

GREAA

Atlanta

MARKET
INSIGHT
REPORT



SPRING

2023

Employment / Unemployment

Atlanta's strong and diversified economy catapulted a full recovery of all jobs lost during the pandemic. Total non-farm jobs tallied to approximately 3.0 million at the start of the fourth quarter of 2022, and its job market geared into expansion mode.

Atlanta's steady population surge has not thwarted its lower cost of business and living standards compared to major East and West Coast metropolitan areas, and its pro-active

business climate will continue to bolster in-migration and job growth.

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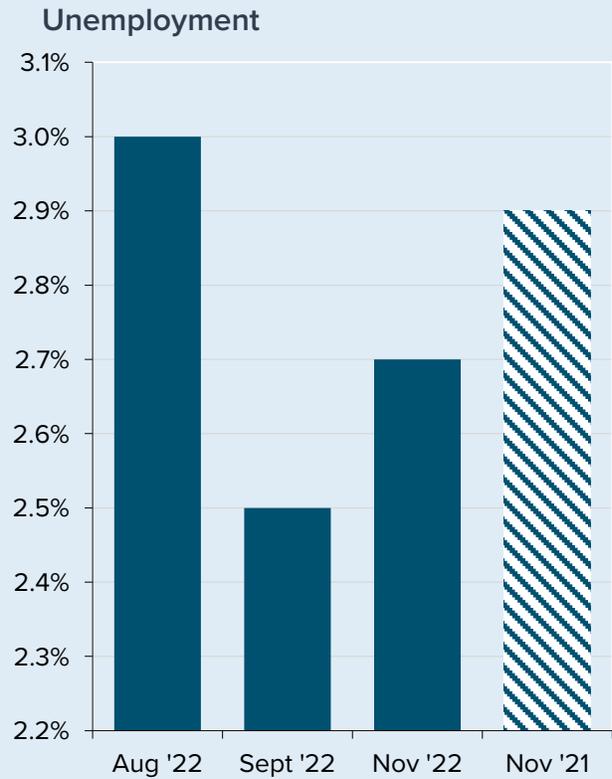
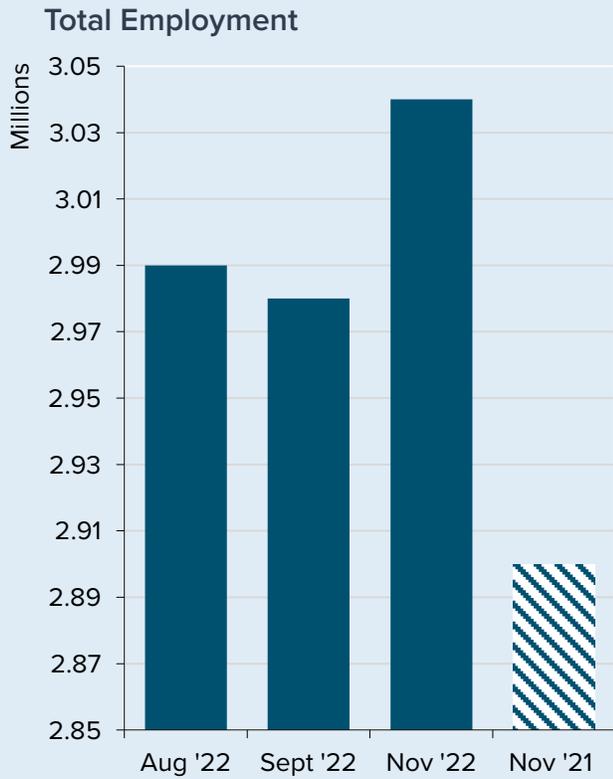
Employment has grown 4.8% over the past 12 months as of November 2022.

The average hourly wage was \$33.06 per hour, up 4.3% Y-o-Y. Year-over-year total job growth is 4.46%. CoStar's 5-year forecast predicts a growth rate increase of 0.69% for Atlanta and a 0.45% increase nationally.

Atlanta has long served as a regional and national distribution hub, benefiting from its proximity to the Port of Savannah. Also, large corporations have added thousands of lucrative office positions, and several Fortune 500 companies such as Honeywell and BlackRock have established tech-related facilities. The industrial industry sector is emerging as a top industry for fostering new job growth, particularly for the region's sizeable blue-collar workforce pool. Atlanta is progressing into a major electric vehicle manufacturing hub and has the potential to serve as a global leader in electric vehicle battery manufacturing. Georgia has welcomed over 30 electric mobility projects since 2020 that total over \$13 billion in corporate investments. The projects are anticipated to create a minimum of 23,000 jobs.



Production of Rivian
Automotive's new crossover model, the R2 is expected to launch in 2026. Rivian will receive \$1.5 billion in state and local incentives to complete its \$5B assembly plant located east of Atlanta. The facility will support 7,500-10,000 new jobs at full capacity.



Metro Area Employment (Thousands)	Nov. 2022	% Change from Nov. 2021
Total Non-farm	3,038	4.8%
Mining and Logging	2.0	5.3%
Construction	133.1	-0.9%
Manufacturing	176.1	1.9%
Trade, Transportation, and Utilities	657.0	4.0%
Information	126.6	12.2%
Financial Activities	198.3	5.0%
Professional and Business Services	598.5	5.2%
Education and Health Services	399.0	4.4%
Leisure and Hospitality	301.1	10.0%
Other Services	103.4	4.2%
Government	342.5	2.8%

Source: U.S. BLS, Current Employment Statistics

Atlanta Rental Market

- Year-over-year rent growth was still ahead of greater Atlanta's historical average, even if slim in comparison to the year-end gain of 17.9% in 2021.
- Rent gains were overall healthy in Class B and C multifamily categories entering 22Q4. Y-o-Y effective rent growth reached its peak in 21Q3 at 20.1%. Class C metro properties had the greatest rent growth gain at 7.3%, and 3-star properties had a rent growth increase of 2.1%.
- Upper-tier communities had the tightest rent increases from deliveries of mostly 4- and 5-Star communities and will be competing with new units through the first half of 2023. Year-over-year growth in the 4- and 5-Star category of -1.0% is down significantly from the previous four quarters' growth increase of 18.0%.



+ 1.03%

Average Rent Increase From \$1,610 to \$1,627

YoY

Source: CoStar

- Modest rent gains are projected over the next several quarters as a result of slowing absorption, rising vacancies, and a hefty development pipeline.
- Atlanta has a strong job market and a diversified demographic which will be key components in weathering compression of rent growth.
- In the first half of 2023, Atlanta's tightened housing market, low unemployment, strong household growth, and high net migration will continue to drive apartment demand.

Average Rent / Vacancy



Source: CoStar | *Projected

Asking Rent / SF



Source: CoStar | *Projected

Multifamily Construction

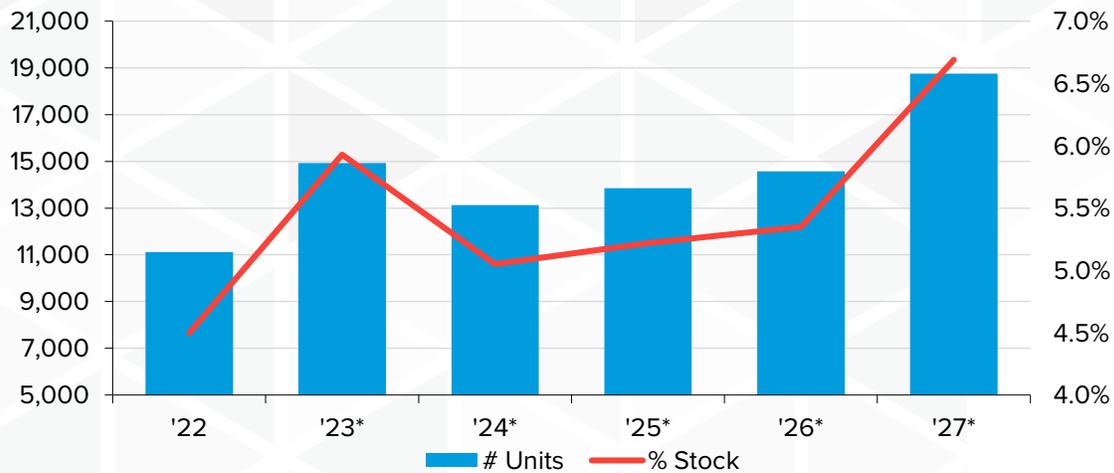
- Atlanta's surging population and economic growth have triggered a flurry of construction, the largest multifamily construction number in the region's history. While the number of construction starts has slowed over the past several quarters, Atlanta stands as the fifth largest multifamily market in the U.S. Yardi Matrix reported that as of November 2022, 510,000 units were completed and 185,433 units were in the development stage, with 33,086 units already under construction.
- 35,530 units are currently under construction, amounting to 7.4% of the region's existing market-rate inventory.
- An average of 11,000 units have been delivered annually since 2019.
- Demand has been positive over the past 12 months with over 9,000 net units absorbed.
- Absorption is down -9,570 units from a gain of 18,613 units in the previous year.



35,530 New Units

Currently Under Construction

Completions / Net Absorption

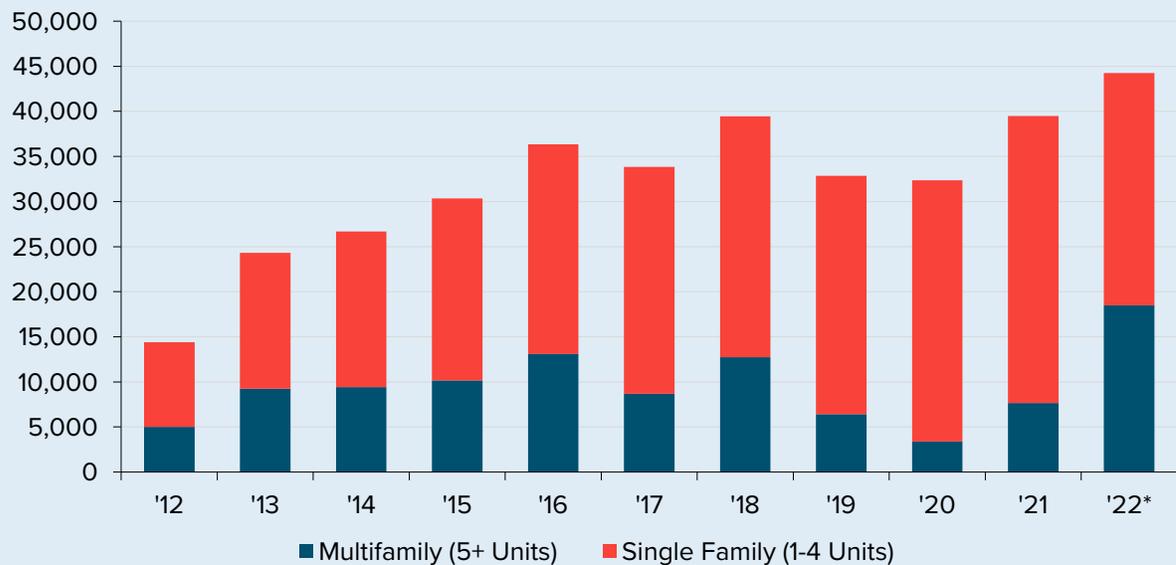


Source: Yardi Matrix 4Q2022 | *Projected

Permits

- The median sale price for single family homes in the Atlanta metro was \$370,000 in November 2022, an increase of 4.2% YoY
- The total number of active single family for-sale listings was 12,902, up 78.4% YoY
- The total number of units sold was 4,187, down 40.2 from the same time last year
- Total sales volume exceeded \$1.8 B, a -37.4% change from November 2021

Total Residential Building Permits



Sources: U.S. Census, Multifamily Includes Condos, TXA&M | *Projected



18,497

Single Family Permits

25,745

Multifamily Permits (5+ Units)



\$370K

Median Single Family Price

Multifamily Sales

Average Sales PPU / Cap Rate



Source: CoStar | YTD as Reported by CoStar December, 2022 | *Projected



\$235,128

Avg. Sold Price / Unit

+4.7% YoY



4.7%

Avg. Cap Rate

-40 bps YoY



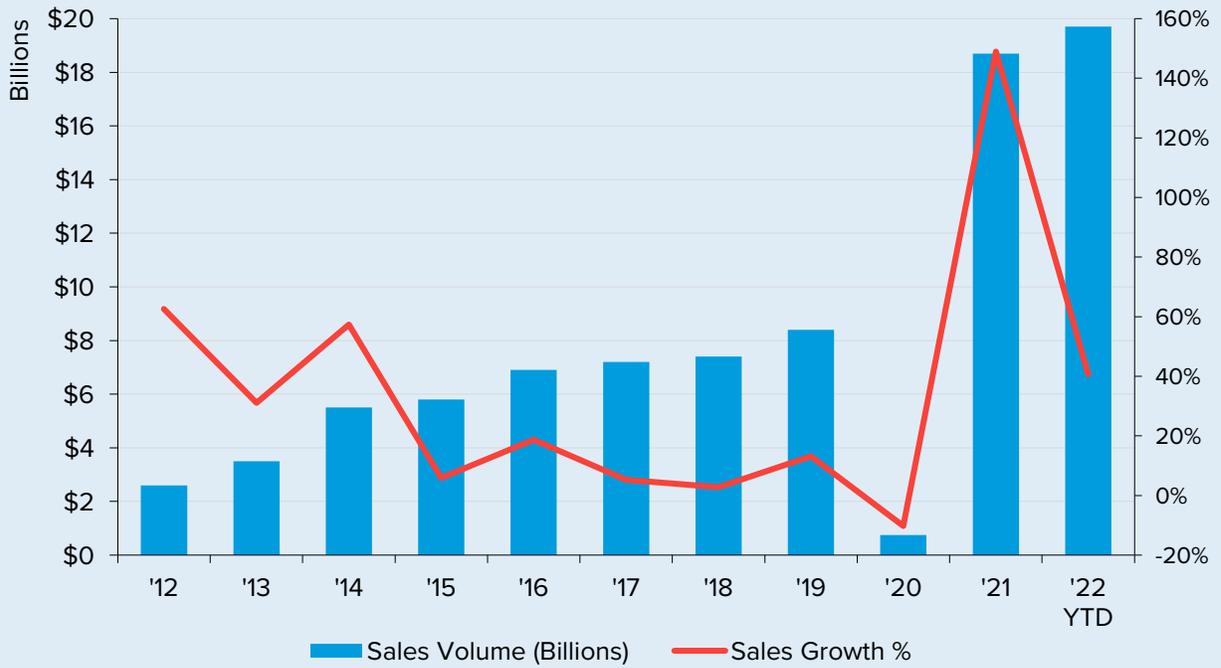


\$14.8B
12 Mo. Sales Volume



+7.6%
Sale Price / Unit Change

Apartment Sales Transactions



Source: CoStar

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