

House & Home

Why Atlanta's housing market is outpacing the US as a whole

Prices in the capital of Georgia are starting to recover, amid low stock levels and rising demand



Midtown Atlanta at evening rush hour

Caroline Thorpe DECEMBER 5, 2014

Atlanta may have appeared in daily news digests with more than its usual frequency of late. As home of the US Centers for Disease Control and Prevention (CDC), the city has regularly featured in the story of efforts to control the deadly Ebola virus. And as the capital of Georgia, the city has received visits from several of Washington's political heavyweights in recent weeks, including Bill

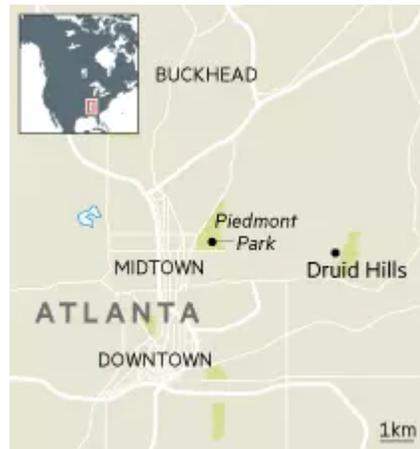
Clinton and Michelle Obama, in a failed attempt to win the state for the Democrats in the November midterm elections.

The city's housing market has also received attention. Residential property prices in metropolitan Atlanta grew 11.5 per cent in the 12 months to June this year, outpacing both Georgia (9 per cent) and the US as a whole (6 per cent), according to mortgage company Freddie Mac. "The market's definitely come back," says Todd Emerson, president of the Atlanta Board of Realtors.

Prices have been helped partly by the tailing-off of "distressed" sales which followed the 2008 financial crisis, says Emerson. Another boost has come from relatively low stock levels. "There are around 16,000 retail units on the market currently and that's around 4.2 months' supply. In the States a six-month supply is what we consider to be a balanced market [between supply and demand]," he adds.

The population of the City of Atlanta, a central core which includes the Downtown, Midtown and Buckhead commercial districts, grew more than 6 per cent to 447,841 between 2010 and 2013, while the wider metropolitan area today is home to about 5.45m people. Atlanta's businesses — which include 16 FTSE 500 headquarters, such as Coca-Cola, UPS and Delta Air Lines — are relocating staff to the city from elsewhere in the US, local agents report. Meanwhile, state tax breaks for the film, television and digital industries have fuelled demand for centrally located apartments, says Emerson.

Developers are responding by building residential towers close to Atlanta's limited metro network. They are often part of mixed-use schemes aimed at breaking residents' historic dependency on the car.



Forthcoming developments — both in the fashionable Buckhead neighbourhood — include the 23-storey, 329-apartment Cyan building, complete with roof-top pool, which is due to open in 2015. Also under construction is The Residence at Buckhead Village, another high-end scheme that will sit alongside upmarket leisure and retail units.

However, both developments contain only rental properties. High-rise buyers at present face second-hand choices, with most concentrated around Midtown — convenient for Piedmont Park and cultural highlights such as the High Museum of Art — and Buckhead, dubbed “the Beverly Hills of the South”.

One such home is a four-bedroom, four-bathroom condominium on the 24th floor of the Buckhead St Regis hotel, on sale with Harry Norman Realtors for \$3.95m. The five-year-old property includes parking for three cars, a private lift and access to hotel amenities, including room service.

Troy Stowe, an agent with Beacham & Company, recently sold a similar condo in the building and says there is no typical buyer. “We thought that for someone to pay around \$3m they would be someone in the music business, or an athlete. We sold it to an 85-year-old man.”

Stowe reports that the market for anything above \$3m is quiet. Many of the detached homes with large gardens on the tree-lined residential roads that snake northwest from Buckhead are marketed from \$3m to \$8m and above. A key draw is the area’s exclusive local private schools

(such as Westminster, Pace Academy and Lovett) as well as relative proximity to offices in Midtown and Downtown.



Georgian-style home with four bedrooms in Druid Hills, \$2.39m

Supply is up because owners are fed up with paying for the continual upkeep that comes with owning a 40,000 sq ft home and several acres, while some buyers appear to have become more picky, says Stowe. He adds that older homeowners are selling up to a younger generation of newly wealthy buyers “looking for a ‘move in’ — somewhere that doesn’t require a lot of updating”. Not, in other words, a “traditional Buckhead” 1930s home.

Stowe is at present selling 5115 Northside Drive, a 30,000 sq ft “Mediterranean-style” mansion in Buckhead that was built in 2008. On sale for \$8m, it has eight bedrooms and bathrooms, a guest apartment, a heated pool and a media room. However, he warns sellers not to expect top-dollar offers from international buyers. “They are tough negotiators — they don’t pay retail [values].”

Below \$3m, the market is more active, according to Emerson. In Druid Hills, an area close to the CDC and Emory University and a “popular area” thanks to its proximity to downtown Atlanta, a Georgian-style, four-bedroom home set back from a leafy street is on sale for \$2.39m. Marketed by Coldwell Banker Residential Brokerage Atlanta, its 0.75 acre plot includes a pool and a separate guest house.

It remains to be seen whether Atlanta's strong house price growth will continue. "Significantly, Atlanta's growth has not made up for the falls during the [post-crisis] slump," says Yolande Barnes, director of world research at Savills. "Values are still 13 per cent below their peak 2007 levels, while Boston's have now recovered to 1 per cent above, for example."

This article has been ammended to reflect that, while Druid Hills is being marketed by Nest Atlanta, the actual agent is Coldwell Banker Residential Brokerage Atlanta

Buying guide

- Atlanta's airport is within two hours' flying time of 80 per cent of the US population
- Metro journeys from the airport take 16 minutes to Downtown, 20 minutes to Midtown and 30 minutes to Buckhead
- City police say crime has fallen 18 per cent since 2010 to 33,045 offences a year

What you can buy for . . .

\$1.5m A 3,000 sq ft Midtown condo with three bedrooms, near a large park

\$3m A six-bedroom family home with a one-acre garden, close to good schools

\$8m A seven-bedroom mansion with four acres on one of Atlanta's best streets

Photograph: Steve Kelley/Getty Images

Get alerts on House & Home when a new story is published

Get alerts

Latest on House & Home

How easy or hard was it to use FT.com today?

[Leave feedback](#)