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# Atlanta's Bright Prospects

Multifamily Report Winter 2019

Rent Growth Accelerates

Developers Target Urban Core

Transaction Activity Remains Strong



# ATLANTA MULTIFAMILY

## Market Analysis

Winter 2019

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## Heavy Demand Powers Through

Solid population growth and a strong economy continued to boost Atlanta's multifamily market last year, with the city ranking third for rent growth among major U.S. metros. The average Atlanta rate was up 5.9% year-over-year, reaching \$1,261 in January. And despite a steady pipeline, the occupancy rate in stabilized properties inched up 30 basis points over 12 months to 94.4%, signaling that multifamily demand remains healthy.

Atlanta added 59,400 jobs in the 12 months ending in November 2018 for a 2.1% expansion, on par with the national growth rate. The high-tech industry is gaining more ground in the metro, attracted by the area's business-friendly climate, talent pool and relatively affordable costs compared to major coastal markets. Portman Holdings is developing a 750,000-square-foot project in Midtown's Tech Square, which is set to bring office, data center and R&D space by the time it opens in March, while the Dunwoody mixed-use project proposed by Grubb Properties received the city's green light. Upon completion, the latter is set to include 900 condominiums, 500,000 square feet of office space, retail and townhomes.

Roughly \$6 billion in multifamily assets traded in 2018, more than half of them value-add communities. With almost 9,000 units slated to come online this year, we expect Atlanta rents to rise 3.3% in 2019.

### Recent Atlanta Transactions

District at Duluth



City: Duluth, Ga.  
Buyer: Principal Global Investors  
Purchase Price: \$83 MM  
Price per Unit: \$224,324

Silver Oak



City: Clarkston, Ga.  
Buyer: TWG Development  
Purchase Price: \$29 MM  
Price per Unit: \$72,167

Alexandria Landing



City: Atlanta, Ga.  
Buyer: Kazi Property Group  
Purchase Price: \$20 MM  
Price per Unit: \$40,600

The Enclave 38FiftyNine



City: Decatur, Ga.  
Buyer: Sureste Partners  
Purchase Price: \$5 MM  
Price per Unit: \$46,260