ATLANTA, GA
MULTIFAMILY REPORT

2024 | MID-YEAR

Jobs Added / Lost*

LAST 12 MONTHS

42,000

1.4%

Unemployment*

JUNE 2024

3.4%

20 BPS YOY

*Seasonally Adjusted

ATLANTA, GA

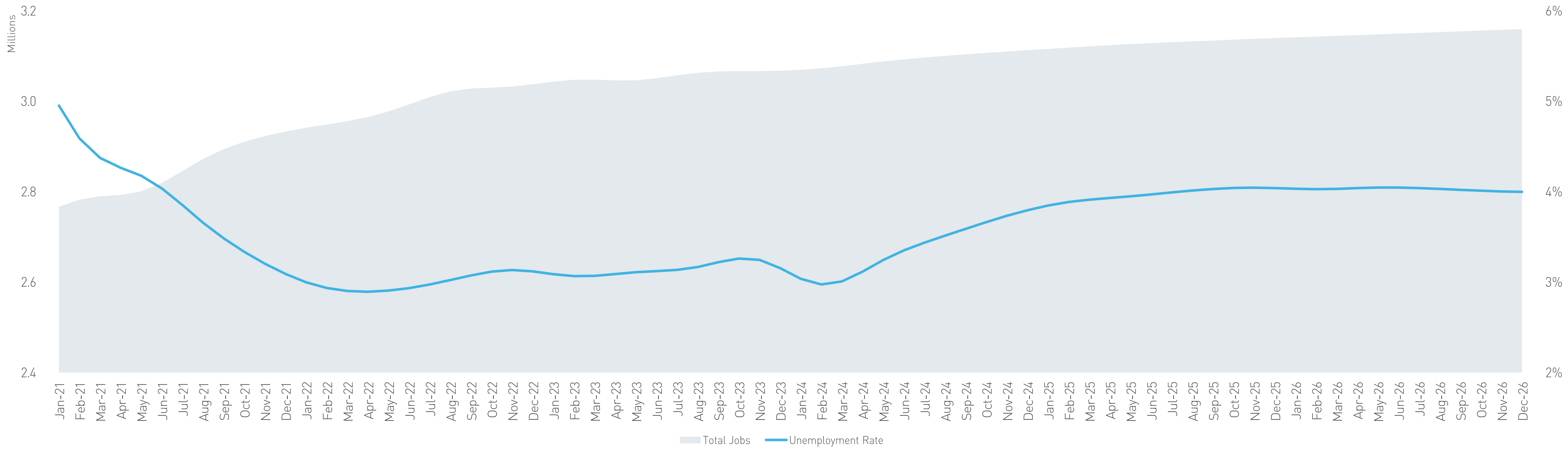
EMPLOYMENT

Businesses in Metro Atlanta added 42,000 net jobs since the halfway point of 2023. The most notable gains were in the private education and healthcare sector. Children's Healthcare of Atlanta (CHOA) broke ground on its Arthur M. Blank Hospital in 2020 and is on track for completion by fall 2024. The new $1.5 billion campus includes 446 hospital beds, several hospital towers, 20 acres of greenspace, and will create 1,000 new jobs. CHOA is the tenth largest employer in Atlanta, with 9,960 employees metrowide. After opening its new hospital in 2020, Piedmont Healthcare announced in May that it would be investing an additional $212 million for a new tower at Piedmont Henry Hospital. Upon expected completion in 2026, the five-story patient tower will include 96 new patient rooms, operating rooms, and a new kitchen and cafeteria. The medical system currently employs just below 30,000 workers in Metro Atlanta. Other sectors with notable development activity include the manufacturing industry, which expanded by 1,800 net new jobs annually. PepsiCo Beverages North America announced a $260 million investment to expand its existing manufacturing facility in nearby Stone Mountain, which is expected to add more than 130 new jobs by year-end. The expansion will incorporate numerous technological tools to increase productivity within the plant and are expected to quintuple the facility's production by 2025.

In the News

- PepsiCo $260 million manufacturing expansion in DeKalb County
- Children's Healthcare of Atlanta's new campus will open fall 2024
- Piedmont Henry Hospital breaks ground after $212 million investment

Employment Trends



Source: Moody's Analytics

2024 YEAR TO DATE

DELIVERIES
12,445 UNITS

ABSORPTION
10,180 UNITS

2024 TOTAL*

DELIVERIES
25,761 UNITS

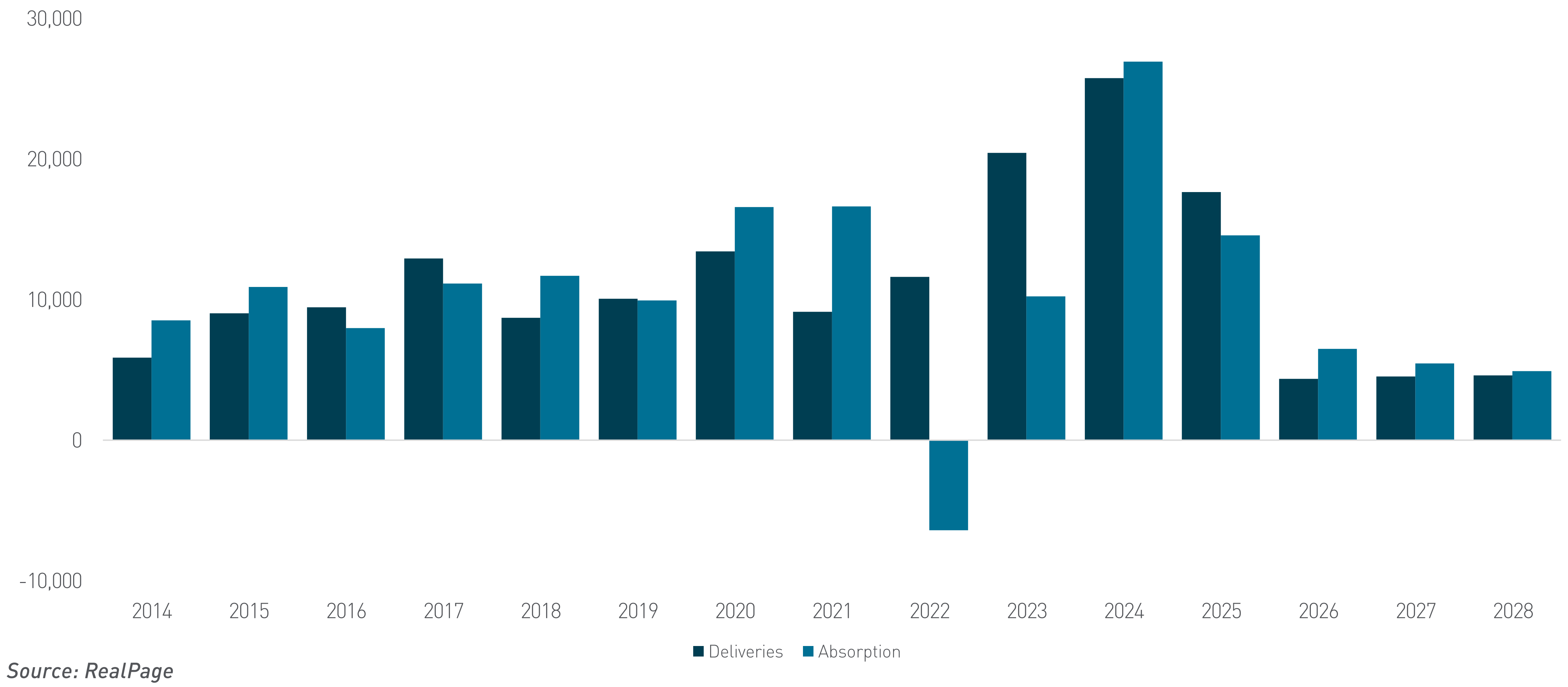
ABSORPTION
26,922 UNITS

**Projected*

ATLANTA, GA

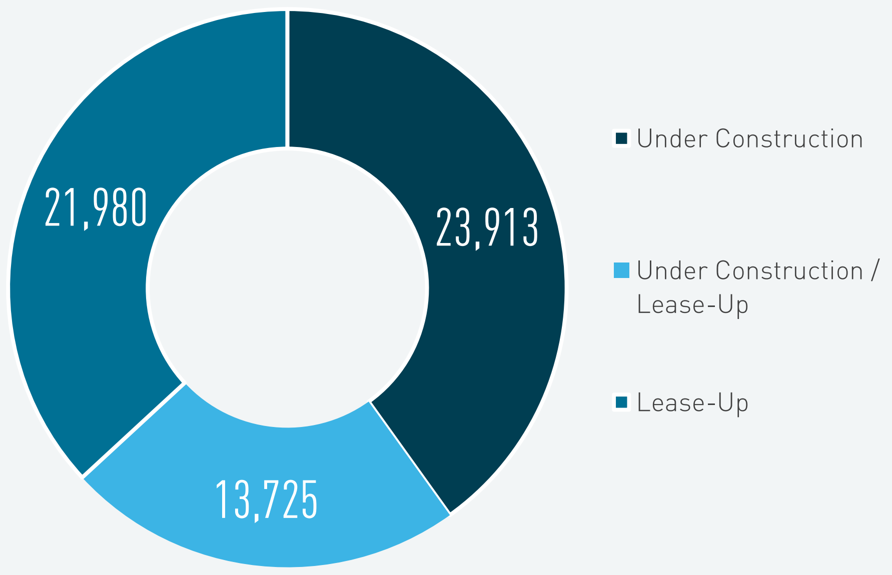
DELIVERIES & ABSORPTION

Greater Atlanta consistently ranks among the top Sun Belt destinations for in-migration, which heightened coming out of the pandemic. From 2021 to 2023, more than 60,300 people moved to the metro each year than left to fuel household formation. This demographic trend continued in the first half of this year as net migration totaled 21,900 people. New and current residents were faced with a competitive homeownership environment. Monthly active listings in the first half of the year, were approximately two-thirds the level in the low-interest setting prior to 2020. As a result, many households turned to apartments as net absorption totaled 10,180 units year to date. Move-ins reached the highest total for the first half of a year in more than 25 years. Also facilitating leasing activity has been a strategic construction pipeline. While developers have a heavy focus on suburban areas of Atlanta, the Midtown Atlanta submarket led the metro for additions in the first half of the year. The submarket benefits from Midtown Station, which easily connects residents to the 45 surrounding neighborhoods. Apartment development will be robust in the area in the near term as the Midtown Atlanta pipeline leads all other submarkets at mid-year. More housing will be vital in the submarket and throughout Greater Atlanta as hiring and net in-migration are projected to remain persistent in the second half of 2024. Leasing activity is forecast to accelerate as a result.

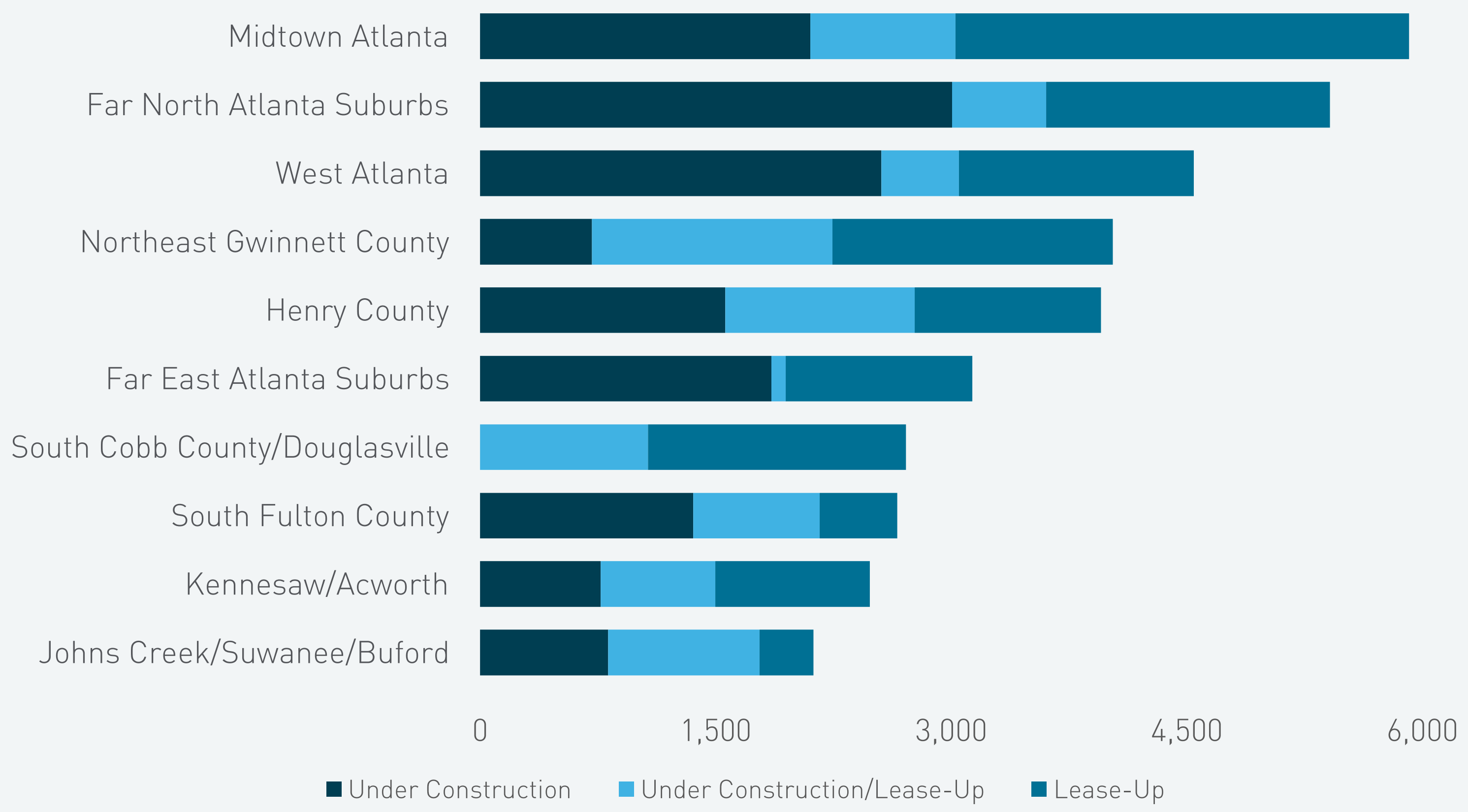


Source: RealPage

Market Pipeline



Top Submarket Pipelines



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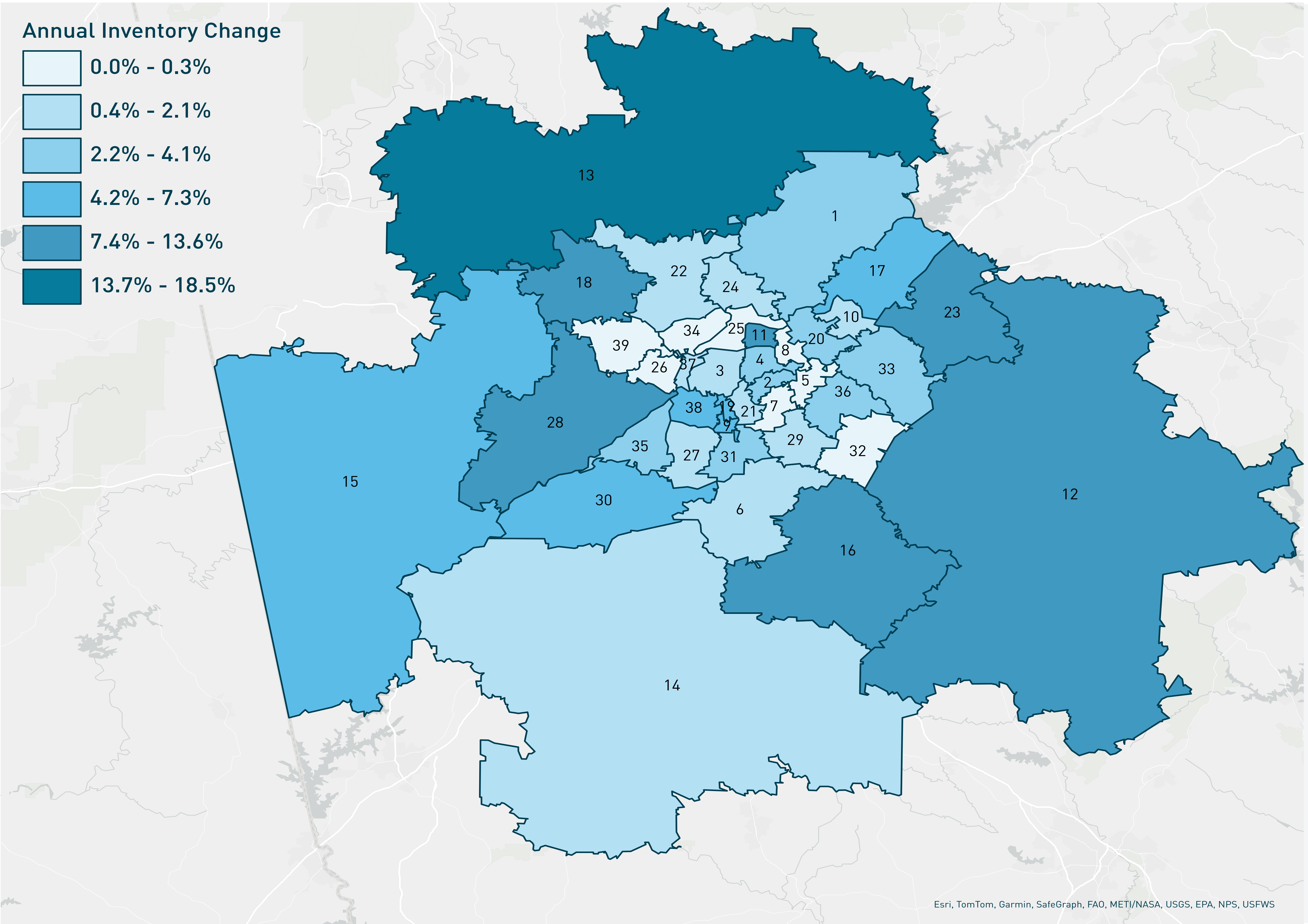
SUBMARKET MID-YEAR 2024 ANNUAL INVENTORY CHANGE

The only notable apartment supply expansion in Metro Atlanta's core at the halfway point of 2024 was within the Midtown Atlanta submarket, with the rest of the new supply being built in more suburban areas. The BeltLine, Atlanta's 22-mile multi-use trail and light rail system, connects Midtown with many surrounding areas, and has become an entertainment hub featuring a thriving nightlife scene as well as the Krog Street Market and the Ponce City Market. Increased development activity in Midtown Atlanta led the submarket to have the largest inventory expansion among all submarkets in the first two quarters of the year, adding 1,089 new units to its existing supply. The submarket's prime location to all that Atlanta has to offer is a major selling point for renters, as it currently has the most available inventory in the metro, reaching 28,062 existing units at the end of the second quarter.



SUBMARKET BOUNDARIES

1. Alpharetta / Cumming
2. Briarcliff
3. Buckhead
4. Chamblee / 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 DeKalb 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 2024

$1,622

Occupancy

Q2 2024

92.2%

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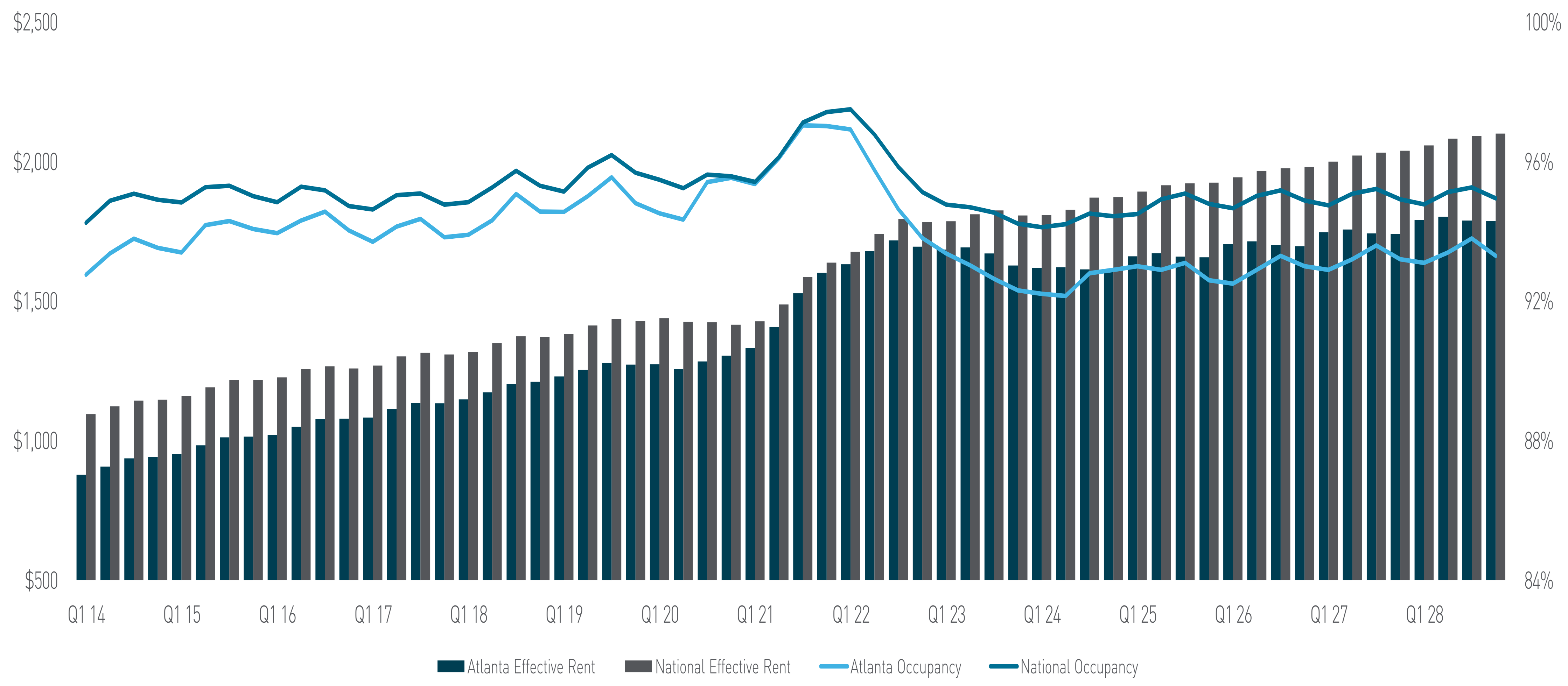
RENT & OCCUPANCY

Part of the appeal of the Atlanta multifamily market to renters is its affordability. Atlanta monthly effective rent averaged $1,622 in the second quarter of 2024, approximately an 11% discount to the U.S. average and lower than other large metros in the Southeast that included Charleston, Orlando, and Miami. The Atlanta apartment market also provides a more attractive option to residents over homeownership. Renting was approximately 36% less than the median mortgage payment in the Atlanta metropolitan area in the second quarter of 2024. This imbalance also applies to Class A apartment communities. At an average of $2,021 per month in the second quarter of 2024, average Class A effective rent was more than $500 under the median monthly mortgage payment. The health of the Atlanta apartment market was also reflected in occupancy. At an average of 92.2% in the second quarter of 2024, the latest occupancy rate was near the cycle average of 93.0% in the decade leading up to 2020. Renters are showing a preference for amenity rich, top-tier communities. Class A apartment operators recorded the highest occupancy among all classes, at 92.8% in the second quarter of 2024. A feature of this cohort is the renter-by-choice. The average annual income recorded for renters who signed new leases in the second quarter of 2024 was more than $135,700, well above the estimated $115,400 income need to buy a home in Atlanta.

Atlanta vs. National Effective Rent & Occupancy



Source: RealPage

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Submarket Performance

SUBMARKET NAME	Q2 2024 OCCUPANCY	Q2 2024 EFFECTIVE RENT
Alpharetta/Cumming	93.6%	$1,894
Briarcliff	92.5%	$1,601
Buckhead	92.5%	$1,972
Chamblee/Brookhaven	93.6%	$1,729
Clarkston/Tucker	92.9%	$1,441
Clayton County	91.3%	$1,259
Decatur	92.0%	$1,759
Doraville	91.4%	$1,488
Downtown Atlanta	90.5%	$1,789
Duluth	93.5%	$1,617
Dunwoody	93.4%	$1,745
Far East Atlanta Suburbs	90.8%	$1,449
Far North Atlanta Suburbs	93.8%	$1,596
Far South Atlanta Suburbs	93.7%	$1,669
Far West Atlanta Suburbs	92.3%	$1,495
Henry County	90.6%	$1,531
Johns Creek/Suwanee/Buford	94.0%	$1,769
Kennesaw/Acworth	94.3%	$1,655
Midtown Atlanta	92.2%	$1,985
Norcross	92.2%	$1,449
Northeast Atlanta	90.6%	$1,729
Northeast Cobb/Woodstock	93.1%	$1,650
Northeast Gwinnett County	93.4%	$1,661
Roswell	93.0%	$1,692
Sandy Springs	92.1%	$1,667
Smyrna	93.0%	$1,594
South Atlanta	91.9%	$1,280
South Cobb County/Douglasville	91.7%	$1,450
South DeKalb County	89.3%	$1,265
South Fulton County	89.3%	$1,261
Southeast Atlanta	90.7%	$1,609
Southeast DeKalb County	89.4%	$1,373
Southeast Gwinnett County	93.2%	$1,574
Southeast Marietta	92.3%	$1,518
Southwest Atlanta	88.1%	$1,352
Stone Mountain	89.0%	$1,267
Vinings	92.8%	$1,755
West Atlanta	91.7%	$1,754
West Marietta	92.0%	$1,372

ATLANTA, GA

SALES

2024 Year to Date*

VOLUME
$1.4B

PRICE PER UNIT (AVG)
$234,033

TRANSACTIONS
20

CAP RATE (AVG)
5.4%

What's Trading?*

UNITS (AVG)
303

YEAR BUILT (AVG)
2000s

BUILDINGS (AVG)
12

ACRES (AVG)
16.88

Top Buyers*

BUYER	LOCATION
KKR	New York, NY
Pacific Urban Investors	San Francisco, CA
Weinstein Properties	Glen Allen, VA
Hilltop Residential	Houston, TX
Greystar	Charleston, SC

Top Sellers*

SELLER	LOCATION
Lennar Corp.	Miami, FL
Camden Property Trust	Houston, TX
New York Life	New York, NY
The Connor Group	Miamisburg, OH
Cortland	Atlanta, GA

Source: MSCI Real Capital Analytics
**$20m+*

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