

Atlanta's housing shortage weighs on spring market



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By [Chris Fuhrmeister](#) – Staff Reporter, Atlanta Business Chronicle
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Metro Atlanta's housing market is getting busier with spring's arrival.

But a stubborn shortage of supply continues to frustrate prospective homebuyers.

There were a little more than 5,000 home sales in metro Atlanta's 12-county core last month, according to First Multiple Listing Service data. That marks the second consecutive monthly increase after seven straight months of decline.

However, sales in March were down 27% compared to the same month in 2022. One factor contributing to the annual decrease was mortgage rates, which continue to float between 6% and 7% for a 30-year, fixed-rate loan.

Current rates combined with home prices that remain high continue to present affordability challenges for some buyers. Renting may be an attractive option for those on tight budgets, as [the typical monthly rent in metro Atlanta is trending down](#).

A bigger factor may be the lack of homes for sale in Atlanta.

Housing supply fell to historic lows in February 2022, but inventory rebounded through the fall. Last October, there were more than 13,000 homes for sale in the metro area. That was far below the pre-pandemic norm, but double what had been on the market eight months earlier.

Now, supply is waning again.

The number of homes for sale in metro Atlanta has fallen for five straight months. During the first three months of 2023, the number of new listings was down 18% compared to the same period one year earlier. It was the slowest first quarter for new listings in at least 14 years.

“We continue to be challenged by extremely low inventory levels and the changes in mortgage interest rates,” said Atlanta Realtors Association President Michael Fischer in a March 29 market briefing.

Months' supply of homes for sale is a key metric real estate professionals track to get a sense of the market. A balanced market exists when there is six months' supply, and a normal sellers' market exists when there is four to six months' supply.

Metro Atlanta had 1.8 months' supply last month.