



MULTIFAMILY REPORT

Atlanta: Troubled Market

August 2023

T3 Rents Rebound Slightly, YoY Struggles

Employment Growth Outperforms US

Construction Starts Dwindle

ATLANTA MULTIFAMILY



Cooling Demand Dents Occupancy

Atlanta's fundamentals remained soft in mid-2023. Rent growth rebounded slowly, up just 0.1% on a trailing three-month basis through June, to an overall average of \$1,694. Annual movement remained negative, down 1.1%, while the U.S. average rose 1.8%. Cooling demand was reflected in the occupancy rate in stabilized properties, which decreased by 120 basis points year-over-year, to 93.3%.

Atlanta's unemployment rate rose to 3.3% in May, just 10 basis points below the 3.2% state figure and leading the 3.7% national rate, according to data from the Bureau of Labor Statistics. The job market added 76,800 jobs in the 12 months ending in April, for a 3.3% expansion, outperforming the U.S. by 40 basis points. All sectors gained jobs, except for professional and business services, which entered a slowdown in late 2022, when tech companies announced layoffs. Microsoft halted its Grove Park project but kept plans to add two new regional data centers. Job gains were led by education and health services (25,900 positions) and leisure and hospitality (24,300).

Developers brought 4,865 units online during the first half of 2023 and had 40,465 units underway. Although the pipeline was robust, the number of construction starts dwindled. Investors traded roughly \$1.1 billion in multifamily assets for a price per unit that declined 15.3% from 2022, to \$170,859.

Market Analysis | August 2023

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

Recent Atlanta Transactions

The Reserve at Sugarloaf



City: Duluth, Ga.
Buyer: Olen Properties
Purchase Price: \$91 MM
Price per Unit: \$273,273

The Paxton



City: Lilburn, Ga.
Buyer: InterCapital Group
Purchase Price: \$66 MM
Price per Unit: \$222,973

Quill



City: Atlanta
Buyer: CWS Capital Partners
Purchase Price: \$55 MM
Price per Unit: \$264,423

Amber Grove at Olley Creek



City: Marietta, Ga.
Buyer: FCP
Purchase Price: \$51 MM
Price per Unit: \$141,667