



MULTIFAMILY REPORT

Atlanta Loses Momentum

May 2023



YoY Rent Expansion Decelerates

Construction Activity Remains Elevated

Investment Volume Drops

ATLANTA MULTIFAMILY



Investment, Rate Gains Taper

Atlanta's rental market softened during the first quarter of 2023, following a strong performance over the past decade. Year-over-year rent expansion was 1.1% as of March, following several months of short-term decreases and trailing the 4.0% national figure. As a result, the metro's average was \$1,690, just \$16 below the U.S. figure. Meanwhile, occupancy in stabilized assets dipped, down 1.2%, to 93.8%, as of February.

Atlanta employment outperformed the U.S. in 2022, adding 126,400 jobs, for an employment growth rate of 5.1%, 140 basis points above the national figure. Economic cornerstones such as trade, transportation and utilities and professional and business services added 20,700 jobs each, strengthening their positions. Leisure and hospitality led gains with 23,700 jobs, as the effort to recover positions lost during the pandemic continued.

Following two stellar years for investment activity, when a combined \$27.9 billion in multifamily assets traded, Atlanta's sales volume tumbled to just \$431 million in the first quarter of 2023. Property values in the metro have held up well, while the national price per unit was down nearly 7% during the first months of the year. Construction is still solid in Atlanta, with 38,105 units underway and another 144,000 in the planning and permitting stages. Yardi Matrix expects nearly 15,000 units to come online in 2023, which would mark Atlanta's best year for deliveries this decade.

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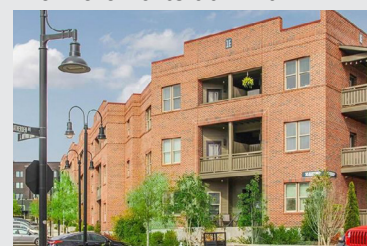
Recent Atlanta Transactions

Ellington Midtown



City: Atlanta
Buyer: LivCor
Purchase Price: \$133 MM
Price per Unit: \$281,184

Premiere Lofts at Trilith



City: Fayetteville, Ga.
Buyer: Stockbridge Capital Group
Purchase Price: \$82 MM
Price per Unit: \$311,787

Elevate Greene



City: McDonough, Ga.
Buyer: Viking Capital
Purchase Price: \$57 MM
Price per Unit: \$227,381

Elevate Eagle's Landing



City: Stockbridge, Ga.
Buyer: Viking Capital
Purchase Price: \$39 MM
Price per Unit: \$235,030