

2022 MID-YEAR

ATLANTA GA

Multifamily Report

BERKADIA[®]
INSTITUTIONAL SOLUTIONS

a Berkshire Hathaway and Jefferies Financial Group company





Jobs Added / Lost

LAST 12 MONTHS

172,900

↑ 6.2%

NEXT 12 MONTHS*

60,600

↑ 2.0%

Unemployment

MID-YEAR 2022

2.9%

↓ 110 BPS YOY

MID-YEAR 2023*

3.2%

↑ 30 BPS YOY

*Projected

ATLANTA, GA EMPLOYMENT

The Atlanta region's economy continued to show strong fundamentals that outperformed some of the nation's largest markets. The Atlanta's employers added 79,600 jobs since the beginning of the year. The metro's unemployment rate was 2.9% in June, lower than the national rate of 3.8%.

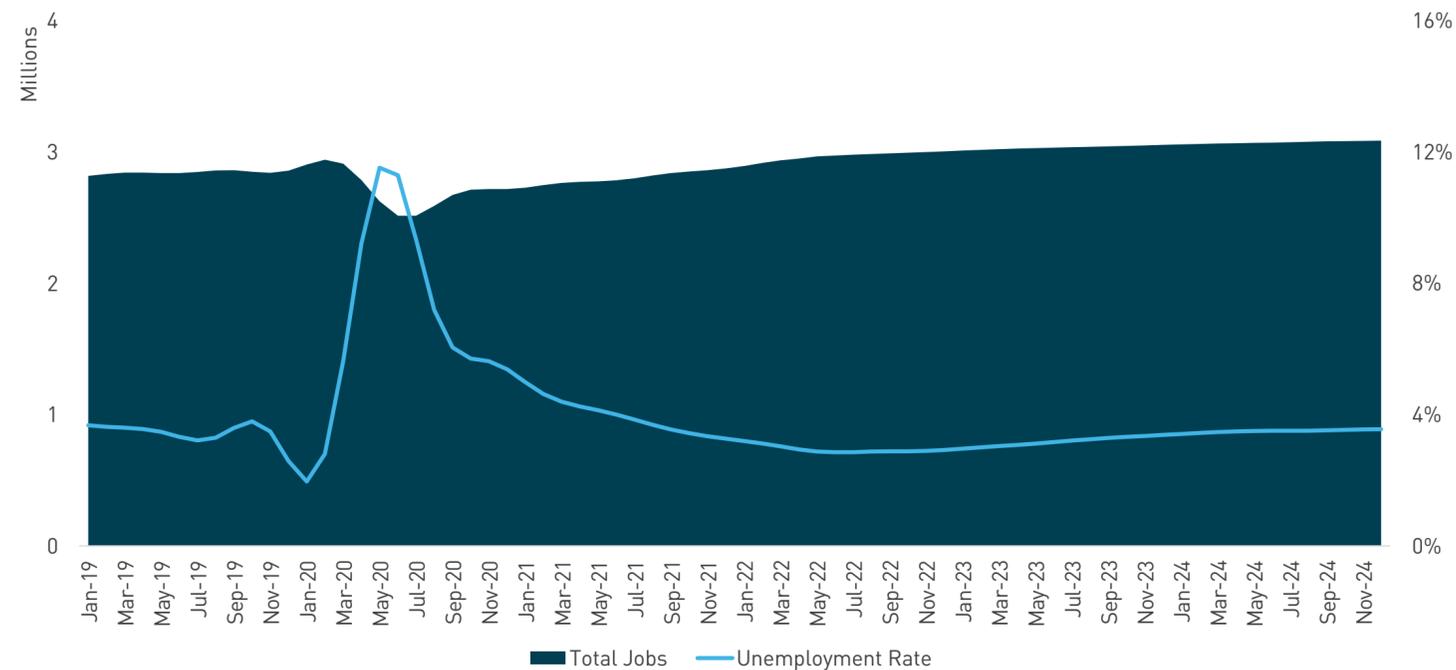
Atlanta is a well-known center for the health care industry. The metro hosts the Centers for Disease Control, the American Cancer Society, the Task Force for Global Health, and Emory Healthcare Inc., which operates 11 hospitals and more than 250 provider locations.

The local economy is further bolstered by a robust tech

industry. With more than 217,000 tech jobs, Atlanta has been nicknamed Silicon Valley of the South. The Atlanta Tech Village, a leading start-up hub in the region, has launched more than 300 start-ups since inception.

In addition to start-ups, major tech companies such as Apple Inc., Alphabet Inc., Microsoft Corporation, and Visa Inc. are opening offices in the metro. Atlanta is also seeing growth in the warehousing and distribution industry with companies such as Amazon.com Inc., Home Depot Inc., and Goodyear Tire & Rubber Co all expanding their presence in this market.

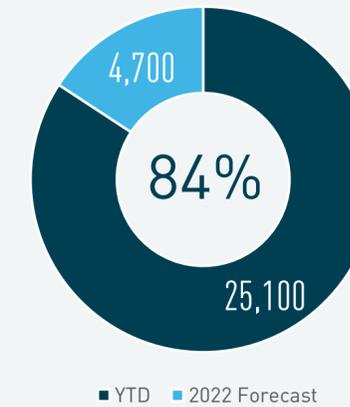
Employment Trends



SOURCE: Moody's Analytics

Who's Hiring?

PROFESSIONAL & BUSINESS SERVICES INDUSTRY



20%
OF ALL JOBS IN THE METRO

\$81,500
AVERAGE ANNUAL SALARY

Top Professional & Business Services Employers



In The News

- [Carvana plans to add up to 3,500 new jobs in Georgia](#)
- [McKinsey adding 700 jobs to nearly double Atlanta staff](#)
- [Capital One to add hundreds of Atlanta technology job](#)



ATLANTA, GA

DELIVERIES & ABSORPTION

2022 Units*

DELIVERIES

11,752

ABSORPTION

5,094

2023 Units*

DELIVERIES

20,385

ABSORPTION

16,617

*Projected

The pace of multifamily starts in Atlanta have picked up since the start of the pandemic. This increase in activity has been due to strong demand over the past few years. Since the beginning of 2020, Atlanta builders added more than 26,000 units, capped by 4,500 deliveries during the first six months of 2022.

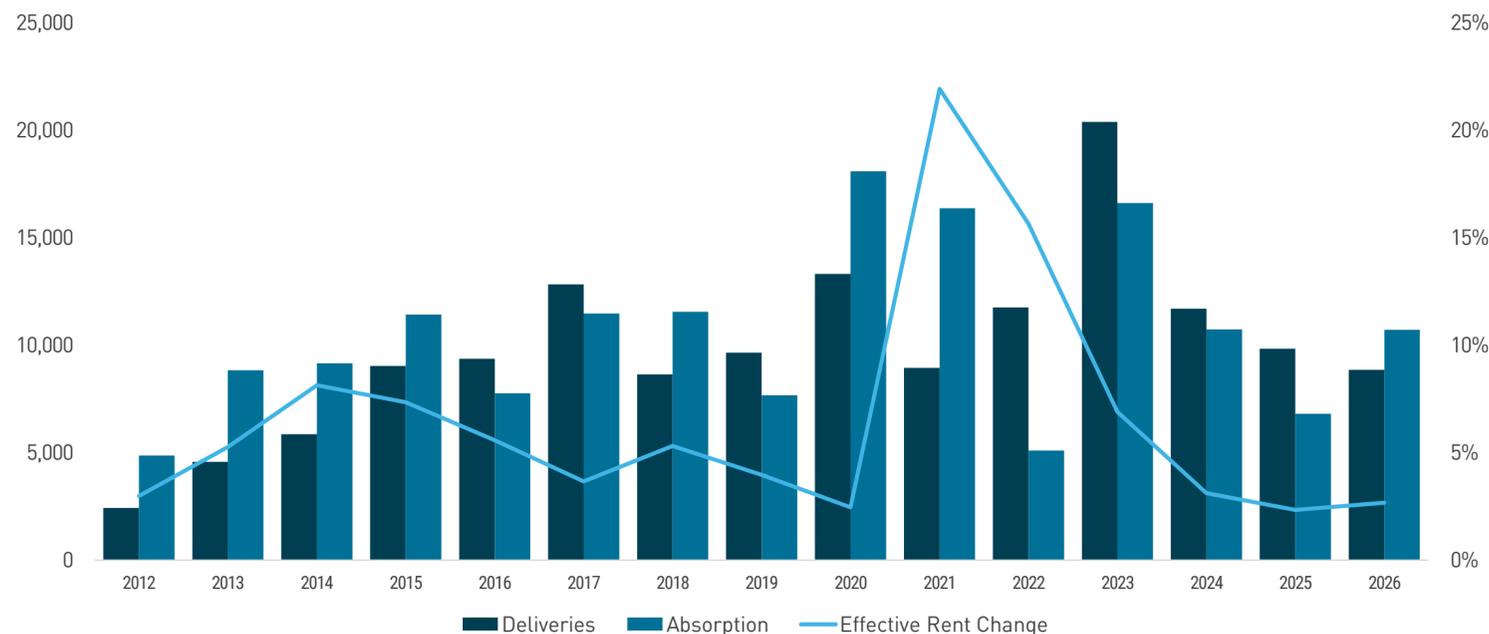
Construction of new units has been steady across many of the metro's submarkets. The fastest growing submarket in the metro was the Northeast Gwinnett County submarket, which added 754 units in the first half of 2022. Currently, there are 11 projects totaling 3,258 units under construction metrowide.

Apartment demand was strong as net absorption outpaced

deliveries in three out of the last four years across Greater Atlanta. Leasing activity shifted negative at the start of this year with approximately 2,300 more units vacated than occupied.

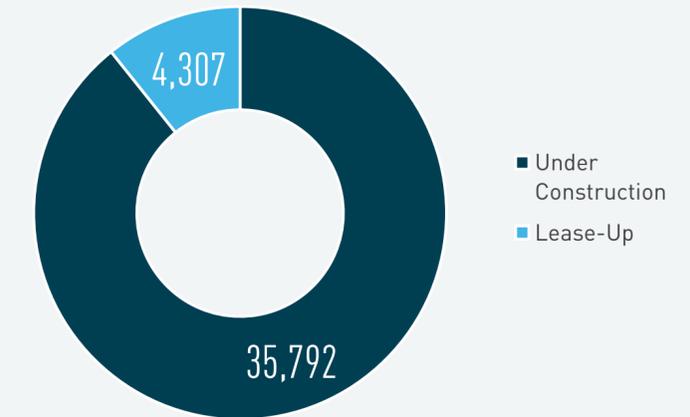
Demand is expected to pick up at the second half of 2022, facilitated by an uptick in new supply coming online. The rental market in Atlanta is expected to remain strong, driven by a healthy economy, a lower-than-average cost of living, good demographic trends, and strong rent growth.

Deliveries, Absorption, & Effective Rent Change

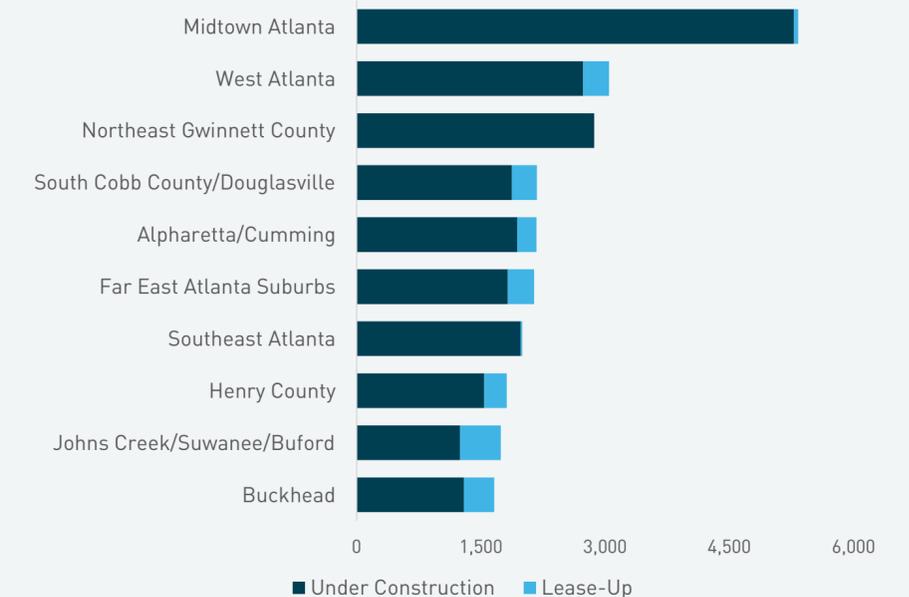


Source: RealPage

Market Pipeline



Top 10 Submarket Pipelines



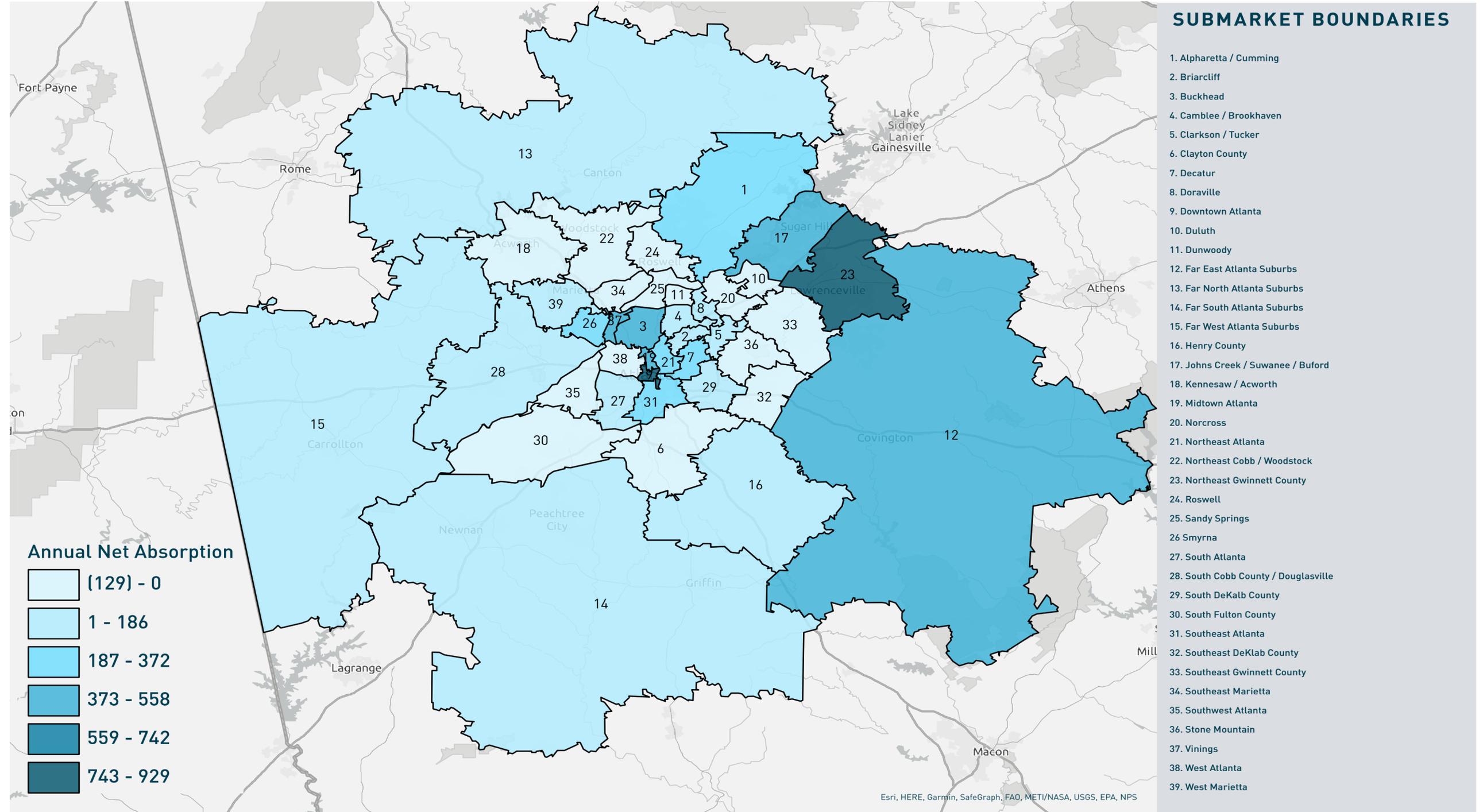


ATLANTA, GA

SUBMARKET ANNUAL ABSORPTION

Apartment absorption has been strongest in the Northeast Gwinnet County and Downtown Atlanta submarkets during the first six months of 2022 with 507 and 331 net move-ins, respectively. Located in Atlanta's northern suburbs, Northeast Gwinnet County submarket is desirable because of its family-oriented nature. Good schools, ample shopping, and newer upscale housing are some of the reasons why residents seek out the northern suburbs.

Downtown Atlanta's central location, strong jobs base, and numerous amenities make it one of Atlanta's more sought-after locations. Downtown Atlanta will continue to represent a significant portion of newly leased units, driven by a large uptick in new development. Specifically, both the public and the private sectors will invest \$6.5 billion into Downtown over the next five years.





ATLANTA, GA

RENT & OCCUPANCY

Effective Rent

2Q 2022

\$1,662

↑ 17.5% YOY

Occupancy

2Q 2022

95.7%

↓ 30 BPS YOY

One of the most notable trends in the Atlanta market has been the sharp rise in absorption during the 2021 post-pandemic recovery. This trend resulted in occupancy reaching a more than decade high. The factors contributing to this include consistent hiring, rising net migration to the metro, and higher home prices.

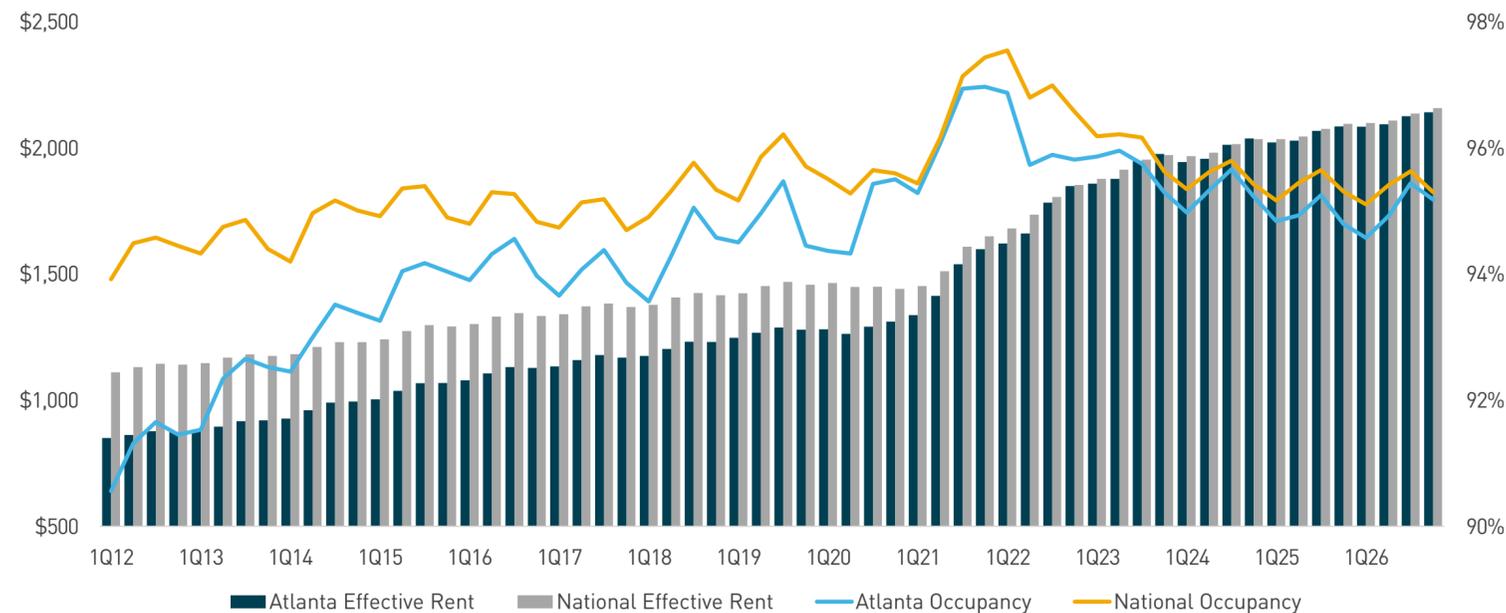
During the first six months of 2022 leasing activity has not kept pace with deliveries. As a result, the market has seen a drop in occupancy. That said, the current occupancy rate of 95.7% is still higher than the pre-pandemic average of 94.5% in the fourth quarter of 2019.

With positive occupancy, landlords have been able to raise rents 3.9% year to date to \$1,662 in the second quarter

of 2022. In addition to positive occupancy, demographic trends including a rising number of employers bringing jobs to the metro and household formation contributed to rising rents.

Apartment absorption is predicted to pick up in the latter half of 2022 as more units are delivered. Growing supply indicates that occupancy will decrease in the second half of 2022. This is not expected to deter apartment operators from continuing to raise rents because the underlying fundamentals of strong employment, population growth, and home affordability at historic lows are all forested to continue through the end of the year and beyond.

Atlanta vs. National Effective Rent & Occupancy



Source: RealPage

Submarket Performance

SUBMARKET NAME	2022 OCCUPANCY	YOY (BPS)	2022 EFFECTIVE RENT	YOY
Alpharetta/Cumming	96.0%	-100	\$1,955	23.6%
Briarcliff	96.1%	70	\$1,689	18.3%
Buckhead	95.0%	30	\$2,061	14.4%
Chamblee/Brookhaven	96.0%	30	\$1,776	17.8%
Clarkston/Tucker	97.5%	40	\$1,381	19.7%
Clayton County	95.3%	-50	\$1,280	17.1%
Decatur	95.2%	-60	\$1,845	19.9%
Doraville	96.9%	90	\$1,401	16.8%
Downtown Atlanta	95.7%	-10	\$1,806	10.5%
Duluth	95.7%	-90	\$1,698	21.5%
Dunwoody	95.5%	-90	\$1,853	21.1%
Far East Atlanta Suburbs	96.0%	-130	\$1,477	22.1%
Far North Atlanta Suburbs	96.2%	-110	\$1,652	22.4%
Far South Atlanta Suburbs	96.5%	-90	\$1,577	11.4%
Far West Atlanta Suburbs	96.1%	-130	\$1,515	17.3%
Henry County	94.7%	-200	\$1,637	15.0%
Johns Creek/Suwanee/Buford	95.3%	-170	\$1,810	17.4%
Kennesaw/Acworth	96.3%	-100	\$1,717	17.8%
Midtown Atlanta	95.4%	180	\$2,170	14.9%
Norcross	96.4%	-40	\$1,488	24.1%
Northeast Atlanta	95.2%	50	\$1,861	13.6%
Northeast Cobb/Woodstock	96.2%	-130	\$1,736	18.3%
Northeast Gwinnett County	96.0%	-110	\$1,688	17.5%
Roswell	95.7%	-110	\$1,710	23.4%
Sandy Springs	95.6%	-30	\$1,768	20.7%
Smyrna	96.0%	50	\$1,670	17.8%
South Atlanta	96.5%	20	\$1,240	12.1%
South Cobb County/Douglasville	95.6%	-100	\$1,472	16.5%
South DeKalb County	95.9%	30	\$1,261	14.2%
South Fulton County	96.0%	-60	\$1,348	14.7%
Southeast Atlanta	95.3%	-40	\$1,593	11.7%
Southeast DeKalb County	95.1%	-150	\$1,451	15.7%
Southeast Gwinnett County	97.0%	-90	\$1,592	19.9%
Southeast Marietta	95.1%	-60	\$1,560	20.0%
Southwest Atlanta	95.3%	-40	\$1,462	15.9%
Stone Mountain	95.5%	-50	\$1,316	17.9%
Vinings	95.9%	-30	\$1,845	20.4%
West Atlanta	94.2%	-120	\$1,843	16.7%
West Marietta	96.8%	110	\$1,438	21.4%

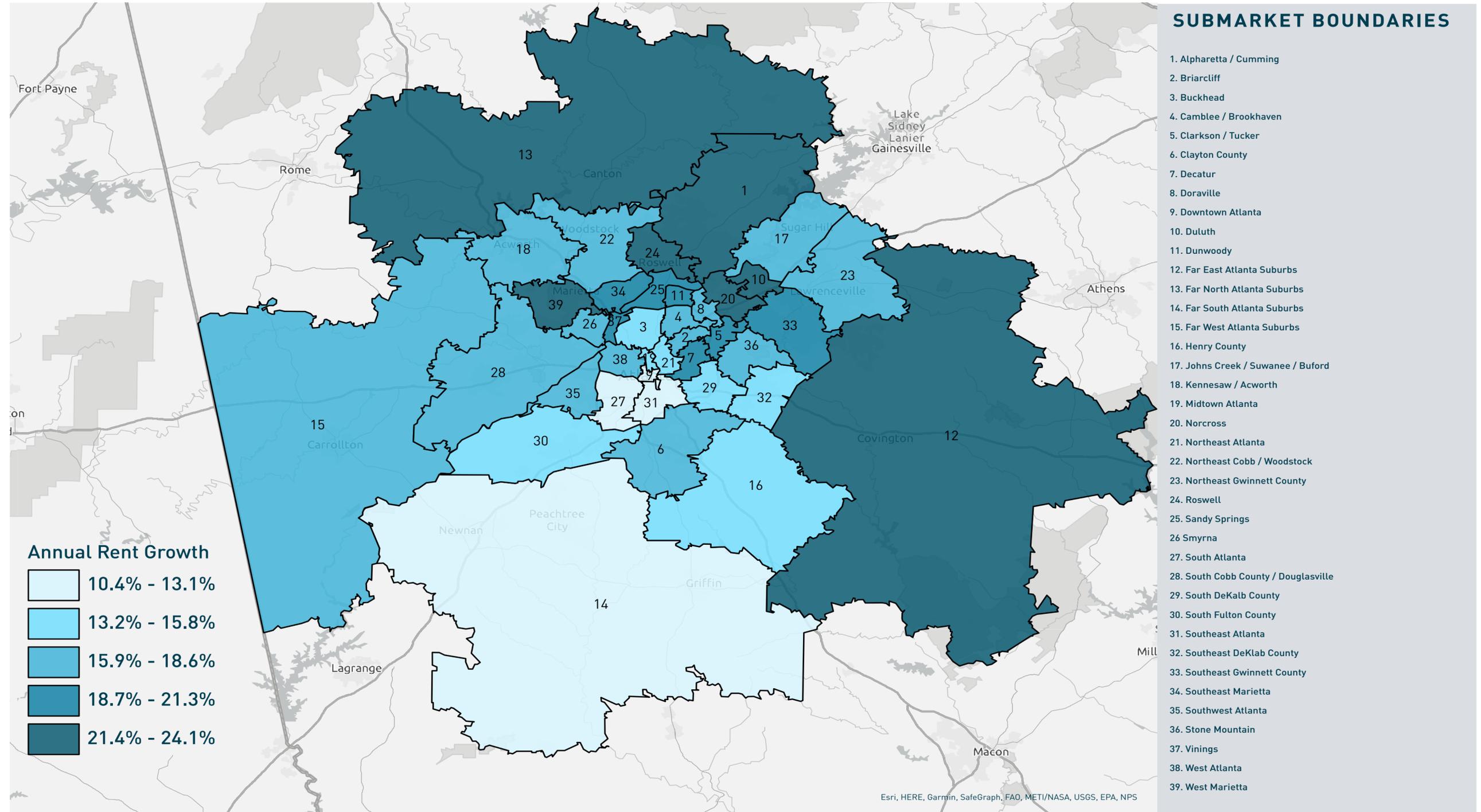


ATLANTA, GA

SUBMARKET ANNUAL RENT CHANGE

The continued movement of affluent residents to the northern suburbs is currently one of the most significant demographic patterns in Atlanta. The result has been effective rents rising sharply year over year in northern suburb submarkets such as Roswell (23.3% to \$1,710), Alpharetta/Cumming (23.6% to \$1,955), and Duluth (21.5% to \$1,698).

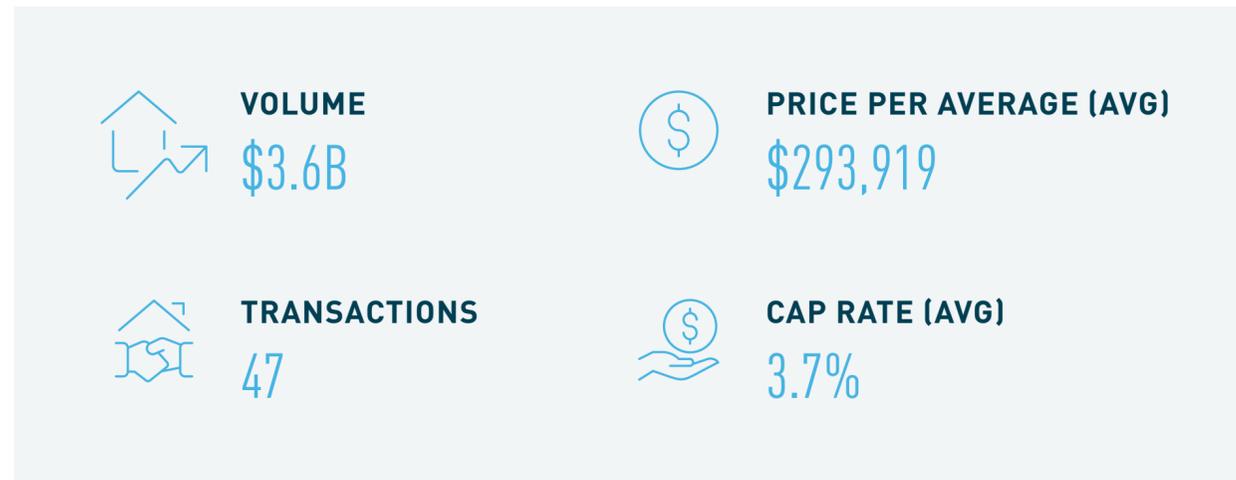
The submarkets in the central part of the Atlanta metro are also performing well based on high occupancy and an increasing number of high-profile employers expanding to these areas. The average effective rent was above \$2,000 in two submarkets in the second quarter: Midtown Atlanta and Buckhead. The more affluent submarkets in Atlanta that are seeing high construction activity are expected to continue rent growth, with more submarkets predicted to cross the \$2,000 effective rent mark by the end of the year.



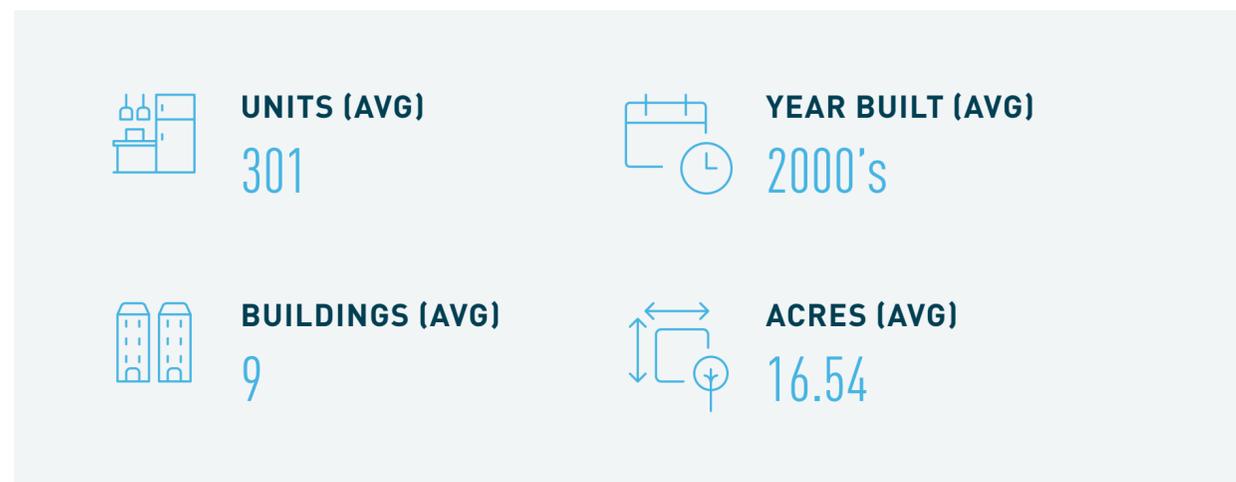


ATLANTA, GA SALES

2022 Year to Date*



What's Trading?*



Source: Real Capital Analytics
*\$50m+

Top Buyers**

BUYER	LOCATION
Ashcroft Capital LLC	New York, NY
Independence Realty Trust	Chicago, IL,
BREIT	New York, NY
GID	Boston, MA
Blackstone	New York, NY

Top Sellers**

SELLER	LOCATION
RangeWater RE	Sandy Springs, GA
Steadfast Apartment REIT	Irvine, CA
Mill Creek Residential	Dallas, TX
Greystar	Charleston, SC
Alliance Residential	Phoenix, AZ

**Past 24 Months



Sources: RealPage; Moody's Analytics; Real Capital Analytics

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