guarantee mortgages to $30,000 per unit, up from $25,000. Under condominium, individual mortgages are written for each apartment, instead of a blanket mortgage on the building as with cooperatives.

Demand continues brisk for the FHA-insured condominiums, but the market seems surfeited with luxury condominiums. Despite the high number of vacancies, however, new luxury condominiums continue to be built.

The paradox of the new condominium apartment building that rises alongside another recently built, and partly empty apartment house, has its explanation: Promoters have large sums of money invested in the property, and as long as they can obtain bank financing, prefer to push ahead in the face of a weak market rather than see their funds idling in unused land. Then, if customers are not found promptly to buy the condominium apartments, some of the units can be rented conventionally. A condominium apartment that sells for $40,000 can bring $300 or better in monthly rental.

Moreover, some developers are building directly for apartment rental.

No Lag in Atlanta's Realty Market Indicated

Atlanta, Ga. — As a realty market, Atlanta is indicating no lag in continuing progressive operations. Thomas V. Cauble, president of the Atlanta Real Estate Board and vice president of the Adams-Cates Company, reviews the property categories here in this manner:

Office buildings: A survey made late last year involving 40 buildings in Atlanta which have combined rentable areas totalling 5,134,000 sq. ft., revealed 187,000 sq. ft. was at that date vacant. The occupancy ratio was therefore, 96.3%. These 40 buildings were located downtown and in semi-central (Pershing Point) and suburban areas (Lenox Square). Also included were five medical buildings.

Rental rates for new downtown space average $4.50 per sq. ft., and for new suburban space about $3.50 per sq. ft. Older buildings downtown would average about 25% less. There would be little difference in semi-central or suburban buildings, since all are relatively new. Rental rates are about the same as last year.

There is proposed, or under construction, approximately three million sq. ft. of new office space, approximately two-thirds of which is downtown. Since most of this is institutionally-owned, we feel it will be absorbed readily as it is completed over the next two to three years.

The only concessions made in office building leasing involve assuming the remaining portion of an existing lease in order to get a desirable tenant in a large area. Land and construction costs have increased approximately 5% to 10% since last year.

Atlanta is unique in that both the downtown and suburban areas have continued to grow about equally.

Apartment Houses: Atlanta has shown a remarkable ability to absorb garden-type apartment units, where the vacancy rate at this time is about 7%. High-rise apartments have not done so well. The vacancy rate there would run 12% to 15%. The difficulty apparently lies in the fact that a garden-type unit can provide the same accommodations at about 25% less rent. There has been from time to time evidence of rent concessions, but the practice is not wide-spread and the concessions are not substantial.

The rate of construction is about the same as last year, and land and construction costs have increased 5% to 10%. The suburban market has done better than the downtown market, primarily because most of the garden-type units are suburban.

The first nine months of 1963 has seen the attainment of a new all-time high record for city building permits. The previous high record was for the entire year of 1962. Through September 30, the city issued building permits valued at $127,903,326. Permits issued during 1962 totaled $116,648,338. City Building Inspector William R. Wofford said he expects the city to hit $150 million by the end of 1964. The permits represented a cross section of all categories of building, Mr. Wofford said, and indicated an increase over previous years in all categories.

Overall, the Federal Housing Administration here estimates the vacancy rate for apartments and residences in the metropolitan area at 3.5%. Postal carriers from Atlanta and nine suburban cities participated in the survey, visiting a total of 277,880 residences and apartments in the five-county area. They found that of the residences—208,185—some 5,241 were vacant, for a percentage rate of 2.5 Apartment vacancies were 4,389 of a total of 69,695 units, for a vacancy rate of 6.5%.

Within the Atlanta city limits the overall vacancy rate was 3.3%. That included a 6.1% vacancy rate for apartments and a 2% vacancy rate for residences. John F. Thigpen, director of the Atlanta FHA office, said the survey confirms earlier evidence that there is no requirement for additional high-rise apartments in Atlanta.

Shopping Centers: There are three major centers, totaling roughly 1,400,000 sq. ft., now under construction. They are Columbia Mall (Sears and Macy), North DeKalb (Rich's) and Greenbriar (Rich's and Penney). There are very few vacancies in existing centers, and small centers are now being built only in outlying areas. The trend for several years has been to large centers (400,000 sq. ft. or more) built around one or two major department stores.

Industrial Properties: Most of our industrial growth for the past 10 years has taken place in planned industrial parks, many of which have been promoted by railroads. Most of the growth at this time is taking place in such parks located along the city's expressway system. A new development has been the trend from combined office-and-warehouse space to 100% office space. Such a development is already underway on the Northeast Expressway. It is called Executive Park and involves about 115 acres.

The vacancy rate in modern 1-story industrial property is negligible. The vacancy in old loft-type buildings would run about 15%. Many have been demolished in connection with urban redevelopment, expressway condemnation and to create parking. The going rate for modern 1-story warehouses would run 60-75 cents per sq. ft., but ranging upwards to $1 per sq. ft. for expressway locations having a good advertising value.

Vacancies Rise in Apartments, Offices

Washington, D.C. — Apartment vacancies rose from 1.59% a year ago to 1.88% this summer. This is on buildings that were once nearly completely occupied. It does not include the new buildings. A truer rate is more near 5%.

The 96.8% office building occupancy rate is the lowest since 1960. Overall office space vacancy is probably more like 8% now, including the many new buildings just on the market.

The supply of new office buildings is considerably beyond the demand in Washington. Some buildings are breaking a long established $5.75-$6 a sq. ft. price. Most of these are in the outlying areas, but even buildings with choice locations are feeling the pressure and are dropping rents to $5.25-$5.75 a sq. ft.

There are approximately 15 office buildings now under construction in the northwest section of the city, the private industry area, with nine buildings planned.

New offices are renting at $5-6 a foot; older space at $3-4. Suburban buildings rent for about 15% lower than downtown space and there are more vacancies in suburbia.

Concessions include the following: remodeling cost is borne to keep tenants; new interiors given to new ones; paying moving expenses; some buying of leases to get tenants; carpeting, drapes offered; even six months free occupancy in some cases.

Uncle Sam is not taking much new space this year; he's expected back in the market big in 1965. Construction starts on offices have tailed off; many are planned. More of a swing to downtown apartment complexes.

Construction costs are up only slightly; mortgage market somewhat better for the mortgagee but office

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