Market Report

MULTIFAMILY 2Q/26

Atlanta Metro Area

IPA | INSTITUTIONAL PROPERTY ADVISORS

2026 FORECAST

EMPLOYMENT
16,000 — Jobs will be created
0.5% — Increase Y-O-Y

CONSTRUCTION
9,300 — Units will be added
1.6% — Inventory increase Y-O-Y

VACANCY
5.6% — Vacancy rate
70 — BPS decrease Y-O-Y

RENT
$1,600 — Average effective rent by year-end
1.0% — Increase Y-O-Y

Supply Tailwinds Outweigh Demand Issues, Culminating in Improving Vacancy

Sector responding to new population trends. A 30 percent decline in net in-migration slowed population growth to 1 percent year-over-year in 2025, though Atlanta still ranked fourth nationally in resident gains. Growth is most apparent in Atlanta's outer suburbs, particularly the far north, far east, and southern corridors. Multifamily performance, however, remains uneven. Vacancy rose annually through March in suburban nodes with high foreign-born representation, including Norcross, Clarkston, Doraville, and Buford, potentially reflecting immigration-related pressures. In the core, however, limited new supply should continue to bolster fundamentals after it already posted some of the strongest year-over-year rent growth nationally in early 2026.

Near-term supply pressures ease. About half of Atlanta's submarkets posted triple-digit basis-point vacancy declines last year, setting an optimistic backdrop for 2026. While a steep drop in this year's supply pipeline offers near-term support, longer-run plans may reignite supply risk. ATL Zoning 2.0 aims to reduce development hurdles, while Atlanta Mayor Andre Dickens' housing strategy targets building or preserving 20,000 affordable units by 2030. Still, for 2026, deliveries are retreating, so even modest job creation may support absorption and rent growth.

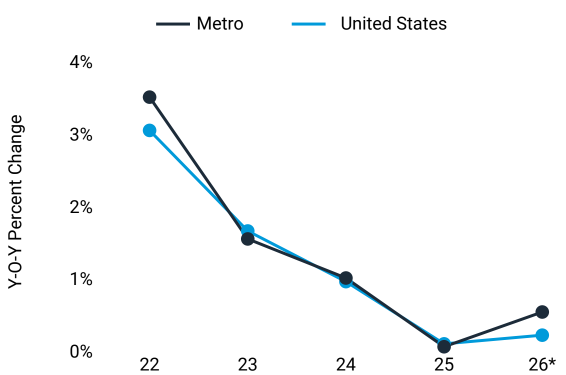
EMPLOYMENT

Through April this year, the local labor market added 10,400 jobs on net. Although education and health care continued to show gains, logistics hiring has shown improvement. Yet losses in sectors with many foreign-born workers, such as construction, and declines in financial activities may limit overall employment growth going forward. While net job gains this year should mark an improvement over 2025, the total will remain well below Atlanta's long-term average of about 43,000 yearly jobs.

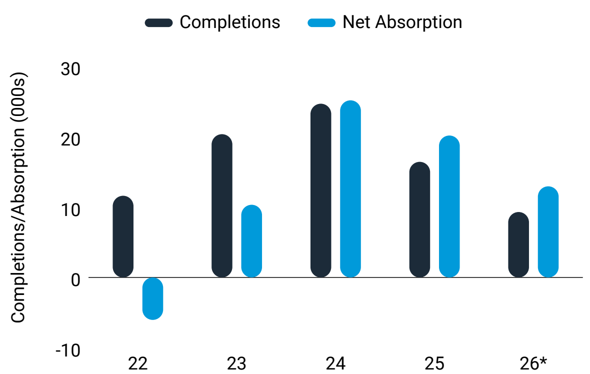
CONSTRUCTION

Deliveries should slow by roughly 43 percent year-over-year in 2026. This represents the lowest annual total since 2021 and should aid local fundamentals, particularly after a recent supply wave expanded inventory by 11 percent from 2022 to 2025. Only two submarkets will receive more than 1,000 units — Johns Creek-Suwanee-Buford and Cartersville-Dawsonville — maintaining pressure in these nodes after they were the only submarkets in the metro to post triple-digit basis-point increases in vacancy last year.

EMPLOYMENT TRENDS



CONSTRUCTION TRENDS

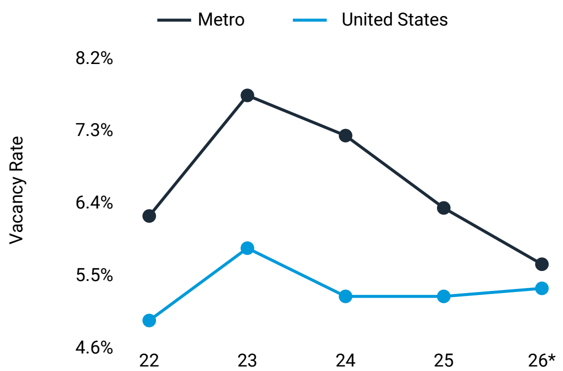


* Forecast
Sources: BLS; CoStar Group, Inc.; RealPage, Inc.

VACANCY

Atlanta will record its third consecutive year of vacancy tightening, the second-steepest drop among major U.S. metros. Still, below-average labor market growth may limit renter depth, while an affordability gap on the lower end of major metros still allows some to pursue homeownership. A sharp pullback in construction activity, however, provides upside. As a result, local vacancy should remain above the national rate of 5.3 percent, even as that spread narrows to its lowest point since 2020 by year-end.

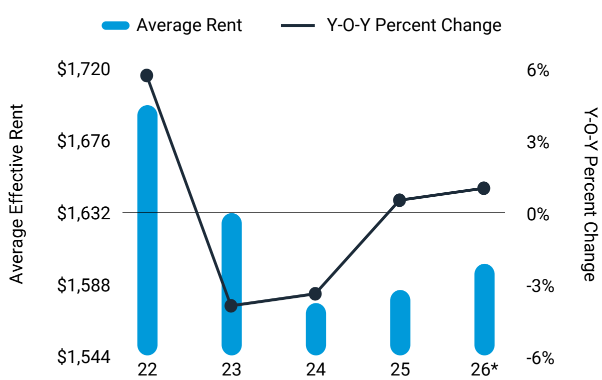
VACANCY TRENDS



RENT

With supply pressures easing and demand continuing to grow, Atlanta's average effective rent is poised to eclipse $1,600 per month for the first time since 2023. This may signal a directional shift as the market works through its recent supply wave. Nonetheless, elevated concession usage in early 2026 may keep rent growth modest, especially in the Class C segment, where nearly 40 percent of units were offering concessions as of March this year, a multiyear high.

RENT TRENDS



* Forecast ** Through 1Q

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

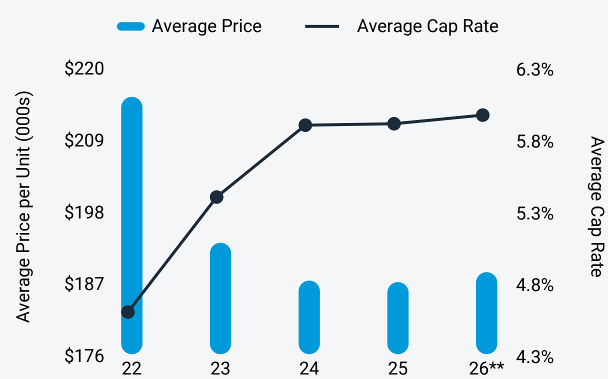
INVESTMENT HIGHLIGHTS

- After three consecutive years of decline, the average price per unit rose during the trailing 12 months through March. Although the gain was marginal at just 0.7 percent year-over-year, it coincided with increased institutional activity. Trades above $20 million climbed to their highest level since 2022, as larger investors were drawn to declining vacancy, a sign that the metro is moving past its most recent supply wave. Institutional buyers primarily targeted higher-quality Class A and B properties, averaging about 280 units per building. Private investors, meanwhile, remained active in lower-tier assets, with deals averaging around 50 units.

- Investors may continue to favor assets in and near the core, where multifamily fundamentals have been more favorable. The spread between CBD and suburban vacancy widened in early 2026 to about 50 basis points — extending a 12-quarter period in which core vacancy has remained below suburban.

- Atlanta's affluent northern suburbs are attracting notable corporate investment. Mercedes-Benz, Equifax, Glytec, Yamaha Motor Co., and UCB Inc. are among the firms expanding or relocating operations to the area. As these projects materialize, nodes such as Kennesaw, Marietta, Sandy Springs, Alpharetta, and parts of Gwinnett County should be well positioned to capture stronger multifamily demand. Assets in these areas tend to trade above the metro average but below core pricing, reflecting high household incomes, strong access to employment, and desirable suburban locations that should continue to attract investors.

SALES TRENDS



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