



### MARKET AT A GLANCE



**OCCUPANCY RATE** **94.2%**  
Down **60 bps** since 2Q16



**ASKING RENT** **\$1,162**  
Up **5.8%** since 2Q16

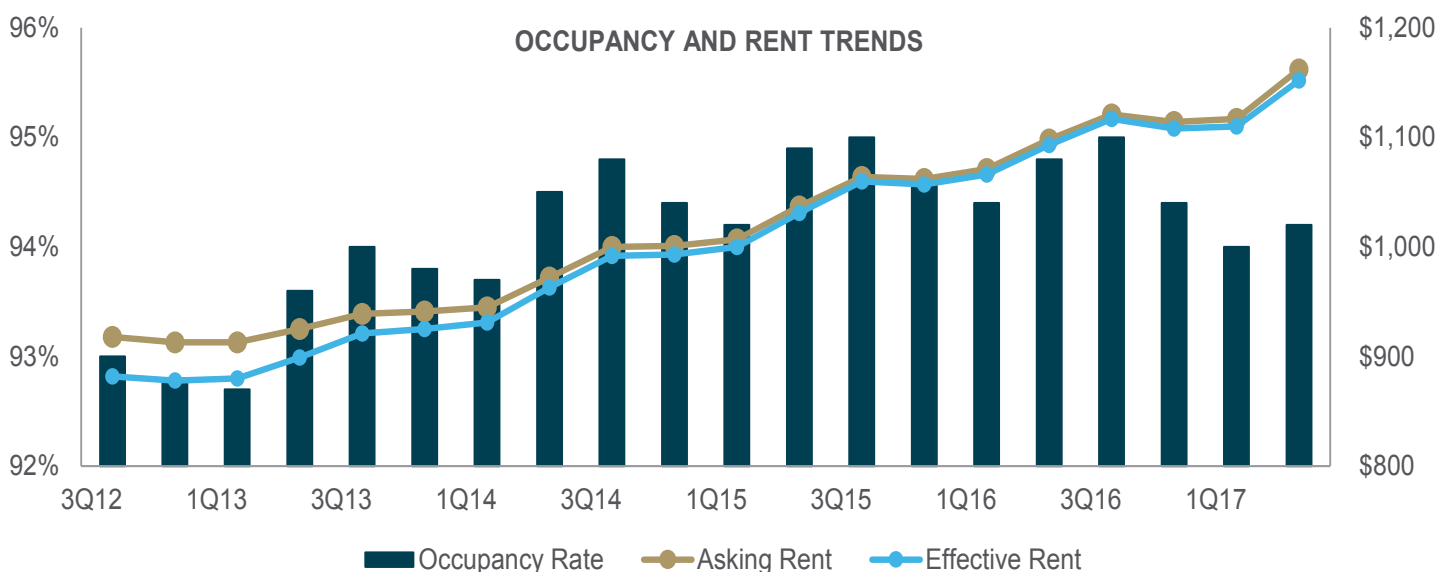


**CONCESSIONS** **0.9%**  
Up **40 bps** since 2Q16

### OCCUPANCY AND RENT TRENDS

#### ASKING RENT RISES 5.8% YEAR OVER YEAR AMID 3.0% JOB GROWTH

Apartment demand surged in the second quarter of 2017 as renters occupied 3,907 additional apartments in the Atlanta metro area. Despite the recent elevation in absorption, deliveries outpaced demand in two of the last four quarters, resulting in a decrease in occupancy since mid-2016. By June of this year, the metrowide occupancy rate was 94.2%, 60 basis points lower than one year prior. Builders completed 11,252 apartments since the second quarter of 2016. Eight high-rise apartment communities were completed among the close-in submarkets of Midtown/Five Points, Buckhead, and Central I-75 West. Total deliveries in the three submarkets accounted for 52% of new inventory in the metro area. Among submarkets with new inventory, the Decatur/Avondale submarket was the only area where annual absorption outpaced deliveries. Operators responded to the supply imbalance in the metro area by increasing renter incentives. Over the last four quarters, average concessions rose from 0.5% to 0.9% of asking rent. By the end of the second quarter of this year, average asking rent reached \$1,162 per month, a 5.8% annual increase. Meanwhile average effective rent rose 5.4% to \$1,152 per month.



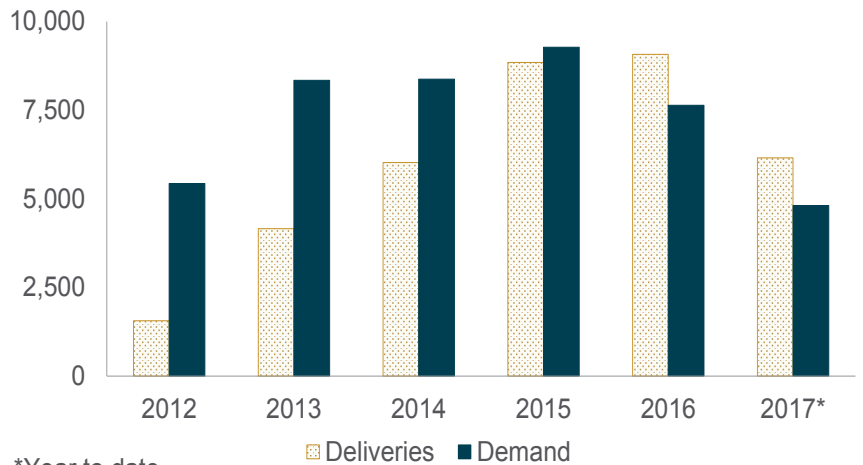
## DELIVERIES AND DEMAND



**DELIVERIES** 6,157  
Units YTD



**NET ABSORPTION** 4,813  
Units YTD



\*Year to date

## ECONOMIC TRENDS

2016 **UNEMPLOYMENT\*** 2017  
5.1% ..... **-40 BPS CHANGE** ..... 4.7%

2016 **EMPLOYMENT\*** 2017  
2.66m ..... **3.0% CHANGE** ..... 2.73m

2016 **EXISTING SFH SALES\*\*** 2017  
102.1k ..... **6.1% CHANGE** ..... 108.3k

2016 **MEDIAN SFH PRICE\*\*** 2017  
\$181.5k ..... **8.6% CHANGE** ..... \$197.1k

2016 **10-YEAR TREASURY\*\*** 2017  
1.64% ..... **60 BPS CHANGE** ..... 2.19%

\*May; \*\*June

Every employment sector in the Atlanta metro area recorded growth in the 12-month period ending in May of this year. Employers added 78,900 nonfarm jobs to payrolls during that time, equating to a 3.0% year-over-year increase. Companies in the professional and business services sector hired 26,600 workers, a 5.5% annual gain. The largest employment sector—trade, transportation, and utilities—grew 1.6% with 9,700 new jobs. Growth was nearly as great in the education and health services segment, which expanded 2.9% as 9,600 workers were recruited. Approximately 7,800 specialty trade and general labor positions were filled, lifting construction industry employment 6.8%. Companies in the information sector hired 3,600 workers, a 3.8% increase. The sector was supported by the initial hiring of 400 workers at The Weather Company. Through the remainder of 2017, employment in the manufacturing sector will be underpinned with the addition of hundreds of workers at the logistics centers of Duracell Inc. in Fulton County and Luxottica Group S.p.A. in Henry County.



## SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17	2Q17	ANNUAL	2Q17	ANNUAL
Bartow County	97.7%	97.1%	4.6%	4.1%	\$847	\$882	15	-18	0	0
Buckhead	94.3%	93.8%	3.4%	2.3%	\$1,550	\$1,585	230	1,372	245	1,659
Carroll County	95.7%	94.3%	3.1%	7.4%	\$823	\$884	66	-58	0	0
Central I-75 West	93.9%	93.8%	5.2%	5.1%	\$1,337	\$1,405	444	841	429	911
Cherokee County Other	97.1%	94.8%	5.4%	6.0%	\$1,029	\$1,091	0	-70	0	0
Clarkston/Stone Mountain	94.3%	94.4%	6.8%	11.0%	\$765	\$849	102	17	0	0
Clayton	94.9%	94.7%	6.8%	4.7%	\$816	\$854	228	-65	0	0
Coweta County	95.4%	93.4%	6.4%	7.5%	\$978	\$1,051	14	11	0	112
Decatur/Avondale	94.5%	94.7%	3.6%	5.6%	\$1,138	\$1,202	298	752	126	748
Forsyth County	98.0%	97.0%	5.0%	4.4%	\$1,215	\$1,268	19	-17	0	0
I-20 East	94.0%	94.4%	6.0%	6.9%	\$861	\$920	217	62	0	0
I-20 West	94.3%	94.6%	9.6%	7.3%	\$868	\$931	150	32	0	0
Marietta	95.1%	94.5%	6.4%	6.1%	\$1,052	\$1,116	-119	61	0	315
Midtown/Five Points	94.6%	93.9%	3.9%	3.5%	\$1,638	\$1,696	346	2,787	608	3,284
Newton County	96.4%	96.4%	9.5%	3.6%	\$827	\$857	5	0	0	0
North DeKalb	95.4%	94.7%	6.5%	5.9%	\$1,153	\$1,221	161	210	170	453
North Gwinnett	95.4%	94.9%	7.7%	4.8%	\$1,058	\$1,109	84	295	0	419
Paulding County	98.4%	96.0%	7.2%	3.0%	\$1,042	\$1,073	-16	-48	0	0
Pickens County	96.0%	98.6%	-2.8%	3.6%	\$838	\$868	0	14	0	0
Roswell/Alpharetta	95.3%	94.3%	5.6%	7.4%	\$1,235	\$1,327	324	436	271	701
Sandy Springs/Dunwoody	94.5%	93.6%	7.2%	2.1%	\$1,272	\$1,299	565	444	666	753
Smyrna	94.8%	94.2%	4.7%	2.9%	\$1,136	\$1,169	184	416	142	600
South DeKalb	91.6%	94.0%	8.7%	11.5%	\$837	\$933	45	97	0	0
South Fulton	93.1%	91.7%	6.1%	5.1%	\$906	\$952	138	29	258	776
South Gwinnett	95.8%	94.5%	8.3%	6.8%	\$977	\$1,043	346	99	269	521
Spalding County	96.6%	96.7%	2.5%	7.1%	\$687	\$736	62	2	0	0
<b>TOTALS</b>	<b>94.8%</b>	<b>94.2%</b>	<b>5.9%</b>	<b>5.8%</b>	<b>\$1,098</b>	<b>\$1,162</b>	<b>3,907</b>	<b>7,704</b>	<b>3,184</b>	<b>11,252</b>



**CORPORATE HEADQUARTERS**

521 Fifth Avenue  
20th Floor  
New York, NY 10175  
(646) 600-7800 | Fax : (646) 600-7838  
www.Berkadia.com

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