

# ATLANTA MARKET REPORT



## MARKET INDICATORS

Q1 2014  
OUTLOOK

VACANCY	↓
CONCESSIONS	↓
RENTS	↑
TRANSACTIONS	↑
PRICE PER UNIT	↑
CAP RATES	↓



## Over-Supply Concerns Eased by Strong Demand

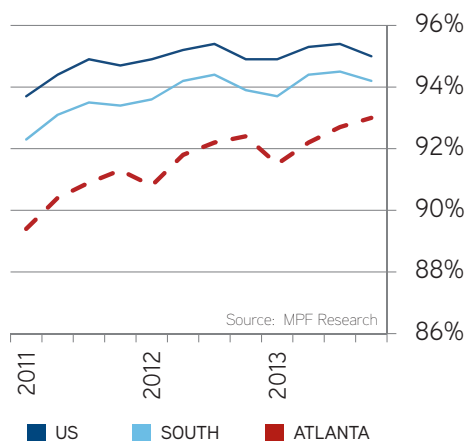
Atlanta's recovery from the recession remains steady yet unspectacular. Year-end non-farm employment was up 2.5% or 58,900 jobs from YE 2012, according to the Bureau of Labor Statistics. Employment figures are still approximately 28,000 jobs away from December 2007, and many of the country's local economies have surpassed their pre-recession totals. Nonetheless, Atlanta is experiencing job growth at a favorable rate, with all major industry sectors (except manufacturing) seeing recent employment gains. The greatest job growth was seen in the construction sector due to new development of mixed-use projects as well as multi-family and single-family residences. The exciting new mixed-use developments for the Atlanta Braves and the Atlanta Falcons "will continue to fuel the turnaround for the beleaguered construction and design industries that [were] already underway", according to the Atlanta Business Chronicle.

Regarding the apartment market, Atlanta's occupancy climbed 30 basis points to finish off the fourth quarter at 93.0%. Year-over-year the metro's occupancy increased 60 basis points after a slight dip in occupancy earlier in 2013. This weak occupancy figure, relative to the averages in the region, is due in large part to poor performance of assets built pre-1980. These older properties averaged occupancy rates of 88%, while apartments built in 1980 or newer boasted occupancy rates averaging 94.5%.

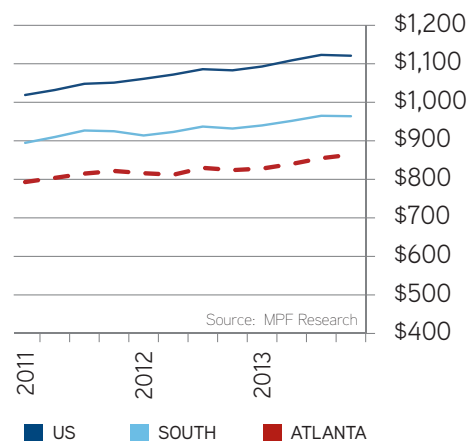
The 4th quarter 2013 saw average monthly effective rents increase by 0.9% to \$864; year-over-year effective rent growth climbed 4.3%. This marks the 13th consecutive quarter of annual rent growth for the Atlanta MSA. In the Southern region, Atlanta was only outperformed by Miami in terms of annual rent growth. Apartment owners in the northern suburbs are expected to continue aggressively pushing rents while core, infill assets will experience much more modest rent growth due to the influx of new product in 2014.

According to REIS, more than 5,248 market-rate apartments in 19 projects are currently under construction in the metro Atlanta area. Of these 19 projects under construction, 12 projects totaling 3,167 units are slated for completion in 2014. This number is staggering compared to the 381 market-rate units delivered in 2012 and 2,460 market-rate units in 2013, but recent absorption figures and projected demand in the market indicate that these upcoming deliveries will not cause occupancy rates to plummet. REIS anticipates the decrease in occupancy to be minimal.

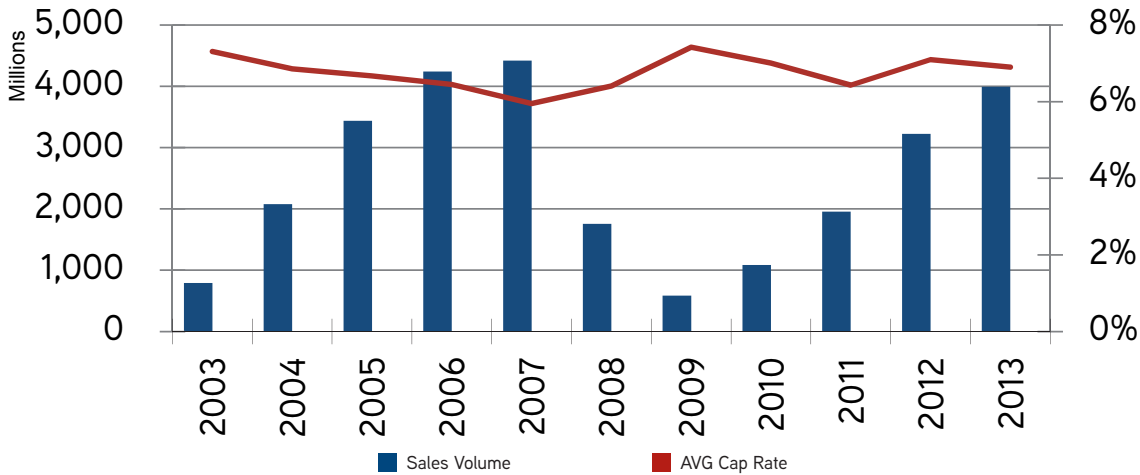
### HISTORICAL APARTMENT OCCUPANCY



### HISTORICAL APARTMENT RENTS



## ATLANTA MULTI-FAMILY | Investment Volume &amp; Cap Rates



## ATLANTA MULTI-FAMILY

Investment for apartment properties in the Atlanta market has increased by 23.9% by 4Q13 from the previous year in total volume. There have been 206 properties sold YE 2013 representing an average of 72,000 per unit. The average cap rate for apartments in the Atlanta market dropped 20 bps from the end of 2012 to 6.9% YE 2013.

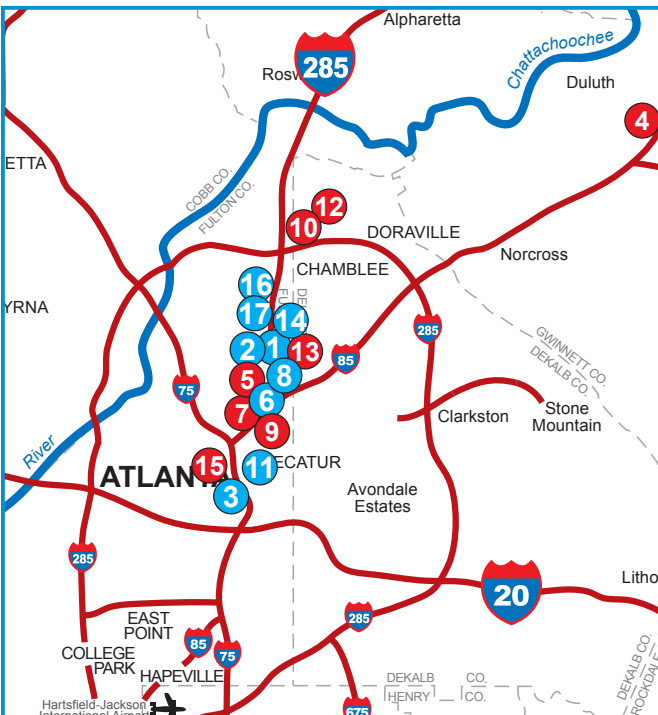
Source: Real Capital Analytics

## UPDATE Recent Transactions in the Market

## SALES ACTIVITY

PROPERTY	SUBMARKET	SALES DATE	SALE PRICE	# UNITS	PRICE/UNIT	BUYER
Jasmine At Winters Chapel	Northlake	10/03/2013	\$33,000,000	592	\$55,743	Spire Capital Pty Ltd
The Falls At Gwinnett Place	NE Atlanta	11/25/2013	\$31,981,300	520	\$61,503	Spire Capital Pty Ltd
Bexley Apartment	NW Atlanta	11/01/2013	\$30,600,000	496	\$61,694	American Property Holdings Corp
Promenade At Berkeley	NE Atlanta	12/12/2013	\$33,700,000	492	\$68,496	Oak Coast Properties
Pinewood Manor	South Atlanta	12/04/2013	\$9,650,000	460	\$20,978	Anthos Properties, LLC
Jasmine At Holcomb Bridge	North Fulton	10/25/2013	\$26,302,500	437	\$60,189	Resource Real Estate Opportunity
Aventine At Vinings	NW Atlanta	01/03/2014	\$46,566,000	403	\$115,548	Ram Realty Services
Marquis 2200	Northlake	10/17/2013	\$51,900,000	399	\$130,075	CWS Capital Partners
Alderwood Trails	Northlake	11/08/2013	\$16,500,000	399	\$41,353	Kim Rock Capital, LLC
Woodlands Park	NW Atlanta	12/17/2013	\$7,900,000	386	\$20,466	City of Marietta

Source: CoStar



## MULTI-FAMILY PIPELINE | Urban Atlanta

#	NAME	DEVELOPER	MARKET	# UNITS
1	Simon Properties Lenox Mall	Simon Property Group	Buckhead	750
2	Prominence in Buckhead	Crocker Partners	Buckhead	703
3	250 Piedmont	Paces Properties	Downtown	453
4	The Highlands at Sugarloaf (u/c)	Brand Properties	NE Atlanta	390
5	Camden Paces (u/c)	Camden Property Trust	Buckhead	379
6	Buckhead Village	Loudermilk Rohrig 38	Buckhead	373
7	Buckhead Atlanta (u/c)	Oliver McMillan	Buckhead	370
8	SkyHouse Buckhead	Novare Group	Buckhead	364
9	Circle Terminus (u/c)	Crescent Properties	Buckhead	355
10	Perimeter Town Center (u/c)	Northwood Ravin	C Perimeter	350
11	33 Peachtree Place	Wood Partners	Midtown	350
12	Citizen Perimeter (u/c)	Pollack Shores RE Group	C Perimeter	341
13	Post Alexander Phase II (u/c)	Post Properties	Buckhead	340
14	3380 Peachtree Place	Wood Partners	Buckhead	327
15	Steelworks (u/c)	Pollack Shores	Midtown	317
16	JBL Sandy Springs Phase I	JLB Partners	NW Atlanta	316
17	JBL Sandy Springs Phase II	JLB Partners	NW Atlanta	314

Source: CoStar

### TOP EMPLOYERS

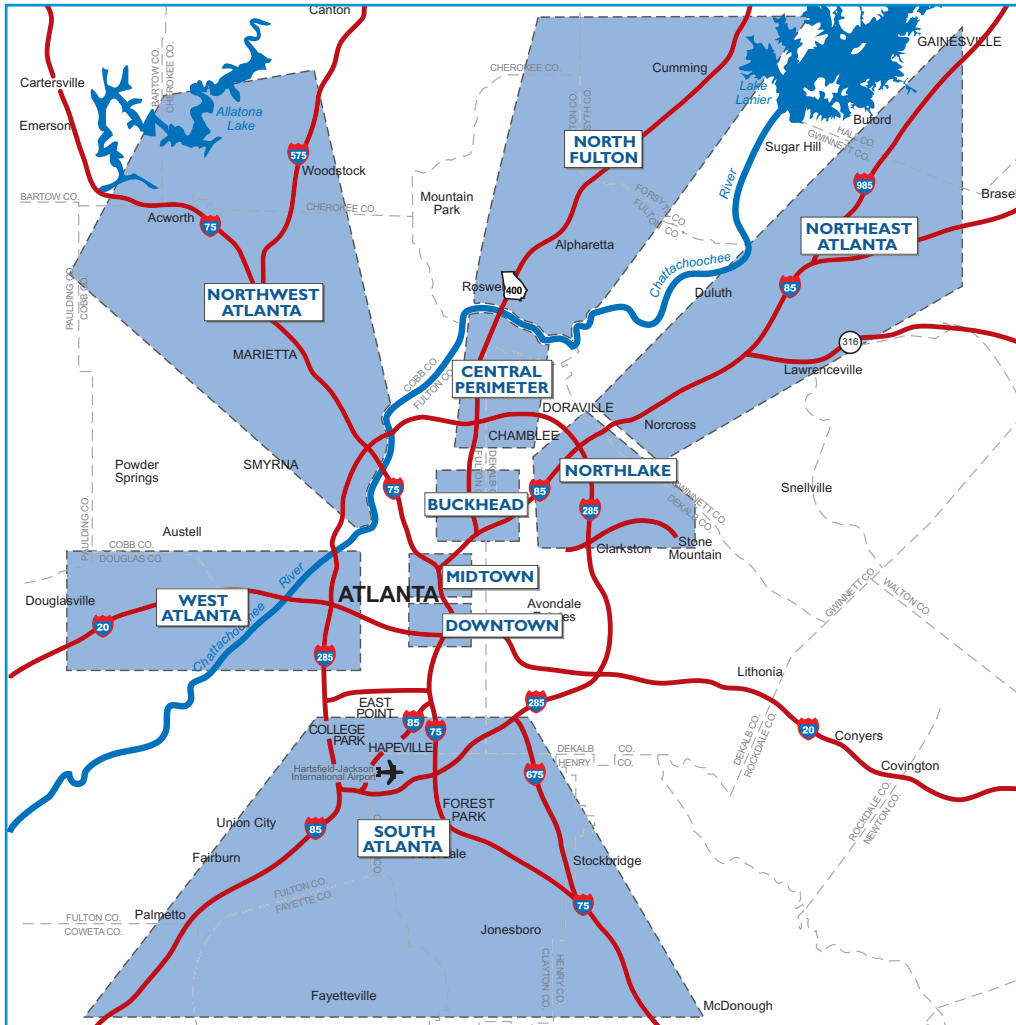
COMPANY	# EMPLOYEES
Delta Airlines	27,000
Wal-Mart Stores	26,000
AT&T	19,000
Emory University	17,994
Publix Supermarkets	9,453
The Home Depot	9,000
Emory Healthcare	8,648

Source: Moody's Analytics

### WORLD CLASS UNIVERSITIES, COLLEGES

UNIVERSITY	CITY	# STUDENTS
University of Georgia	Athens	34,536
Georgia State	Atlanta	32,000
Kennesaw State	Kennesaw	24,600
Georgia Tech	Atlanta	21,475
Georgia Perimeter	Decatur	21,123
Emory	Atlanta	13,898
University of West GA	Carrollton	11,952

Source: Atlanta Business Chronicle 2013 Book of Lists



## 482 offices in 62 countries on 6 continents

United States: 140  
Canada: 42  
Latin America: 20  
Asia Pacific: 195  
EMEA: 85

- \$2 billion in annual revenue
- Over 1.1 billion square feet under management
- Over 13,500 professionals



RON CAMERON



WILL MATHEWS

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