

MARKET INSIGHTS | WINTER 2025 | ATLANTA

Winter 2025



\$1,636

Average Rent



87.6%

Average Occupancy



\$4.9B

12 Mo. Sales Volume



-1.6%

YoY Rent Change

January 31, 2025

Share Article:

The Atlanta multifamily market had a resurgence in demand in 2024 and has demonstrated resilience and adaptability following a period of subdued activity. The Atlanta metro has maintained positive absorption for seven consecutive quarters, a notable turnaround from the flat or declining demand experienced in 2022. A sharp decline in construction starts coupled with increasing renter demand will tighten market conditions and support increased vacancy and moderate rent growth. The gap between renting and buying a home remains significant due to persistently high mortgage rates and affordability. Many renters are choosing to stay in place to wait out the economic challenges of home purchasing.

The shift towards supply and demand stabilization, a robust economy, strong job growth, and a favorable demographic profile (with a significant portion of residents in the prime renting ages) indicate modest rent growth and increased transaction volume in the first half of 2025.

Employment

Metro Atlanta has a population of over 6.3 million residents and was the #3 metro for population growth from 2022-2023. Atlanta has a highly educated workforce, with over 40% of the population holding a bachelor's degree or higher. The region's substantial population of younger professionals is supported by 57 colleges and universities, which have over 295,000 students enrolled. The 29-county region serves as an economic powerhouse for Georgia, characterized by a diverse and dynamic economy. Key industry sectors include professional and business services, retail trade, finance, insurance, health care, and hospitality. Atlanta is also a regional and national distribution hub, with 80% of the U.S. metropolitan areas within a two-hour flight. The Port of Savannah is the #1 fastest-growing port in the nation.

Greater Atlanta is well-known for its business-friendly environment, which has attracted a significant influx of corporate expansions and relocations in recent years. In 2024, several companies have announced plans to establish or expand operations in Atlanta. These include German-based medical device manufacturer Gerresheimer, Minnesota-based food and agricultural giant Cargill, and Atlanta-born PrizePicks. PrizePicks is the largest daily fantasy sports operator in North America and is planning to open a new 33,000-square-foot headquarters in the Star Metals Building in Midtown Atlanta. This expansion is expected to create 1,000 new jobs over the next seven years, generating a \$25 million economic impact for the state of Georgia.

Atlanta is home to 17 Fortune 500 companies and 31 Fortune 1000 companies, along with over 300 international businesses headquartered in the area. Major corporations, including Coca-Cola, Honeywell, BlackRock, Microsoft, Google, Cisco, and Invesco, have established a presence in Atlanta, creating thousands of lucrative positions. Metro Atlanta has also emerged as a center for innovation, having received \$2.25 billion in venture funding as of 2022. The area boasts over 200 of the fastest-growing companies in the U.S., according to Inc. magazine, more than any other region per capita. Atlanta's Tech Village ranks as the fourth largest tech hub in the country.

		% Δ from November 2023	
Metro Area Employment (Thousands)	November 2024	Atlanta	National
Total Non-farm	3,112.10	0.4%	1.4%
Mining and Logging	2.1	5.0%	-0.3%
Construction	149	1.7%	2.5%
Manufacturing	179.2	-2.4%	-0.5%
Trade, Transportation, and Utilities	660.8	-1.6%	0.6%
Information	95.8	-2.7%	-0.4%
Financial Activities	210.3	1.7%	0.6%
Professional and Business Services	579.7	-2.3%	0.2%
Education and Health Services	435.9	3.3%	3.7%
Leisure and Hospitality	324.7	3.4%	1.6%
Other Services	106.3	1.4%	1.0%
Government	368.3	3.4%	2.1%

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Source: GREA Research, Bureau of Labor Statistics

Rental Market

Multifamily demand remained steady in the second half of 2024, bolstered by strong leasing activity in desirable urban submarkets. Atlanta's thriving industrial sector helped sustain demand for workforce housing, particularly in areas like Henry and Southeast DeKalb Counties. However, a record number of new deliveries in recent years has outpaced absorption rates, leading to an oversupply that has pressured occupancy levels and rent growth. As a result, Atlanta's occupancy rate dropped to 87.6%, and market rent growth decreased by -1.6% year-over-year.

Currently, around 20,000 units are under construction, with more than 75% of them in the luxury segment. Class A properties, in particular, have seen the sharpest declines in rent gains due to the influx of new supply, prompting competitive renter concessions to maintain occupancy levels. Meanwhile, Class B and C properties have experienced slight rent increases despite recent negative absorption. Looking ahead to 2025, construction starts are expected to decrease significantly, and renter demand should align with new deliveries by mid-year. With a return to supply and demand stabilization, along with rising consumer confidence and steady job growth, demand in Metro Atlanta is projected to drive modest gains in both rent growth and occupancy in the first half of 2025.



\$2,578

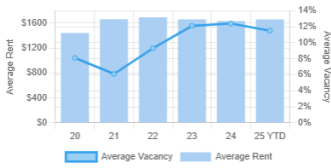
Average Monthly Mortgage Payment



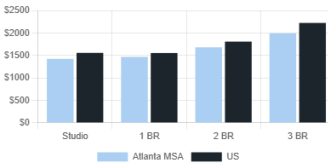
\$1,636

Average Monthly Rent

Average Rent / Vacancy



Asking Rent / Bedroom



Multifamily Construction

Atlanta has had seven quarters of positive absorption following flat to negative demand in 2022. Over the past year, new construction in the Atlanta metro has decreased by approximately 50% from its peak in the fourth quarter of 2022. The supply forecast for 2025 indicates that deliveries will be half the amount of the 25,200 units delivered in 2024. Atlanta remains on the forefront as one of the most desirable places to live and work in the Sunbelt region, and solid in-migration trends, along with a strong economy and steady job growth will sustain strong multifamily fundamentals in the long term. The Supply and demand imbalance in the multifamily market will begin to stabilize this year.



3.3K

Multifamily Completions Past 12 Months



3.6K

Single Family Permits



13.9K

Multifamily Permits (5+ Units)



\$420K

Median Single Family Price

Completions / Net Absorption



Construction is currently underway on 18,000 units, representing a 3.4% expansion of existing inventory, with over 62,200 units delivered between 2020 and 2024, 80% of which were Class A properties. Atlanta's share of under-construction inventory is smaller compared to other Sun Belt markets like Phoenix, Charlotte, Nashville, and Austin. Supply-side pressure is expected to ease in the second half of 2025, as new deliveries decline and demand remains steady.

Units by Submarket Delivering in 2025



3,603

Units Under Construction



2,232

Units UC Delivering in the Next 4 Quarters

Submarket	Construction	UC	Quarters
Outlying Gwinnett County	513	1.5%	2,695
Midtown Atlanta	1,238	5.4%	2,182
North Gwinnett	1,514	4.6%	1,795
North Atlanta	496	2.0%	1,692
Cumberland/Galleria	927	1.7%	1,593
Bartow County	220	3.5%	1,556
Kennesaw	239	1.6%	1,458
Henry County	1,509	12.7%	1,343
South Fulton	596	5.3%	1,273
Newton County	300	7.2%	848
Barrow County	0	0.0%	815
Decatur/North Druid Hills	372	1.6%	810
North Fulton	900	4.0%	801
Cherokee County	1,517	12.4%	759
Clayton County	456	1.7%	696

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Multifamily Sales

Atlanta has consistently remained a leading market for multifamily investment, with approximately 32,000 units sold over the past year, ranking it #4 in transaction volume among metros with 200,000 or more units. Although investment activity moderated in 2024 and price growth softened as deliveries outpaced absorption, investor confidence in Atlanta's long-term multifamily fundamentals remains strong. Despite high interest rates and challenges with the cost of debt, out-of-state buyers continue to favor newly constructed properties, focusing on higher-quality assets with potential for long-term appreciation and rental growth. In 2024, national firms accounted for 87% of buyer acquisitions, a significant increase from 77% during 2014-2019.

\$2.3B

YTD 12 Mo. Transaction Volume

+5.7%

12 Mo. Change

\$208,900

12 Month Market Price/Unit

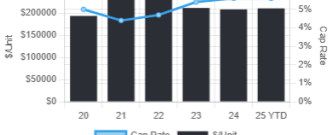
+0.26%

Annual Price Change

+0%

Market Cap Rate

Average Sales PPU / Cap Rate



Sales volume totaled \$11 billion over the past year, down from the record \$4 billion in 2021 and 2022 and below the ten-year average of \$1.8 billion, with Midtown seeing a notable increase. Recently constructed Class A properties, especially in affluent, amenity-rich areas like Old Fourth Ward and northern suburbs, have maintained steady transaction activity, continuing to attract investor interest.