



YARDI® Matrix



Atlanta's Historic Growth

Multifamily Winter Report 2016

**Rents at Record Pace,
But Cracks May Be Forming**

Wanted: Skilled Workers

**Developers Target Midtown
With Robust Pipeline**



ATLANTA MULTIFAMILY

YARDI® Matrix

Market Analysis

Winter 2016

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Growing Supply Moderates Rents

Atlanta is basking in some of the fastest rent growth in the metro's history, buoyed by a growing population and corporate expansions and relocations. However, the metro is about to be tested by an influx of new supply that will add more than 10,000 units this year, with more to come over the next few years.

Employment is expanding at a higher rate than the nation in a broad range of segments. Growth is led by the professional and business sector, which is adding a large number of administrative and support positions. Over the past few years, state authorities provided tax breaks to secure projects such as Baxter International's \$1 billion plant in Sandy Springs, as well as GM's new information technology center in Roswell. The results of those measures are finally visible, as the manufacturing sector grew substantially during the past year. Furthermore, these projects, along with a robust apartment development pipeline of more than 60,000 units, have driven construction jobs to historic levels.

Real estate investors are drawn to Atlanta by the favorable business climate and its role as an international trade hub and the largest market in the Southeast. The result is more than \$5 billion in transactions during each of the past two years. Development is booming, which is putting downward pressure on rents in the luxury segment, where new supply is concentrated. This has led Yardi Matrix to forecast that rent growth will moderate slightly, to 6.8%, in 2016.

Recent Atlanta Transactions

Rockledge



City: Marietta, Ga.
Buyer: The Blackstone Group
Purchase Price: \$107 MM
Price per Unit: \$150,462

IMT Deerfield



City: Alpharetta, Ga.
Buyer: IMT Capital
Purchase Price: \$105 MM
Price per Unit: \$164,308

The Bricks Perimeter Center



City: Atlanta
Buyer: Clark Ventures
Purchase Price: \$93 MM
Price per Unit: \$207,589

The Point at Perimeter



City: Atlanta
Buyer: The Worthing Cos.
Purchase Price: \$90 MM
Price per Unit: \$149,254