

CONSTRUCTION ACTIVITY



UNDER CONSTRUCTION **16,243**

UNITS DELIVERED (YTD) **4,785**

MARKET FUNDAMENTALS



VACANCY RATE **5.8%**

YEAR-OVER-YEAR CHANGE **+10bps**

ASKING RENTS **\$1,655**

YEAR-OVER-YEAR CHANGE **+1.3%**

TRANSACTION ACTIVITY (YTD)



MEDIAN PRICE PER UNIT **\$163,200**

ATLANTA MULTIFAMILY Q2 2026

MARKET INSIGHTS

Vacancy declines through midyear

HIGHLIGHTS

- Operating fundamentals improved during the second quarter, with vacancy declining and rent growth accelerating. Roughly 2,700 units were delivered, while the construction pipeline continued to contract, representing 2.7% of the existing inventory at quarter end.
- Vacancy fell 60 basis points in the second quarter to 5.8% as absorption more than doubled new supply. Atlanta's vacancy rate sits just 10 basis points above its year-ago level.
- Asking rents ticked higher by 1.0% in the third quarter to \$1,655 per month. On an annual basis, rents increased 1.3%.
- The number of properties transacted during the first half of 2026 increased modestly from the same period of 2025. The median sale price reached \$163,200 per unit, as transaction activity remained concentrated in suburban garden-style assets, particularly during the first quarter.

ATLANTA MULTIFAMILY MARKET OVERVIEW

Atlanta's multifamily market ended the first half of 2026 with improving fundamentals, as rents continued to rise and vacancy declined. Approximately 2,700 units delivered during the second quarter, a modest increase from levels at the beginning of the year, while the construction pipeline contracted to roughly 16,200 units underway, down nearly 20% from one year earlier. New supply was distributed relatively evenly across the market, though leasing activity was concentrated in the Far North Atlanta suburbs and the Far East Atlanta suburbs, where demand exceeded second-quarter completions. North DeKalb and Midtown led submarket rent performance, with asking rents rising 3.7% and 3.6% year over year, respectively. Following two consecutive quarters of increases, vacancy declined during the second quarter as absorption more than doubled new supply, leaving the rate only slightly higher than the year-earlier level.

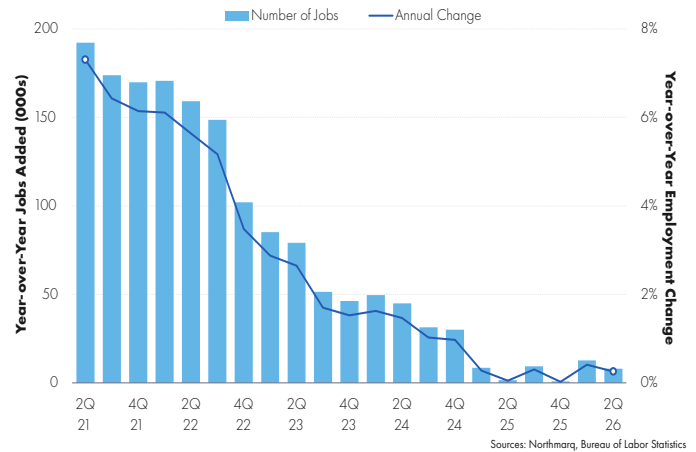
Investment activity increased modestly through the first half of 2026, with volume rising 6% year over year to roughly \$2.2 billion. The median sale price reached \$163,200 per unit, down from 2025, reflecting a shift in transaction mix. Pricing remained highly segmented by product type, with median mid- and high-rise pricing reaching \$256,800 per unit compared with \$137,800 per unit for garden properties. While mid- and high-rise assets accounted for only 30% of transactions, they generated approximately 46% of total sales volume, highlighting the pricing premium associated with newer and well-located properties. The highest pricing remained concentrated in Intown Atlanta, North Fulton and Central Perimeter, as well as newer suburban developments in areas such as Cumming, Austell, Canton, McDonough, Douglasville, and Fairburn. Cap rates generally ranged from the mid-4% range for select premium or value-add opportunities to the high-4% to low-5% range for stabilized institutional-quality assets.

EMPLOYMENT

- Employment growth in Atlanta remained modest during the second quarter of 2026. Area employers added 8,100 jobs year over year, an annual increase of 0.3%.
- The financial activities sector expanded by 0.8% in the past year, adding more than 1,600 jobs. Growth in this sector has remained positive every quarter since the third quarter of 2020.
- Alpharetta continued to attract corporate investment over the past year, with 15 company relocations and expansions bringing more than 1,300 jobs and \$73 million in capital investment. While some growth stemmed from companies relocating employees from elsewhere in the metro, the activity further solidified North Fulton County as a major suburban employment hub.
- **FORECAST:** Hiring is expected to pick up in 2026, though employment gains will remain moderate compared to recent years. Atlanta employment is projected to increase by 15,000 workers, representing annual growth of 0.5%.

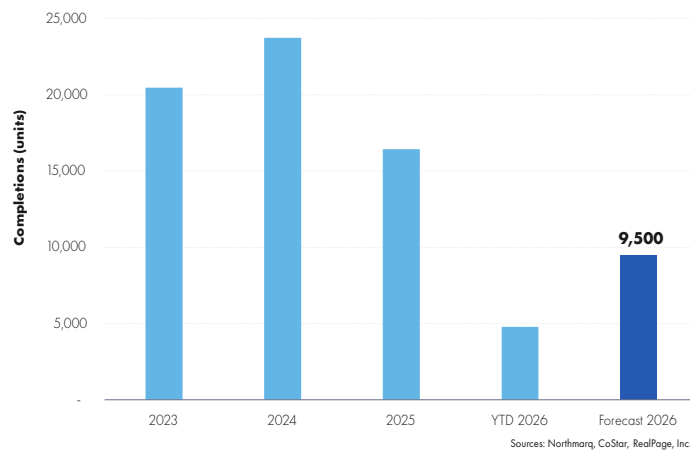
Area employers added 8,100 jobs year over year.

EMPLOYMENT OVERVIEW



Deliveries were down 40% year over year.

DEVELOPMENT TRENDS

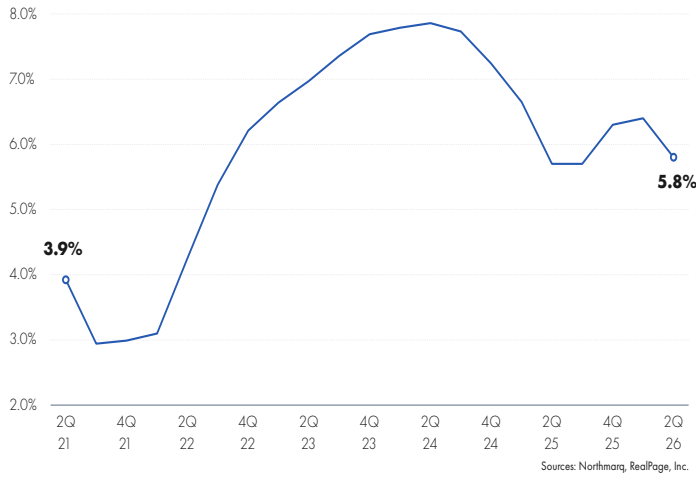


DEVELOPMENT & PERMITTING

- Multifamily deliveries rose slightly in the second quarter, with roughly 2,700 units completed, up from approximately 2,000 units in the first quarter. Even with the increase, quarterly deliveries were down 40% year over year.
- The construction pipeline continued to taper during the second quarter, with roughly 16,200 units underway. Development remains broadly distributed across the Atlanta area, with Northeast Gwinnett County, the Johns Creek/Suwanee/Buford area, Sandy Springs, and Henry County accounting for roughly 30% of units under construction.
- Multifamily permitting activity accelerated during the second quarter, rising more than 30% from the first three months of the year. Developers pulled permits for roughly 3,800 multifamily units, marking the highest total since the first quarter of 2024.
- **FORECAST:** New supply is expected to decline roughly 40% in 2026 compared with last year, with total deliveries expected to reach approximately 9,500 units.

Vacancy fell 60 basis points in the second quarter.

VACANCY TRENDS



VACANCY

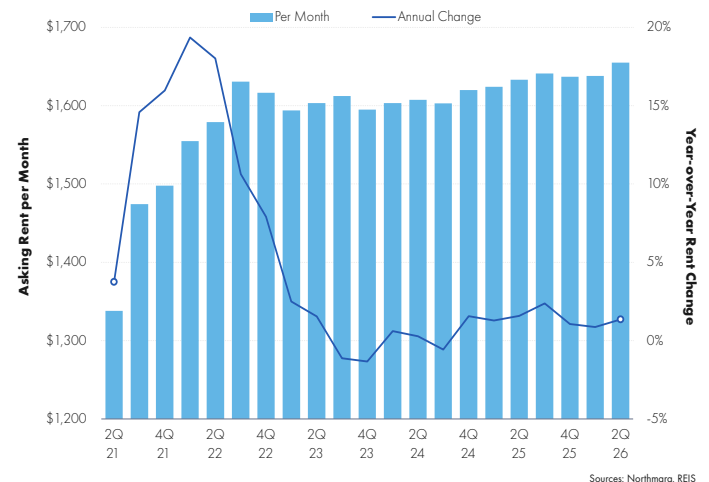
- Absorption of nearly 6,000 units exceeded new supply during the second quarter, driving vacancy down 60 basis points to 5.8%. Vacancy now sits just 10 basis points above its level one year earlier.
- Strong renter demand continued to support Atlanta's suburban growth corridors. Henry County, South Cobb County/Douglasville, Far East Atlanta Suburbs, and Far North Atlanta Suburbs recorded more than 1,000 units of absorption and at least 1,200 units delivered during the past year. In the second quarter, demand exceeded supply in all four submarkets, contributing to vacancy declines of 50 to 140 basis points.
- Vacancy declined across all property classes during the second quarter, led by an 80-basis-point improvement in Class A properties to 5.5%. Class B and Class C vacancy fell 50 basis points and 40 basis points, respectively, to 5.9% and 6.0%.
- FORECAST:** Vacancy is projected to remain near 5.8% through year-end as new supply tapers and recently delivered units are absorbed, representing a 50-basis-point improvement from 2025.

RENTS

- Asking rents posted their strongest quarterly increase in more than a year, rising 1.0% to \$1,655 per month. Rent growth reached 1.3% year over year.
- Performance varied across submarkets. North DeKalb led the market with asking rents increasing 3.7% year over year to \$1,741 per month, while Midtown followed closely with 3.6% growth to \$2,539 per month.
- Class A asking rents led the market, rising 1.3% quarter over quarter and 2.1% year over year to \$1,894 per month. Meanwhile, Class B and Class C rents edged up 1.0% during the quarter but dipped 0.2% annually to \$1,272 per month.
- FORECAST:** Rent growth is expected to accelerate through the second half of 2026, pushing asking rents up 2.0% for the year to approximately \$1,670 per month.

Rent growth reached 1.3% year over year.

RENTS TRENDS

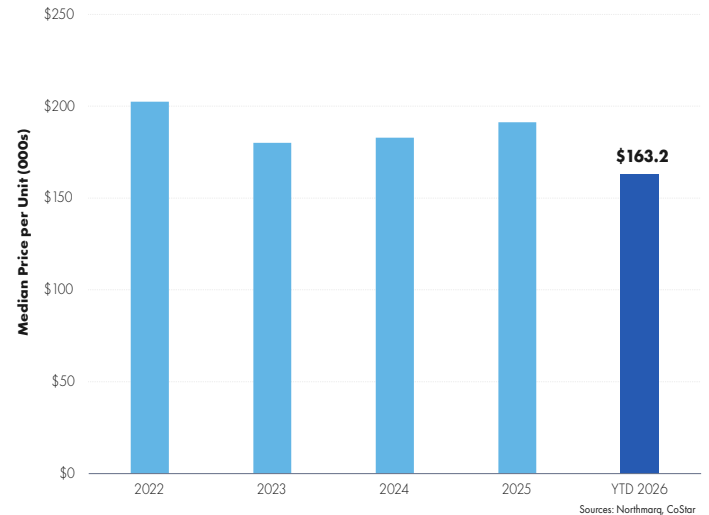


MULTIFAMILY SALES

- Transaction volume through the first half of 2026 reached approximately \$2.2 billion, up 6% from the same period in 2025.
- The year-to-date median sale price is \$163,200 per unit, down from 2025. Transaction mix has been a factor. First-quarter activity was concentrated in garden-style properties across second-tier suburban submarkets, while the second quarter featured a larger share of mid- and high-rise assets in Midtown and Sandy Springs.
- The second quarter featured fewer large institutional trades than at the beginning of the year. Transactions exceeding \$75 million declined from eight during the first quarter to five in the second quarter, contributing to a lower average deal size and reduced overall sales volume.
- In-place cap rates for quality assets with discounts to replacement cost or value-add opportunities were generally in the 4.25% to 4.75% range, while high-quality, stabilized assets traded in the high-4% to low-5% range. Commodity product in high-supply pockets is difficult to trade, but buyers are generally looking for mid-5% cap rates in that space.

The year-to-date median sale price is \$163,200 per unit.

INVESTMENT TRENDS



RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

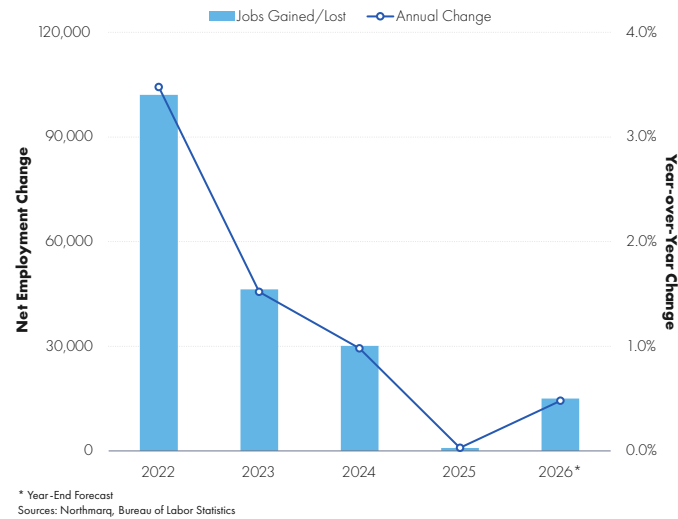
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Sixty 11th	60 11th St. N.E., Atlanta	2016	320	\$132,000,000	\$412,500
1160 Hammond	1160 Hammond Drive, Sandy Springs	2015	345	\$89,725,000	\$260,072
Artesia Big Creek	6405 Rex Lane, Alpharetta	2019	269	\$89,000,000	\$330,855
Preserve At Mill Creek	1400 Mall of Georgia Blvd., Buford	2001	400	\$83,200,000	\$208,000
The Eva	789 Hammond Drive, Sandy Springs	1999	300	\$53,250,000	\$177,500
Briarhill Apartments	1470 Sheridan Road N.E., Atlanta	1988	292	\$51,000,000	\$174,658

LOOKING AHEAD

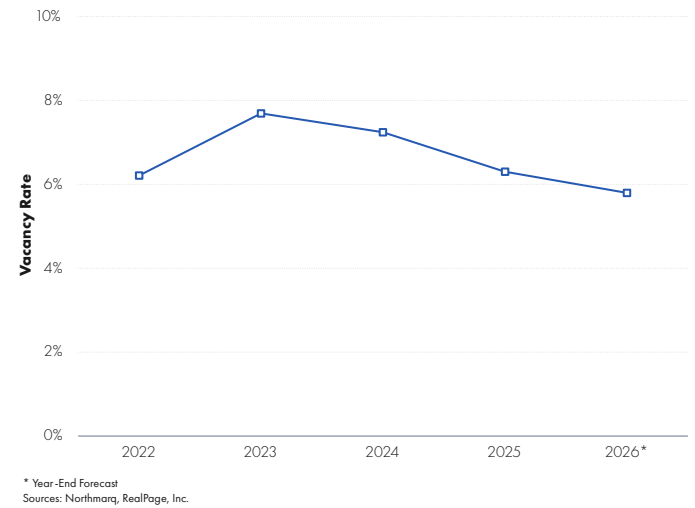
Operating conditions are expected to stabilize further through the second half of 2026 as supply pressures ease. Approximately 9,500 units are projected to deliver this year, a significant decline from the elevated completion levels recorded over the past four years and closer to the annual average from 2017 through 2021. Vacancy is forecast to remain near current levels as absorption closely tracks new supply, with the rate ending 2026 at 5.8%, down 50 basis points year over year and below the trailing five-year average. As supply-demand conditions continue to stabilize, rent growth is expected to accelerate through year-end, surpassing the pace recorded during the past three years.

The Atlanta multifamily investment market is expected to remain steady through the remainder of 2026. Investor interest should continue to span both newer institutional-quality assets and older properties offering value-add potential, supporting transaction activity across a broad range of product types and locations. Pricing is likely to remain segmented, with newer and better-located communities continuing to command a premium relative to older assets. Additional sales activity could emerge over the next one to two years as recently delivered properties lease-up and stabilize, particularly submarkets such as: Henry County, South Cobb County/ Douglasville, the Far East Atlanta Suburbs, and the Far North Atlanta Suburbs. These areas recorded the highest levels of new supply over the trailing 12 months.

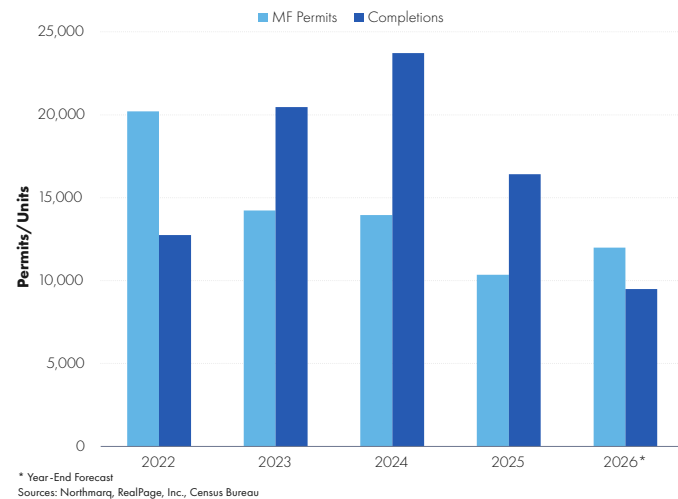
EMPLOYMENT FORECAST



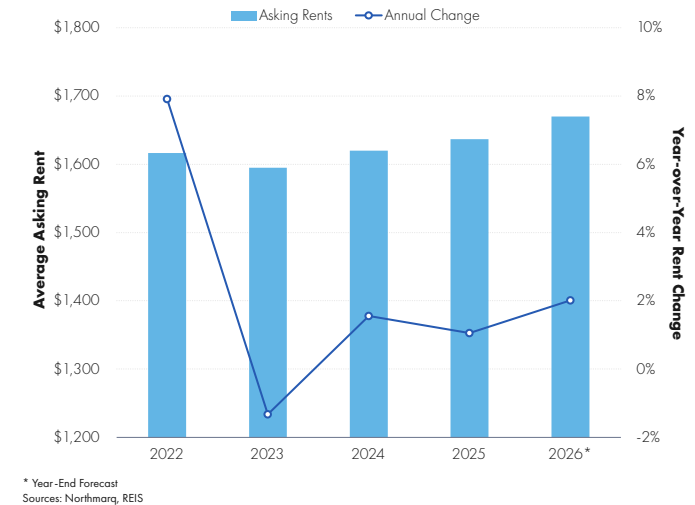
VACANCY FORECAST



CONSTRUCTION & PERMITTING FORECAST



RENTS FORECAST





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