

ATLANTA OFFICE MARKET

Yardi® Matrix

Market Analysis

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Robust Demand Boosts Growth



Atlanta has seen **tremendous growth** in recent years, and the progress is not projected to come to a halt anytime soon. The metro has one of the fastest-growing populations in the nation, affordable housing and a young workforce. That—combined with a relatively low cost of doing business and appealing incentives from state and local government—has attracted a constant stream of corporations in recent years.

Between 2010 and 2017, Atlanta has added 20% to its employment base, compared to 12% nationally, while the metro's office-using employment sector rose by nearly 25%, well above the 16% national average. The growth has contributed to **increased absorption of office space**, and made the metro an attractive target for developers and investors. There are some negative side effects, such as traffic congestion, but a 10-year, \$10 billion state governmental plan unveiled in 2016 is aimed at improving commuting in the metro.

Job growth was led by trade, transportation and utilities (16,500 jobs year-over-year in February), as the metro is rapidly becoming the most prominent regional logistics hub. Education and health services added 12,900 new jobs, as nearby universities provide a steady flow of workers.

Office vacancy was **16.3%** in April, but conditions are tightening and rents are rising. Companies keen on being close to prime locations will pay as much as \$33.38 per square foot for office space in Buckhead.