

Yardi® Matrix

# Atlanta's Rise Bears a Price

Multifamily Report Summer 2018

Transactions Stay Elevated

Suburban Areas Power Rent Growth

Affordability Slowly Becomes an Issue



# ATLANTA MULTIFAMILY

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## Market Analysis

Summer 2018

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## Pricier Than It Used to Be

Continued rent appreciation in Atlanta has made the metro significantly less affordable than its reputation suggests, with the average rent going past the \$1,200 mark this year, having gained more than \$200 since the summer of 2014. The metro's population has risen at some of the fastest rates in the country, further pushing up housing demand across the quality spectrum. With 25,000 units delivered since the beginning of 2016, occupancy in stabilized assets remained relatively steady, sliding only 90 basis points in the interim.

Atlanta's economy is thriving, with job availability and the city's image as the region's economic anchor driving continued interest in the metro. Some of the strongest demographic trends in the nation support that improvement, pushing the need for more housing while employment growth is performing above the national trend. Atlanta's primary challenge now is moderating the effects of its rampant growth, as traffic congestion and mobility issues are growing concerns for residents and investors alike.

The metro's multifamily pipeline had 18,000 units underway as of June, with another 60,000 in the planning and permitting stages. As a result, rent growth in the built-out Lifestyle segment has shifted down a gear, leading us to expect that overall appreciation will top out at 2.8% for the year.

## Recent Atlanta Transactions

Rockledge



City: Marietta, Ga.  
Buyer: NexPoint Residential Trust  
Purchase Price: \$114 MM  
Price per Unit: \$160,311

Lakeside at Milton Park



City: Alpharetta, Ga.  
Buyer: Olen Properties  
Purchase Price: \$98 MM  
Price per Unit: \$213,124

Rosemont Berkley Lake



City: Duluth, Ga.  
Buyer: Investcorp  
Purchase Price: \$94 MM  
Price per Unit: \$142,803

Laurel Hills Preserve



City: Marietta, Ga.  
Buyer: Bridge Investment Group  
Partners  
Purchase Price: \$87 MM  
Price per Unit: \$121,078