ATLANTA, GA
MULTIFAMILY REPORT

2023 | MIDYEAR

Jobs Added / Lost

LAST 12 MONTHS

73,900

2.5%

NEXT 12 MONTHS*

23,900

0.8%

Unemployment

MIDYEAR 2023

3.1%

30 BPS YOY

MIDYEAR 2024*

3.9%

80 BPS YOY

**Projected*

ATLANTA, GA

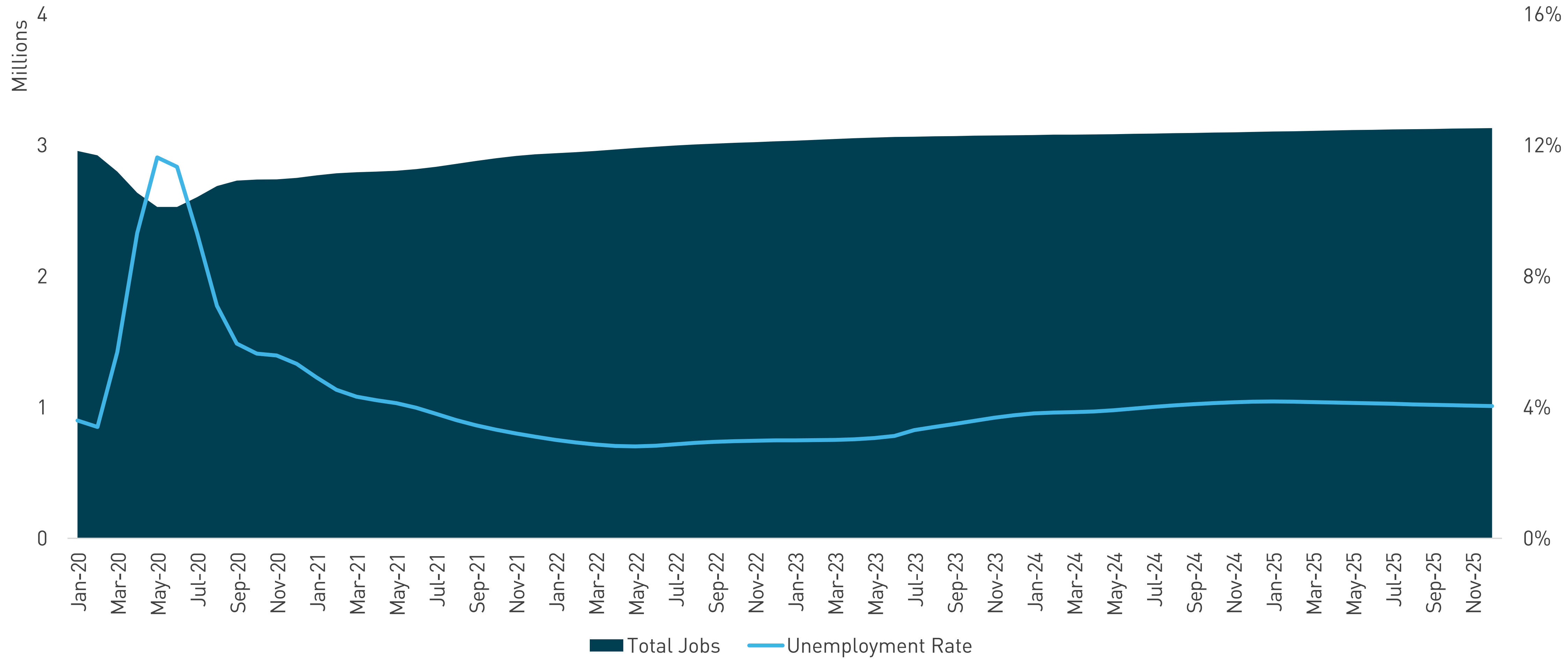
EMPLOYMENT

Greater Atlanta economy experienced a nonfarm employment increase of 1.1% in the first half of 2023. The employment sector which grew the most in the first half of 2023 was private education and healthcare, adding 13,500 jobs.

The sector is boosted by the presence of Children's Healthcare of Atlanta. The healthcare group employs more than 12,000 workers in the Greater Atlanta area. It will further invest in the metro, recently announcing a new hospital campus. With the development of Arthur M. Blank Hospital by next fall, the healthcare system has invested $2.2 billion to add the new hospital and supporting facilities. Upon completion, the new medical center will employ approximately 6,000 healthcare workers with more than 400 hospital beds. Nearby Emory University also has plans to create a health innovation district adjacent to the new Children's campus in the future, which will feature office, retail, and hospitality space.

Other employment sectors with notable year to date job growth include the leisure and hospitality sector. Payrolls have recovered almost all jobs lost across Atlanta from the pandemic. The leisure and hospitality sector added 5,300 jobs to the metro area since the beginning of the year.

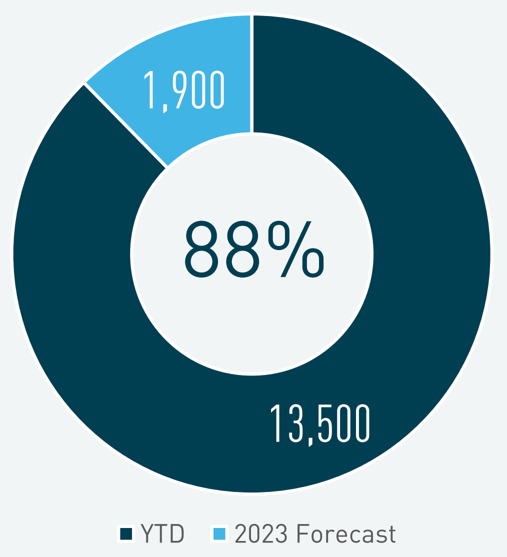
Employment Trends



Source: Moody's Analytics

Who's Hiring?

PRIVATE EDUCATION & HEALTHCARE INDUSTRY



13%

OF ALL JOBS IN THE METRO

$96,200

AVERAGE ANNUAL SALARY

Top Private Education & Healthcare Employers

EMORY HEALTHCARE	32,500 JOBS
NORTHSIDE HOSPITAL	25,300 JOBS
Wellstar	17,700 JOBS

In The News

- Children's healthcare to create 1,000 jobs in Atlanta
- 3,000 jobs expected from 17-story tower in Gwinnett
- Grady expansion makes hospital's largest investment in a generation

2023 Units*

DELIVERIES
19,677

ABSORPTION
10,594

2024 Units*

DELIVERIES
21,476

ABSORPTION
22,121

**Projected*

ATLANTA, GA

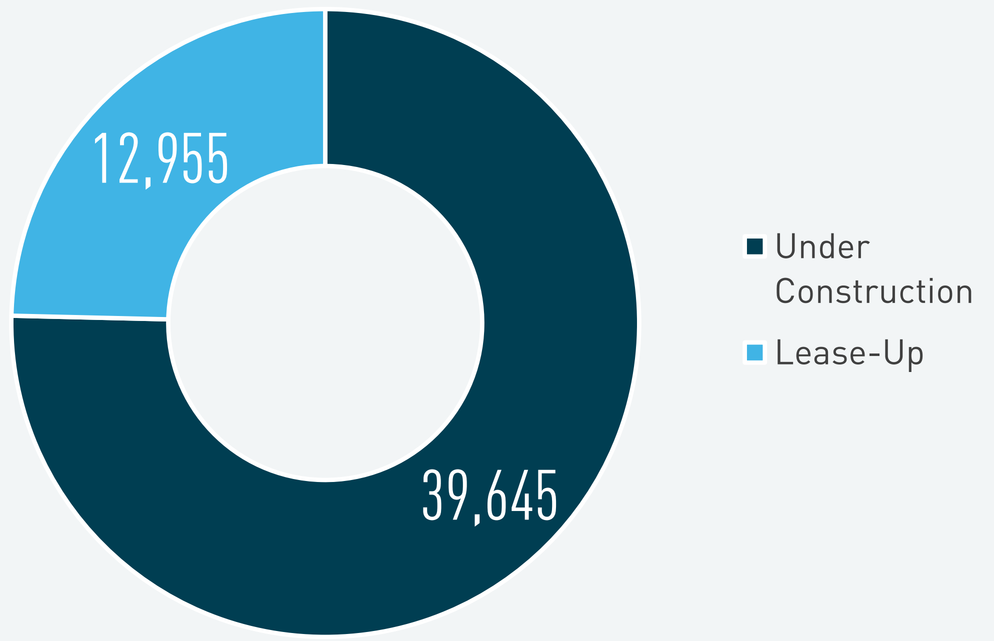
DELIVERIES & ABSORPTION

More than 9,900 units were brought into Greater Atlanta during the first half of 2023, which is more than double the number of new deliveries that took place during the first half of 2022. The large increase in delivery pace is due to the pent-up renter demand in the Atlanta Metro from 2020 and 2021, when absorption significantly outpaced the rate of new deliveries. An increase in construction time due to delays and the onset of the pandemic has pushed the timeline on deliveries, causing a spike in the number of units to come online in 2023.

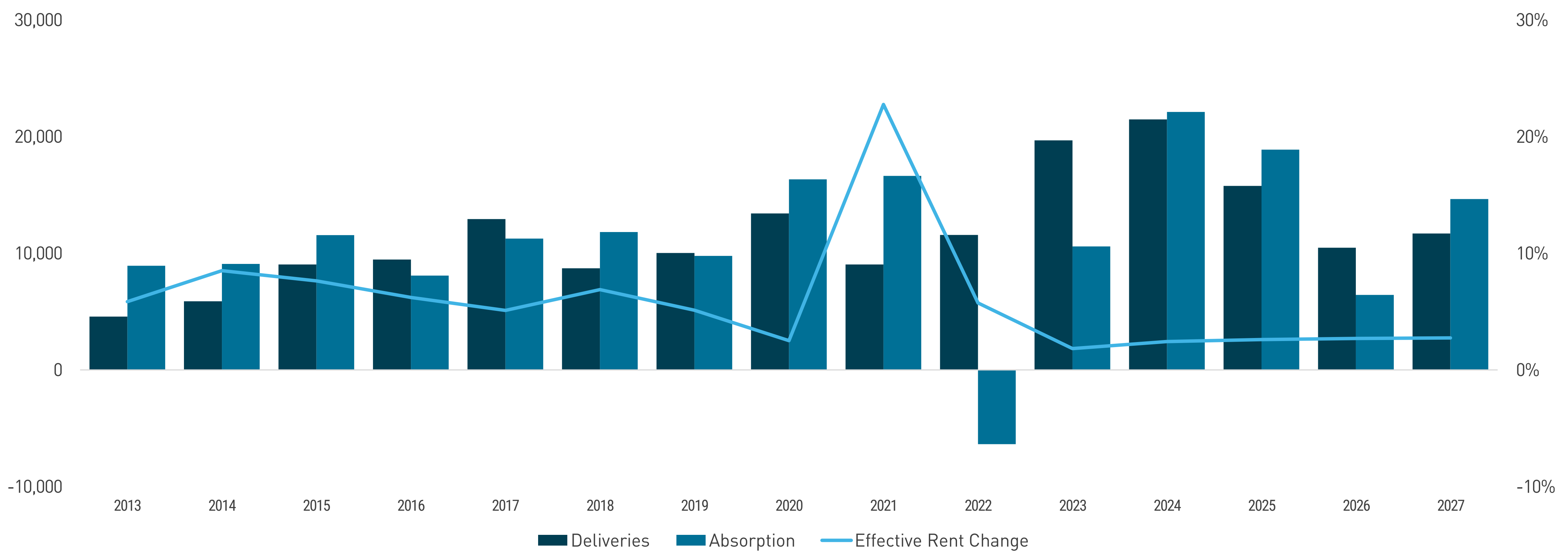
Net absorption across Greater Atlanta did not keep up with the new units in the first half of 2023, leading to a decrease in occupancy. New deliveries have taken place primarily in the suburbs of Atlanta, with developers focused on new growth everywhere except for the south. Vigorous deliveries outpacing rising demand are anticipated to continue through year-end 2023, with effective rent contracting as a result of the uptick in supply.

Beyond this year, supply and demand are trending towards reaching equilibrium as soon as early 2024 as the pace of new deliveries and net absorption get back into the green.

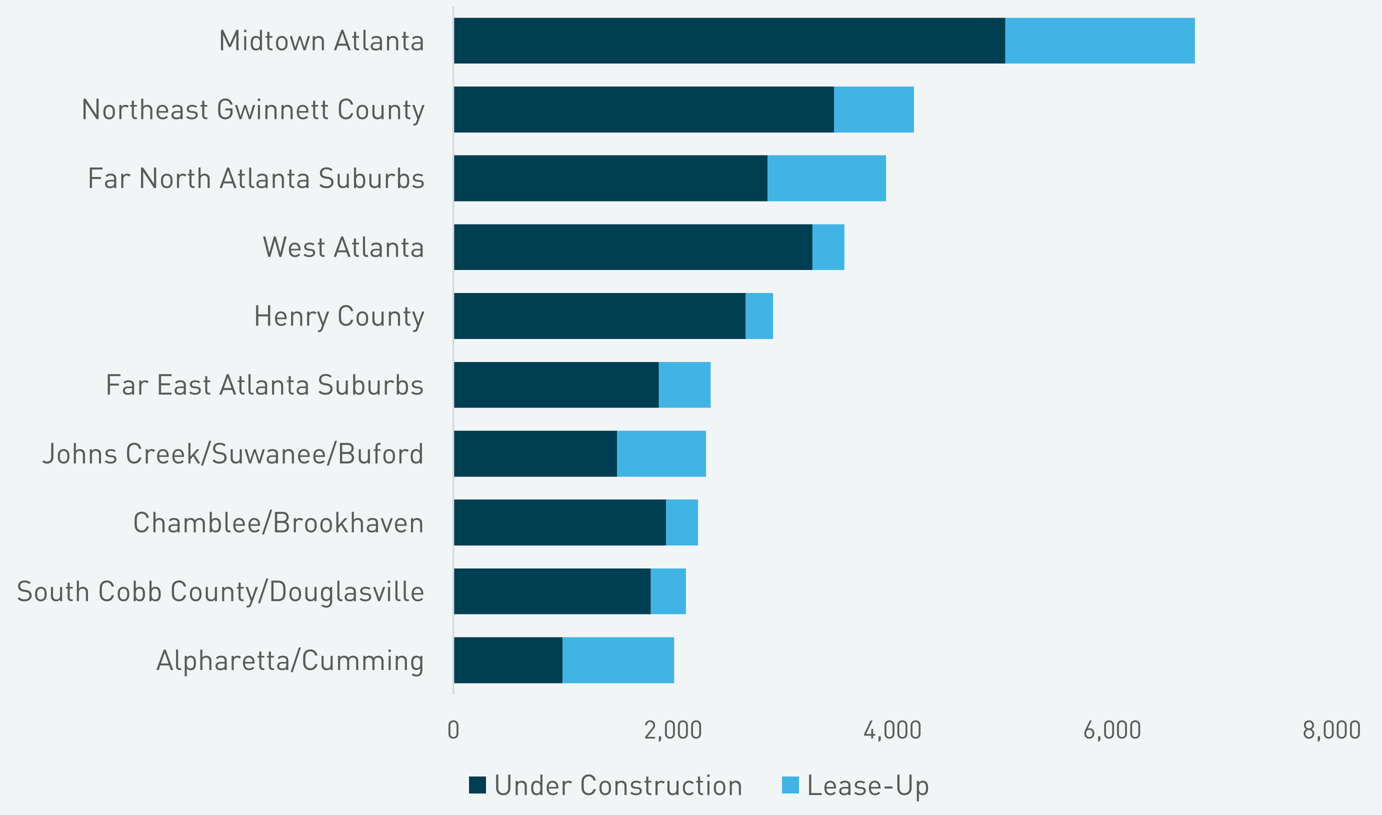
Market Pipeline



Deliveries, Absorption, & Effective Rent Change



Top 10 Submarket Pipelines



Source: RealPage

Of Atlanta's 39 submarkets, inventory growth took place in all areas except for the south, with the Far North Atlanta Suburbs and Far East Atlanta Suburbs being the two submarkets to have the most overall growth. The Far North Atlanta Suburbs submarket had the largest gain in inventory since the middle of last year as the submarket added 1,310 new units to its existing supply. Landlords offered concessions to 4.8% of units in the second quarter of 2023. With almost a double-digit increase in inventory since mid-2022, the Far East Atlanta Suburbs submarket also benefitted from rising inventory levels. Reaching a 9.3% year-over-year increase in available supply, the submarket added more than 1,030 new units. Operators ended the second quarter by offering 17.5% of renters' concessions, which ended up being equal to roughly 5% of the asking rent.

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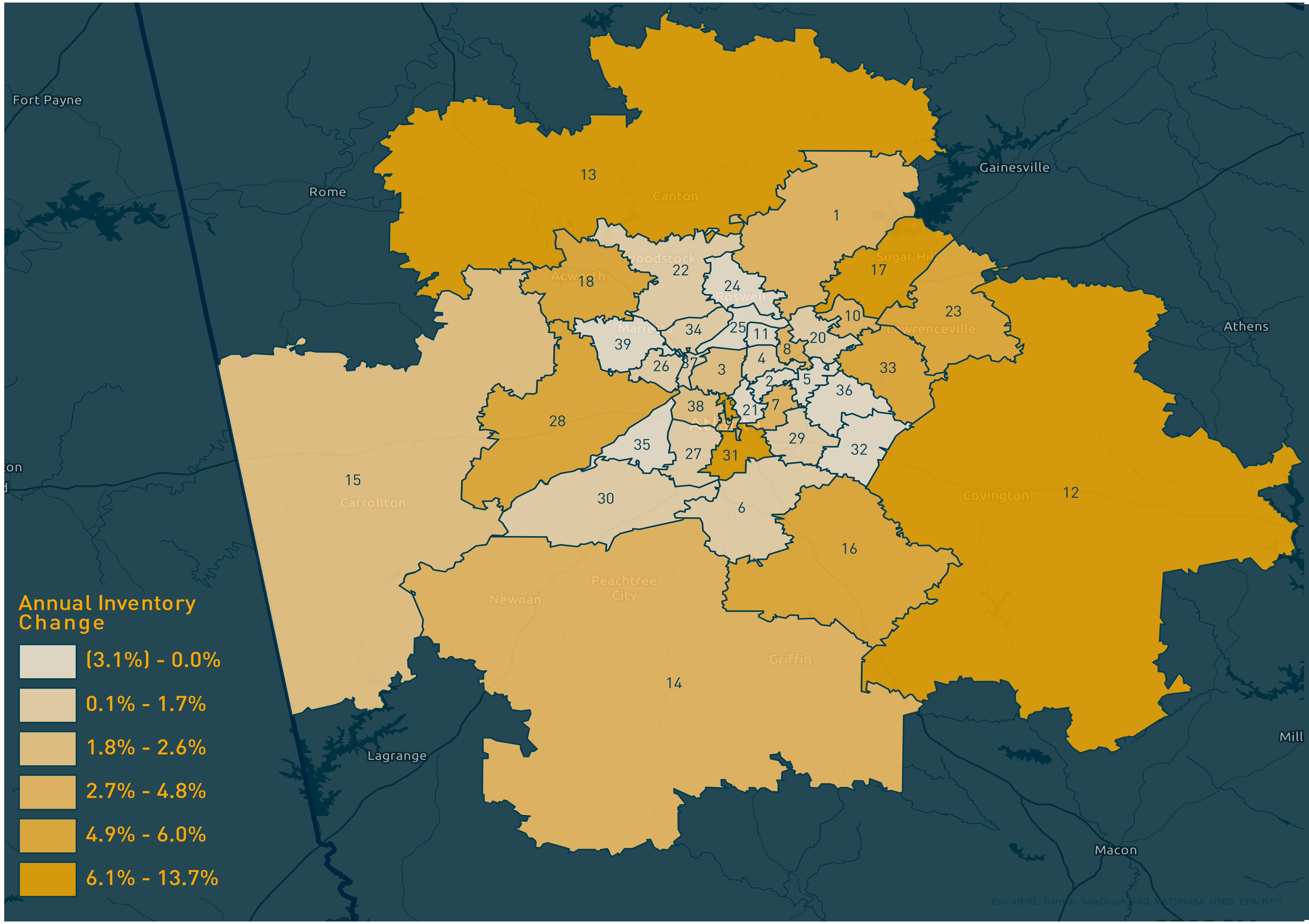
SUBMARKET ANNUAL INVENTORY CHANGE



SUBMARKET BOUNDARIES

1. Alpharetta / Cumming
2. Briarcliff
3. Buckhead
4. Camblee / Brookhaven
5. Clarkson / Tucker
6. Clayton County
7. Decatur
8. Doraville
9. Downtown Atlanta
10. Duluth
11. Dunwoody
12. Far East Atlanta Suburbs
13. Far North Atlanta Suburbs
14. Far South Atlanta Suburbs
15. Far West Atlanta Suburbs
16. Henry County
17. Johns Creek / Suwanee / Buford
18. Kennesaw / Acworth
19. Midtown Atlanta
20. Norcross
21. Northeast Atlanta
22. Northeast Cobb / Woodstock
23. Northeast Gwinnett County
24. Roswell
25. Sandy Springs
26 Smyrna
27. South Atlanta
28. South Cobb County / Douglasville
29. South DeKalb County
30. South Fulton County
31. Southeast Atlanta
32. Southeast DeKlab County
33. Southeast Gwinnett County
34. Southeast Marietta
35. Southwest Atlanta
36. Stone Mountain
37. Vinings
38. West Atlanta
39. West Marietta

Effective Rent

Q2 2023

$1,692

0.8% YOY

Occupancy

Q2 2023

93.0%

270 BPS YOY

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RENT & OCCUPANCY

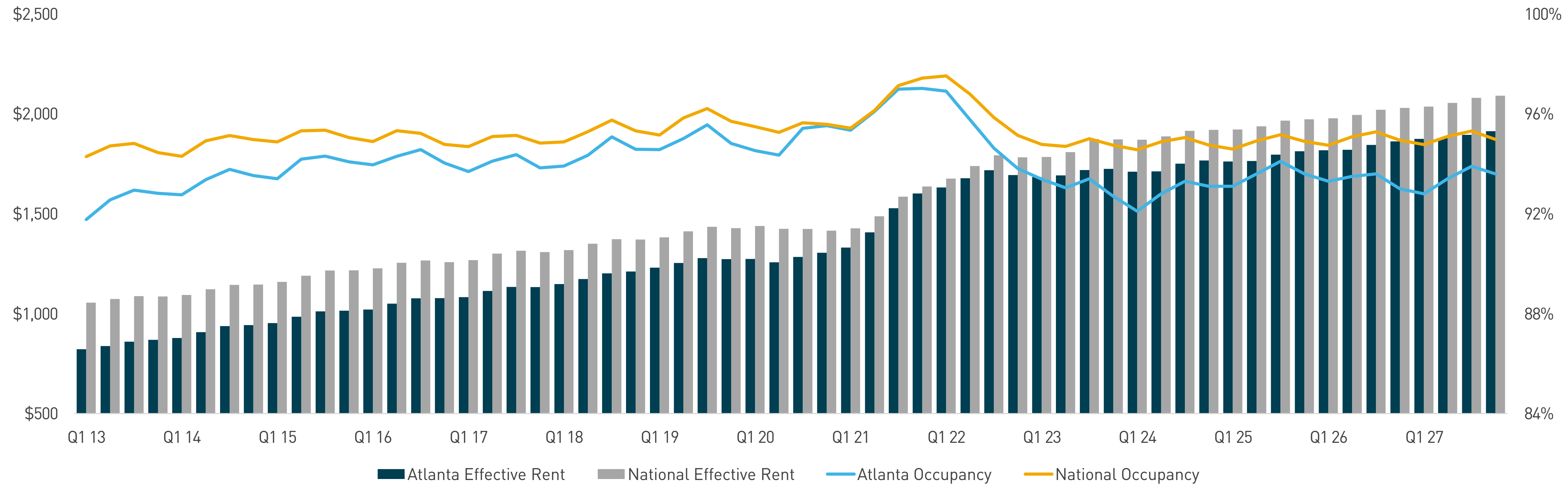
More apartment operators across Greater Atlanta are utilizing concessions to attract renters, leading to a deceleration in effective rent growth. At an average of $1,692 in the second quarter of 2023, monthly effective rent increased 0.8% year over year. The latest increase was more measured than the 19.3% growth during the year prior.

Contributing to the deceleration was more than 16,700 deliveries in the last year and average occupancy dropping 270 basis points. The combination led to the share of units offering concessions rising to 16.1% in the second quarter of 2023, up from 8.9% one year prior.

The areas which command the highest effective rental rates in Metro Atlanta are positioned north of the downtown area, where asking rents exceed $2,000. Tenants are paying rents in suburban pockets to the north due to the concentration of wealth and affluence, primarily in Buckhead, which is often called the "Beverly Hills of Atlanta." Prices have continued to surge in the Buckhead submarket, where effective rental rates are up 140 basis points from the middle of 2022.

After decreasing on a year over year basis, occupancy rates for the Atlanta Metro are expected to lose an additional 20 basis points to their current levels by the second half of 2023.

Atlanta vs. National Effective Rent & Occupancy



Source: RealPage

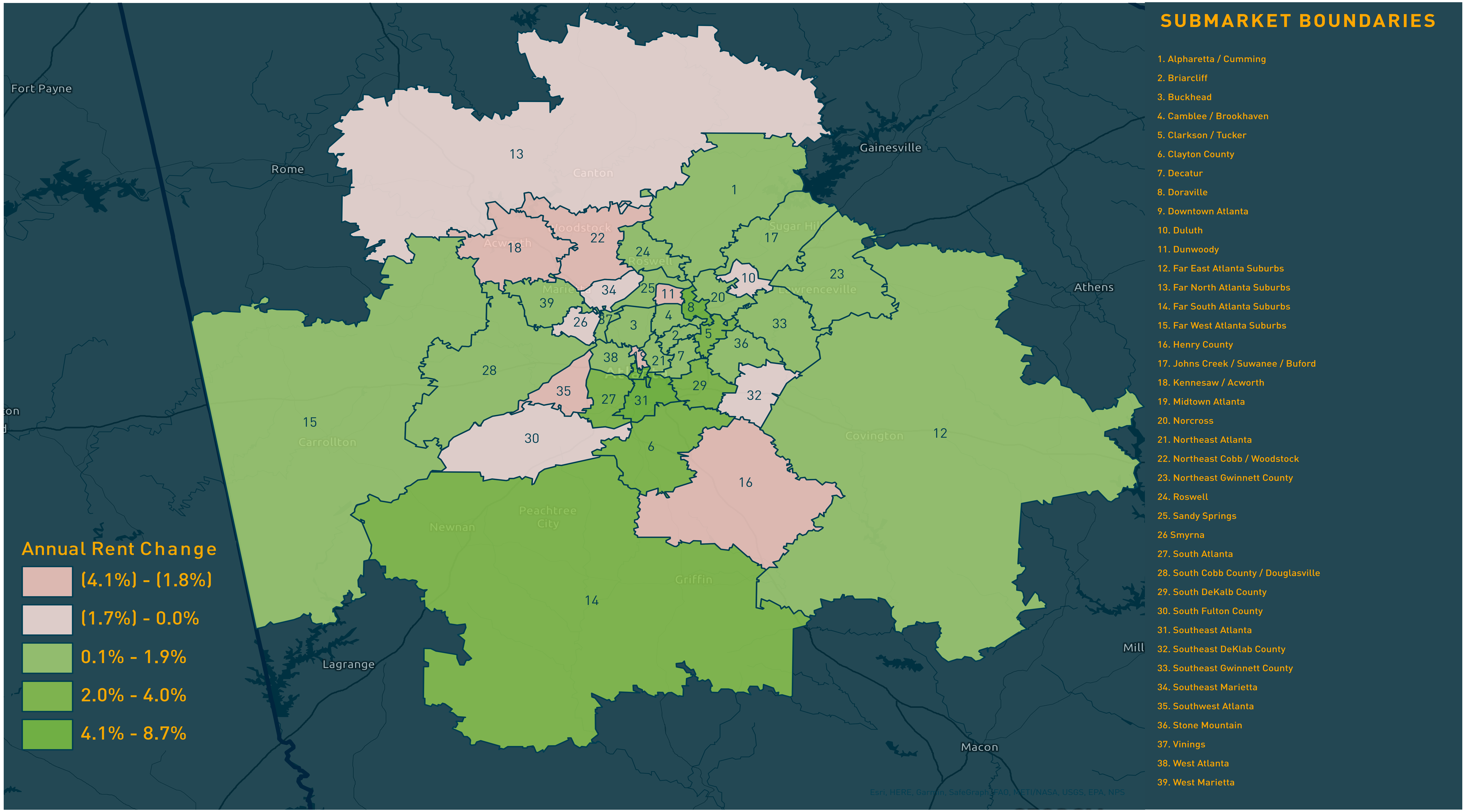
Submarket Performance

SUBMARKET NAME	Q2 2023 OCCUPANCY	YOY (BPS)	Q2 2023 EFFECTIVE RENT	YOY
Alpharetta/Cumming	93.9%	-210	$1,972	0.3%
Briarcliff	94.0%	-210	$1,693	0.3%
Buckhead	93.0%	-210	$2,087	1.4%
Chamblee/Brookhaven	94.1%	-190	$1,783	0.5%
Clarkston/Tucker	94.6%	-290	$1,458	2.4%
Clayton County	92.2%	-310	$1,330	3.7%
Decatur	93.1%	-210	$1,852	0.5%
Doraville	93.9%	-300	$1,520	8.6%
Downtown Atlanta	93.3%	-210	$1,978	6.8%
Duluth	93.6%	-210	$1,682	-1.3%
Dunwoody	92.3%	-320	$1,810	-1.8%
Far East Atlanta Suburbs	94.4%	-160	$1,500	1.5%
Far North Atlanta Suburbs	93.2%	-340	$1,630	-1.2%
Far South Atlanta Suburbs	93.8%	-270	$1,611	2.2%
Far West Atlanta Suburbs	92.3%	-380	$1,549	1.5%
Henry County	91.8%	-290	$1,605	-2.0%
Johns Creek/Suwanee/Buford	93.5%	-180	$1,838	1.0%
Kennesaw/Acworth	93.9%	-230	$1,659	-4.1%
Midtown Atlanta	92.9%	-250	$2,131	-1.8%
Norcross	94.5%	-230	$1,513	1.3%
Northeast Atlanta	92.2%	-290	$1,861	0.7%
Northeast Cobb/Woodstock	92.3%	-390	$1,693	-2.5%
Northeast Gwinnett County	93.6%	-230	$1,731	1.8%
Roswell	92.1%	-360	$1,739	1.9%
Sandy Springs	92.6%	-300	$1,770	0.1%
Smyrna	93.6%	-250	$1,661	-0.4%
South Atlanta	92.5%	-400	$1,285	3.7%
South Cobb County/Douglasville	92.7%	-280	$1,485	0.9%
South DeKalb County	91.4%	-440	$1,309	4.0%
Southeast Atlanta	92.5%	-320	$1,704	7.2%
Southeast DeKalb County	89.8%	-530	$1,440	-0.8%
Southeast Gwinnett County	94.7%	-230	$1,612	1.3%
Southeast Marietta	92.7%	-260	$1,557	-0.4%
South Fulton County	91.2%	-490	$1,325	-1.6%
Southwest Atlanta	91.9%	-350	$1,431	-2.1%
Stone Mountain	92.3%	-320	$1,332	1.1%
Vinings	93.5%	-240	$1,857	0.7%
West Atlanta	92.4%	-200	$1,873	1.2%
West Marietta	93.2%	-350	$1,457	0.3%

ATLANTA, GA

SUBMARKET ANNUAL RENT CHANGE

The Doraville apartment submarket, which is located northeast of Downtown Atlanta, experienced the highest year-over-year growth in effective rental rates across all Metro Atlanta submarkets. Rents in the submarket grew by 8.6% from mid-2022, with the next best performing submarket being Southeast Atlanta at 7.2%, and then Downtown Atlanta at 6.8%. The Downtown Atlanta submarket requires a 30.1% premium in asking rent on average when compared to the Doraville submarket and a 16.1% premium compared to the Southeast Atlanta submarket. Demanding slightly less of a premium to live in than Buckhead and Midtown Atlanta, the Downtown Atlanta submarket saw some of the highest price appreciation in all of Atlanta at 6.8% year over year, ending the quarter with slightly less than $2,000 per month in effective rents. More than two-thirds of submarkets experienced growth expansion on a year-over-year basis throughout Greater Atlanta.



ATLANTA, GA

SALES

2023 Year to Date*

VOLUME $812.6M	**PRICE PER UNIT (AVG)** $284,769
TRANSACTIONS 10	**CAP RATE (AVG)** 5.0%

What's Trading?*

UNITS (AVG) 293	**YEAR BUILT (AVG)** 2000s
BUILDINGS (AVG) 14	**ACRES (AVG)** 14.39

Top Buyers**

BUYER	LOCATION
Blackstone	New York
Ashcroft Capital	New York
Independence Realty Trust	Chicago
GID	Boston
Starwood Capital	Miami Beach, FL

Top Sellers**

SELLER	LOCATION
Bluerock	New York
RangeWater Real Estate	Atlanta
Steadfast Companies	Irvine, CA
Greystar	Charleston, SC
Preferred Apartment Communities	Atlanta

Source: Real Capital Analytics
**$50m+*

***Past 24 Months*

INSTITUTIONAL SOLUTIONS

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