

Housing and Land Use – Regional, State, and Local Trends

Clifford A. Lipscomb, Ph.D.

Director, Center for Business and Economic
Research

(www.valdosta.edu/lcoba/cber)

Associate Professor of Economics

Langdale College of Business Administration

“Big Picture” Issues

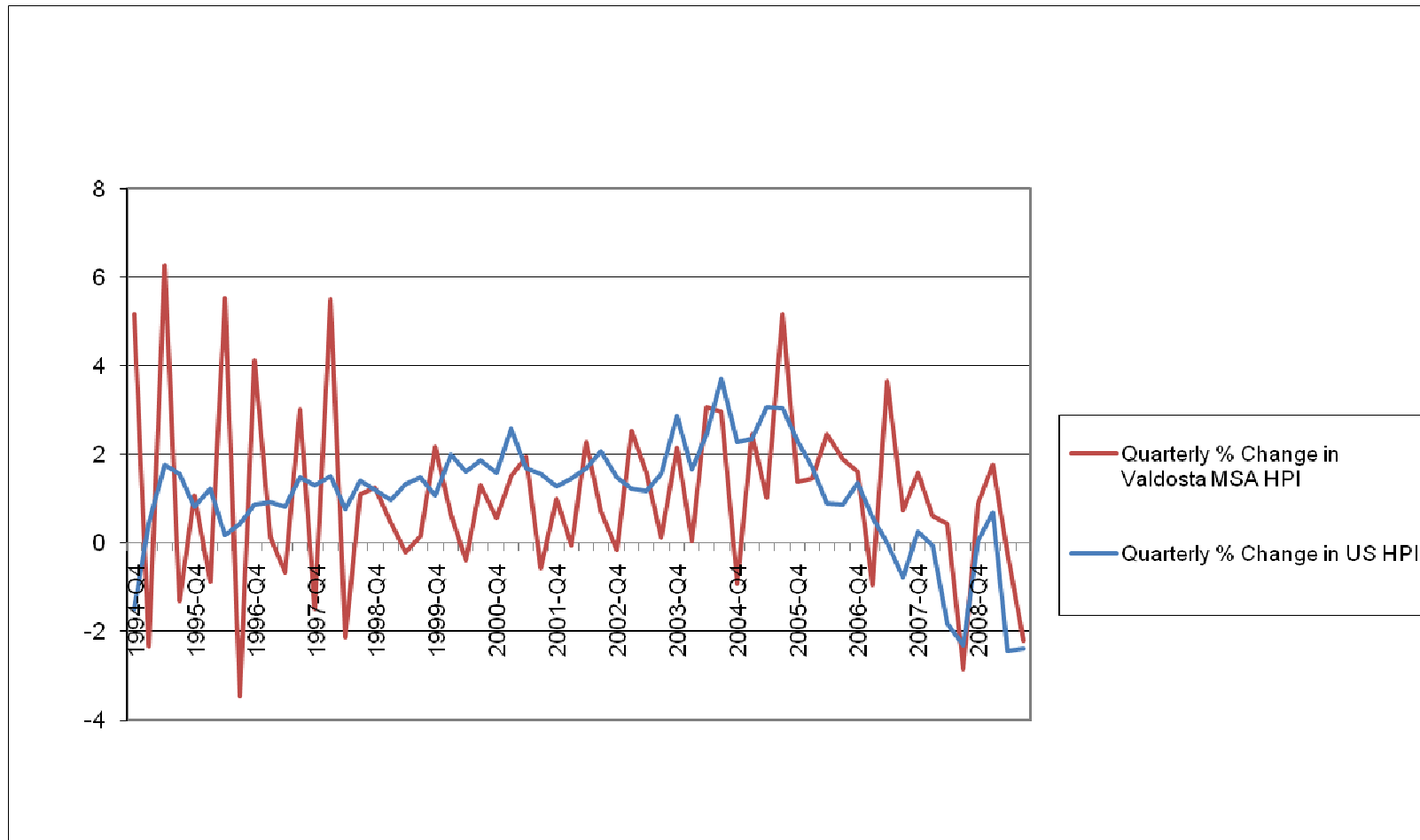
- The “recovery” doesn’t feel like a recovery b/c:
 - If consumers are focused on building wealth, recovery will be slower
 - If consumers are focused on spending at prior-to-the-recession rates, recovery will be quicker
- Workers who feel permanently separated from their jobs hit 55 percent last month (Atl Fed)
- Dec. 2009 existing home sales report was “disappointing” for some; depends on how you look at the data!
- Are we in for a “jobless recovery”?

Patterns in Georgia

- **Residential** existing home sales bottomed out in 2009Q1; new home sales in 2009Q2
- Job losses contributed to higher foreclosure rates
- For first three quarters of 2009, Atlanta permitted 4,055 homes compared to 46,220 for the same period in 2005 (91 percent decline from peak)
- **Commercial** real estate markets were weak in 2009; rising vacancy rates depressed rents
- Weaker consumer spending resulted in closed retail spaces
- Lots of renegotiated short-term leases instead of extending leases

Source: FRB of Atlanta EconSouth, Jan. 2010

Quarterly % Change in HPI, 1994-2009



Source: Federal Housing Finance Agency (formerly OFHEO)

2009 Actual Sales

Year	City of Valdosta	Lowndes County	Total (County)
New Listings	802	1,205	2,007
Median Sales Price	\$127,500	\$148,500	\$139,250
Average Sales Price	\$135,692	\$169,783	\$155,970
Average Days on Market	105	100	102
Total Dollar Volume	\$44.6 M	\$82.0 M	\$126.6 M

How 2009 Sales were Financed

Year	City of Valdosta	Lowndes County	Total (County)
Cash	43	45	88
Owner Financed	3	2	5
Conventional	114	165	279
VA	80	161	241
FHA	84	98	182
Other	5	12	17
TOTAL	329	483	812

New Residential Building Permits

Year	City of Valdosta	City of Hahira	Lowndes County	Total (County)
2002	269	15	317	601
2003	312	27	352	691
2004	193	25	597	815
2005	245	92	550	887
2006	305	82	636	1,023
2007	343	96	470	909
2008	215	33	351	599
2009	117	16	314	447
2010 forecast	110	14	300	424

Permits: 2008 and 2009

	2008			2009		
	VLD	County	Hahira	VLD	County	Hahira
New Residential	213	349	32	117	314	16
Resid Rem/Rep	<i>338</i>	<i>196</i>	<i>8</i>	<i>630</i>	<i>344</i>	<i>22</i>
Resid Addition	113	195	4	112	227	9
New Commercial	62	16	1	38	9	0
Comm Rem/Rep	156	38	5	181	35	4
Comm Addition	23	15	1	34	10	1
Free Stand Signs	163	23	2	118	25	2

What Might we Expect Next?

- 4th quarter 2009 real GDP increased at an annual rate of 5.7% - sign of good things to come? *It depends!*
- New industry to the area will help deplete inventories and propel new construction (and prop up housing prices)
 - VLCIA's Project Excel (400 jobs)
 - VLCIA's efforts to court high-tech defense-related manufacturing
- House prices will increase by end of 2010 on a more consistent quarter-to-quarter basis locally; but house price growth should be small

New CBER Project!

- Lowndes Co. Real Estate Market Analysis
- Client: First State Bank and Trust
- Residential and Commercial sectors
- First report due in June 2010
- Second report due in December 2010

Reminder: County Level Data Source!

- Georgia Regional Economic Analysis Project
- www.pnreap.org/georgia
- County-level data *and analysis*
- Training sessions on demand

Contact Information (until May)

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Research

Associate Professor of Economics

Valdosta State University

1500 N. Patterson Street

Valdosta, GA 31698-0075

Phone: 229-245-3774

E-mail: calipscomb@valdosta.edu