



MULTIFAMILY REPORT

Atlanta's Sluggish Start

May 2024

Rent Contractions Soften

Investment Activity Remains Tepid

Pipeline Still Robust, Starts Dwindle

ATLANTA MULTIFAMILY



Strong Supply Impacts Rents, Occupancy

Atlanta's multifamily market fundamentals were slightly sluggish at the end of the first quarter, as rents and occupancy rates decreased. However, the metro is still displaying resilience following last year's substantial delivery volume. Demand remained healthy, with rents down just 0.1% on a trailing three-month basis through March. The overall rent was \$1,648, below the \$1,721 U.S. rate. Occupancy dropped 120 basis points as of February, to 92.3%.

The unemployment rate stood at 3.0% in February, outpacing both the U.S. (3.9%) and state (3.1%) figures, data from the Bureau of Labor Statistics shows. In 2023, Atlanta's job market expansion slowed, up 2.2%, or 72,000 jobs, just 20 basis points above the U.S. average. While two sectors—information and manufacturing—lost 5,800 total jobs, gains were led by education and health services (27,100 jobs) and leisure and hospitality (18,500). Notable expansion projects in Atlanta include the master-planned Science Square district and Centennial Yards.

During the first quarter of the year, 1,899 units came online and, as of March, developers had 39,214 units underway. Following strong deliveries in 2023, construction activity is dwindling, with only 1,296 units breaking ground through March. Sales volume through March totaled just \$368 million as investors are still being cautious. The market recorded a per-unit price of \$145,800, well behind the \$196,096 U.S. figure.

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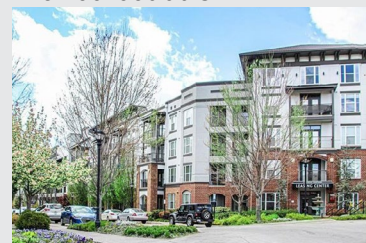
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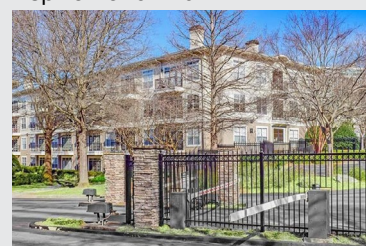
Recent Atlanta Transactions

The Lookout at O4W



City: Atlanta
Buyer: Hilltop Residential
Purchase Price: \$115 MM
Price per Unit: \$194,257

Aspire Lenox Park



City: Atlanta
Buyer: RPM
Purchase Price: \$85 MM
Price per Unit: \$208,845

Fairview Springs



City: Covington, Ga.
Buyer: LMS Investment
Management
Purchase Price: \$63 MM
Price per Unit: \$197,013

Madison Brookhaven



City: Atlanta
Buyer: Equus Capital Partners
Purchase Price: \$41 MM
Price per Unit: \$141,840