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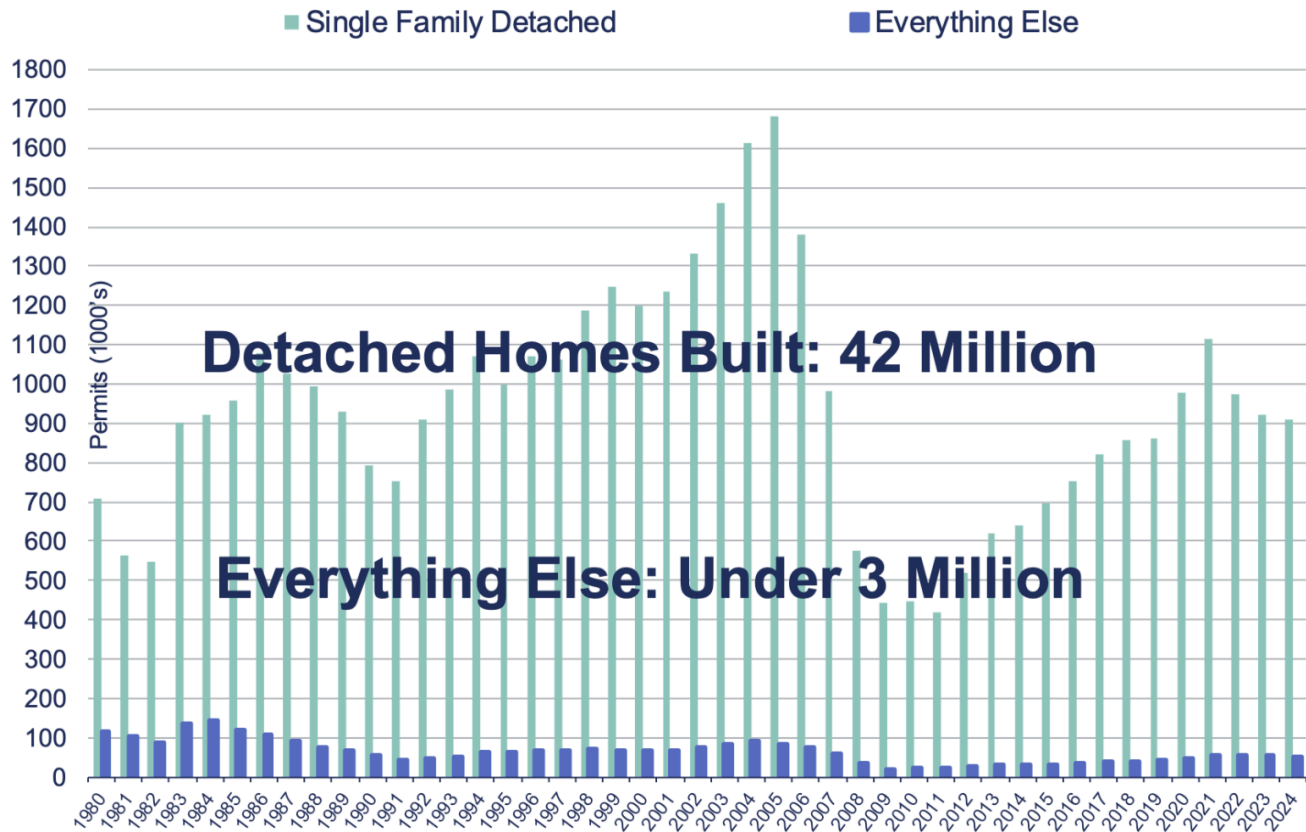
FEATURED

Housing, economic experts chart market trends

By HAYDEN SUMLIN

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US Permit History 1980-2024



A graph from MarketNsiht shows United States residential building permits issued from 1980-2024. MarketNsiht Chief Analyst & Principal John Hunt said residential building permits are yet to recover from the Great Recession in late 2007, causing “a housing shortage of epic proportions.”

MARKETNSIGHT/PROVIDED

METRO ATLANTA — MarketNsiht, one of the Southeast’s leading consultants for housing data and trends, projected a return to rate-driven market during its June 12 update to industry personnel.

John Hunt, chief analyst and principal of MarketNsiht, said his team’s December 2024 forecast was spot on. Despite tariff and trade turmoil, the housing market remains on par with last year.

The Federal Reserve kept rates at 4.25 percent to 4.5 percent in mid-June amid concerns about higher inflation and slower growth ahead. Because of its dual mandate, the Fed considers how to achieve maximum employment and price stability when making monetary policy decisions.



Hunt said the rest of 2025 will look like 2024 unless there is a drop in rates.

Because of a drop-off in economic activity amid an uncertain election cycle, pending home sales increased with mortgage rates in the third quarter last year.

Hunt called this the “opposite world,” because home sales should decrease as mortgage rates increase, which was the case in 2022-23.

Professor Rajeev Dhawan, holder of the Zwerner Chair of Economic Forecasting and director at the J. Mack Robinson College of Business at GSU, also predicted in December that President Donald Trump’s tariffs would spike mortgage rates but not inflation.

Because rates ticked up with trade and debt uncertainty, more existing homeowners quit waiting, listed their homes and downsized. It helped raise Metro Atlanta’s housing supply, which is still below the targeted six months supply.

In March 2025, purchases of previously owned homes saw the largest monthly increase in more than two years along with a decline in mortgage rates.

Since April, pending home sales have dropped as mortgage rates have risen, signaling a return to a rate-driven market.

Atlanta Square Footage History

Year	New Total Avg Price	Price Change YTY	New Total Avg SqFt	SqFt Change YTY	New Total Avg PPSF	PPSF Change YTY
2019	\$346,838		2070		\$167.53	
2020	\$346,362	1%	2078	3%	\$166.67	-1%
2021	\$380,890	14%	1954	-4%	\$194.93	18%
2022	\$453,041	19%	2006	4%	\$225.8	15%
2023	\$477,166	3%	2059	0%	\$231.72	3%
2024	\$493,954	1%	2210	5%	\$223.47	-4%
5-Year Net Change		42%		7%		33%
SqFt Needed for a \$350k Home			1566		\$223.47	

A table from regional housing experts at MarketNsght shows the relationship between average home prices and square footage in Metro Atlanta over the past five years. Home prices have increased 42 percent, and data shows an affordable \$350,000 home would need to be less than 1,600 square feet.

MARKETNSIGHT/PROVIDED

Inventory on the rise

For those outside the industry, the biannual “MarketWatch” calls shed some light on housing trends and why home prices are up more than 40 percent since before the COVID-19 pandemic.

“Atlanta now has higher resale inventory today than we did at the peak of 2019,” Hunt said. “We’ve seen inventory drop steadily since the pandemic housing boom, even during the interest rate increases in 2022-23, so there are several cities that are back to more inventory than prior to the pandemic, but we still have it under supply.”

Hunt said he thinks it's good that resale inventory continues to rise because it chips away at the affordable housing crisis in Metro Atlanta.

Hunt also said the data shows the housing market's lock-in effect is going away as longtime homeowners with too much square footage find options to downsize.

"Their homes are worth 60 to 70 percent more than they were in 2019, they're sitting in a boat load of equity. That's not the problem," Hunt said. "They didn't want to pay 6.5 to 6.8 percent ... now we're seeing inventory on the resale side rise, which is not a bad thing. It's a good thing actually. We need the inventory."

Hunt said he thinks most municipalities and city councils tend to be opposed to density, but a solution to the housing crisis does not need to involve apartment towers.

"Housing attainability domestically is the biggest issue of our time," Hunt said. "We have to come together to fix it ... it can't be one answer. We're seeing, bit by bit, cities come to realize that and radically change their zoning to allow for smaller product, smaller lots [and] higher density."

Shift to smaller homes

Because builders face several challenges, including high land costs, rising material prices and labor shortages, there is a shift toward less expensive homes.

Citing a chief economist at the National Association of Home Builders, Hunt said the future growth of market is tied to its ability to add product for entry-level homebuyers at around \$350,000.

According to MarketNsight's data, a \$350,000 home in Metro Atlanta would need to average 1,566 square feet. In some Metro Atlanta cities, like Roswell, it's illegal to build a single-family home that is less than 2,000 square feet.



“You ask these cities why, and they can't tell you,” Hunt said. “That's what we're seeing crumble right now across multiple cities, that's the sea change that we're seeing and it's starting to slowly trickle in here to Atlanta.”

Successful examples include Nebraska, New York and Austin, which have adjusted zoning and seen their housing crisis alleviate, Hunt said.

It has also been a topic farther south in Fulton County.

The Sandy Springs City Council discussed redevelopment and multifamily housing at its June 17 meeting. Some elected officials advocated for owner-occupied homes and some expressed concerns about the pace of multifamily development.

Hunt said he thinks the city should focus on support of missing middle housing that is owner-occupied and matches the existing character of the specific area.

“I think that makes a better citizen and creates ownership opportunity for people,” Hunt said, as he began to discuss the unique challenges facing younger Americans. “My parents got on that ladder 60 years ago, and they were able to invest that throughout their lives and parlay that into a big investment. I was able to do that, you know, 25 years ago.”

Missing middle housing can look like existing single-family neighborhoods with two-story buildings containing a few units.

An affordable \$350,000 home does not exist in the core of Metro Atlanta. Because of restrictive zoning, Hunt said the problem persists.

“We pulled the ladder up and said, ‘no, we’re all happy, but you can’t get on it,” Hunt said. “But again, I think we’re changing. And when you see success, it breeds success.”



In a recent column, mortgage industry veteran D.C. Aiken offered his advice to potential first-time homebuyers and drew attention to lack of housing options in North Fulton.



Economist confounded by ‘opposite world’ housing market

By HAYDEN SUMLIN

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