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)