ATLANTA
MULTIFAMILY REPORT

SECOND QUARTER 2019

MARKET AT A GLANCE

OCCUPANCY RATE 95.0%

Up **50 bps** since 2Q18

EFFECTIVE RENT $1,241

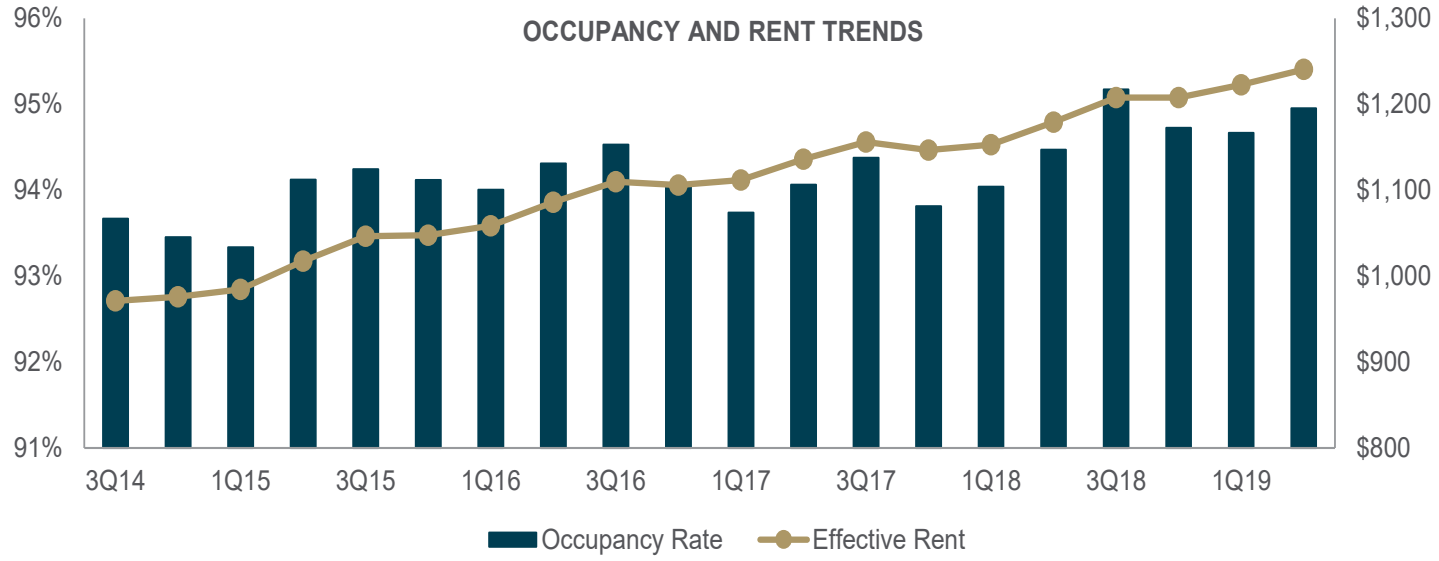
Up **5.2%** since 2Q18

TOTAL INVENTORY 510,003

OCCUPANCY AND RENT TRENDS

ECONOMIC, DEMOGRAPHIC FACTORS SUPPORT APARTMENT FUNDAMENTALS

Continued job growth, rising household formation, and a shortage of single-family housing stoked metro Atlanta apartment fundamentals. Since mid-2018, renters newly occupied 12,106 apartments while builders completed 10,218 units. Developers continued to favor adding amenity-rich apartments in the neighboring Buckhead and Midtown Atlanta submarkets, which accounted for more than one-third of the new inventory. Vigorous leasing activity across the metro pushed average occupancy to 95.0% in the second quarter of this year, 50 basis points higher than the same period in 2018. Operators capitalized on the brisk demand, raising average effective rent to $1,241 per month in June, a 5.2% year-over-year increase compared to 3.8% annual growth in June 2018. The wave of new apartments is expected to continue over the next four quarters as 10,823 apartments are slated for completion among 47 apartment communities. Just over 2,400 of these apartments are scheduled for delivery in the Buckhead and Midtown Atlanta submarkets. The in-migration of well-compensated Millennials at tech-centered businesses in these two submarkets is expected to keep apartment demand high.



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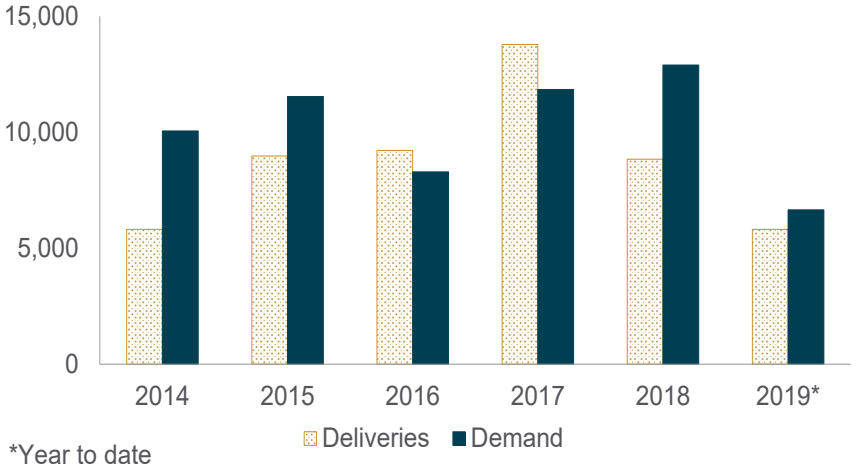
DELIVERIES AND DEMAND

DELIVERIES 5,809
Units YTD

NET ABSORPTION 6,655
Units YTD



ECONOMIC TRENDS

2018		2019
4.0%	UNEMPLOYMENT* **-30 BPS** CHANGE	3.7%
2.77m	EMPLOYMENT* **1.8%** CHANGE	2.82m
102.9k	EXISTING SFH SALES** **-8.5%** CHANGE	94.2k
$216.5k	MEDIAN SFH PRICE** **4.9%** CHANGE	$227.1k
2.91%	10-YEAR TREASURY** **-80 BPS** CHANGE	2.07%

*April; **June

Local employers created 49,200 new jobs in the 12-month period ending in April 2019, a 1.8% year-over-year gain. The influx of new companies, numerous corporate expansions, and the in-migration of more than 62,400 people into the metro area supported this growth. The professional and business services sector led job creation, where 14,700 new positions were filled through April of this year, a 2.8% annual gain. Education and health services institutions followed with 12,600 new jobs, a 3.6% increase. Boosted by the formation of 38,600 households, approximately 8,000 jobs were created in the food services and drinking places subsector, a major contributor to the 11,100 new jobs in the leisure and hospitality sector. The trade, transportation, and utilities sector expanded 1% with 6,200 additional workers, supported by the first of 850 relocated and new workers at Norfolk Southern Railway's headquarters in Midtown. Additionally, clothing wholesaler and retailer PVH Corp. plans to hire 575 workers following completion of its new distribution center in Palmetto.

SUBMARKET BREAKDOWN

	OCCUPANCY		AVG RENT CHANGE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
SUBMARKET NAME	2Q18	2Q19	2Q18	2Q19	2Q18	2Q19	2Q19	ANNUAL	2Q19	ANNUAL
Alpharetta/Cumming	94.6%	95.3%	1.3%	4.7%	$1,368	$1,433	59	589	80	494
Briarcliff	94.1%	95.3%	2.6%	3.6%	$1,308	$1,355	127	191	0	0
Buckhead	93.1%	93.0%	-1.7%	3.3%	$1,657	$1,712	291	1,586	640	1,729
Chamblee/Brookhaven	94.8%	95.0%	3.0%	4.0%	$1,356	$1,411	-16	32	0	0
Clarkston/Tucker	95.2%	96.4%	4.0%	5.5%	$920	$971	115	115	0	0
Clayton County	95.1%	95.5%	8.2%	9.1%	$825	$901	247	156	0	84
Decatur	95.6%	95.6%	3.5%	5.0%	$1,347	$1,414	500	990	456	1,036
Doraville	95.7%	95.8%	4.8%	8.4%	$981	$1,063	61	8	0	0
Downtown Atlanta	95.1%	95.0%	0.0%	5.4%	$1,405	$1,481	-35	680	0	727
Duluth	94.9%	94.6%	4.2%	5.7%	$1,139	$1,203	30	106	60	153
Dunwoody	93.9%	95.3%	0.6%	5.0%	$1,449	$1,522	62	124	0	0
Far East Atlanta Suburbs	96.7%	96.8%	8.1%	6.4%	$976	$1,038	107	44	35	35
Far North Atlanta Suburbs	95.9%	95.8%	7.4%	3.1%	$1,023	$1,054	277	268	240	288
Far South Atlanta Suburbs	94.4%	95.4%	-0.9%	10.0%	$1,071	$1,178	121	152	50	50
Far West Atlanta Suburbs	96.1%	95.8%	4.6%	5.9%	$974	$1,032	35	71	0	96
Henry County	95.4%	95.6%	6.8%	6.4%	$1,050	$1,117	58	19	0	0
Johns Creek/Suwanee/Buford	94.6%	95.0%	-0.1%	4.5%	$1,336	$1,395	71	260	40	240
Kennesaw/Acworth	95.6%	96.1%	4.8%	5.2%	$1,211	$1,274	53	291	0	248
Midtown Atlanta	93.0%	93.0%	0.6%	2.4%	$1,771	$1,814	291	1,640	553	1,763
Norcross	94.9%	95.4%	5.5%	4.7%	$1,020	$1,069	72	381	35	300
Northeast Atlanta	92.6%	93.7%	0.4%	3.8%	$1,545	$1,604	246	603	298	448
Northeast Cobb/Woodstock	95.5%	95.1%	6.5%	4.9%	$1,210	$1,269	76	79	80	124
Northeast Gwinnett County	95.8%	96.1%	3.7%	4.3%	$1,167	$1,217	117	32	0	0
Roswell	94.9%	95.4%	3.1%	7.2%	$1,177	$1,262	50	92	0	53
Sandy Springs	93.8%	93.7%	2.2%	4.2%	$1,286	$1,340	80	889	0	969
Smyrna	95.0%	95.4%	6.2%	4.8%	$1,165	$1,221	201	253	0	190
South Atlanta	94.1%	95.2%	3.0%	5.8%	$844	$892	96	275	0	67
South Cobb County/Douglasville	94.6%	95.0%	6.8%	5.8%	$963	$1,019	122	95	44	44
South DeKalb County	94.3%	95.4%	5.7%	5.1%	$826	$868	163	163	0	0
South Fulton County	95.5%	95.1%	6.1%	6.8%	$860	$918	0	-62	0	0
Southeast Atlanta	94.2%	94.9%	5.1%	5.5%	$973	$1,026	194	277	156	208
Southeast DeKalb County	93.2%	94.1%	5.3%	10.8%	$936	$1,037	96	66	0	0
Southeast Gwinnett County	95.0%	96.1%	4.5%	7.8%	$1,045	$1,126	19	102	0	0
Southeast Marietta	95.0%	95.7%	5.5%	2.4%	$1,092	$1,118	102	102	0	0
Southwest Atlanta	93.2%	94.5%	6.7%	5.0%	$1,055	$1,108	-20	129	0	0
Stone Mountain	94.2%	95.8%	4.8%	6.7%	$864	$921	45	180	0	0
Vinings	94.2%	94.1%	4.2%	0.7%	$1,394	$1,404	57	550	34	597
West Atlanta	91.9%	93.5%	1.6%	1.9%	$1,373	$1,398	-113	479	0	275
West Marietta	93.8%	95.0%	6.6%	5.4%	$950	$1,001	41	98	0	0
TOTALS	**94.5%**	**95.0%**	**3.8%**	**5.2%**	**$1,179**	**$1,241**	**4,097**	**12,106**	**2,801**	**10,218**

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Document sources: Axiometrics; Berkadia Research; Federal Reserve Bank of St. Louis; Moody's

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