

Regional Snapshot: Homeownership 2021

Presented by:

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Community Resource Committee (CRC)

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Homeownership 2021

In Summary...

For much of the COVID-19 pandemic, home prices have been rapidly rising across the region (and nationally) due to array of factors (e.g., low interest rates, high demand from 1st time home buyers, a low supply of on-market homes, and slow pace of new production).

In recent months, the home sale market appears to be “cooling” in many places, the Atlanta region included, due to waning demand from first-time homebuyers. To be clear, home sale prices continue to climb, and demand is still strong – albeit with less intensity than earlier in the pandemic.

The homeownership rate has been in decline for the last 20 years both regionally and nationally. However, in terms of raw numbers, from 2012 to 2019 there was a net gain of 135K owner households in the Atlanta region. This gain was driven entirely by households with annual incomes of \$75K or more.

In recent years, both the number and proportion of owner households paying more than 30% of their income on housing costs (i.e., cost-burdened) has been on the decline. While a decline on “cost-burdened” owners may appear at first glance to be a positive trend in terms of housing affordability, closer examination reveals that it is due to primarily to lower-income households being priced-out of homeownership.

The Black-White homeownership gap remains wide and is widening across much of the region. It must be noted, however, that the width of the gap varies considerably from county-to-county, with a 30.3-percentage point difference in Cobb at the widest and a nearly 4.9-percentage point difference in Fayette at the narrowest. The extent to which the gap is widening or narrowing also varies regionally with most counties and the City of Atlanta seeing the gap between Black-White homeownership rates widening between 2010 and 2019 while in a few places (Fayette, Cobb, and Rockdale) it has gotten narrower.

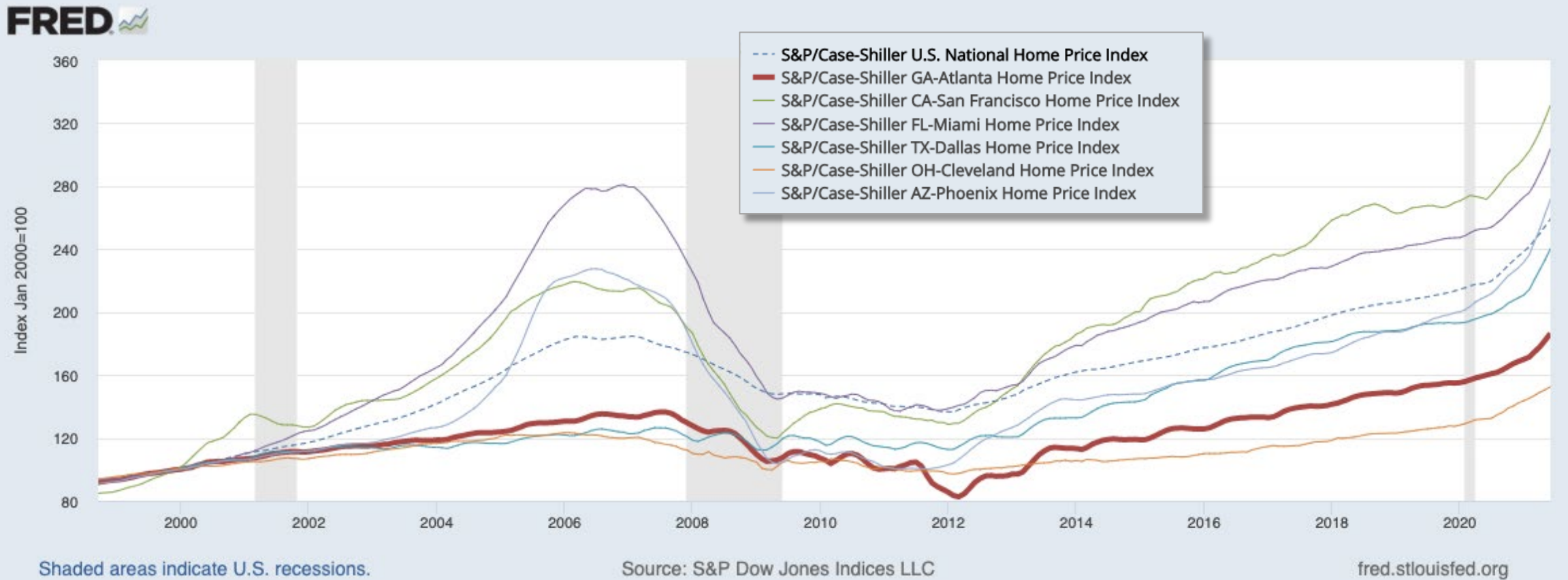
The Metro Atlanta Housing Strategy’s Home Sale Price Change Analysis (2013 to 2020) results will soon be released in an update to the strategy’s website. A regional-scale preview of some of the results are shown here at the end of the presentation.

Homeownership 2021

Case-Shiller Home Price Index

Comparison of Monthly Average by MSA
January 2000 to August 2021

Compared to other MSAs, Atlanta is a “relatively” affordable place to purchase a home. However similarly to other US metro markets, prices have been rising quickly amidst the COVID-19 pandemic.



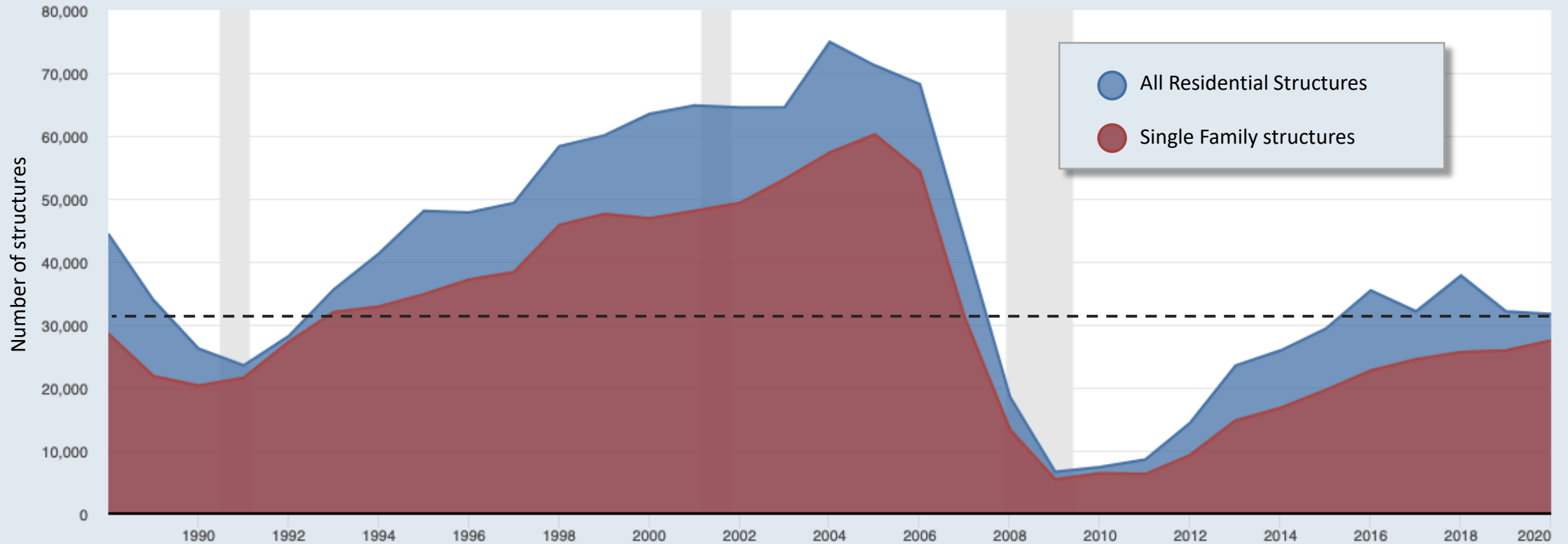
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Building Permits for New Private Housing

Total Structures for Atlanta CBSA by Building Type
2000 to 2020

Permitting activity is down considerably compared to the pre-recession high with a small YTY increase for SF structures and decline in the number new of MF buildings. In 2020, the level of permitting activity was on par with what the region was experiencing in the early 1990s.

FRED 



Shaded areas indicate U.S. recessions.

Source: U.S. Census Bureau

fred.stlouisfed.org

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For-Sale Inventory & YTY Percent Change in Median List Price

Atlanta CBSA

July 2017 to August 2021

There is a clear inverse relationship between for-sale inventory and change in list prices, with a small dip in prices early in the pandemic as inventory spiked followed by a sharp increase in prices while active listings dropped. The YTY percent change in median list price in the region peaked at 21% in April of this year, after which the market appears to be cooling (a national trend).



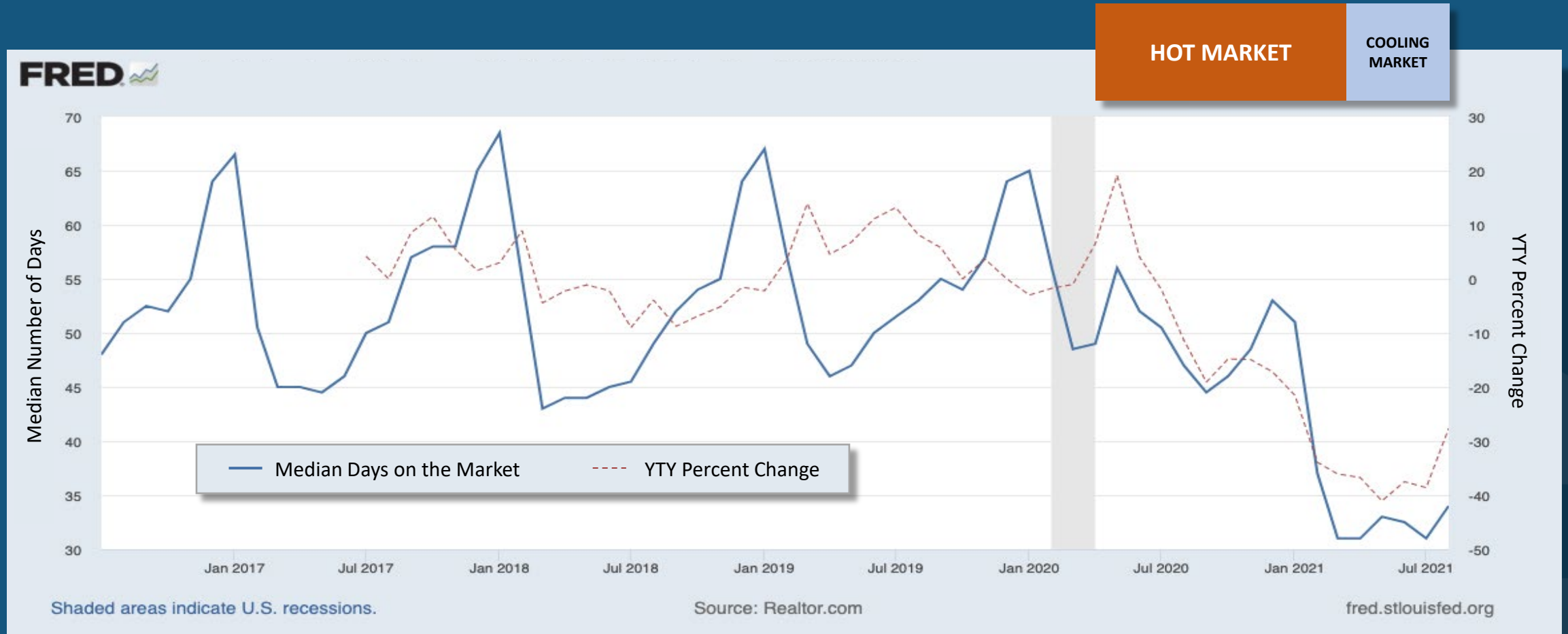
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Median Days on the Market

Atlanta CBSA

July 2016 to August 2021

Low interest rates, high demand from 1st time home buyers, a low supply of on-market homes, and slow pace of new production are likely all at the root of the quick turnover rate and increasing home sale prices – a confluence of factors that has persisted for much of the pandemic. However, in recent months it appears that the housing market might be cooling.



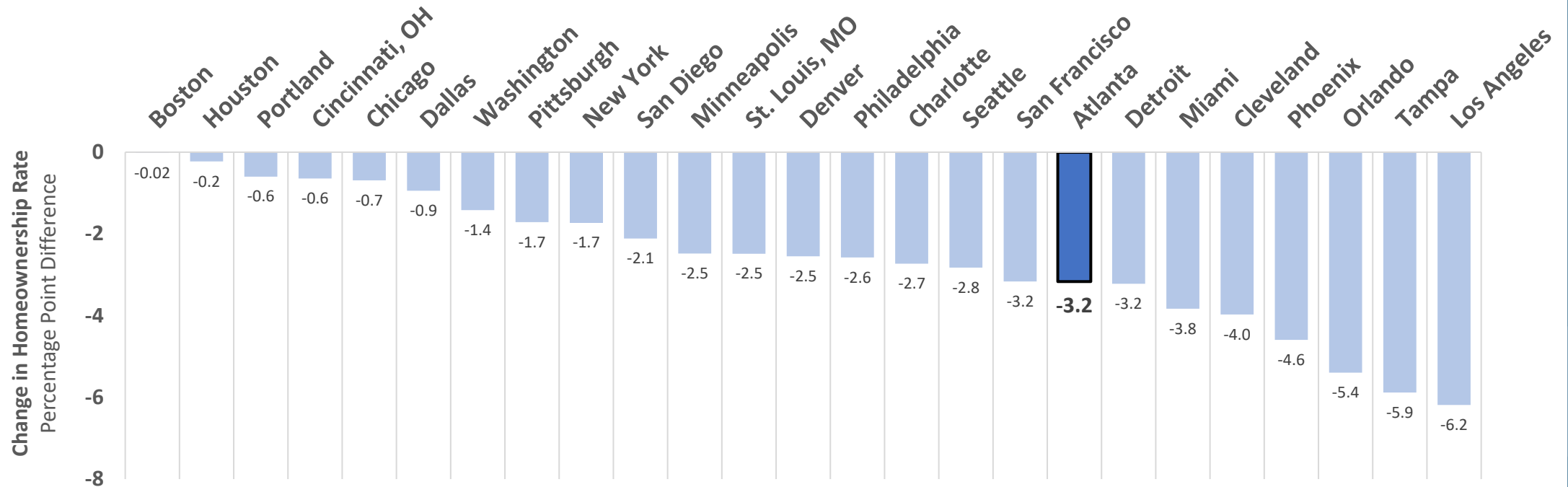
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Change in Ownership Rate

Percentage Point Difference, 2000 to 2019

The homeownership rate has been declining in major metros over the last 20 years.

Metropolitan Statistical Areas (MSAs)*



Data Source:

US Census Bureau, American Community Survey, 1-year Estimates, accessed via Social Explorer

* MSAs experienced boundary changes between 2000 and 2019, making an “apples-to-apples” comparison difficult

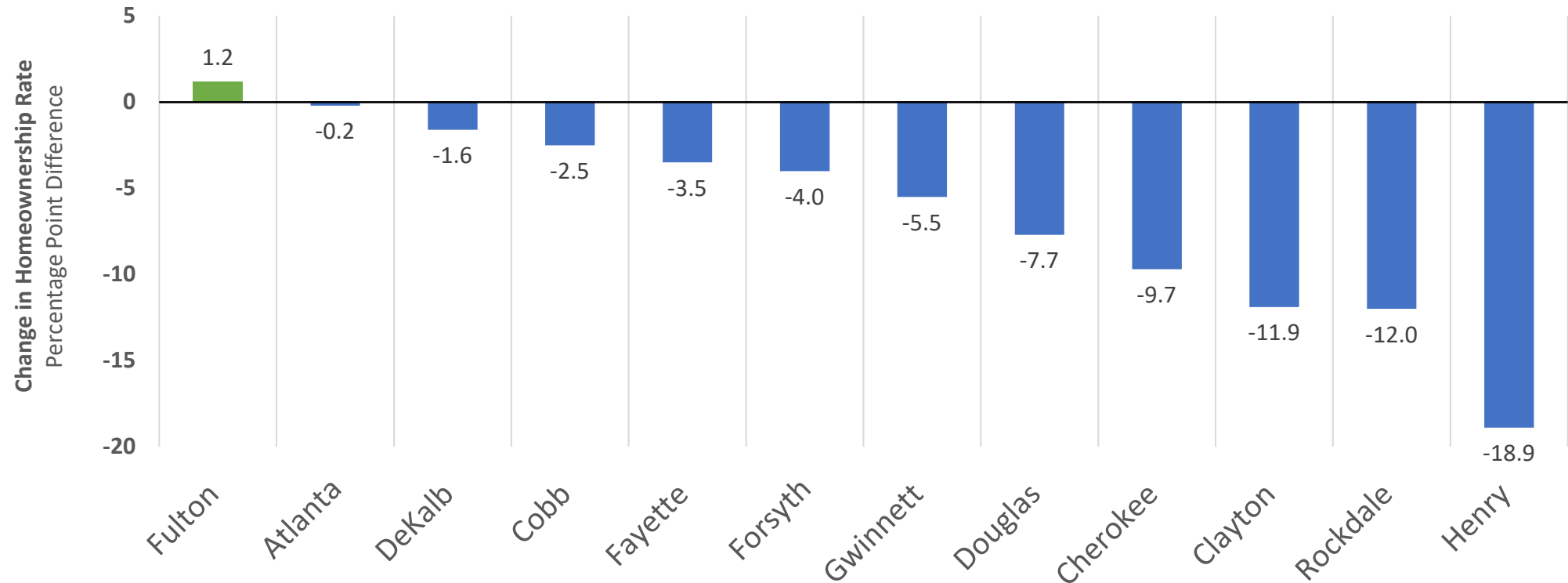
Homeownership 2021

Change in Ownership Rate

Percentage Point Difference, 2000 to 2019

Except for Fulton County, homeownership rates have declined across the ARC metro region.

City of Atlanta* and Counties in ARC Metro Region



Data Source:

US Census Bureau, American Community Survey, 1-year Estimates, accessed via Social Explorer

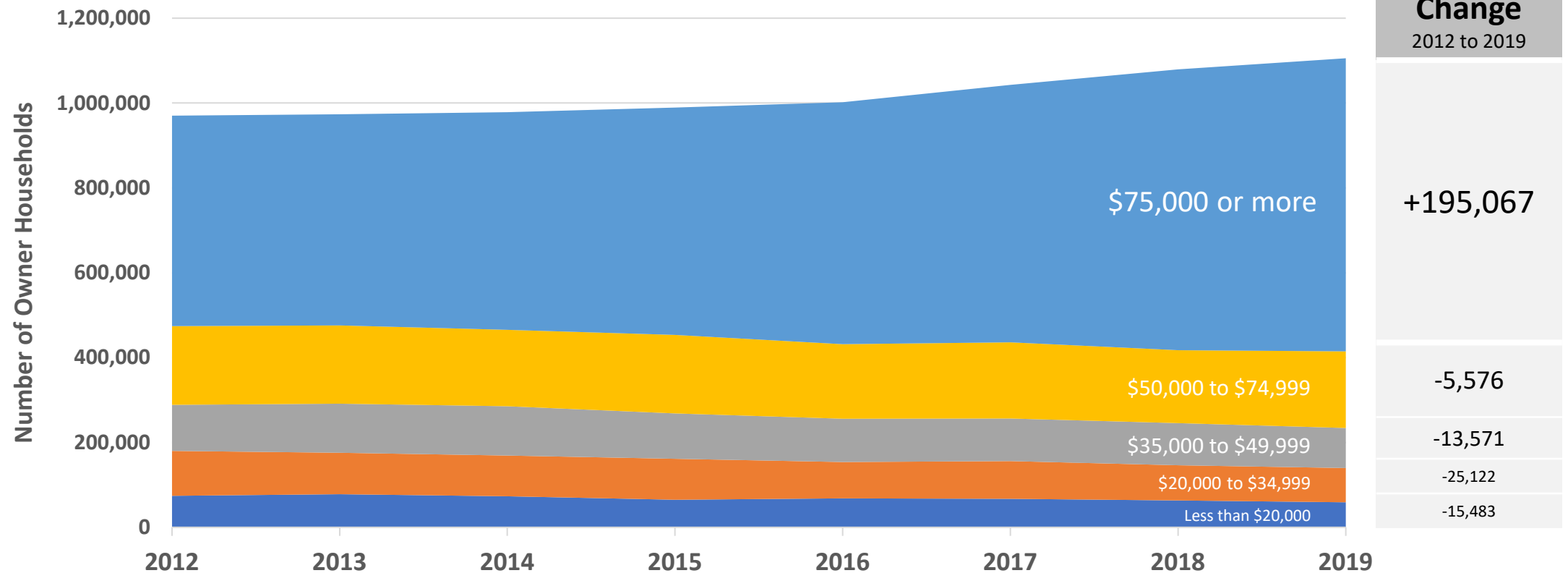
* City of Atlanta experienced boundary changes between 2000 and 2019, again making an “apples-to-apples” comparison difficult

Homeownership 2021

Owners by Household Income

ARC 11-County Region
2012 to 2019

From 2012 to 2019, the number of homeowners in the region increased by 135,315 households. This net gain was driven entirely by households making \$75K or more.

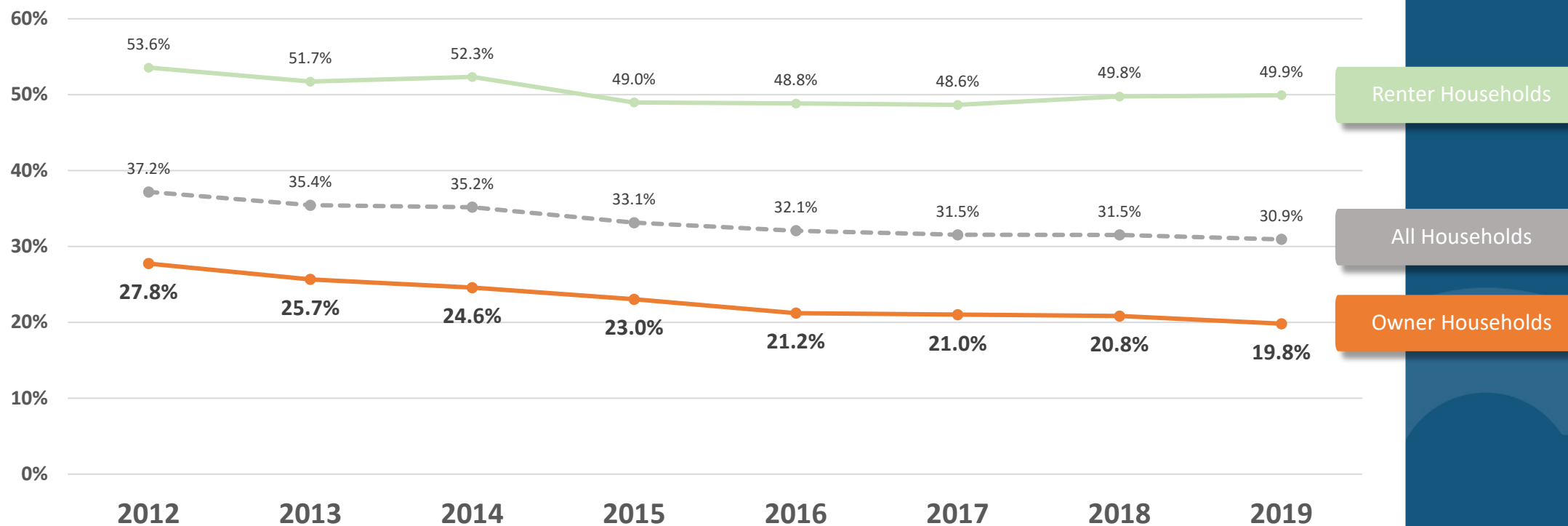


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Percent of Cost-Burdened Households* by Tenure

ARC 11-County Region
2012 to 2019

The proportion of owners who are cost-burdened in the region has been steadily declining to just under 20% in 2019.

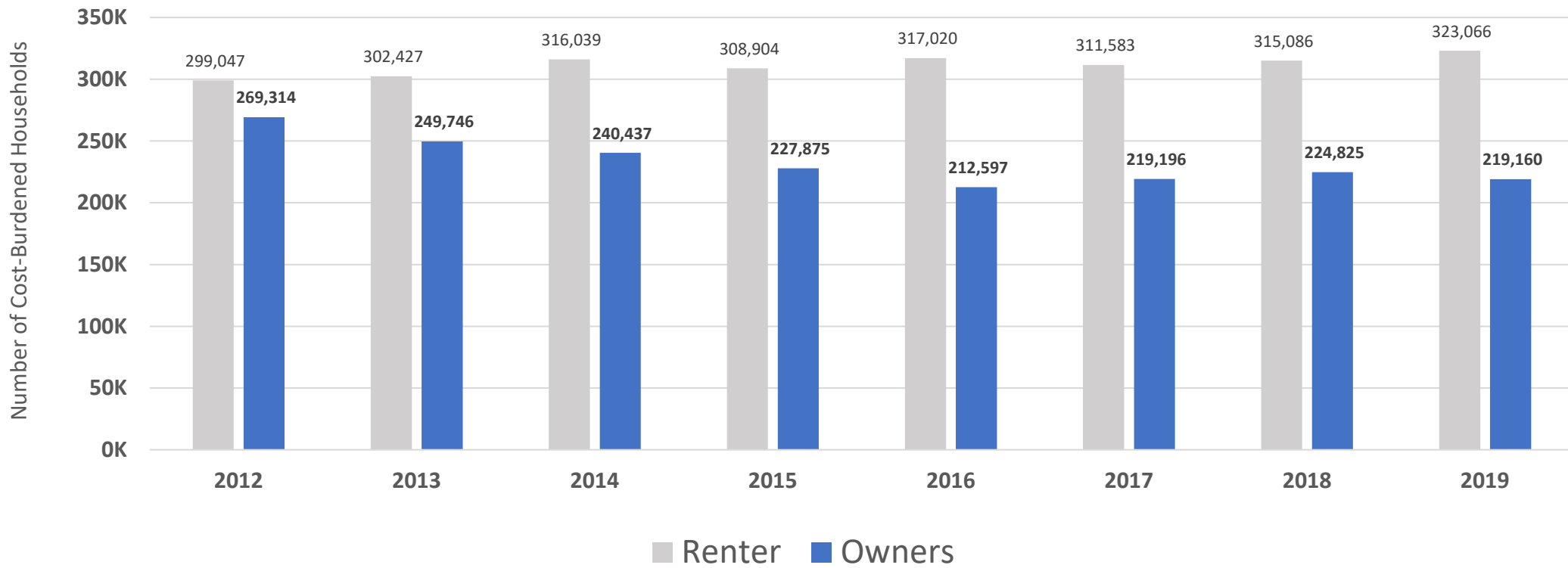


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Number of Cost-Burdened Owners* by Tenure

ARC 11-County Region
2012 to 2019

Since 2012, the number of cost-burdened owners has declined by an average of 7,164 households each year.*



Data Source:

US Census Bureau, American Community Survey, 1-year Estimates

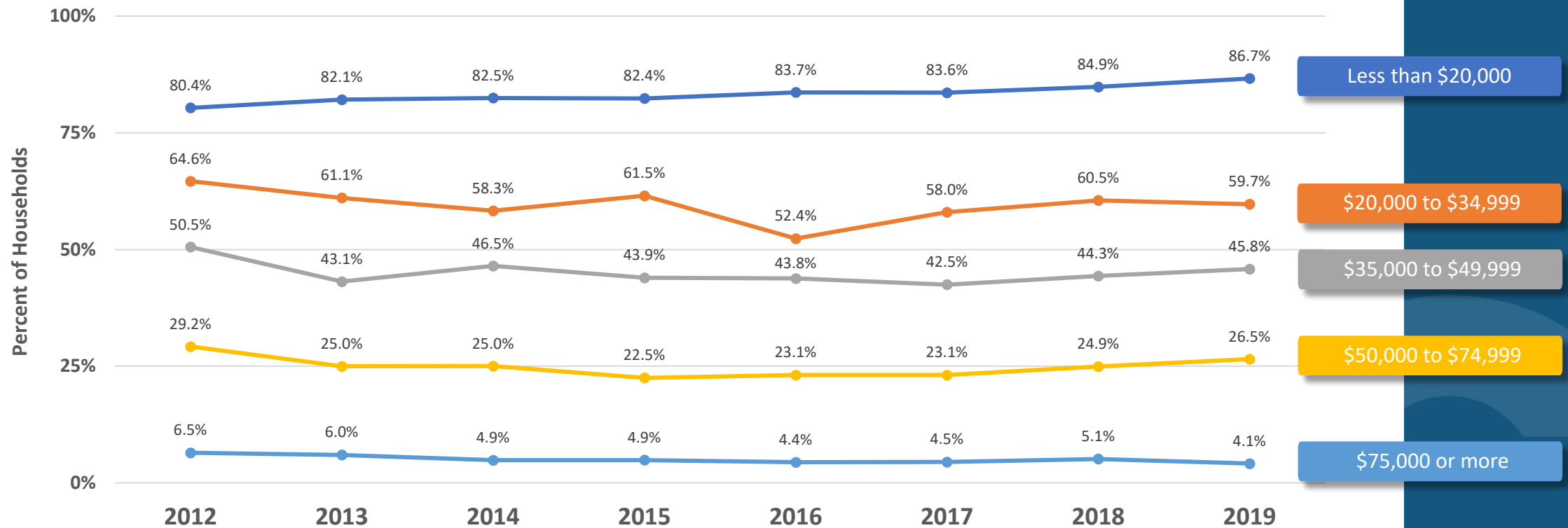
* Spending more than 30% of income on housing costs

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Percent of Cost-Burdened Owner Households* by Household Income

ARC 11-County Region
2012 to 2019

Since 2012, only owner households making less than \$20K per year saw an increase in the proportion of which were cost-burdened. The proportion of cost-burdened owners declined for every other income range.

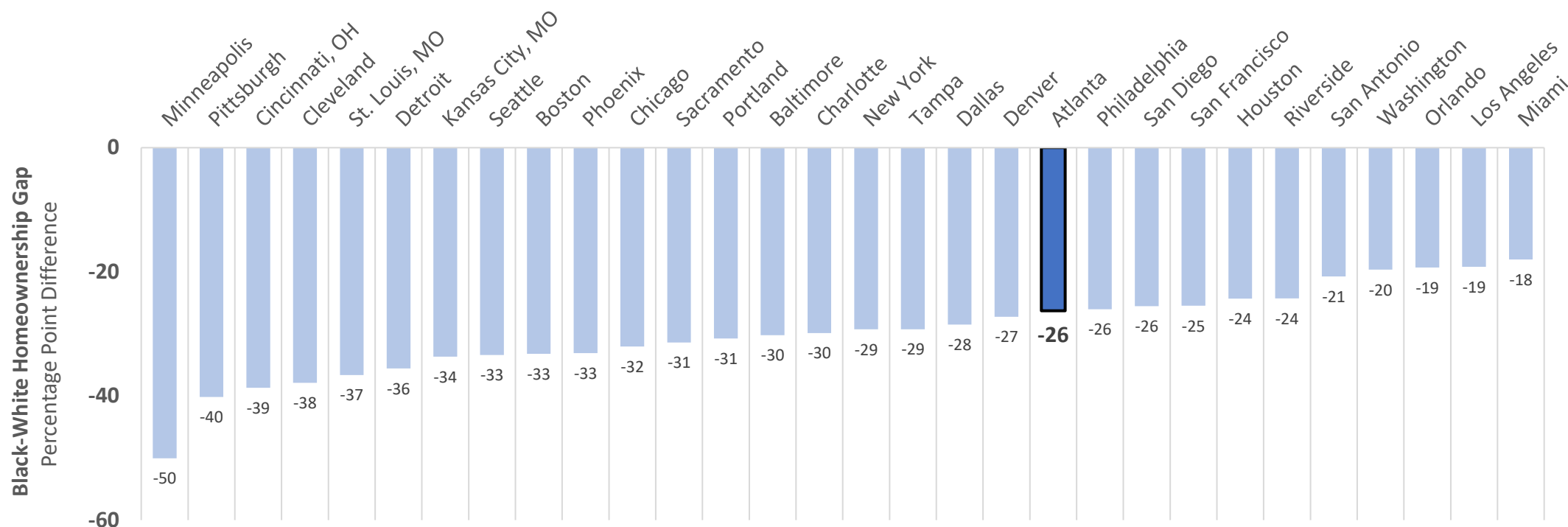


Homeownership 2021

Black-White Ownership Gap

Metropolitan Statistical Areas (MSAs), 2019

A large gap in homeownership is evident in every major metro region of the county. In the Atlanta Metro region in 2019, the homeownership rate among White householders was 73.7%. In contrast, the homeownership rate among Black householders was 47.5%.



Data Source:

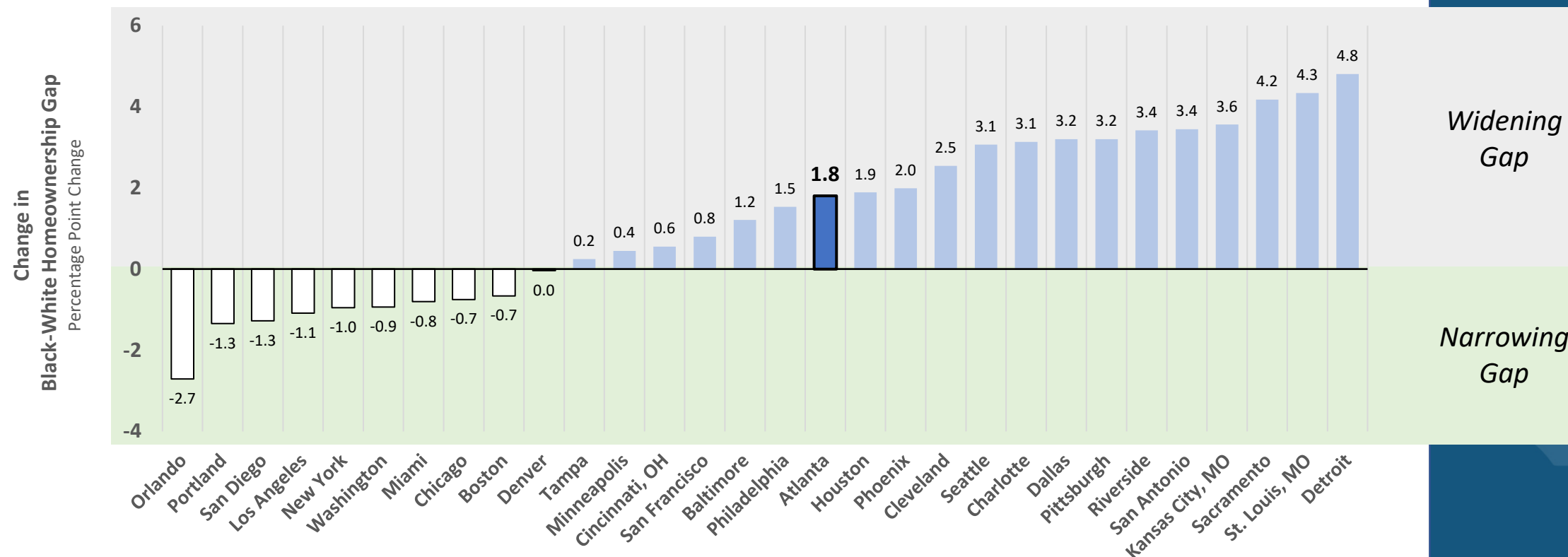
US Census Bureau, American Community Survey, 1-year Estimates, accessed via Social Explorer

Homeownership 2021

Change in Black-White Ownership Gap

Metropolitan Statistical Areas (MSAs), 2010 to 2019

Over the last decade, the gap between Black and White home ownership has widened in most metro regions across the county, albeit with some notable exceptions.



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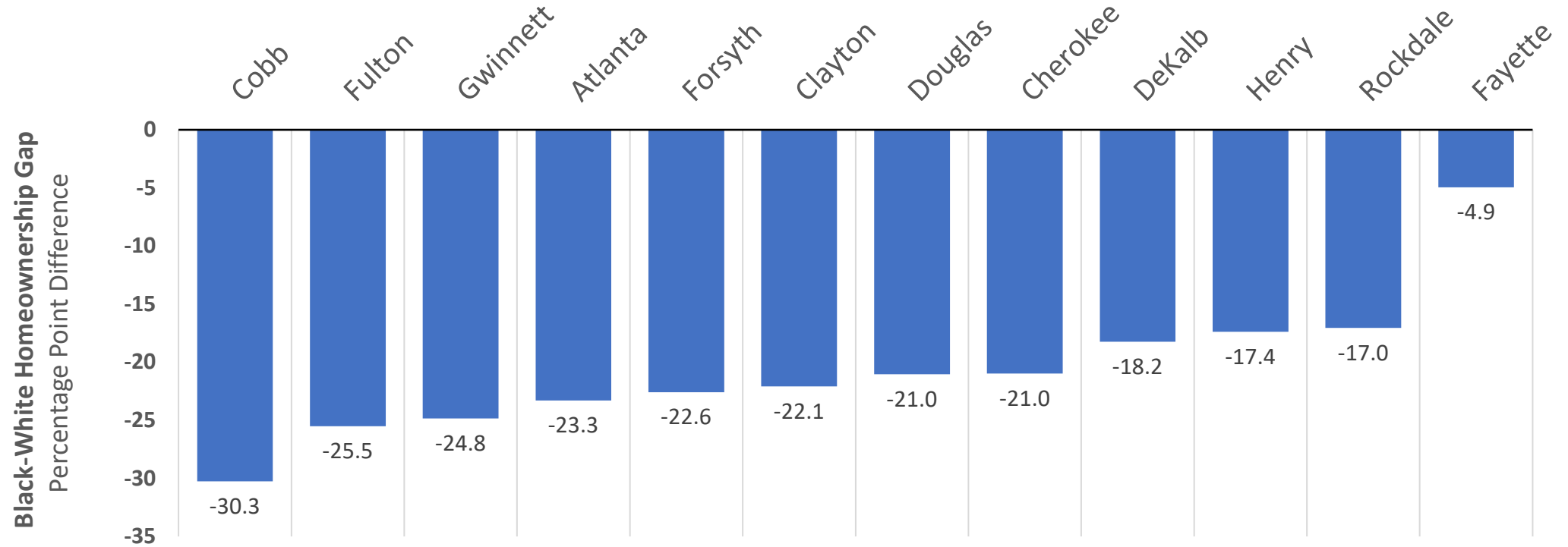
US Census Bureau, American Community Survey, 1-year Estimates, accessed via Social Explorer

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Black-White Ownership Gap

City of Atlanta and Counties in ARC Metro Region, 2019

The homeownership gap between Black and White householders in the region is widest in Cobb County (-30.3 percentage points) and narrowest in Fayette County (-4.9 percentage points).



Data Source:

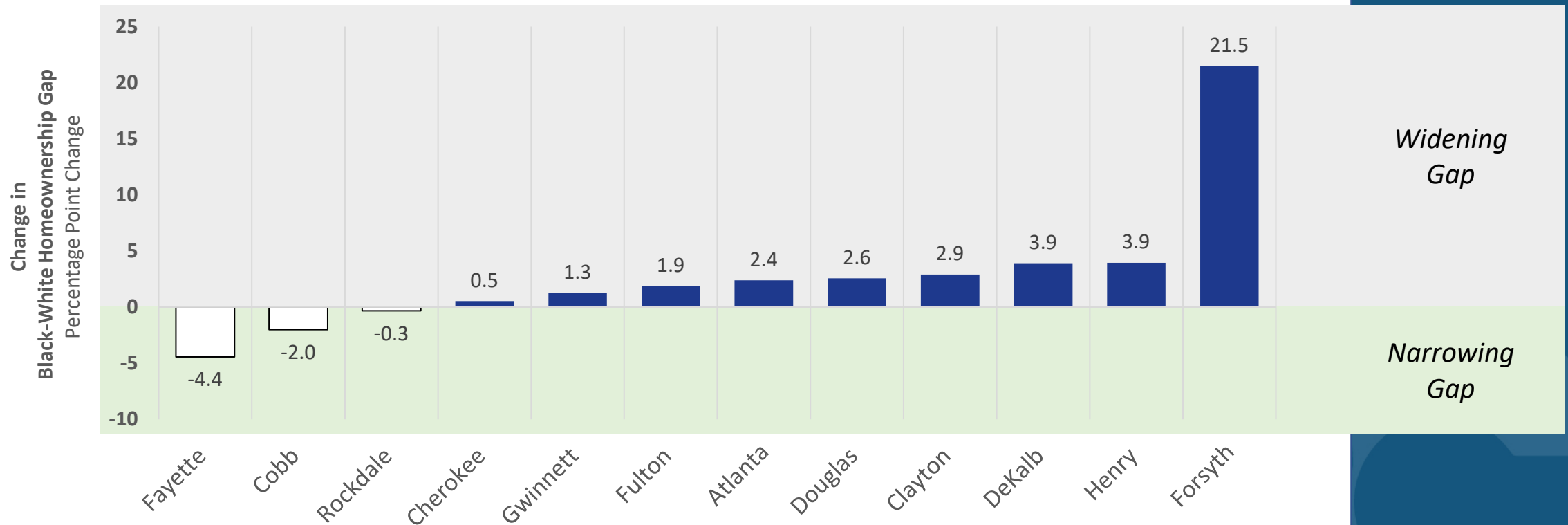
US Census Bureau, American Community Survey, 1-year Estimates, accessed via Social Explorer

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Change in Black-White Ownership Gap

City of Atlanta and Counties in ARC Metro Region , 2010 to 2019

Over the last decade (with exceptions of Fayette, Cobb, and Rockdale counties), the Black-Ownership gap has widened at the jurisdictional level across the region.



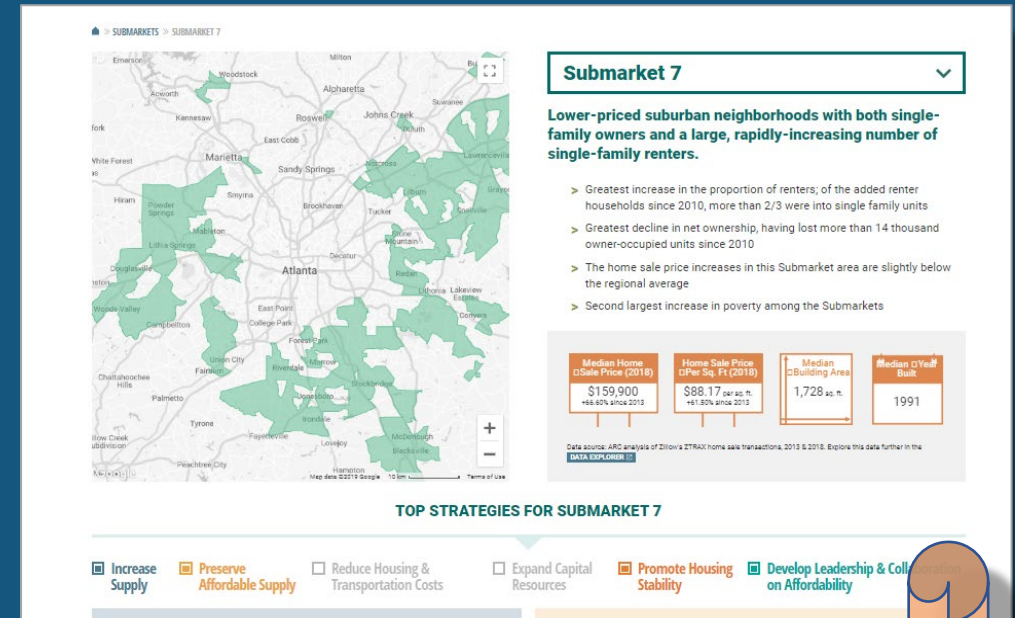
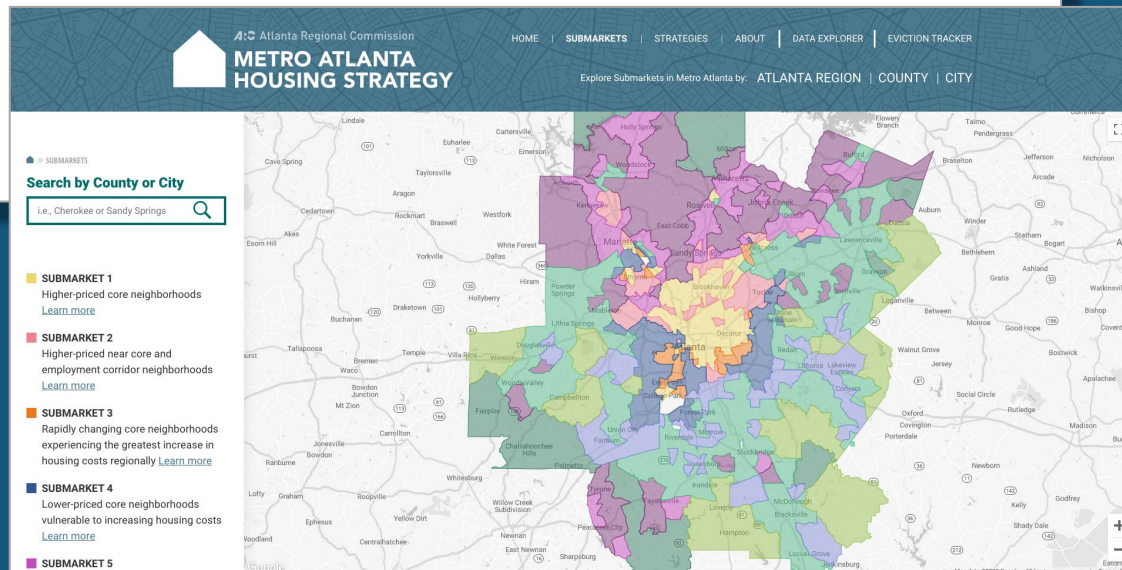
Data Source:

US Census Bureau, American Community Survey, 1-year Estimates, accessed via Social Explorer

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Metro Atlanta Housing Strategy

(MAHS) metroathousing.org



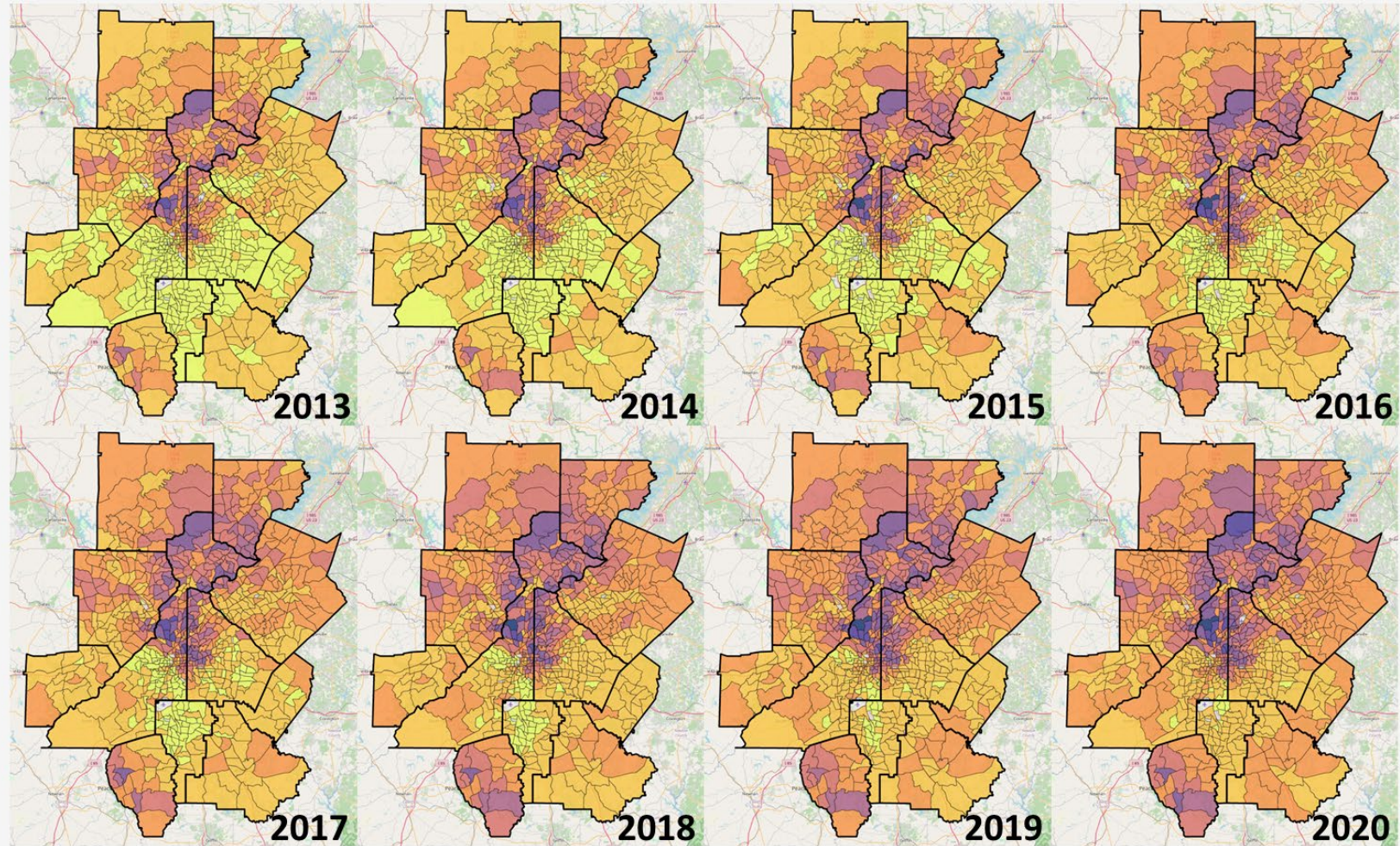
Coming Soon...

- ✓ New and improved Data Explorer
- ✓ Housing market analysis results for home sales from 2013 to 2020
- ✓ Sitewide UI/UX improvements
- ✓ County profile pages including demand forecasts and market snapshots

Homeownership 2021

MAHS: Home Sale Price Change Analysis (2013 to 2020) Results

Median Home Sale Price



Analysis by:
Atlanta Regional Commission

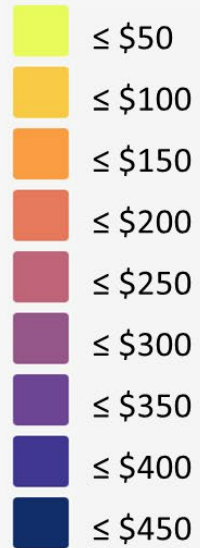
Data provided by:
Zillow through the Zillow Transaction
and Assessment Dataset (ZTRAX).

[Click here to view animation](#)

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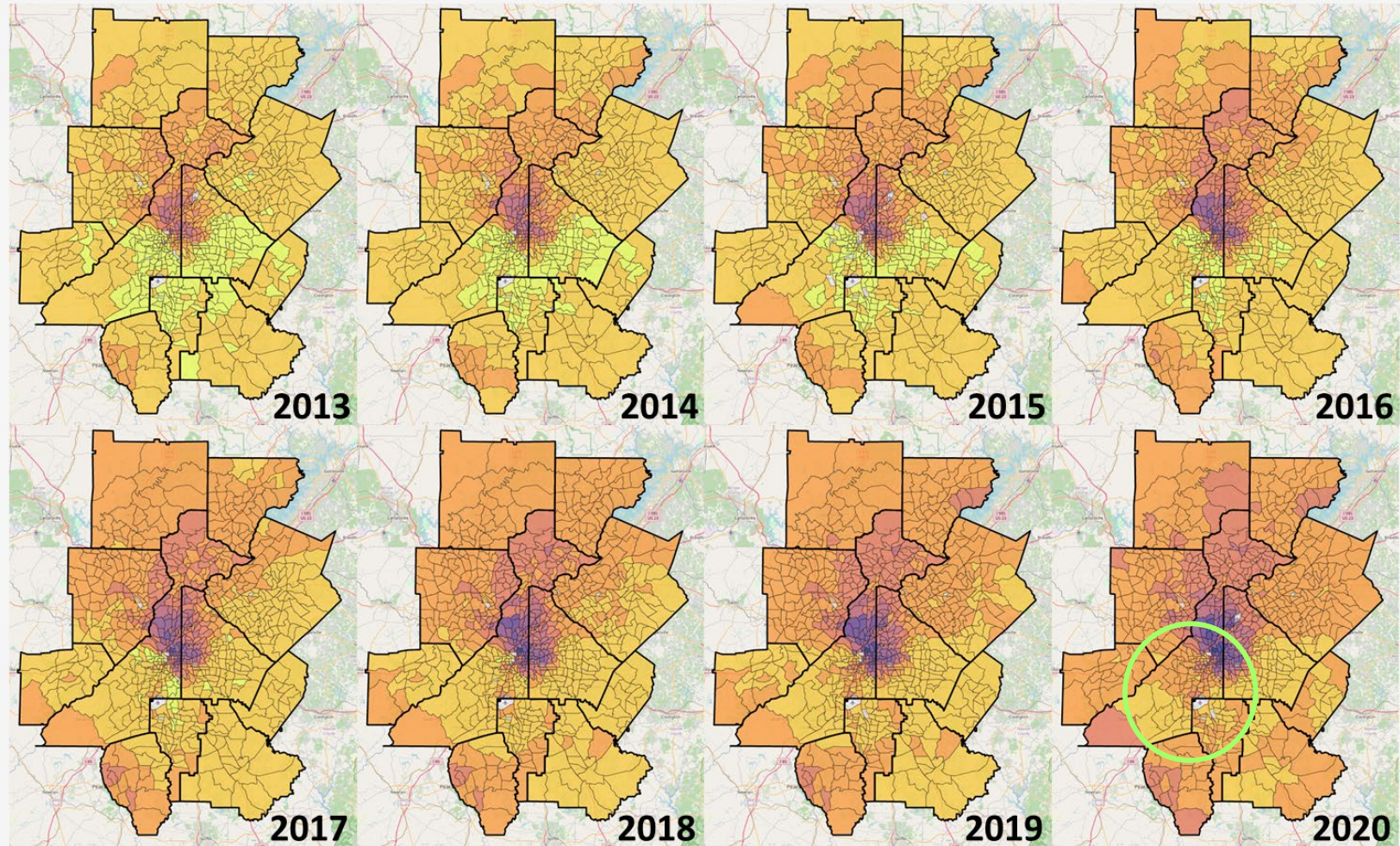
MAHS: Home Sale Price Change Analysis (2013 to 2020) Results

Home Sale Price per Square Foot



Analysis by:
Atlanta Regional Commission

Data provided by:
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[Click here to view animation](#)