



# Multifamily Metro Outlook: Atlanta Fall 2018

## Overview

Even though the Atlanta metro is in full blown expansion, growth has slowed from its once torrid pace. As of Q2 2018, the job market expanded by 1.5 percent, compared to 1.6 percent nationally. Since 2007, Atlanta’s overall job market has added over 300,000 jobs compared to pre-recession peak numbers.

The apartment market in Atlanta is continuing its graceful recovery. Apartment fundamentals have remained steady. Vacancy rates continue to hover around 6.25 percent, and rent growth remained positive at 1.75 percent. Positive job growth, strong levels of in-migration, and a healthy population of young adults continue to drive the demand in the for-rent market.

The high-tech industry is beginning to emerge within the Atlanta metro. According to Costar, much collaboration has occurred between the state of Georgia, private businesses, and the area’s universities. One of the bigger projects named Coda is expected to deliver in early 2019. Coda features approximately 750,000 sq. ft. comprised of offices, research labs, data centers, and computing areas. Georgia Tech will be the project’s largest occupant.

Due to the low cost of doing business in Atlanta, the metro is a favored location for corporate expansions. According to Moody’s Analytics, Amazon, Facebook, and Apple are all considering the Atlanta area for relocation prospects as they look to take advantage of the wealth of potentially skilled workers from Georgia Tech, Emory, and Georgia State. There is potential concern of oversupply, especially within the Buckhead, Decatur, and Midtown submarkets. Combined, these submarkets have more than 8,300 units underway with expected delivery through 2019. The large amounts of supply being delivered may impact the metro’s net absorption levels, but the strong population growth trends in the metro should allow demand to meet incoming supply.

## Development

Since 2012 nearly 44,000 apartments have come online. Additionally, the apartment market has been active in recent quarters, as 48,000 units are in the planning stages. Approximately 17,000 more units are underway through 2019. Condo development was fast and furious during the housing boom. Nearly 37,000 units have come online since 2006, creating a shadow supply. Fortunately, development has slowed, as less than 3,200 units are currently underway.

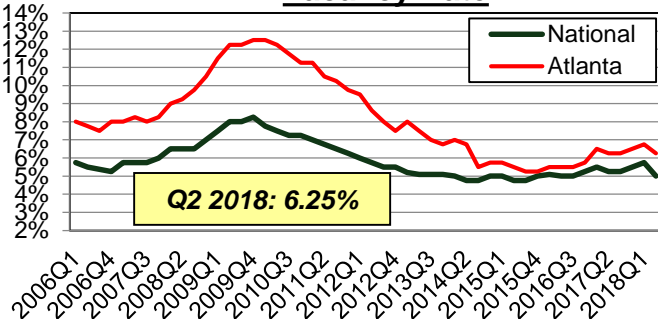
## Outlook

Overall apartment market fundamentals are continuing to improve. The job market is also continuing add jobs at an average pace as migrants move to the metro for its thriving fundamentals, cheaper costs of living, and high supply of jobs.

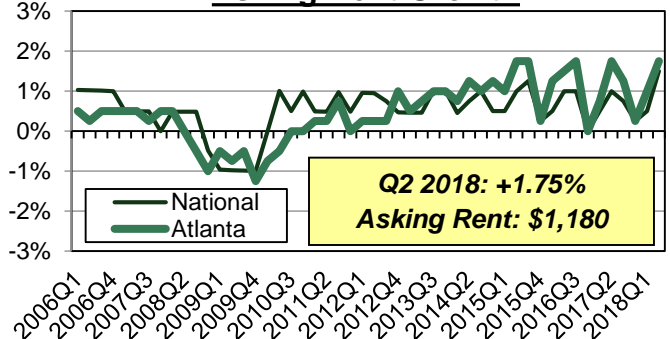
Net absorption will benefit from both job market diversity and strong job growth numbers. Even though supply is beginning to heat up, long term absorption should not be affected mostly due to Atlanta’s diverse economic base, educated work force, and relatively low costs that help attract both young adults and businesses to the metro. The new supply underway in Buckhead, Decatur, and Midtown, in addition to a lack of experienced skilled workers, prevent the metro from receiving a higher rating.

## Vacancy and Rent Composite Estimates

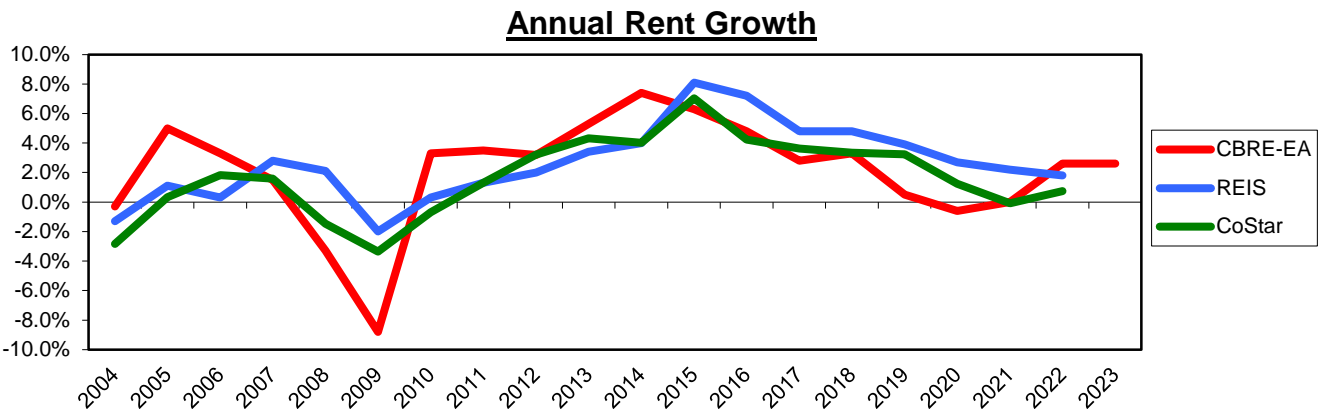
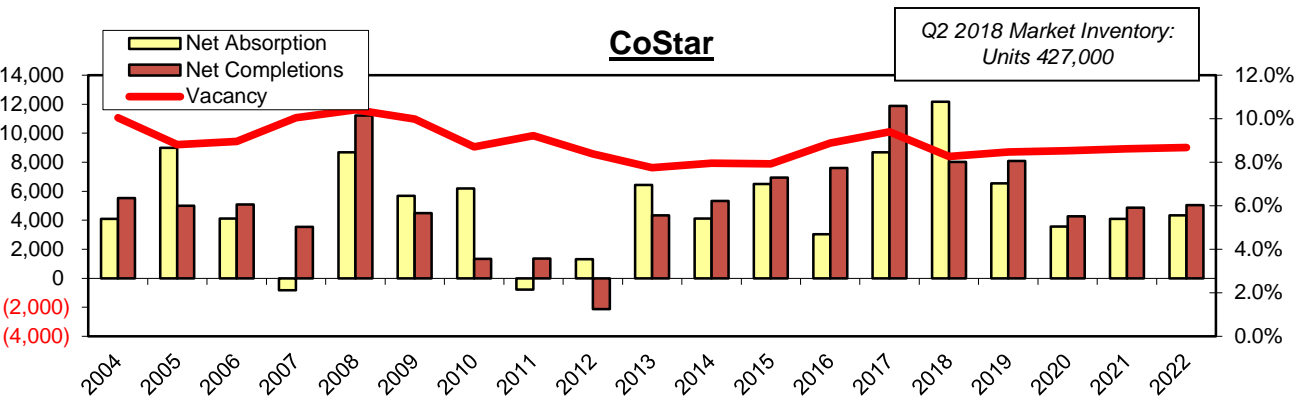
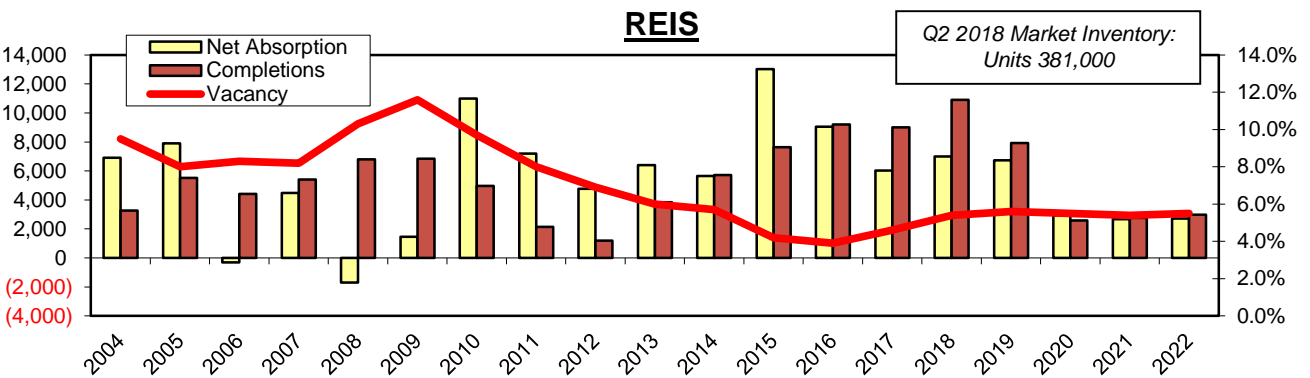
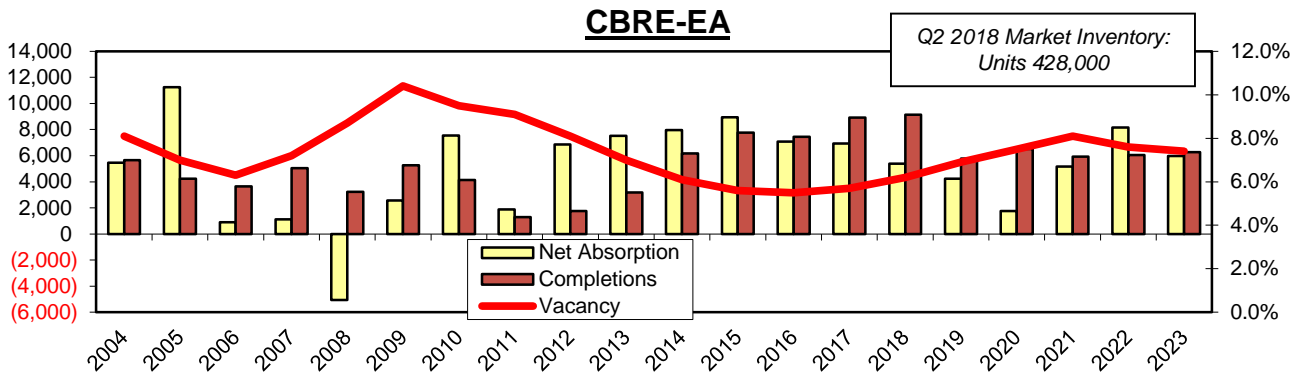
### Vacancy Rate



### Asking Rent Growth

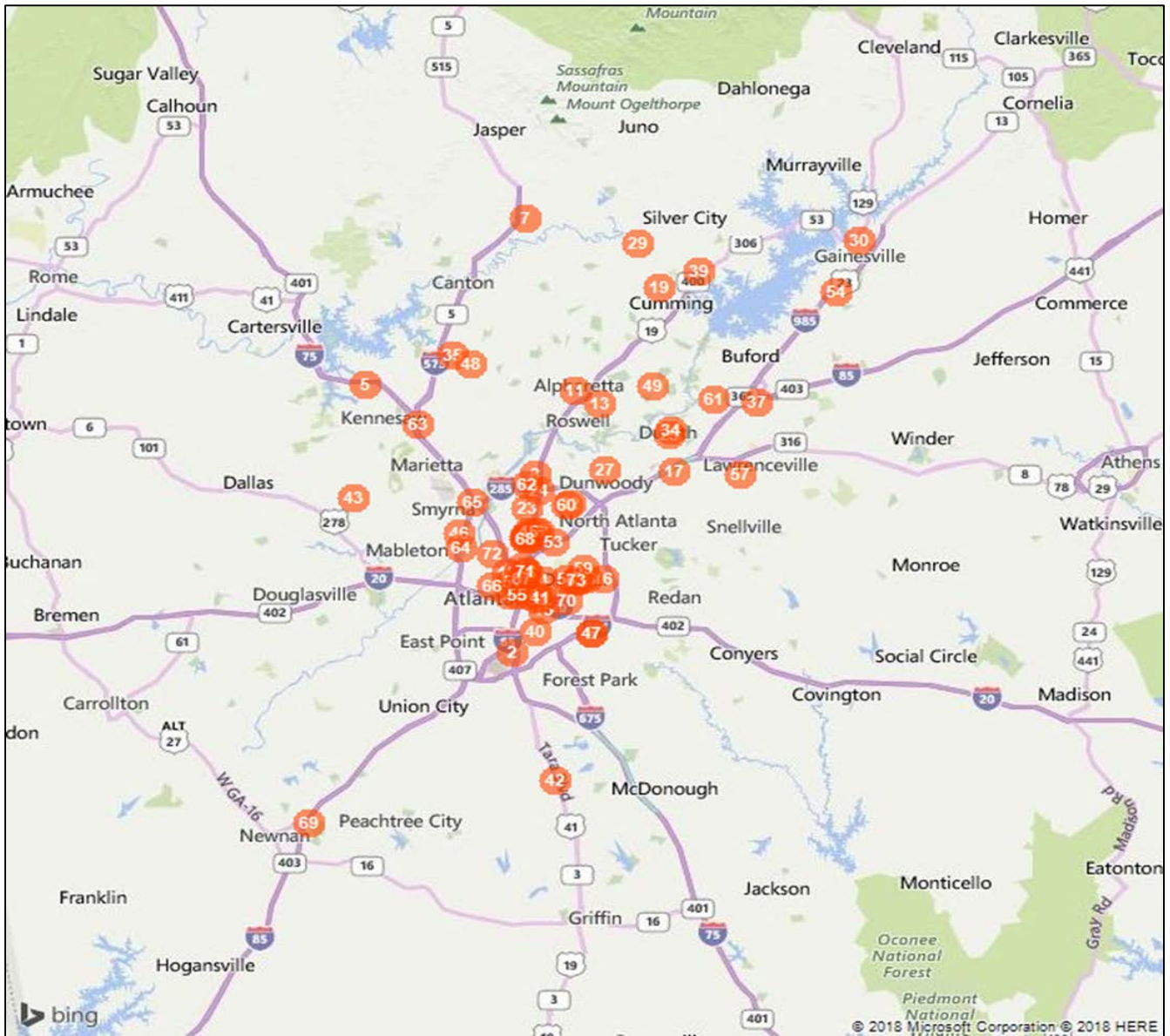


# Multifamily Metro Outlook: Atlanta Fall 2018



# Multifamily Metro Outlook: Atlanta Fall 2018

**Construction Bidding/Underway**  
**(73 projects/17,000 Units/20.4 M Sq. Feet)**



CBRE-EA Submarket	Number of Projects	Total Sq Ft (000's)	Total Units
Buckhead	9	3956	2892
Central I-75 West	5	926	879
Cherokee County Other	2	379	362
Clayton	1	129	120
Coweta County	1	325	298
Decatur/Avondale	8	2117	1859
Forsyth County	3	1050	1026
Gainesville, GA	2	264	234
Marietta	4	413	450

CBRE-EA Submarket	Number of Projects	Total Sq Ft (000's)	Total Units
Midtown/Five Points	13	4660	3560
North DeKalb	3	979	852
North Gwinnett	5	1358	1238
Roswell/Alpharetta	3	527	458
Sandy Springs/Dunwoody	3	1175	968
Smyrna	3	618	599
South DeKalb	2	145	128
South Fulton	4	1032	756
South Gwinnett	2	394	388



# Multifamily Metro Outlook: Atlanta Fall 2018

## Fannie Mae Multifamily Economics and Market Research

Francisco Nicco-Annan, Economist

### Sources Used

- AxioMetrics
- CBRE-Econometric Advisors
- Bureau of Labor Statistics
- Census Bureau
- CoStar
- Dodge Data & Analytics
- Moody's Analytics
- Real Capital Analytics
- Reis, Inc.

*Opinions, analyses, estimates, forecasts, and other views of Fannie Mae's Multifamily Economics and Market Research (EMR) group included in this commentary should not be construed as indicating Fannie Mae's business prospects or expected results, are based on a number of assumptions, and are subject to change without notice. How this information affects Fannie Mae will depend on many factors. Although the EMR group bases its opinions, analyses, estimates, forecasts, and other views on information it considers reliable, it does not guarantee that the information provided in these materials is accurate, current, or suitable for any particular purpose. Changes in the assumptions or the information underlying these views could produce materially different results. The analyses, opinions, estimates, forecasts, and other views published by the EMR group represent the views of that group as of the date indicated and do not necessarily represent the views of Fannie Mae or its management.*