



A snapshot of the Atlanta metro market

Each month, *Valuation Review* is partnering with IRR-Residential, a national real estate valuation services provider, to bring you a monthly snapshot of a specific metropolitan statistical area. This edition looks at the metro area of Atlanta, Ga. Read on for more.
(2/25/2010)

Each month, *Valuation Review* is partnering with IRR-Residential, a national real estate valuation services provider, to bring you a monthly snapshot of a specific metropolitan statistical area. This edition looks at the metro area of Atlanta, Ga.

“The metro Atlanta market was severely impacted by the collapse of the real estate bubble in 2007,” said **Norbert Schulz**, SRA and managing director of IRR-Residential Appraisers & Consultants in Atlanta.

The story is the same across most of the country. Median sale prices have declined 20 to 30 percent in most markets over the past three years, resulting in a drastic decline in the number of sales and listings and an almost complete halt to new residential development.

“Several submarkets were impacted significantly by a high degree of mortgage fraud contributing to a number of bank failures,” added Schulz. Among the worst offenders, though not as attention-grabbing as California, Florida or Nevada, Georgia has been a frequent top 10 state for mortgage related fraud. However, as in many states, the incidences of mortgage fraud are changing form along with the markets — newer schemes involve occupancy fraud, foreclosure consulting scams and more.

“The rate of decline in most Atlanta markets began to level off in 2009 as unsold inventory has been gradually reduced over the past three years,” stated Schulz. “The number of active listings is down 30 percent from a year ago. The month’s inventory of listings has been reduced from 18.5 to 16.4. The average days on market for single family properties has been reduced in the past year from 100 days to 84 days.”

The Atlanta-Sandy Springs-Marietta area is composed of 85 percent single-family homes, 12 percent townhouse-condos and 1.8 percent multi-family residences. In 2009, single family home sales indicated that 79 percent of these homes sold for \$249,000 or less.

As in many metro areas, the strength of the job market is very closely tied to the vitality of the housing market. Unfortunately, that shows no signs of immediate improvement. The January jobless rate of 10.1 percent is expected to rise above 11 percent in 2010.

There was some hopeful news though, as Schulz said, “Some metro Atlanta markets are beginning to see some new residential construction in anticipation of the 2010 spring and summer buying season and there are indications that sales in 2010 will exceed 2009 and will reflect some minimal price appreciation.”

However, he warned that additional challenges lay ahead at the end of April, when the extended tax credit for the first time home buyer program expires and the Federal Reserve scales back the purchase of Fannie and Freddie securities. “These two programs have provided some stimulus to the housing market,” he said.

Data sources for this report have included: Georgia Multi-List Service, Databank Inc. Apartment Survey, CNN.Money.com and the Georgia Labor Bureau.

Courses Now Available:

Current Issues in Appraising

Disclosures & Disclaimers

Appraising FHA Today



ValuationReview.com/CE

	<u>Jan-09</u>	<u>Jan-10</u>	<u>% Change</u>	<u>Trend</u>
Total Property Sales	2,416	1,900	-21%	Neg
Total Dollar Volume	\$366,334,137	\$299,577,088	-18%	Neg
Avg. Single Family-Sales Price	\$151,628	\$157,672	4%	Pos
Median Single Family-Sales Price	\$113,850	\$110,000	-3%	Neg
Days on Market - Single Family	100	84	-16%	Pos
Total Active Listings	44,585	31,111	-30%	Pos
Total Pending Sales	2,898	2,882	-1%	Neg
Months Inventory	18.5	16.4	-11%	Pos
SF-Bldg Permits (01/09, 11/09)	347	463	33%	Pos
Avg. Condo/TH - Sales Price	\$130,188	\$108,772	-16%	Neg
Median Condo/TH - Sales Price	\$111,000	\$82,500	-26%	Neg
Total Condo/TH Sales	301	283	-6%	Neg
Days on Market - Condo/TH	\$95	\$99	4%	Neg
Unemployment Rate (Dec 08/09)	7.6%	10.1%	33%	Neg
Ap'l Occ. Rate (Q4 08/Q409)	89.4%	89.6%	0%	Pos
Job Growth - (Dec 08/09)	2,522,635	2,386,123	-5%	Neg
	<u>2007</u>	<u>2008</u>		
Median Family Income-City of Atlanta	\$47,153	\$47,982	2%	Pos

Would you like to order a reprint of this story? [Click here](#) to find out how.

COMMENT BOX DISCLAIMER:

October Research Corp. is not responsible for the comments posted on its Web sites by readers. We will do our best to remove comments that include profanity or personal attacks or other inappropriate comments.