



Urban Land **Atlanta**
Institute

The Pipe Farms of DeKalb County



"A lot of these areas, I'm telling people, will never come back. They'll turn into ghost towns. Ghost developments."

- Steve Palm of Smart Numbers, LLC on Atlanta's Unfinished Subdivisions

Objectives

Strategy for DeKalb County Pipefarms

- Neighborhood Revitalization
- Stimulate development increasing tax base and county revenues
- Attract community investment
- Improve community aesthetics

Strengths

- Seller profile has shifted back to favorable proportions
 - 2010: Foreclosures / Short Sales = 60%
 - 2013: Foreclosures / Short Sales = 40%
- Supply continues to shrink
 - Most markets supply down over 30% from last year
- Values remain below the historical trend line
 - Peak in 2007; trough in 2012
- Interest rates remain below historical averages
 - Rates currently around 4%; historical around 8%
- Opportunity to partner with organizations that have a similar mission

Challenges

- Initiating Change
- Resources
- Organization
- Marketing and Packaging to Developers
- Perseverance

Atlanta Market Trends



- Case Schiller Index
 - Atlanta home prices since 2007 declined 29%, however 2013 began with 4 consecutive months of increases and posted a 13% YOY increase, biggest since 1991

- Permits – up 115% since 2011

- Metro Study/FMLS Data
 - Only 3 month supply of new unsold homes on market, the lowest amount of inventory on record for Atlanta
 - 8,288 new homes started during 2012, a 53% increase compared to 2011
 - During 4Q12 there were 2,265 new home starts, an 85% increase compared to 4Q11

Atlanta Market Trends



- Currently the cost of owning exceeds the cost of renting
- Trulia – Data indicates that Atlanta is 57% cheaper to buy versus renting. However if rents continue to rise and the market/economy continues to improve, those that can get a mortgage will choose to buy versus rent
- In South Dekalb County study area
 - Supply – there is a 6 to 9 month supply of homes listed for sale between \$150K and \$200K (a 36 month supply for homes priced above \$200K. Supply is based on trailing 1 year adsorption)
 - Demand - prices need to be closer to \$150K

Recommendations

- **Public-Private Partnerships**
- **Asset Management Program**
- **Market Analysis**
- **DeKalb County Redevelopment Roundtable**
- **Other Incentives/disincentives (carrots/sticks)**