

Yardi® Matrix

Atlanta Fires On All Cylinders

Multifamily Report Winter 2018

Rents Rise Steadily

Employment Boosts Demand

Construction Hits Record, Sales Surge

ATLANTA MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2018

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Approaching a Market Peak?

Throughout 2017, Atlanta has shown solid market fundamentals and rapid economic growth. Its healthy multifamily market is underpinned by strong population and job growth, a substantial development pipeline and record transactions. The metro is one of the fastest growing in the nation, with its 18-hour lifestyle and favorable business climate attracting young talent, as well as national and international capital, while keeping rental demand at elevated levels.

Although the metro's economy continues to be driven by trade, transportation and utilities (6,300 new jobs), professional and business services outperformed other sectors by adding more jobs than most of them combined—30,500 new positions in the 12 months ending in September. Atlanta's development boom shows no signs of slowing down, with more than 70 projects under construction or planned in Midtown and Buckhead alone. One of the most prominent was recently finalized—the \$1.5 billion Mercedes-Benz Stadium, the new home of the Atlanta Falcons. The arena received an estimated \$600 million in public funding.

Multifamily investments and deliveries are showing signs of peaking by year-end, as roughly 8,700 units came online, 250 units short of what the market delivered in 2016, and \$4.7 billion in multifamily assets traded as of October, \$2 billion less than the full 12 months of 2016. Rents rose 2.9% to \$1,187 through that interval, and we expect rents to rise by 3.6% in 2017.

Recent Atlanta Transaction

Gables Emory Point



City: Atlanta
Buyer: LivCor
Purchase Price: \$199 MM
Price per Unit: \$265,333

Rockledge



City: Marietta
Buyer: Highland Capital Management
Purchase Price: \$114 MM
Price per Unit: \$160,311

Lakeside at Milton Park



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

Avia at North Springs



City: Atlanta
Buyer: Harbor Group International
Purchase Price: \$93 MM
Price per Unit: \$176,121

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