

Multifamily Metro Outlook:

Atlanta - Q4 2024

Overview:

- Since February 2020, job growth in the Atlanta metro has been robust and expanded faster than the national rate. Since that time, there are now 6% more jobs in the metro than in February 2020, which is more than double the national rate. However, as of Q4 2024, job growth in the metro has slowed, expanding by 1.5%, which is slightly above the national rate of 1.3% during the same period.
- Due to the large levels of supply delivered to the metro over the last few quarters, apartment fundamentals are continuing to soften. For the period ending Q4 2024, vacancies softened to 9.25%, up 50 basis points from the previous quarter. Furthermore, rent growth contracted 0.5% during the same period.

Market Strengths:

- The Atlanta metro has a pro-business climate, as its costs of doing business are 6% below the national average. According to CoStar, the metro is having a tech and Information resurgence. For the period ending Q4 2024, the local Information sector expanded by 1.5%, compared to a 0.9% decline nationally. Furthermore, due to lower business costs, Amazon is looking to invest nearly \$11 million to establish higher data center capacity as it gears up for the emergence of artificial intelligence.
- According to CoStar, the Atlanta metro boasts a very strong demographic profile, as the general population has grown by nearly 1.3% year over year, which is more than double the national rate of 0.6%. Since 2022, the population gains in the metro have been the third-highest in the nation (surpassing both Philadelphia and Washington, D.C. in total population) as people relocate to the metro for its diverse job prospects and lower costs of living.
- The emerging electric vehicle (EV) sector of manufacturing has been a boon for the state and metro. According to Moody's Analytics, even though major EV assembly plants are being established elsewhere in the state, Bartow County has had notable success with the addition of a battery manufacturing facility. Hyundai and SK On will invest \$5 billion in this plant, which is projected to employ several thousands when it becomes operational in the second half of 2025.

Market Weaknesses:

- The Center for Disease Control and Prevention (CDC) is one of the top employers in the metro, but as a result of the new administration's federal job cuts, approximately 10% of the agency's staff will be cut, according to Moody's Analytics.
- The Atlanta metro has a strong presence of both logistics and manufacturing employment sectors, primarily due to its location and being home to one of the busiest airports in the world. However, as a result of some of the economic policies of the new administration, specifically the on and off again nature of establishing tariffs, there is some fear that tariffs could have a negative impact on these local employment sectors, according to Moody's Analytics.
- According to CoStar, the Atlanta metro has a lower concentration of education and health services jobs than other major metros and the national average. However, it looks like investment in this sector is beginning to bear fruit: For the period ending Q4 2024, the sector expanded by 3.8%, compared to 3.2% nationally. Furthermore, continued investment on the horizon will help boost employment within this sector, as Children's Healthcare of Atlanta, Piedmont Atlanta Hospital, and Emory University Hospital are all planning major expansions and renovations in the next year.

New Development:

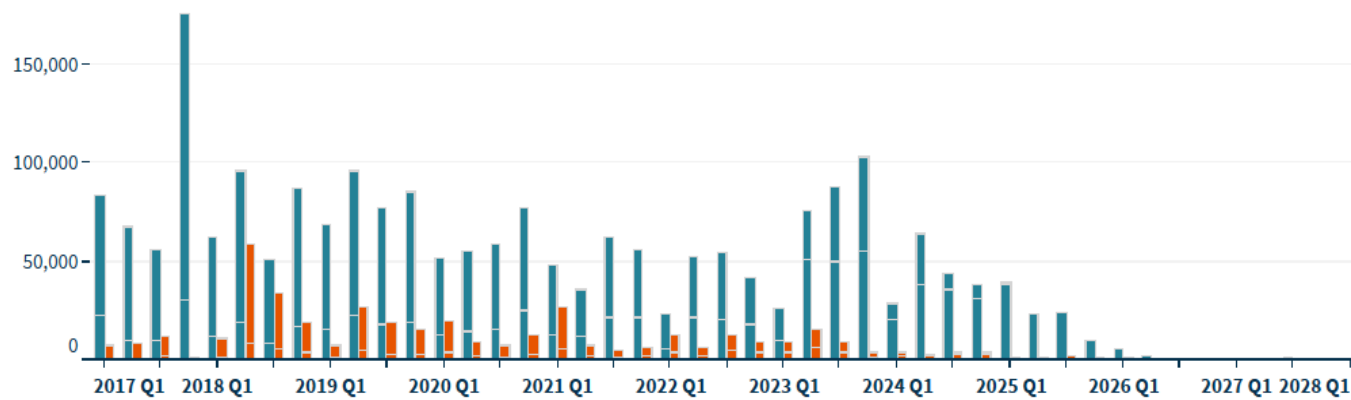
- Construction in the multifamily market has been robust, as nearly 99,000 units have been completed since 2017 and an additional 25,000 are underway. However, a large portion of the supply underway is concentrated in a handful of submarkets.

Outlook:

- Apartment fundamentals continue to ease in the metro as demand is softening and supply is increasing. Although the Atlanta apartment market will continue to benefit from its relative affordability, highly educated workforce, expansion of employers, favorable demographics, and net positive migration trends, these market positives combined may not be enough to counter the significant supply coming online.
- Atlanta's economy should continue to make steady gains in the foreseeable future. The presence of many large corporations that continue to relocate to the area to take advantage of lower business costs has aided the economy. Although the threat of tariffs could impact both the logistics and trade industries, Atlanta's growth prospects continue to be brighter than the rest of the country, as the metro is expected to be able to fall back on the diversity of its local economy, its above-average demographic profile, and its talented pool of young workers.

Multifamily Apartment Pipeline

Apartments & Condos/Townhomes: Units Completed and Underway
Apartments | Condos

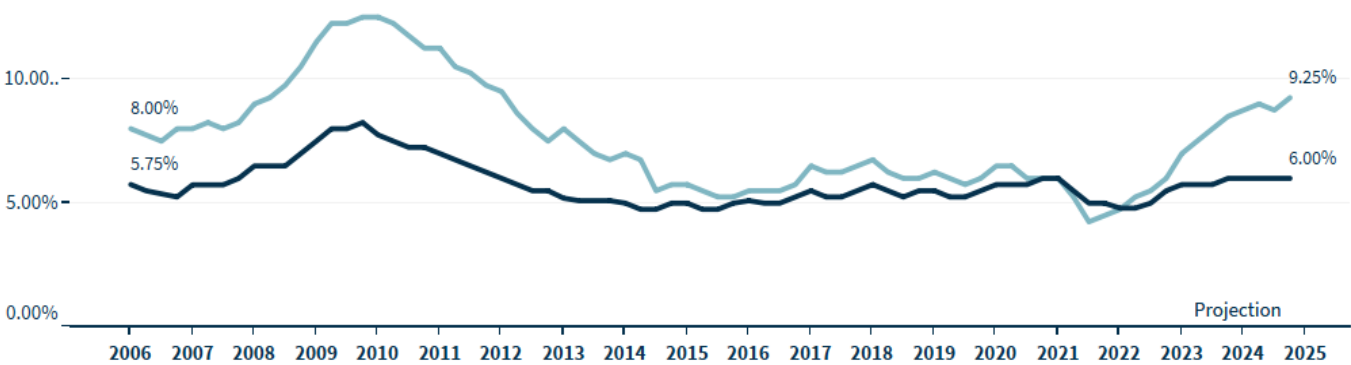


Source: Dodge Data & Analytics SupplyTrack Pipeline

Multifamily Vacancy & Rent Estimates

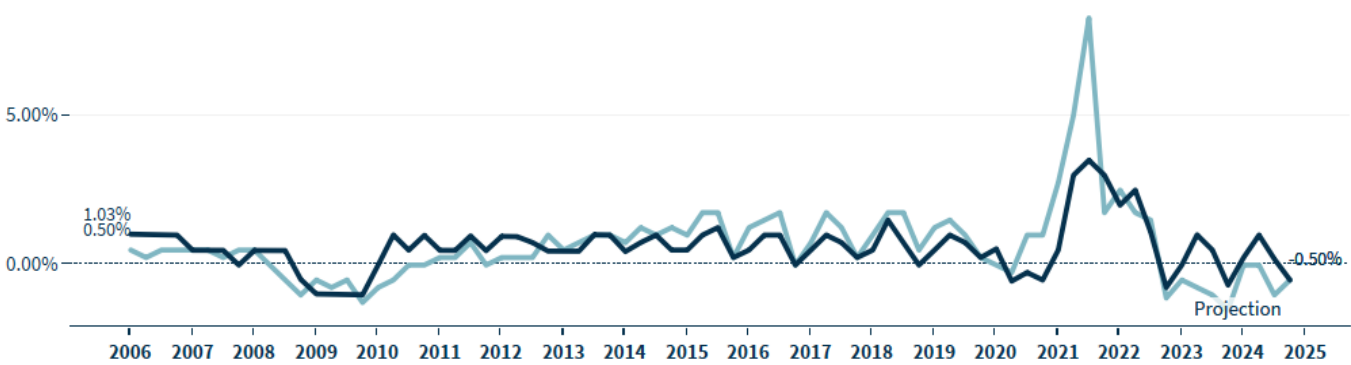
Vacancy Rates
Atlanta | National

Q4 2024 Vacancy Rate:
9.25%



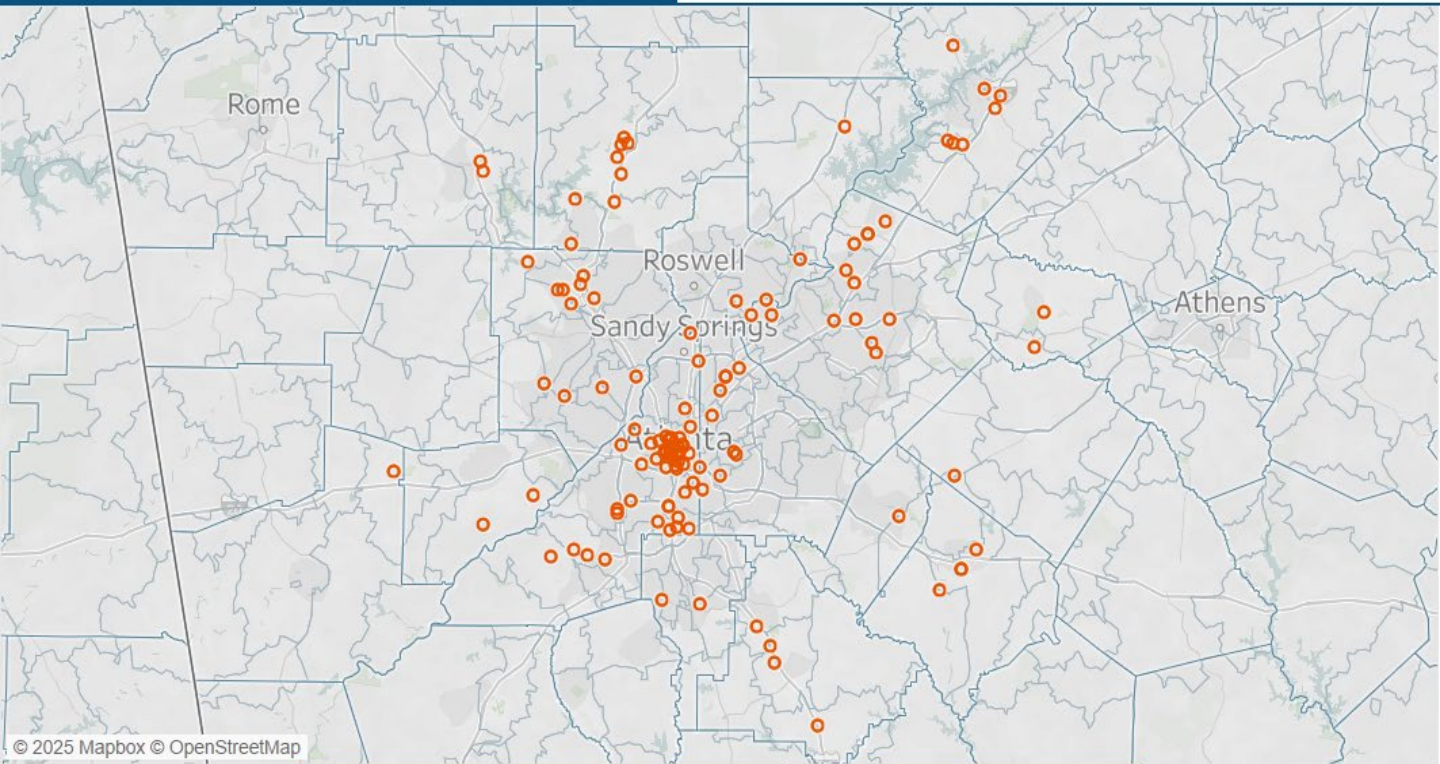
Asking Rent Growth
Atlanta | National

Q4 2024 Asking Rent:
\$1,610



Source: Fannie Mae Multifamily Economics and Research

Multifamily Construction: Bidding & Underway



MultiHousingSubmarketName	Apartments	Units
Alpharetta/Cumming	2	710
Briarcliff	1	200
Buckhead	2	483
Chamblee/Brookhaven	3	398
Clayton County	2	124
Decatur	2	436
Doraville	1	304
Downtown Atlanta	5	1,083
Duluth	1	648
Far East Atlanta Suburbs	8	1,848
Far North Atlanta Suburbs	8	1,699
Far West Atlanta Suburbs	1	72
Gainesville, GA	7	1,449
Henry County	4	910
Johns Creek/Suwanee/Buford	7	1,228
Kennesaw/Acworth	7	1,989
Midtown Atlanta	7	2,239
Norcross	3	211
Northeast Atlanta	1	392
Northeast Cobb/Woodstock	2	580
Northeast Gwinnett County	3	536
Sandy Springs	1	286
Smyrna	1	56
South Atlanta	2	246
South Cobb County/Douglasville	4	1,148
South DeKalb County	1	230
South Fulton County	4	963
Southeast Atlanta	10	1,279
Southeast Gwinnett County	1	16
Southwest Atlanta	3	261
Vinings	1	502
West Atlanta	18	2,427
Grand Total	123	24,953

Source: Dodge Data & Analytics SupplyTrack Pipeline

Multifamily: ESR Team

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Multifamily Economics and Market Research Team

Francisco Nicco-Annan, Economic and Strategic Research

Sources Used

- Moody's Economy.com
- Moody's CRE/REIS
- CoStar
- Real Capital Analytics
- RealPage
- Dodge Data and Analytics Real Estate Analyzer
- CBRE-Econometric Advisors
- Yardi

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