

Atlanta's Slowdown

January 2025

Asking Rent Contractions Persist

New Construction Slows

PPU Inches Up

ATLANTA MULTIFAMILY



Asking Rents Decline, Occupancy Flat

As 2024 wrapped up, Atlanta's multifamily fundamentals posted a mixed performance. Average advertised asking rents contracted 0.5%, on a trailing three-month basis through November, to \$1,630, while year-over-year, the decline was at a steeper 2.6%, well behind the 0.9% uptick of the U.S. average. Meanwhile, the metro's occupancy rate in stabilized properties remained unchanged year-over-year, at 92.7% in October.

Atlanta employment growth clocked in at 1.3% as of September, 10 basis points below the national rate and recovering slightly after it bottomed out in June. Unemployment stood at 3.5% in October, just below the Georgia (3.6%) and U.S. (4.1%) figures. In the 12 months ending in September, Atlanta gained 43,000 net jobs. Leisure and hospitality led with 20,300 positions. Meanwhile, four sectors shed 16,300 jobs combined. Losses included trade, transportation and utilities (-6,600 jobs) and manufacturing (-1,000 jobs). The latter is poised for recovery in the foreseeable future, boosted by projects such as Andersen Corp.'s facility, which is slated to start operations in 2025. Rivian Automotive, which recently secured a \$6.6 billion loan, is also contributing to this momentum.

Deliveries totaled 17,214 units in 2024 through November, while another 32,838 apartments were under construction. Investors traded \$2.9 billion in multifamily assets in the first 11 months of the year, with the per-unit price recording a 1.1% uptick.

Market Analysis | January 2025

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 x14006

Doug Ressler

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

Author

Anca Gagiuc

Senior Associate Editor

Recent Atlanta Transactions

The Cedars at Johns Creek



City: Johns Creek, Ga.
Buyer: Pacific Urban Investors
Purchase Price: \$135 MM
Price per Unit: \$334,988

903 Peachtree



City: Atlanta
Buyer: Waterton
Purchase Price: \$119 MM
Price per Unit: \$277,921

District at Duluth



City: Duluth, Ga.
Buyer: Mesirow Financial
Purchase Price: \$96 MM
Price per Unit: \$259,546

Centra at North Druid Hills

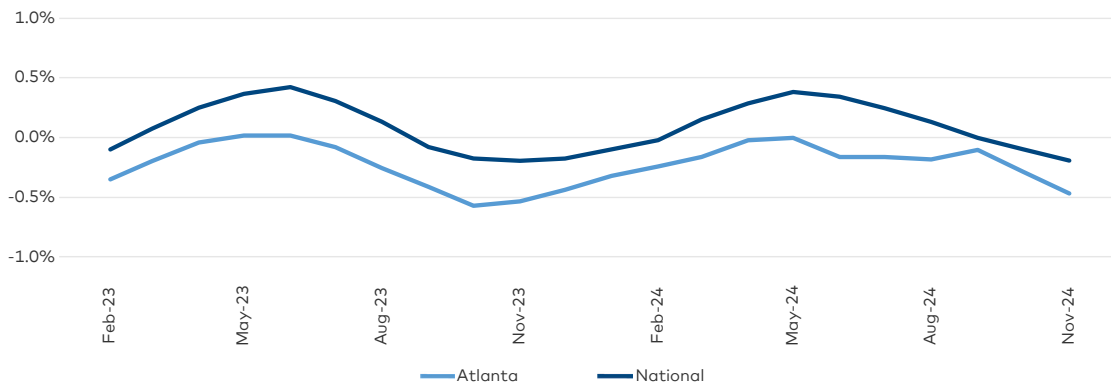


City: Atlanta
Buyer: Key Real Estate
Purchase Price: \$84 MM
Price per Unit: \$269,355

RENT TRENDS

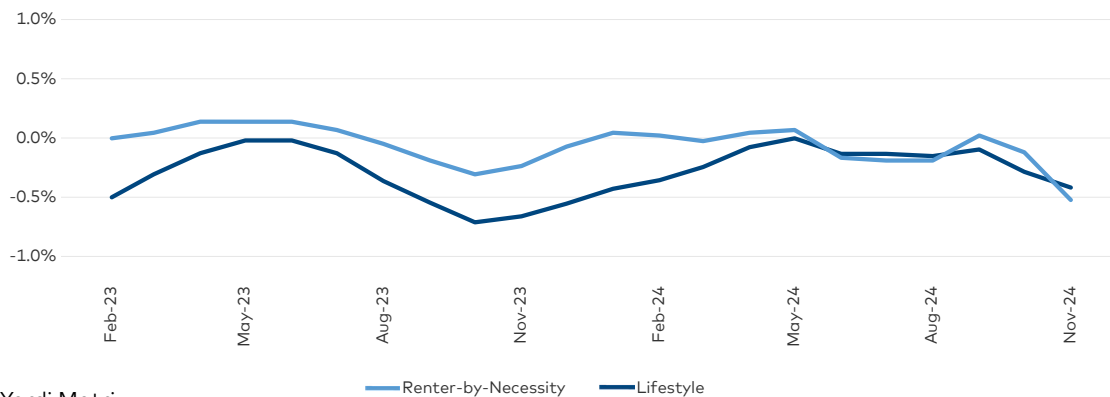
- ▶ Atlanta's average advertised asking rent fell 0.5% on a trailing three-month (T3) basis through November, to \$1,630, while the U.S. rate slid 0.2%, to \$1,744. Rents in the metro have been contracting for the past 25 months, except for a few instances in 2023 and 2024, when they were flat. Atlanta advertised asking rents fell 2.6% year-over-year, outperforming only Austin, Texas (-5.6%), and Raleigh, N.C. (-2.7%), among Yardi Matrix's top 30 metros.
 - ▶ Advertised asking rents in the working-class Renter-by-Necessity segment were down 0.5%, on a T3 basis through November, to \$1,389, while the Lifestyle figure fell 0.4%, to \$1,746.
 - ▶ The occupancy rate in stabilized properties was 92.7% in October, unchanged year-over-year.
- The Lifestyle figure was up 10 basis points, to 92.8%, while the RBN rate dipped 20 basis points, to 92.2%.
- ▶ Only 15 of the 82 Atlanta submarkets tracked by Yardi Matrix saw positive year-over-year rent movement. The Martin Luther King Historic District led the pack (2.7% to \$2,141). Another five submarkets had average asking rents above the \$2,000 mark, with Midtown South being the most expensive (-3.0% to \$2,172). The submarket also had one of the largest construction pipelines as of November.
 - ▶ Atlanta's SFR market registered a 1.0% year-over-year increase in occupancy, to 93.9%. Average advertised asking rents, however, fell 2.1% year-over-year through November, to \$2,316.

Atlanta vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Atlanta Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ Atlanta employment growth stood at 1.3% as of September 2024, 10 basis points behind the national figure. The rate bottomed out in June 2024, when it slid to 1.0%, then started to slowly recover. It lagged the national figure throughout the year.
- ▶ Atlanta gained 43,000 net jobs in the 12 months ending in September. Of these, 20,300 were in leisure and hospitality, followed by education and health services (16,700 jobs) and government (10,000 jobs). Four sectors lost 16,300 positions combined, including trade, transportation and utilities (6,600 jobs) and professional and business services (5,300 jobs).
- ▶ Atlanta unemployment stood at 3.5% in October, up 50 basis points from the start of the year, according to preliminary data from the Bureau of Labor Statistics. The market outperformed both the state (3.6%) and the U.S. (4.1%).
- ▶ A notable update that will have a significant impact on Atlanta's economy came from Rivian Automotive. The company will resume construction of its 9 million-square-foot EV plant east of the city, following the approval of a \$6.6 billion loan. Ultimately, the project is expected to create 2,000 permanent jobs. Also adding to the metro's manufacturing sector is Andersen Corp.'s \$420 million facility, which is slated to begin operations in 2025 and add 900 jobs.

Atlanta Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
70	Leisure and Hospitality	327.6	10.6%
65	Education and Health Services	431.4	13.9%
90	Government	363	11.7%
15	Mining, Logging and Construction	152.5	4.9%
80	Other Services	108.5	3.5%
55	Financial Activities	208	6.7%
30	Manufacturing	180.5	5.8%
50	Information	94.6	3.1%
60	Professional and Business Services	581.1	18.8%
40	Trade, Transportation and Utilities	649.6	21.0%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Atlanta gained 68,018 residents in 2022, for an annual increase of 1.1%. This was 30 basis points below the 2021 rate, but nearly three times the 0.4% national average.
- ▶ Between the 2010 Census and 2022, Atlanta's population expanded 18.9%, well ahead of the 8.9% U.S rate.

Atlanta vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Atlanta Metro	5,862,424	5,947,008	6,026,734	6,094,752

Source: U.S. Census

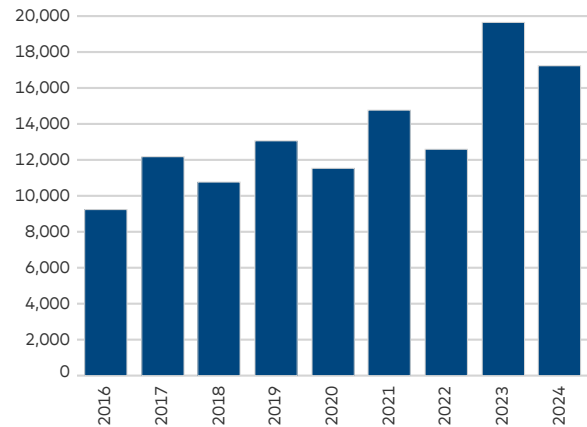
SUPPLY

- ▶ Developers delivered 17,214 units in 2024 through November, which was 3.2% of existing stock and 50 basis points above the U.S. figure. Compared to annual levels over the past 10 years, the rate was significant, behind only 2023's 3.7%. The bulk of completions in 2024's first 11 months (10,863 units) were in suburban submarkets. Lifestyle properties accounted for 83.5% of all deliveries, followed by fully affordable communities (12.5%) and RBN projects (4.0%).
- ▶ Developers had 32,838 units under construction in November, and another 126,000 in the planning and permitting stages. Units underway were relatively equally split between suburban (16,526 units) and core submarkets (16,312 units). Meanwhile, the composition of projects underway changed a bit: 90% Lifestyle, 5.0% fully affordable and 5.0% RBN.
- ▶ Developers broke ground on 13,646 units across 56 properties in 2024 through November, marking a slowdown from the 15,903 units across 64 projects that broke ground during the same period last year.
- ▶ As of November, 12 submarkets had more than 1,000 units under construction each. Buford

(2,398 units) and Kennesaw (1,680 units) led in the suburbs, while the top urban submarkets were Midtown South (1,713 units) and Chandler-McAfee/West Belvedere Park (1,455 units).

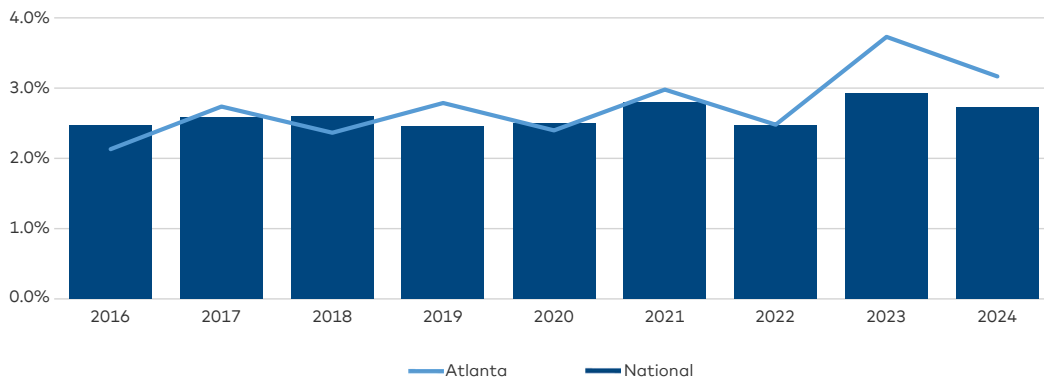
- ▶ The largest project underway as of November was the 736-unit Satellite Commons in Duluth. The property is owned by Brand Properties and will include nearly 15,000 square feet of retail. Completion is slated for mid-2026.

Atlanta Completions (as of November 2024)



Source: Yardi Matrix

Atlanta vs. National Completions as a Percentage of Total Stock (as of November 2024)



Source: Yardi Matrix

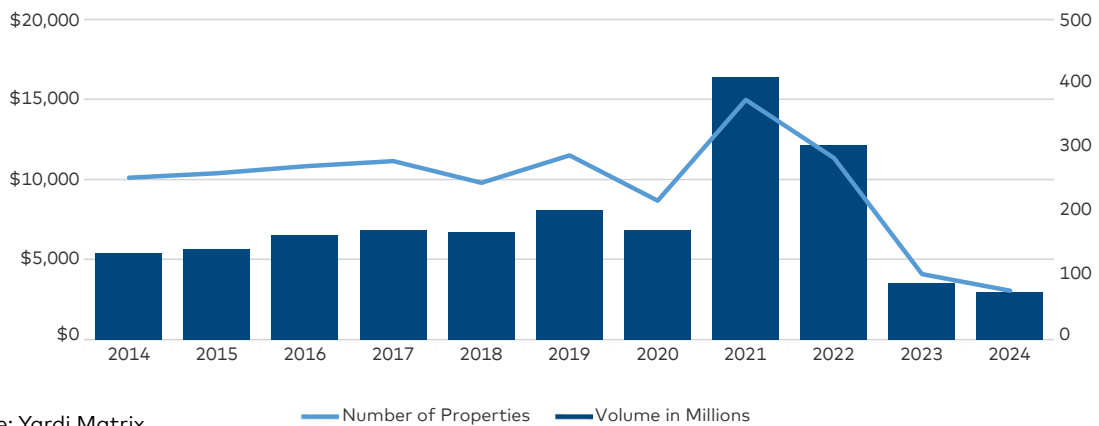
TRANSACTIONS

- ▶ Investment volume totaled \$2.9 billion in 2024 through November. Investors were slightly more active in suburban Atlanta, where \$1.6 billion in sales closed. In urban submarkets, the figure was just below \$1.4 billion. Overall, volume was still significantly below the annual average recorded in the metro since 2014—\$7.8 billion.
- ▶ Lifestyle sales accounted for more than half of deals in the first 11 months of 2024. The sales composition helped keep the average price per

unit steady, up 1.1% from December 2023, to \$190,194. Meanwhile, the U.S. figure increased 2.7%, to \$192,050.

- ▶ Notable transactions in 2024 included Pacific Urban Investors' acquisition of The Cedars at Johns Creek from LivCor. The 403-unit Lifestyle asset sold for \$135 million, or \$334,988 per unit, with aid from a \$68 million CMBS loan originated by Walker & Dunlop. This sale marked both the largest single-asset transaction of 2024, as well as the highest per-unit price.

Atlanta Sales Volume and Number of Properties Sold (as of November 2024)



Source: Yardi Matrix

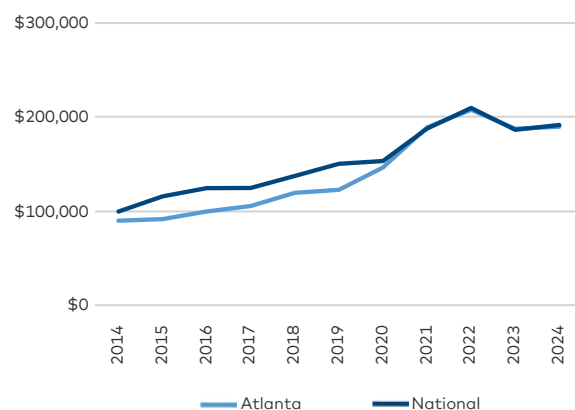
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Duluth	526
Canton-Woodstock	414
Martin Luther King Historic District	241
Sandy Springs/Dunwoody	233
Cumming	211
Midtown South	143
North Decatur/Clarkston/Scottdale	132

Source: Yardi Matrix

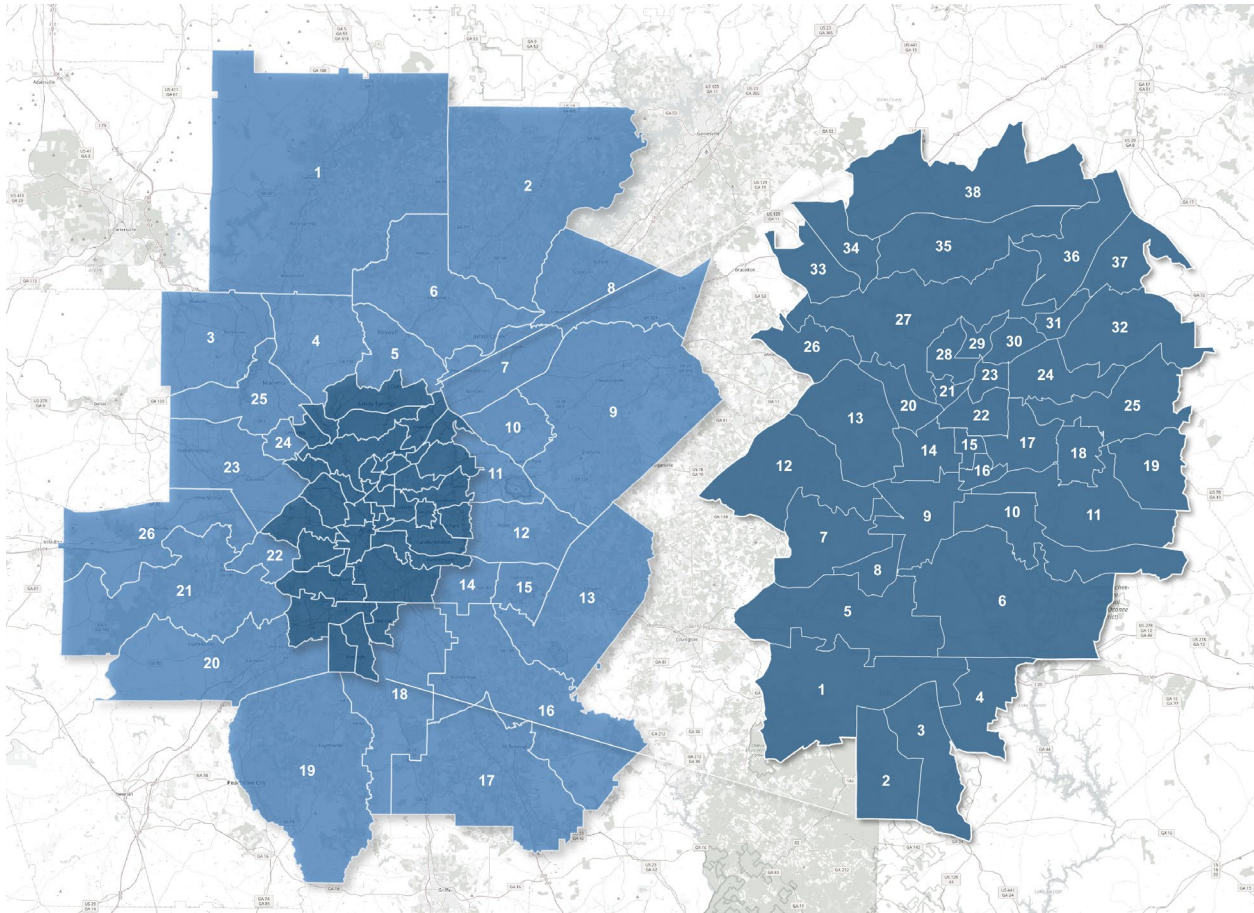
¹ From December 2023 to November 2024

Atlanta vs. National Sales Price per Unit



Source: Yardi Matrix

ATLANTA SUBMARKETS



Area No.	Submarket
1	Canton/Woodstock
2	Cumming
3	Acworth/Kennesaw
4	Marietta Northeast
5	Sandy Springs North
6	Roswell/Alpharetta
7	Duluth/Norcross
8	Suwanee/Buford
9	Lawrenceville
10	Lilburn
11	Tucker/Stone Mountain
12	Redan
13	Conyers/North Rockdale/ South Rockdale
14	Chapel Hill
15	Lithonia
16	Stockbridge
17	McDonough
18	Jonesboro/Bonanza
19	Peachtree/Fayetteville
20	Union City/Fairburn
21	Cliftondale
22	Sandtown
23	Mableton/Austell
24	Smyrna/Fair Oaks
25	Marietta Southwest
26	Douglasville

Area No.	Submarket
1	College Park/Hartsfield-Jackson International
2	West Riverdale
3	East Riverdale
4	Forest Park
5	East Point/Hapeville
6	Lakewood
7	Cascade Springs
8	Oakland
9	West End/Fairlie Poplar/Underground
10	Grant Park/East Atlanta/Panthersville
11	Chandler-McAfee/West Belvedere Park
12	Harwell Heights
13	Bankhead
14	Midtown West/Centennial Place
15	Midtown South
16	Martin Luther King Historic District
17	Inman Park/Virginia Highlands
18	Decatur
19	Avondale Estates/East Belvedere Park

Area No.	Submarket
20	Atlantic Station
21	South Buckhead
22	Midtown
23	Lindbergh
24	North Druid Hills
25	North Decatur/Clarkston/Scottdale
26	Rhyne
27	Buckhead
28	Haynes Manor/Peachtree Hills
29	Buckhead Village
30	Lenox
31	Brookhaven
32	Northlake
33	North Vinings
34	Marietta Southeast
35	North Buckhead
36	West Chamblee
37	East Chamblee
38	Sandy Springs/Dunwoody

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.



Yardi[®] Matrix

Power your business
with the industry's
leading data provider



MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



Yardi Matrix Multifamily
provides accurate data on
nearly **23 million** units, covering
over **92%** of the U.S. population.



(800) 866-1144

Learn more at yardimatrix.com/multifamily

Contact
US



DISCLAIMER

Although every effort is made to ensure the accuracy, timeliness and completeness of the information provided in this publication, the information is provided "AS IS" and Yardi Matrix does not guarantee, warrant, represent or undertake that the information provided is correct, accurate, current or complete. Yardi Matrix is not liable for any loss, claim, or demand arising directly or indirectly from any use or reliance upon the information contained herein.

COPYRIGHT NOTICE

This document, publication and/or presentation (collectively, "document") is protected by copyright, trademark and other intellectual property laws. Use of this document is subject to the terms and conditions of Yardi Systems, Inc. dba Yardi Matrix's Terms of Use (<http://www.yardimatrix.com/Terms>) or other agreement including, but not limited to, restrictions on its use, copying, disclosure, distribution and decompilation. No part of this document may be disclosed or reproduced in any form by any means without the prior written authorization of Yardi Systems, Inc. This document may contain proprietary information about software and service processes, algorithms, and data models which is confidential and constitutes trade secrets. This document is intended for utilization solely in connection with Yardi Matrix publications and for no other purpose.

Yardi®, Yardi Systems, Inc., the Yardi Logo, Yardi Matrix, and the names of Yardi products and services are trademarks or registered trademarks of Yardi Systems, Inc. in the United States and may be protected as trademarks in other countries. All other product, service, or company names mentioned in this document are claimed as trademarks and trade names by their respective companies.

© 2025 Yardi Systems, Inc. All Rights Reserved.