

# ATLANTA, GEORGIA

## APARTMENTS REMAIN IN HIGH DEMAND AS ATLANTA'S ECONOMY RECOVERS

Robust apartment demand sustained healthy apartment fundamentals in the Atlanta metropolitan area in 2020, and the underlying rental drivers are expected to persist in the near term. While employment contracted by nearly 326,000 jobs in the initial reaction to the pandemic, payrolls recovered more than 40% of those headcounts by year-end 2020. The resilient workforce, accelerating in-migration, and slowdown in single-family home completions underpinned a year-over-year increase in annual apartment absorption last year. Leasing activity nearly kept pace with the post-recession peak apartment deliveries as average apartment occupancy ticked down 10 basis points in 2020 to 94.8%. As payrolls rise, strong in-migration persists, and single-family home completions remain below the long-term average, vigorous apartment leasing is projected this year. Another factor driving apartment leasing over the next four quarters will be strategically located deliveries in Buckhead, Vinings, and West Atlanta. Net annual leasing activity is expected to be highest in these premier suburbs that benefit from the growing presence of white-collar employers like Salesforce and Ameris Bancorp. Across Greater Atlanta, all employment sectors are forecast to post gains this year, with additions in professional and business services sector leading the metro. The economic recovery should keep annual apartment absorption slightly above the five-year average. With new supply and demand nearly at equilibrium, average apartment occupancy is predicted to hold at 94.8% this year. At the same time, operators are expected to accelerate rent growth. After advancing 0.2% in 2020, monthly effective rent is projected to increase 2.0% to \$1,303 by year-end.



### 2021 MARKET AT A GLANCE



**OCCUPANCY RATE**  
**94.8%**  
 Unchanged YOY

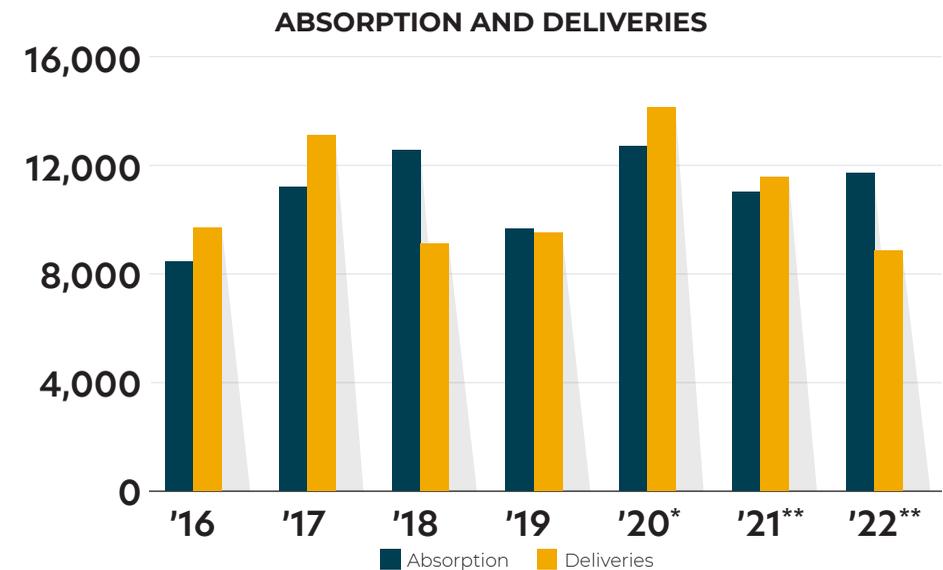
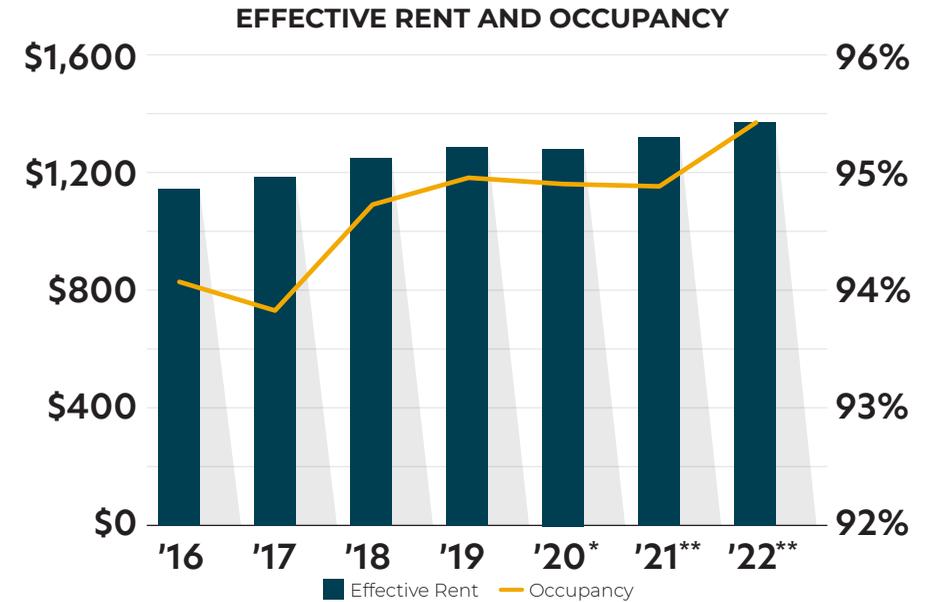


**EFFECTIVE RENT**  
**\$1,303**  
 Up 2.0% YOY



**RENT SHARE OF WALLET**  
**22.2%**  
 Up 40 bps YOY

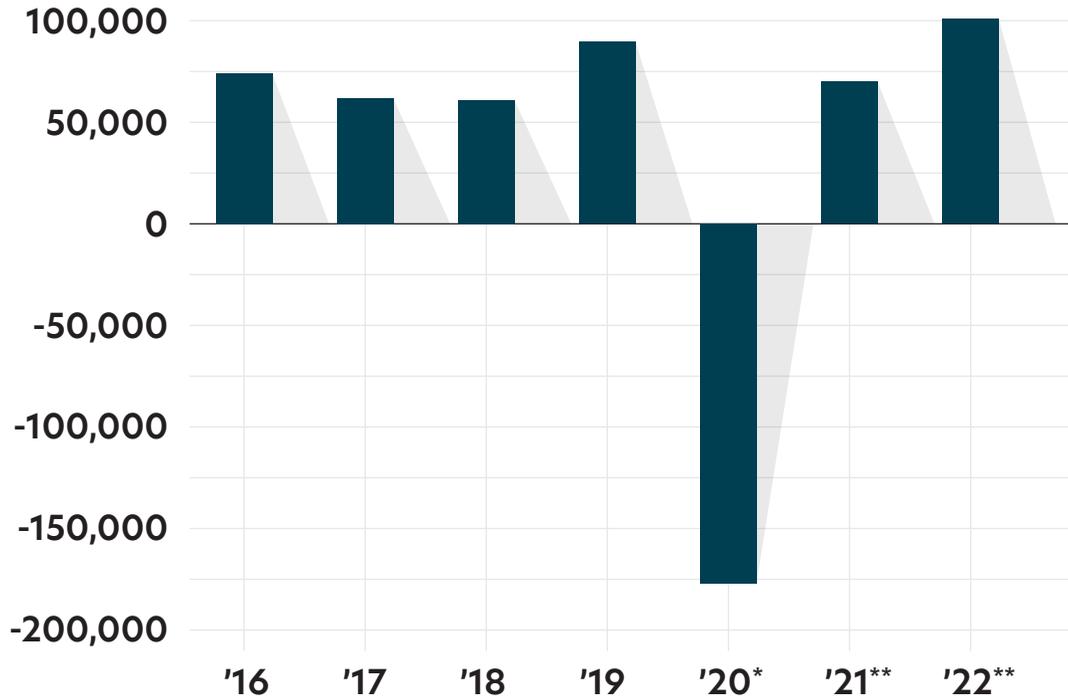
### MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. \*Numbers for 2020 are projected values; \*\*2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

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## EMPLOYMENT TRENDS



## EMPLOYMENT

2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,905,200	-6.0%	2,730,100	2.6%	2,799,900

## UNEMPLOYMENT RATE

2019	YOY CHANGE	2020	YOY CHANGE	2021
2.3%	320 BPS	5.5%	70 BPS	6.2%

## POPULATION

2019	YOY CHANGE	2020	YOY CHANGE	2021
6,066,300	1.3%	6,145,900	1.2%	6,222,500

## HOUSEHOLDS

2019	YOY CHANGE	2020	YOY CHANGE	2021
2,235,100	1.5%	2,269,300	1.7%	2,307,600

## MEDIAN HOUSEHOLD INCOME

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$71,441	-1.7%	\$70,191	0.3%	\$70,406

## SALES TRENDS

### PRICE PER UNIT

2019	YOY CHANGE	2020*
\$133,697	12.1%	\$149,825

### CAP RATE

2019	YOY CHANGE	2020
5.6%	-20 BPS	5.4%



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