



## 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

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### 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