



MULTIFAMILY REPORT

Atlanta Hits Roadblock

Summer 2020



**Development Powers Through
Transaction Activity Moderates
Employment Contracts, Still Above Nation**

ATLANTA MULTIFAMILY



Concerns Arise Amid Reopening Phases

Atlanta's robust economy, sustained by a diversified business environment, has hit a COVID-19 roadblock. The multifamily market, which had already registered a slight softening, saw rents slide 0.2%, on a trailing three-month basis through June, to \$1,292. Meanwhile, the occupancy rate in stabilized properties dropped to 93.5% as of May, down 70 basis points from 12 months prior.

Employment growth turned negative for the first time since 2010. All sectors registered year-over-year contractions, with unemployment jumping from 3.2% in January to 12.7% as of April, before improving to 10.3% in May. Between mid-March and mid-July, more than 3 million unemployment claims were filed across the state. The leisure and hospitality sector had shrunk by more than 34% as of April, and professional and business services—Atlanta's second-largest sector—had contracted by 8.8%. The latter, however, showed promise, with several tech companies signing large office leases across the metro.

Atlanta marked cycle highs in 2019 for both transaction volume and deliveries. Deals in the first quarter kept pace, but activity slowed significantly starting in April. Developers remained active, with 3,880 apartments delivered through June and an additional 22,593 units underway. Considering the fallout of the health crisis, we expect Atlanta rents to drop 5.9% this year.

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Recent Atlanta Transactions

Avana on Breckinridge



City: Duluth, Ga.
Buyer: Greystar
Purchase Price: \$52 MM
Price per Unit: \$130,000

Ashford 2788



City: Atlanta
Buyer: Quintus Corp.
Purchase Price: \$50 MM
Price per Unit: \$166,667

Aven Chastain



City: Atlanta
Buyer: Olen Properties
Purchase Price: \$45 MM
Price per Unit: \$210,000

City Views at Rosa Burney Park



City: Atlanta
Buyer: Jonathan Rose Cos.
Purchase Price: \$25 MM
Price per Unit: \$138,889