

COMMERCIAL REAL ESTATE REPORT Q3 2022

Atlanta-Sandy Springs-Alpharetta, GA Metro Area

Demographics and Economy

Demographics

0.7%	33.2%	-3.0%	53.7%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-3.1%	162,300	5.7%	6.6%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$59,545	2.5%	24.2%	46.9%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	376,577	2,017,801	2.0%	\$28	14.2%
Q3 2021	2,477,599	-2,718,419	2.6%	\$27	14.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	334,629,804	1,890,311	2,418,865	\$1,742,053,888	7.1%
Q3 2021	332,210,939	1,416,124	4,639,249	\$1,411,072,000	7.2%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	795	116	3.7%	\$1,649	\$1,636	7.6%
Q3 2021	3,999	21,847	18.5%	\$1,590	\$1,583	5.4%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	481,857	4,516	11,407	4.5%		
Q3 2021	470,450	1,454	8,973	4.6%		

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	910,540	4,300,685	7.5%	\$21	4.0%
Q3 2021	1,454,166	3,144,966	6.5%	\$19	4.8%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	368,075,056	6.9%	\$989,449,216	\$211	
Q3 2021	366,795,219	7.1%	\$1,130,620,800	\$176	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	5,062,729	25,591,608	15.0%	\$8	3.5%
Q3 2021	5,279,287	30,488,642	11.0%	\$7	3.9%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	790,742,206	6,845,782	22,860,053	5.9%	\$1,140,379,392
Q3 2021	767,882,153	2,077,943	18,045,767	6.0%	\$1,647,687,424

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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