

# ATLANTA GA

## INSTITUTIONAL MULTIFAMILY REPORT

**BERKADIA**<sup>®</sup>

INSTITUTIONAL SOLUTIONS

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a Berkshire Hathaway and Jefferies Financial Group company

2021 MID-YEAR



# ATLANTA, GA EMPLOYMENT

## JOBS ADDED / LOST

### LAST 12 MONTHS

229,100  
↑ 9.1%

### NEXT 12 MONTHS\*

108,300  
↑ 3.9%

## UNEMPLOYMENT

### MID-YEAR 2021

4.6%  
↓ 680 BPS YOY

### MID-YEAR 2022\*

3.3%  
↓ 130 BPS YOY

\*PROJECTED

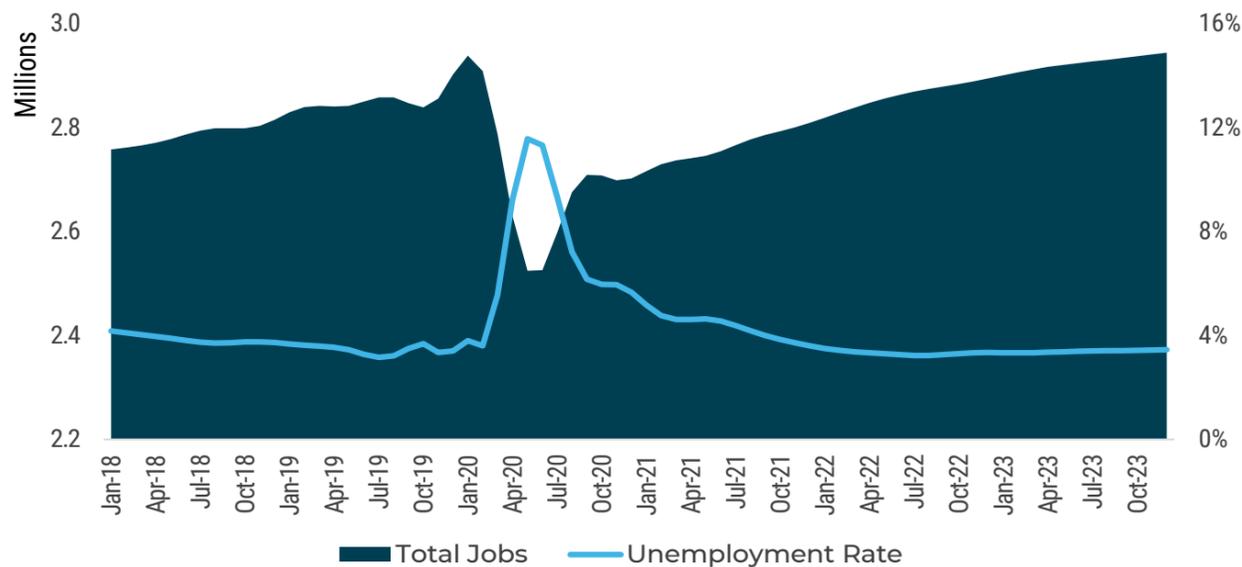
Over the last several years, the Atlanta metropolitan area has identified itself as a major tech hub and garnered recognition for hosting one of the largest pools of tech talent in the nation. The metro's information technology sector recorded the second-highest rate of hiring activity over the last 12 months and contributed 14,000 job additions to the local labor force. Airbnb, Apple, and Microsoft continue to lead the charge by expanding their presence in the Southeast cities and generating hundreds of new jobs in the years to come.

The Atlanta economy demonstrated tremendous resiliency in the year leading up to June 2021 as metro employers filled 229,100 positions and recovered 96% of the total workforce to pre-

pandemic levels. By comparison, metrowide unemployment dropped 680 basis points year over year to 4.6%.

Atlanta's workforce is well-known for its ability to create and to retain homegrown talent, making it one of the best places for business and career growth. Workforce retention is currently on the rise amid a nationwide economic recovery. Metro Atlanta is forecast to expand payrolls an additional 3.9% by mid-year 2022 with the creation of 108,300 jobs. Although annual job creation will be well balanced across all of Atlanta's major employment sectors, leisure and hospitality will lead with 23,800 new positions filled.

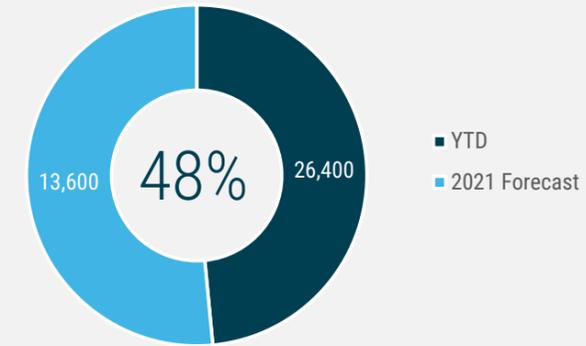
## EMPLOYMENT TRENDS



SOURCE: MOODY'S ANALYTICS

## WHO'S HIRING?

### LEISURE & HOSPITALITY INDUSTRY



10%  
OF ALL JOBS IN THE METRO

\$23,270  
AVERAGE ANNUAL SALARY

## TOP LEISURE & HOSPITALITY EMPLOYERS



2,200 JOBS



1,500 JOBS



1,300 JOBS

## IN THE NEWS

- Blackhall Global Partners to fill 5,900 jobs in DeKalb Co.
- Amazon says it will hire more than 3,800 jobs in Atlanta area
- More than 2,500 to be hired at new Atlanta Microsoft campus
- Google to hire thousands in U.S., many to Atlanta office
- Fan Duel Group hiring for over 900 jobs at tech campus
- Freshly, Inc. seeking to fill 665 positions in Georgia



## ATLANTA, GA

# DELIVERIES & ABSORPTION

### 2021 UNITS\*

#### DELIVERED

8,016

#### ABSORBED

7,178

### 2022 UNITS\*

#### DELIVERED

10,841

#### ABSORBED

7,418

\*PROJECTED

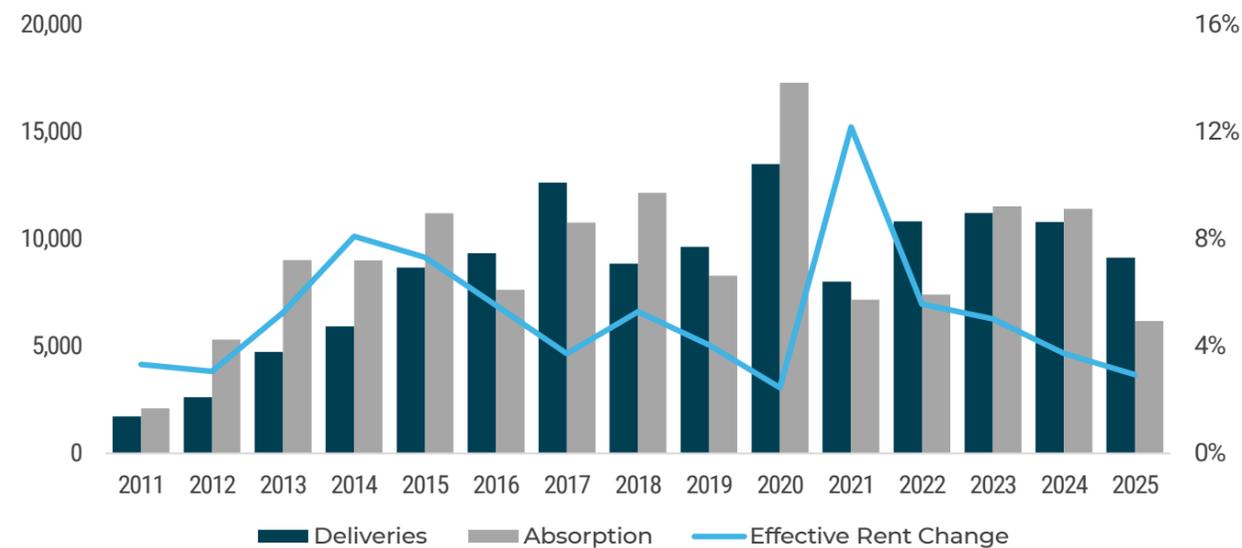
Multifamily construction volume in the four quarters ending the second quarter of 2021 came in at nearly 13,000 units, surpassing the Atlanta metro's five-year historical average. Development activity was led by 2,200 new units in the West Atlanta submarket, where the appeal of unique restaurants and proximity to Georgia Tech and major transportation networks can help achieve market-rate occupancy.

A recent surge in annual leasing activity also gave apartment operators reason to believe occupancies will trend upwards in the near term. Metrowide, renters in the Atlanta apartment market leased a historic 21,100 net units during the four quarters ending second quarter 2021, a three-fold increase from one year prior.

Although the sharp rise in demand signifies an enthusiastic rate of recovery for Atlanta, the imbalance between supply and demand is expected to sit closer to equilibrium by year-end. Renters can anticipate the supply wave to follow through with an additional 2,700 units scheduled to come online by December.

As of mid-year 2021, metro Atlanta's multifamily pipeline has nearly 12,600 units under construction. The uptick in construction activity is spread throughout Atlanta's submarkets, ranging from 120 new units scheduled to come online in the Far West Atlanta Suburbs to over 2,000 in Downtown Atlanta.

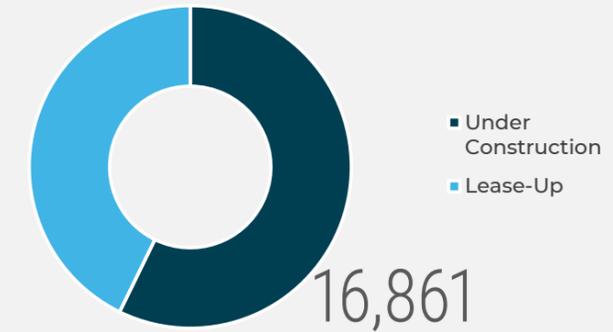
### DELIVERIES, ABSORPTION, & EFFECTIVE RENT CHANGE



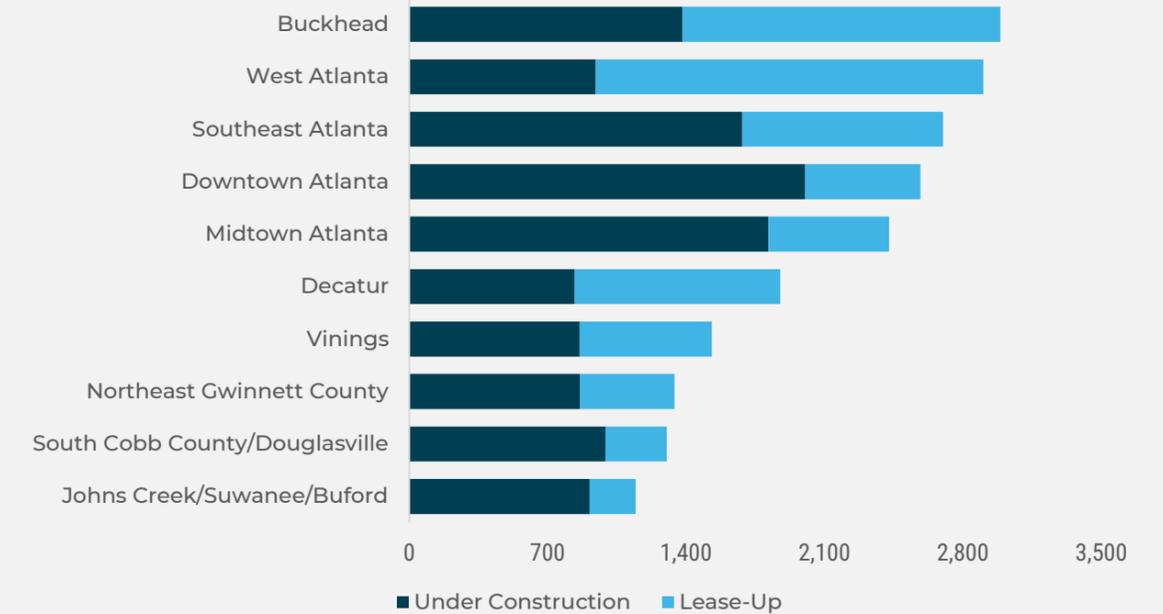
SOURCE: REALPAGE

### MARKET PIPELINE

12,599



### TOP 10 SUBMARKET PIPELINES



For a complete list of properties in the pipeline, [CLICK HERE](#)



## ATLANTA, GA

# RENT & OCCUPANCY

### EFFECTIVE RENT

2Q 2021

\$1,400

↑ 11.9% YOY

### OCCUPANCY

2Q 2021

96.1%

↑ 170 BPS YOY

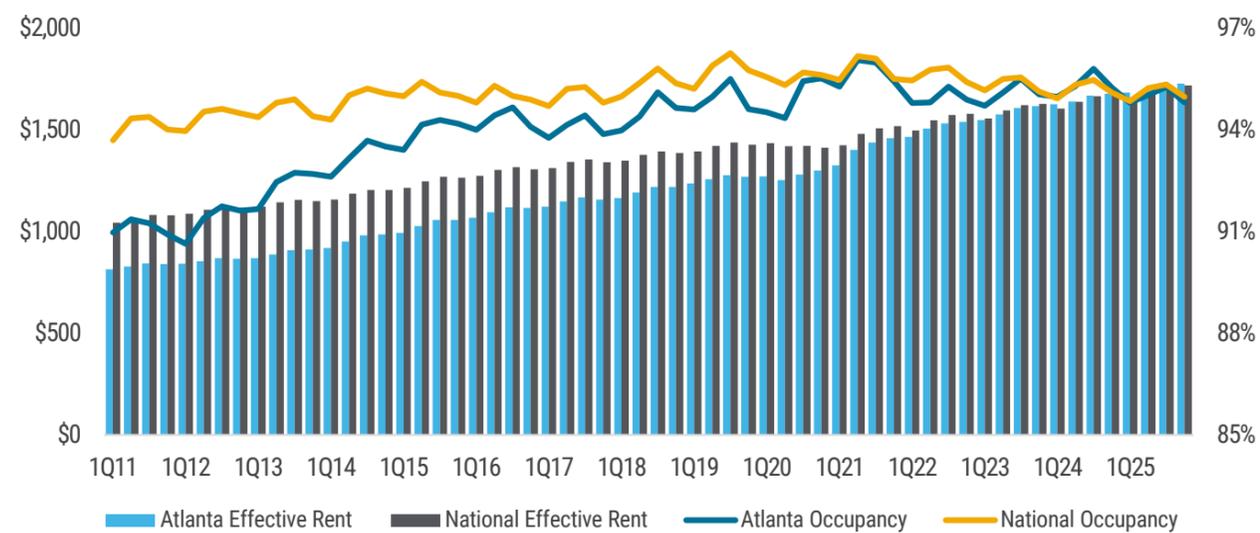
With net absorption outpacing new supply by 8,100 units on an annualized basis, the average occupancy rate in the Atlanta apartment market surged 170 basis points to 96.1% by mid-year 2021. Falling unemployment and greater renter mobility over the last year have also greatly improved Atlanta's apartment fundamentals and indicate a stabilizing economy.

The metro is primed for a tech-based transformation as corporate relocations and expansions deliver a new wave of employers to Midtown Atlanta and beyond. In turn, the anticipation of heightened demand from incoming high-wage employees benefitted apartment fundamentals metrowide. Average effective rent in the metro apartment market

appreciated 11.9% year over year to \$1,400 per month. All 39 of metro Atlanta's submarkets recorded annual increases in effective rent, ranging from 3.8% in Midtown Atlanta to 25.2% in the Far South Atlanta Suburbs.

Apartment operators should be confident with rents continuing to rise going into the remainder of 2021 as multifamily demand sustains an elevated presence in the market. Average effective rent is projected to appreciate an additional 4.1% by December 2021, outpacing the national growth rate of 2.5% during the same time frame.

### ATLANTA VS. NATIONAL EFFECTIVE RENT & OCCUPANCY



SOURCE: REALPAGE

### SUBMARKET PERFORMANCE

SUBMARKET NAME	2Q21 OCCUPANCY	YOY (BPS)	2Q21 EFFECTIVE RENT	YOY
Alpharetta/Cumming	97.0%	320	\$1,612	16.3%
Briarcliff	95.4%	140	\$1,436	7.7%
Buckhead	94.7%	140	\$1,735	6.6%
Chamblee/Brookhaven	95.7%	110	\$1,529	8.8%
Clarkston/Tucker	97.1%	60	\$1,110	7.3%
Clayton County	95.8%	50	\$1,081	15.3%
Decatur	95.8%	140	\$1,528	10.2%
Doraville	96.0%	200	\$1,176	5.3%
Downtown Atlanta	95.9%	250	\$1,574	5.6%
Duluth	96.5%	230	\$1,418	20.0%
Dunwoody	96.4%	290	\$1,550	9.4%
Far East Atlanta Suburbs	97.3%	130	\$1,209	12.8%
Far North Atlanta Suburbs	97.3%	210	\$1,319	14.3%
Far South Atlanta Suburbs	97.5%	230	\$1,438	25.2%
Far West Atlanta Suburbs	97.4%	160	\$1,299	18.0%
Henry County	96.7%	80	\$1,421	24.4%
Johns Creek/Suwanee/Buford	97.0%	350	\$1,565	16.9%
Kennesaw/Acworth	97.3%	250	\$1,468	21.6%
Midtown Atlanta	93.7%	170	\$1,873	3.8%
Norcross	96.8%	160	\$1,206	10.5%
Northeast Atlanta	94.6%	180	\$1,621	5.0%
Northeast Cobb/Woodstock	97.5%	350	\$1,479	19.5%
Northeast Gwinnett County	97.0%	250	\$1,458	19.0%
Roswell	96.8%	210	\$1,404	11.3%
Sandy Springs	95.9%	210	\$1,463	10.2%
Smyrna	95.5%	110	\$1,362	12.2%
South Atlanta	96.6%	140	\$1,068	9.6%
South Cobb County/Douglasville	96.4%	100	\$1,249	18.5%
South DeKalb County	95.7%	110	\$1,097	12.2%
South Fulton County	96.6%	110	\$1,174	15.6%
Southeast Atlanta	95.4%	-10	\$1,179	9.2%
Southeast DeKalb County	96.6%	200	\$1,246	15.2%
Southeast Gwinnett County	97.9%	340	\$1,323	13.9%
Southeast Marietta	95.7%	130	\$1,313	12.6%
Southwest Atlanta	95.8%	110	\$1,247	13.1%
Stone Mountain	95.3%	-10	\$1,131	15.9%
Vinings	96.2%	280	\$1,544	11.7%
West Atlanta	95.4%	230	\$1,512	7.9%
West Marietta	95.7%	220	\$1,175	11.7%



## ATLANTA, GA

# POPULATION & MIGRATION

### 2021 RESIDENTS\*

6,230,600

↑ 1.3% YOY

### 2022 RESIDENTS\*

6,299,700

↑ 1.1% YOY

\*PROJECTED

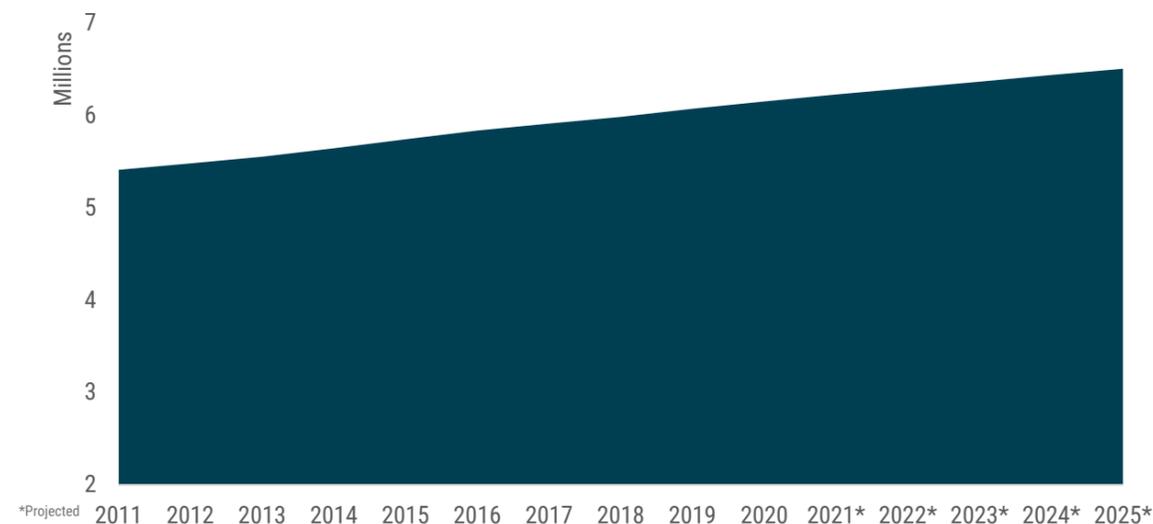
During the 12-month period ending June 2021, approximately 79,500 people moved in and named Atlanta their hometown, bringing the metro's total population to nearly 6.2 million residents. Every day, on average, nearly 218 people relocated to the metro during the last 12 months.

Atlanta's consistent in-migration over the last year held up well for the metro during the pandemic and helped it maintain its position among the fastest-growing regions in the nation. Some residents did choose to move away from Atlanta's urban core in 2020, but 73.2% of the total move-outs decided to stay in the metro and make the suburbs their place to live. Suburban appeal grew over the past several years mainly

due to its affordability, spacious living options, and build-up of employment opportunities. For example, Brookhaven is preparing for the arrival of Georgia's most expensive health care project, the CHOA Arthur M. Blank Hospital. The hospital and its associated facilities are expected to bring 3,600 permanent jobs upon completion.

In the near-term, Atlanta will continue to benefit from the continued migration to Southeast cities. Specifically, comparatively lower living and business costs should boost population and job growth in Atlanta. By mid-year 2022, Greater Atlanta's total population is forecast to expand another 1.2%, or by 72,300 people.

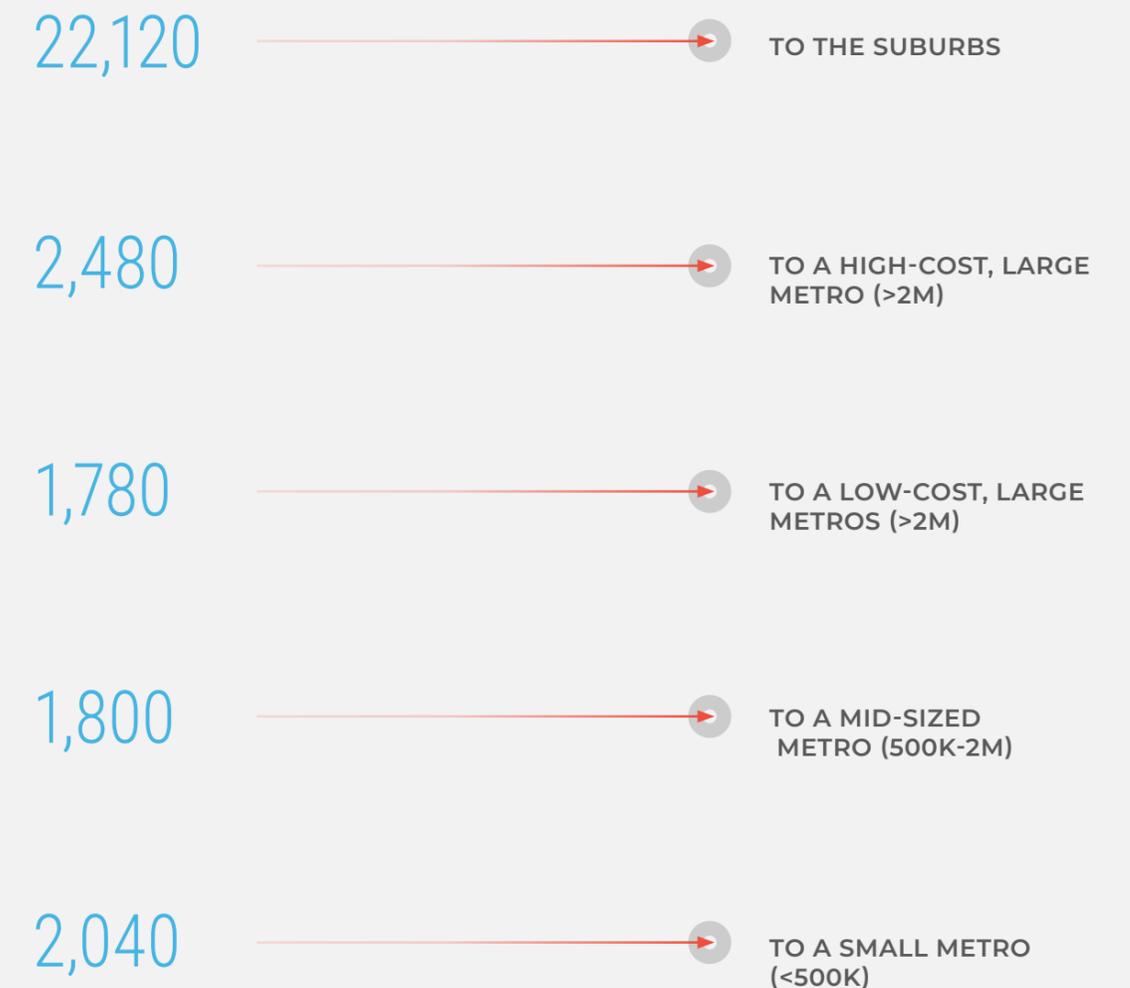
### ATLANTA POPULATION



SOURCE: MOODY'S ANALYTICS

### URBAN MIGRATION DURING THE PANDEMIC

2Q 2020 - 1Q 2021



SOURCE: FEDERAL RESERVE BANK OF CLEVELAND



# ATLANTA, GA SALES

2021 YEAR TO DATE\*



VOLUME

\$1.9B



PRICE PER AVERAGE (AVG)

\$226,427



TRANSACTIONS

29



CAP RATE (AVG)

4.4%

WHAT'S TRADING?\*



UNITS (AVG)

351



YEAR BUILT (AVG)

2000's



BUILDINGS (AVG)

10



ACRES (AVG)

21.77

TOP BUYERS\*\*

BUYER	LOCATION
Blackstone	New York, NY
White Oak Partners	Westerville, OH
Cortland	Atlanta, GA
GID	Boston, MA
Carroll Organization	Atlanta, GA

TOP SELLERS\*\*

SELLER	LOCATION
The Hanover Company	Houston, TX
Cortland	Atlanta, GA
Pollack Shores RE Group	Sandy Springs, GA
Alliance Residential	Phoenix, AZ
Brand Properties	Atlanta, GA

\*\*Past 24 Months

\*\$50M+  
SOURCE: REAL CAPITAL ANALYTICS



# ATLANTA, GA

# SALES

\$50+ MILLION TRANSACTIONS



### THE VENUE BIG CREEK

Alpharetta, GA

UNITS	YEAR BUILT
372	2015
PRICE / UNIT	SALES PRICE
\$269,624	\$100,300,000



### PERIMETER 31

Dunwoody, GA

UNITS	YEAR BUILT
416	2001
PRICE / UNIT	SALES PRICE
\$237,380	\$98,750,000



### ELEVATE WEST VILLAGE

Vinings, GA

UNITS	YEAR BUILT
313	2021
PRICE / UNIT	SALES PRICE
\$308,307	\$96,500,000



### ROSEMONT DUNWOODY

Sandy Springs, GA

UNITS	YEAR BUILT
608	1979
PRICE / UNIT	SALES PRICE
\$143,092	\$87,000,000



### MARKETPLACE VILLAGE

Marietta, GA

UNITS	YEAR BUILT
298	2020
PRICE / UNIT	SALES PRICE
\$291,946	\$87,000,000



### BROADSTONE SUGAR HILL

Sugar Hill, GA

UNITS	YEAR BUILT
316	2020
PRICE / UNIT	SALES PRICE
\$267,722	\$84,600,000



### HALSTON RIVERSIDE

Lawrenceville, GA

UNITS	YEAR BUILT
412	1997
PRICE / UNIT	SALES PRICE
\$196,602	\$81,000,000



### BROADSTONE JUNCTION

Norcross, GA

UNITS	YEAR BUILT
290	2020
PRICE / UNIT	SALES PRICE
\$278,448	\$80,750,000



### SUGARLOAF WALK

Duluth, GA

UNITS	YEAR BUILT
302	2019
PRICE / UNIT	SALES PRICE
\$254,967	\$77,000,000



### TEN45 SUWANEE

Lawrenceville, GA

UNITS	YEAR BUILT
298	2020
PRICE / UNIT	SALES PRICE
\$256,208	\$76,350,000



Sources: RealPage; Moody's Analytics; Real Capital Analytics; Federal Reserve Bank of Cleveland

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