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From the Atlanta Business Chronicle:

<https://www.bizjournals.com/atlanta/news/2020/09/17/housing-considered-bright-spot-of-atlanta-economy.html>

Housing considered 'bright spot' of Atlanta economy

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Unlike during the last recession when housing was hit hard, demand for new homes in metro Atlanta has trended upward since late April.

Pending home sales have followed a path similar to that of the "Scream Machine rollercoaster at Six Flags Over Georgia," said John Hunt, president of [MarketNSight](#), a real estate research firm.

On Sept. 16, Hunt spoke at a virtual [Economic Forecasting Conference](#) hosted by the Robinson College of Business at Georgia State University, during which he called housing the "bright spot of the local economy."

He said pending home sales in April increased 34%. After a few ups and downs, they remain 19% higher than they were in August last year.

With the ability to work remotely, there has been an uptick in demand in the Atlanta suburbs. Cherokee, Cobb and Gwinnett counties posted increasing pending home sales between June and August, according to MarketNSight.

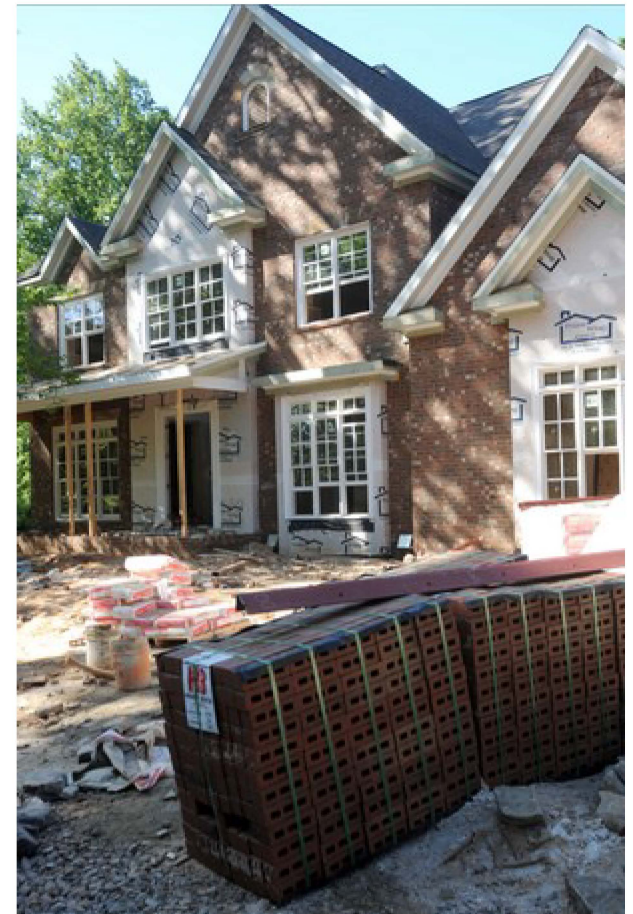
Consumers aren't just interested in buying a new home, they are also sealing the deal. In May, three months after the initial spread of the novel coronavirus in Georgia, home closings began to increase. Hunt said in May they were up 15% from the same time in 2019.

Low interest rates helped fuel demand for new homes, Hunt said, and he expects that trend will continue for the near future.

On Sept. 16, Federal Reserve Chairman Jerome Powell said the central bank would likely keep interest rates near zero through 2023.

Besides cheap borrowing rates, Hunt also pointed to a possible change in consumer preferences. Young professionals who were content to live in an apartment in 2015, may be ready to move into a single-family home, he said.

The Conference host and Director of the Economic Forecasting Center, Rajeev Dhawan agreed, calling the trend "a shift in tastes and preferences" toward single-family homes.



JOANN VITELLI

Despite the pandemic, home sale closings in metro Atlanta in May had increased 15% from May 2019.

He said changes in consumer demand might also be the result of investors' desire to diversify after experiencing pandemic-induced volatility in the stock markets.

"They buy the option of living in a house and they safeguard their assets so that they don't have all of their eggs in the 401k basket," Dhawan said during the Center's first forecast since February.

Before the spread of the coronavirus, home prices in metro Atlanta were soaring. But given the decline during the height of the pandemic and modest rebound since summer, Hunt said houses in the area are selling for about the same price as they were a year ago.

Interest in Atlanta's high-end homes, those priced at \$1 million or more, rose sharply last month. MarketNSight data shows pending sales for those properties increased 150% compared to last year.

Obtaining the necessary permits to build new housing developments in the region remains the biggest challenge to future growth, Hunt said. While new construction permits in July were the highest for that month since 2007, he said: "The time it takes to get a subdivision online has doubled in 15 years."

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