

ATLANTA LEADS NATION IN HOME PERMITS, BUT SLOWDOWN PREDICTED

By CHRISTOPHER QUINN

The greater Atlanta area led the nation's cities in the number of permits issued for new houses from January to May of 2006, according to an analysis by the Atlanta Regional Commission.

The 28 counties making up the metropolitan statistical area issued 32,737 permits for single family or multi-family homes.

The cities trailing Atlanta were Houston, with more than 30,000 permits; Dallas, with 25,000; and New York, with slightly less than 25,000 permits issued.

The number of permits issued by the 10 core counties of metro Atlanta saw an increase of 11 percent over the same time period as last year, from 21,256 to 23,603.

Bart Lewis, the chief of ARC's Research Division, expects those numbers to cool off somewhat, in line with a settling of the market nationwide.

"There has been some slowdown. That would jibe with the increase in interest rates," he said.

When the ARC released the numbers last week, Lewis said, "The numbers show what metro Atlantans see first-hand every day: The region continues to expand house by house."

Fulton County led metro Atlanta in permits issued, with 8,176. About half were for multi-family units. Fulton was followed by Gwinnett with 4,427, DeKalb with 2,543, Cobb with 2,415 and Cherokee with 1,715.

Henry issued 1,680 permits, Clayton 943, Douglas 867 and Rockdale 506 permits.

Fayette issued 331 permits, according to the information, which the ARC garnered from the U.S. Census.

Atlanta houses remained a good bargain when compared with houses in other metropolitan areas. The median home price was \$159,500 in the first quarter of 2005. That rose 5.6 percent to \$168,400 in the first quarter of 2006.

Compare that to Chicago, where the median price rose 11 percent in 2006 to \$263,300, or Phoenix, where it rose 38.4 percent to \$268,300.

Roger Tutterow, dean of the school of business at Mercer University, said the strong permit numbers and the small rise in home prices showed that Atlanta was not facing inflationary price bubbles, like Phoenix, which could be a warning sign.

Atlanta's continued growth also could be in part due to retirees locating here in greater numbers, he said. Those people will continue coming despite what happens in the labor market. However, the region will probably see slowing growth during the rest of the year, he predicted.

"Over the balance, the evidence from builders and lenders is that while the market is in decent shape, builders are starting to pull back a little," Tutterow said.