lifestyle” and “charm of the city and its people.” Yet, this is not quantifiable in any fashion, nor does it explain the reason for the rise in middle-income earners that represent the core of the Savannah real estate boom. Below are some of the other discerned reasons for why these folks come to (and then stay in) the city:

**A. Tourism:** While tourism has always been the engine for Savannah’s economy, the city has seen a great increase over the past 15 years to nearly 6 million visitors in 2003. The most commonly cited cause for this increase is the over-development of similar destinations (e.g., Hilton Head Island) coupled with increased exposure from national media, particularly due to the incredible success of *Midnight in the Garden of Good and Evil* and the popularity of Paula Deen. The Historic District ranks as the top attraction among visitors traveling to Georgia, and the city ranks sixth on Conde Nast’s “Top 10 Cities to Visit in the US.” This increase in tourism has brought a corresponding increase in hospitality/service jobs (available hotel rooms have essentially doubled in this span), as well as related activities (somebody had to build those rooms). Thus, with more people coming to visit Savannah, more people are choosing to stay after experiencing its aforementioned charm.

**B. Quality of Life:** This phrase encompasses a wide array of factors. The area offers a year-round climate that features an average high temperatures throughout the Winter months (December-February) in the 60’s. This enables residents to enjoy non-stop access to the numerous high-level golf courses, as well as the many tennis centers, parks and other outdoor recreational activities. Moreover, Savannah offers greater entertainment options than expected for a town its size. With the growth of the Savannah College of Art and Design (now the nation’s largest art school) has come an increase in cultural activities associated with it—the Savannah Jazz, Music and Film Festivals as well as numerous theatre productions and gallery exhibits. Also, because of the large number of tourists, there are a larger and more diverse number of restaurants to cater to various palettes. Therefore, people are able to enjoy many of the conveniences of city living while also taking advantage of the comforts of smaller town life (e.g., less noise, traffic, and crime).

**C. Cost of Living:** The truth of the matter is that Savannah is a cheap place to live (see Table 1). The Savannah area offers a wide selection of affordable, yet spacious housing that cannot be found in similar locales, especially the large number of accessible and attainable waterfront properties. Moreover, the cost of living is significantly below those of neighboring areas. The combination of the two makes Savannah a very enticing location for relocation, especially for fixed-income retirees and young workers beginning families.

**D. Echo Effect:** This phenomenon refers to the growth of one location that then leads to a corresponding growth elsewhere or at a future date. Savannah is actually experiencing two different

**Table #1: Cost of Living in Context**

The table below illustrates the enormous cost of living disparity between Savannah and neighboring cities. (Washington, D.C. is used for perspective purposes only). The “Cost of Living” index is based on a percent of national average.

	Comparable Home Prices <sup>1</sup>	Cost of Living Index <sup>2</sup>
<b>Savannah, GA</b>	\$213,000	84.97
<b>Jacksonville, FL</b>	\$235,000	107.01
<b>Atlanta, GA</b>	\$251,000	114.86
<b>Charleston, SC</b>	\$257,000	115.49
<b>Washington, D.C.</b>	\$436,000	151.62

1. National Association of Realtors  
2. U.S. Bureau of the Census

types of “echo effects”. The first emanates from the retirees in Florida and Hilton Head Island. As more retirees are drawn to these areas, more are looking to move down as well. In the “rising tide carries all boats” mentality, Savannah gains population through the positive attraction of these neighbors. The second echo stems from the increase in skilled labor to the area. Due to the lack of an educated workforce in the Savannah area in 1990 (see below), companies were forced to heavily recruit skilled workers to the area. Once the initial group arrived and liked the quality of life in the area, others followed based on the reports of the pioneers. At this point, the Savannah Area Chamber of Commerce notes that “highly qualified, impressively experienced people are moving here—many without securing jobs in advance—because they have made a decision to live in Savannah, regardless” (2004 Economic Trend/2005 Economic Forecast).

**E. Education:** The improvement in area schools cannot be overstated. With an influx of more highly educated workers came a corresponding increase in demand for quality education for their children. Moreover, as companies needed more trained employees, they made similar demands upon local schools to improve its graduates. This has brought across the board improvements in local public education. Moreover, the private schools in the area—led by Savannah Country Day School, Benedictine Military Academy and Savannah Christian Preparatory School—have improved and multiplied, thus establishing an even more educated base work force for established /relocating companies, as well as an acceptable alternative for the middle-income earners who previously would not consider moving to the area.

Local colleges and universities have also seen great improvements. The creation of the HOPE scholarship—a lottery funded initiative that pays for tuition and fees at public universities in the state—universities have seen a growth in both the quality and quantity of students in all areas. Annually, area universities graduate nearly 4,800 students, many of whom choose to stay in the area. This, in turn, draws companies looking to take advantage of the “brain growth,” as well as an increase in area income that corresponds to the increase in skilled and white-collar labor.

Finally, it should be noted that the educational arena also supplies Savannah with top-notch medical facilities, as Memorial Health University Medical Center (affiliated with Mercer University) is based in Savannah and is a nationally-ranked facility comparable to any hospital found in larger metropolitan areas (it ranks second to Emory University Hospital among Georgia hospitals in overall care, beating out more well-known facilities like Northside Hospital and St. Joseph’s Medical Centers in Atlanta). The availability of such high level care helps Savannah attract the upper-middle income retirees and gives Savannah an edge over comparable locales that cannot offer these services.

**F. Government Action:** It seems that not often can one laude the actions of local and state governments, but it is certainly worthy in this case. Starting in the 1980’s the Savannah-based Georgia Port Authority placed an emphasis on building relationships with emerging Asian markets that is reaping huge rewards now (the Port is now the fifth largest in the country). Moreover, the Port Authority has taken great strides to maintain and modernize its facilities in order to continue the growth of the Port of Savannah and, through it, the City. In this regard, the local and state governments have emphasized the creation and maintenance of roads to facilitate business and shipping travel. For example, rather than being reactive, Chatham County has passed five separate local option sales tax initiatives that provided the necessary funds to build parkways throughout the region that have served as the arteries for construction and corporate growth. Also, the government constructed a new airport in 1994 to handle projected growth for the entire region. The Savannah-Hilton Head International Airport now has daily non-stop flights to such cities as New York (Newark, JFK and LaGuardia), Washington D.C., Chicago, Philadelphia, Boston, Dallas, Cleveland, Miami and, of course, Atlanta. Finally, the State of Georgia has also continued to keep its corporate friendly

attitude that has allowed the state to attract many headquarters and distribution facilities to the area. As businesses continue to flourish, people will come who are willing to work for them.

**G. Military:** Not only does the proximity of Ft. Stewart and Hunter Army Airfield account for nearly 44,000 jobs and \$2 Billion in economic impact to the region, but it also introduces over 36,000 service personnel and their dependents to the area. This number is actually slated to grow in the coming years, as both bases will become homes for new divisions formerly housed elsewhere. With nearly 4,400 soldiers cycling out of the military each year from the area bases, it is safe to believe many choose to stay in Savannah while others return after finishing up their tour of duties at other installations.

### **Conclusion:**

The incredible growth of the Savannah area has come about from the positive impact of many factors, which in turn has helped it to sustain growth during some of the more cyclical elements of the economic downturn. In fact, there does not seem to be an end in site. With the unemployment rate already well below the national average (only 3.9%) and more companies announcing growth for and relocation plans to the area, Savannah (and its real estate market) will continue its robust growth for many years to come.

## **Quotes /Awards from National Publications for Savannah**

“Top 10 Hot Spots for Entrepreneurs” - Area Development magazine

“Top 8 Places to Retire” – Money Magazine

"The 12th Trendy Spot in the World" -New York Times

"Best Operating Cost for Office Projects" -The Boyd Company

"Fastest Climbing Metro" -Milken Institute

"One of the Top 15 Logistics Metros in the Southeast" -Expansion Management

"One of the Most Beautiful Places in America" -USA Weekend Magazine

"One of America's 50 Hottest Cities for Manufacturing Expansion and Relocations" -Expansion Management

"One of America's 50 Hottest Cities for Business Relocation and Expansion" - Expansion Management

"One of America's Sweet Spots", Hershey Food Corp

"Number One in the Nation in Workforce Training" -Expansion Management

"Number One in the Top 100 Cities for Logistics" -Expansion Management

"Number One in the Nation in Workforce Training" -Expansion Management Magazine

"One of the Top 25 Cities for Business Expansion or Relocation" -Business Development Outlook Magazine

"One of the Top 50 Metro Areas in America with an Attitude"- Business Xpansion Journal

"One of the Top 50 US Cities for European Expansion" -Expansion Management

"One of 50 Best Small Metro Areas for in America for Starting and Growing a Business" -Inc. Magazine,

"One of the Top 10 Spots in the US to do Business"- US Sites and Development

"One of the Top 10 US Smaller Cities for Entrepreneurs" -Area Development Magazine

"One of Top 25 Places to Live and Work in the US" - Outlook Magazine

"Ranked 6th among The Top 10 cities to visit in the US" - Conde Nast

"The Most Beautiful City in America" - Le Monde

"Top 200 Places in the Country to Live" - Forbes Magazine

"3rd Most Romantic Destination" - Southern Living Reader Survey

"Best Place for a Romantic Getaway" - Atlanta-Journal Constitution

"One of the Top Ten American Travel Destinations " - Condè Nast Traveler Magazine

"Top Ten Most Beautiful Places in America " (The Squares of Savannah) - USA WEEKEND MAGAZINE

"Top 8 Places to Retire" - MONEY Magazine

"America's Best Places to Live for Architecture" - Robb Report

"America's Most Haunted City" -American Institute of Parapsychology

"Top 12 Trends Travel Hot spots of the World" -New York Times

"Top 200 Places in the Country" -FORBES Magazine

"Top 25 Places to Live and Work" -Outlook Magazine

"Top 10 Walking Cities" -Walking Magazine

"Top 10 Southeast Cities for Family Vacations" -Family Fun Magazine

## Links to Savannah

Savannah Chamber of Commerce: [www.savannahchamber.com](http://www.savannahchamber.com)

Savannah Area Convention & Visitor's Bureau: [www.savannah-visit.com](http://www.savannah-visit.com)

City of Savannah: [www.ci.savannah.ga.us](http://www.ci.savannah.ga.us)

Chatham County: [www.chathamcounty.org](http://www.chathamcounty.org)

Savannah/Chatham County Board of Education: [www.savannah.chatham.k12.ga.us](http://www.savannah.chatham.k12.ga.us)

Savannah Morning News: [www.savannahnow.com](http://www.savannahnow.com)

Savannah-Hilton Head International Airport: [www.savannahairport.com](http://www.savannahairport.com)

Savannah College of Art & Design: [www.scad.edu](http://www.scad.edu)

Armstrong Atlantic State University: [www.armstrong.edu](http://www.armstrong.edu)

Savannah State University: [www.savstate.edu](http://www.savstate.edu)

Georgia Ports Authority: [www.gaports.com](http://www.gaports.com)

Savannah Sandgnats (minor league baseball team): [www.sandgnats.com](http://www.sandgnats.com)