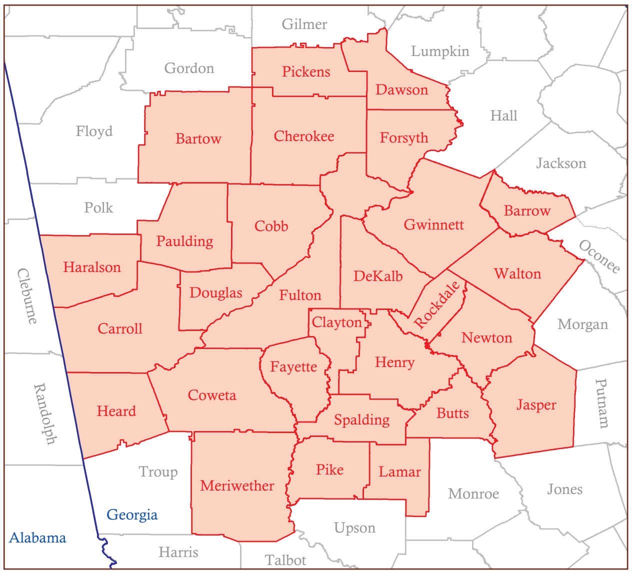
Atlanta-Sandy Springs-Marietta, Georgia

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of July 1, 2013



Housing Market Area

The Atlanta-Sandy Springs-Marietta Housing Market Area (hereafter, Atlanta HMA), comprising 28 counties in northwest Georgia, is coterminous with the Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area. For purposes of this report, the HMA is divided into two submarkets based on their commuting distances from the downtown Atlanta business center: the Core Five Counties submarket, which includes Clayton, Cobb, DeKalb, Fulton, and Gwinnett Counties, and the Remainder submarket, which includes the other 23 counties of the HMA.

Summary

Economy

During 2011 and the beginning of 2012, the Atlanta HMA lagged behind other major metropolitan areas in its economic recovery. By the end of 2012, however, the economy of the HMA began to improve significantly. During the 12 months ending June 2013, nonfarm payrolls increased by 50,300 jobs, or 2.2 percent, led by the professional and business services sector, which increased by 17,300 jobs, or 4.2 percent. During the next 3 years, nonfarm payrolls are expected to increase an average of 2.3 percent annually.

Sales Market

The sales housing market in the HMA is currently soft but improving, with an overall estimated vacancy rate of 3.0 percent, down from 3.8 percent in 2010. During the 12 months ending June 2013, new and existing home sales increased 19 percent, to 79,600 homes, at an average price of $187,100, an 8-percent increase from the previous 12 months. During the next 3 years, demand is expected for 55,700 new sales units (Table 1). A portion of the 77,500 other vacant units in the HMA may reenter the market and satisfy some of the demand.

Rental Market

The rental housing market in the HMA is currently soft but improving. The estimated overall rental vacancy rate is 8.7 percent, down from 12.7 percent in 2010. The apartment market in the HMA is balanced, with a vacancy rate of 7.8 percent in the second quarter of 2013 (MPF Research); however, conditions vary significantly across the HMA. During the next 3 years, demand is expected for 13,200 new rental units (Table 1).

Market Details

Table 1. Housing Demand in the Atlanta HMA,* 3-Year Forecast, July 1, 2013, to July 1, 2016

	Atlanta HMA*		Core Five Counties Submarket		Remainder Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	55,700	13,200	31,100	10,400	24,600	2,800
Under construction	5,500	7,030	2,700	6,500	2,800	530

** Atlanta-Sandy Springs-Marietta HMA.*

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2013. A portion of the estimated 77,500 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Economic Conditions

After 2 years of lagging behind other major metropolitan areas, the economy of the Atlanta HMA began to strengthen in 2012, a trend that continued into 2013. The HMA has not yet fully recovered from the 183,500 jobs lost from 2008 through 2010, but job growth continues to improve. During the 12 months ending June 2013, nonfarm payrolls increased by 50,300 jobs, or 2.2 percent, to 2.38 million jobs (Table 2) compared with an increase of 40,000 jobs, or 1.7 percent, during the previous 12 months. The unemployment rate in the HMA decreased to 8.4 percent during the 12 months ending June 2013 from 9.4 percent during the previous 12 months. The unemployment rate is down from an average of 9.9 percent from 2009 through 2011 but remains higher than the average of 4.6 percent in 2006 and 2007. Figure 1 presents trends in the labor force, resident employment, and the unemployment rate from 2000 through 2012.

During the 12 months ending June 2013, the professional and business services, education and health services, and leisure and hospitality sectors added the most jobs in the HMA, increasing by 17,300, 10,000, and 9,500 jobs, or 4.2, 3.6, and 4.1 percent, respectively. The professional and business services sector, which accounts for approximately 18 percent of nonfarm payrolls in the HMA (Figure 2), is the largest payroll sector and has been the fastest growing sector since 2010. Job growth in the sector during the past 12 months

Table 2. 12-Month Average Nonfarm Payroll Jobs in the Atlanta HMA,* by Sector

	12 Months Ending June 2012	12 Months Ending June 2013	Absolute Change	Percent Change
Total nonfarm payroll jobs	2,327,000	2,377,300	50,300	2.2
Goods-producing sectors	236,900	237,400	500	0.2
Mining, logging, & construction	89,900	89,700	– 200	– 0.2
Manufacturing	147,000	147,700	700	0.5
Service-providing sectors	2,090,100	2,139,900	49,800	2.4
Wholesale & retail trade	398,700	405,800	7,100	1.8
Transportation & utilities	127,200	129,600	2,400	1.9
Information	81,000	84,500	3,500	4.3
Financial activities	152,400	155,300	2,900	1.9
Professional & business services	408,700	426,000	17,300	4.2
Education & health services	278,700	288,700	10,000	3.6
Leisure & hospitality	229,800	239,300	9,500	4.1
Other services	92,100	93,700	1,600	1.7
Government	321,600	317,300	– 4,300	– 1.3

** Atlanta-Sandy Springs-Marietta HMA.*

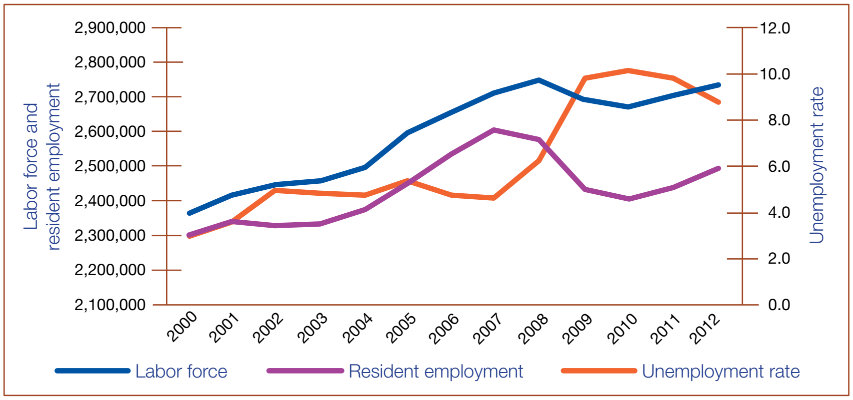
Notes: Based on 12-month averages through June 2012 and June 2013. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics included the new Home Depot call center in Kennesaw, which opened in October 2012 with 300 employees and is eventually expected to employ 700 people. The Home Depot, Inc., which is headquartered in the HMA, is one of the largest employers, with 9,000 employees. Other major employers in the HMA include Delta Air Lines, Inc., Emory University and Emory Healthcare, and AT&T Inc., with approximately 27,000, 23,900, and 18,000 employees, respectively (Table 3).

The government sector, which decreased by 4,300 jobs, or 1.3 percent, was the only sector to decline significantly during the 12 months ending June 2013. The federal, state, and local government subsectors recorded job losses, but the greatest decrease, of 2,900 jobs, or 1.4 percent, occurred in the local government subsector because of local government revenue constraints. Figure 3 illustrates sector growth in the HMA since 2000.

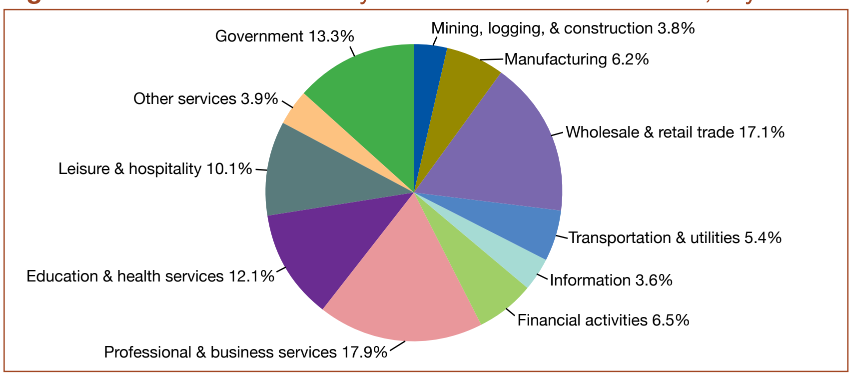
During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 2.3 percent a year. Job growth during the forecast period is expected to be greatest in the professional and business services and the education and health services sectors. Expected job expansions during the forecast period include a State Farm Mutual Automobile Insurance Company customer service center in the Core Five Counties submarket, which is expected to employ 500 people when fully operational, but no official location or opening date has been announced. In addition, Baxter International Inc. is currently constructing a $1 billion testing lab and plasma-processing facility in Covington, which is expected to be complete in 2015 and begin production in 2018, after the inspection and licensing process is complete. The facility is expected to create more than 1,500 full-time jobs in Georgia.

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Atlanta HMA,* 2000 Through 2012



** Atlanta-Sandy Springs-Marietta HMA.*
Source: U.S. Bureau of Labor Statistics

Figure 2. Current Nonfarm Payroll Jobs in the Atlanta HMA,* by Sector



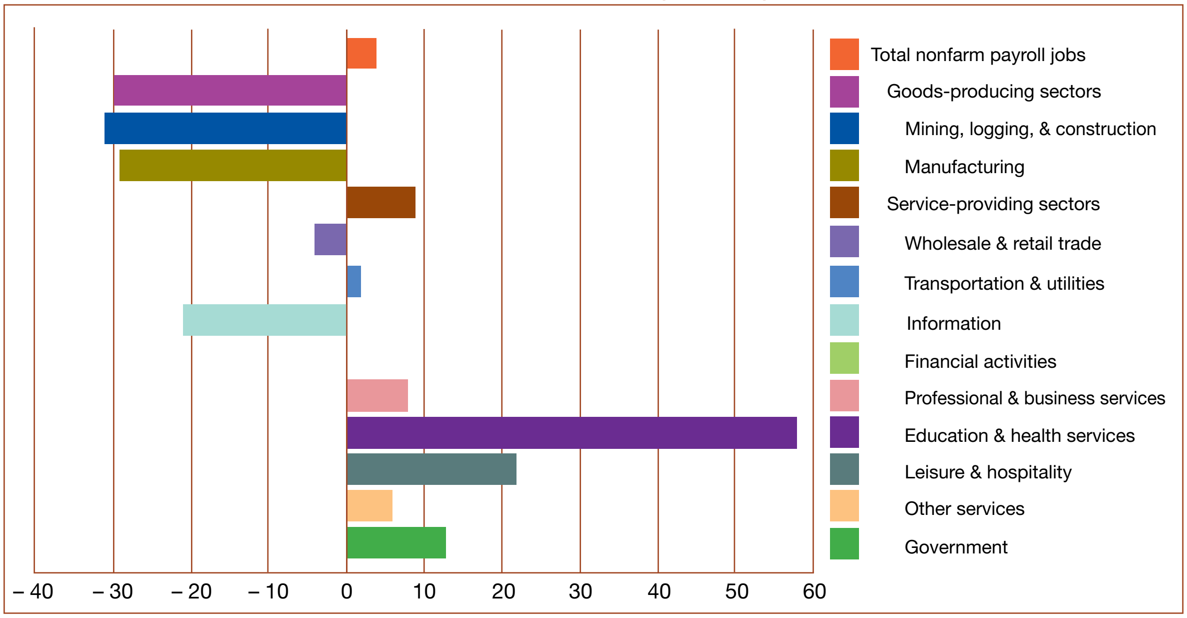
** Atlanta-Sandy Springs-Marietta HMA.*
Note: Based on 12-month averages through June 2013.
Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Atlanta HMA*

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Delta Air Lines, Inc.	Transportation & utilities	27,000
Wal-Mart Stores, Inc.	Wholesale & retail trade	26,000
Emory University and Emory Healthcare	Education & health services	23,900
AT&T Inc.	Transportation & utilities	18,000
Publix Super Markets, Inc.	Wholesale & retail trade	17,750
The Coca-Cola Company	Wholesale & retail trade	9,000
The Home Depot, Inc.	Wholesale & retail trade	9,000
Southern Company	Transportation & utilities	8,775
WellStar Health System	Education & health services	8,575
United Parcel Service, Inc.	Transportation & utilities	8,375

** Atlanta-Sandy Springs-Marietta HMA.*
Note: Excludes local school districts.
Source: Metro Atlanta Chamber

Figure 3. Sector Growth in the Atlanta HMA,* Percentage Change, 2000 to Current



** Atlanta-Sandy Springs-Marietta HMA.*

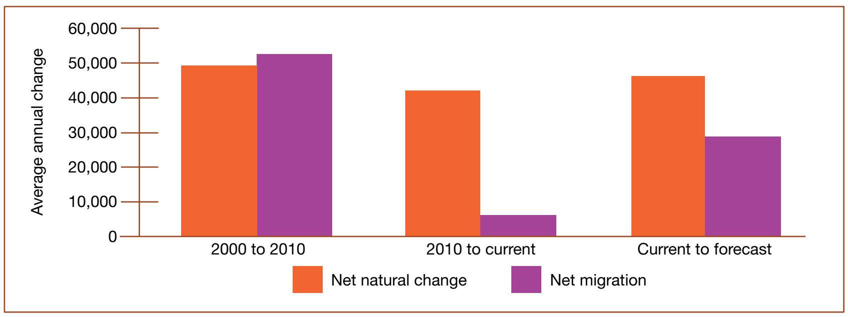
Notes: Current is based on 12-month averages through June 2013. During this period, jobs in the financial activities sector showed no net change.

Source: U.S. Bureau of Labor Statistics

Population and Households

From 2000 through 2007, strong employment growth in the Atlanta HMA led to rapid population growth, particularly in the Remainder submarket, where new subdivisions were constructed. During this period, population growth in the HMA averaged approximately 110,000 people a year, 55 percent of which was a result of net in-migration. When employment and the sales housing market began to weaken in 2008 and 2009, population growth fell to average about 65,000 people a year, and net in-migration declined to 28 percent of the increase. The most significant slowdown occurred in the Remainder submarket, where population growth fell 63 percent, from an average of 74,000 people a year in 2004 and 2005 to an average of 27,500 people a year in 2008 and 2009. The Core Five Counties submarket experienced net out-migration during the early part of the decade as residents moved to the new suburbs in the Remainder submarket. During the peak years of population growth from 2005 through 2007, in-migration from outside the HMA to the Core Five Counties submarket exceeded out-migration from the Five Core Counties submarket to the Remainder submarket, resulting in net in-migration in the Core Five Counties submarket. Although the economic and housing decline in 2008 and 2009 led to decreased in-migration to the HMA, the fewer movers from the Five Core Counties to the Remainder submarket allowed for net migration in the Core Five Counties submarket to remain positive. As a result, population growth in the Core Five Counties submarket fell only 39 percent, from an average of 61,900 people in 2004 and 2005 to an average of 37,500 people in 2008 and 2009. Figure 4 shows the components of population change from 2000 to the forecast date.

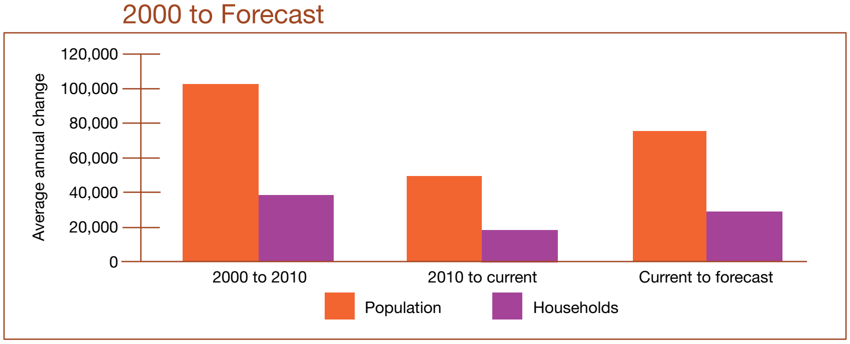
Figure 4. Components of Population Change in the Atlanta HMA,* 2000 to Forecast



Atlanta-Sandy Springs-Marietta HMA.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

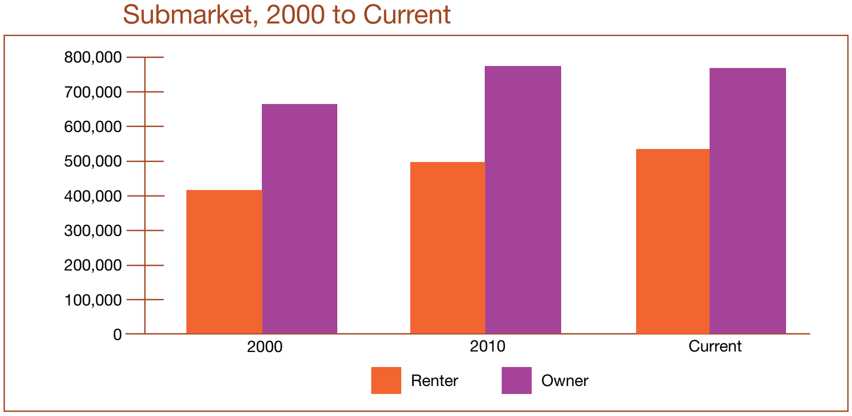
Figure 5. Population and Household Growth in the Atlanta HMA,* 2000 to Forecast



Atlanta-Sandy Springs-Marietta HMA.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the Core Five Counties Submarket, 2000 to Current

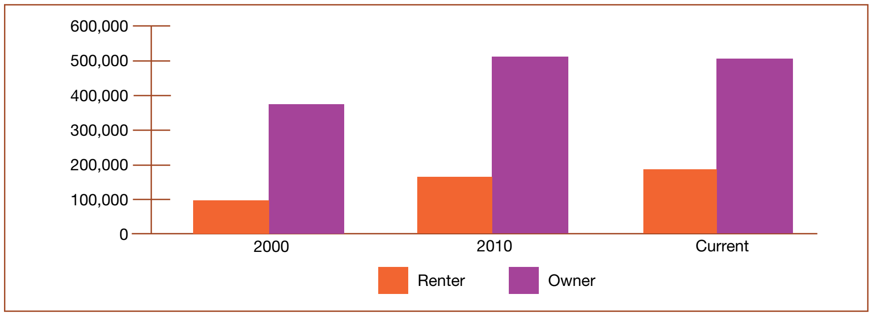


Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Since 2010, population growth in the HMA has weakened further because of the struggling economy, averaging an estimated 48,350 people, or 0.9 percent, annually (Figure 5), to reach a current estimated population of 5.43 million. Because of stronger forecast employment growth during the next 3 years, however, population growth is expected to increase an average of 1.4 percent annually.

Since 2010, the number of households in the HMA has increased by an average of 18,200, or 0.9 percent, to approximately 2.0 million. The elevated number of foreclosures since 2010 has resulted in a shift from homeownership to renting. The number of households in the Core Five Counties submarket, where most of the apartments in the HMA are located, increased by approximately 12,200 a year, more than the 6,000 households a year in the Remainder submarket. This trend is a reversal of the trend from 2000 to 2010, when the number of households increased by an average of 19,850 a year in the Remainder submarket and 18,500 a year in the Core Five Counties submarket. Because of the foreclosure crisis, all the increase in households since 2010 was a result of the increase in renter households. Figures 6 and 7 illustrate the slight declines in owner households and the increase in renter households from 2010 to the current date. By the end of the forecast period, the number of households in the HMA is expected to reach 2.1 million. See Tables DP-1, DP-2, and DP-3, at the end of this report, for additional data on population and households for the HMA and the submarkets.

Figure 7. Number of Households by Tenure in the Remainder Submarket, 2000 to Current



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market—Core Five Counties Submarket

The sales housing market in the Core Five Counties submarket is currently soft but improving, with an estimated vacancy rate of 3.0 percent, down from 4.0 percent in April 2010. The percentage of mortgage loans in the submarket that were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) decreased from 8.7 percent in June 2012 to 6.3 percent in June 2013, the same percentage as for the nation but slightly higher than the 6.1-percent state rate (LPS Applied Analytics). Since 2010, sales of distressed homes have declined but regular resales have increased, resulting in increasing average prices. Sales of existing homes increased 20 percent during the 12 months ending May 2013 (the most recent data available), to 47,400 homes, 34 percent of which were REO and short sales (CoreLogic, Inc.). Sales of existing homes peaked at an average of 84,200 in 2005 and 2006, during the period of greatest employment growth. After the Atlanta HMA lost 183,500 jobs in 2008 and 2009, existing homes sales in the submarket fell to an average of 37,600 in 2009 and 2010, 45 percent of which were REO and short sales. As a result of the recovering market during the 12 months ending May 2013, the average existing home price increased 8 percent, to approximately $194,000. By comparison, from 2005 to 2006 and from 2009 to 2010, home prices averaged $232,000 and $185,600, respectively.

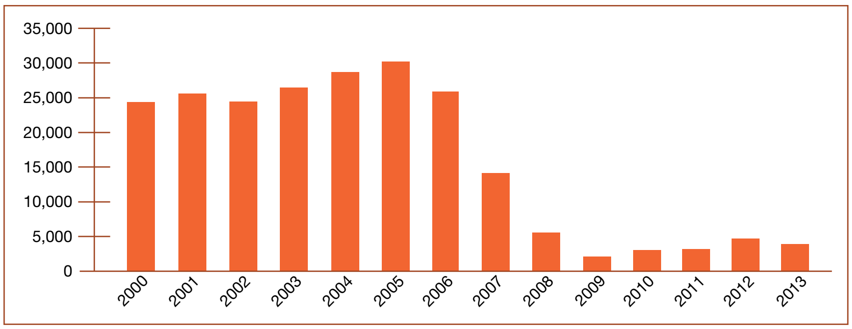
New home sales in the submarket did not rebound as quickly as existing home sales, partly because investors purchased distressed homes, which represented a large portion of existing home sales. Although existing home sales improved in 2011, new home sales did not begin to stabilize until 2012. During the 12 months ending May 2013, new home sales increased 10 percent, to approximately 4,650, and the average price increased 11 percent, to $292,300. By comparison, an average of 30,100 new homes sold annually in 2005 and 2006, at an average price of approximately $266,500. In 2009 and 2010, new home sales fell to an average of 5,200 annually, but the average price increased to

$275,300, in part because of tighter mortgage lending standards that limited access to credit.

As a result of improving sales market conditions during the past 12 months, single-family homebuilding, as measured by the number of homes permitted, increased in the submarket. During the 12 months ending June 2013, 6,300 single-family homes were permitted, a 70-percent increase from the previous 12 months (preliminary data). Although current permitting activity is only about 20 percent of the average of 29,300 homes permitted during the peak from 2004 through 2005, it increased from the average of 3,575 homes permitted from 2008 through 2010 (Figure 8). Homes are under construction in the submarket at Bentwood Enclave at Sugarloaf in Duluth, with prices ranging from $260,000 to $280,000 for four- and five-bedroom homes, and at the mixed-income West Highlands in west Atlanta, with prices ranging from approximately $200,000 to $300,000 for three-bedroom homes.

During the next 3 years, demand is expected for 31,100 new homes in the submarket (Table 1). The estimated 2,700 homes under construction and a portion of the 46,000 other vacant units in the submarket will satisfy some of the demand. The most demand is expected in the second and third years of the forecast period as the sales market continues to recover. Table 4 illustrates the estimated demand for new market-rate sales housing in the submarket by price range.

Figure 8. Single-Family Homes Permitted in the Core Five Counties Submarket, 2000 to 2013



Notes: Includes townhomes. Includes data through June 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Core Five Counties Submarket, July 1, 2013, to July 1, 2016

Price Range ($)		Units of Demand	Percent of Total
From	To		
100,000	149,999	3,100	10.0
150,000	199,999	3,100	10.0
200,000	249,999	6,200	20.0
250,000	299,999	9,300	30.0
300,000	399,999	6,200	20.0
400,000	499,999	1,550	5.0
500,000	and higher	1,550	5.0

Notes: The 2,700 homes currently under construction and a portion of the estimated 46,000 other vacant units in the submarket will likely satisfy some of the forecast demand. Does not include estimated demand for 100 mobile homes.

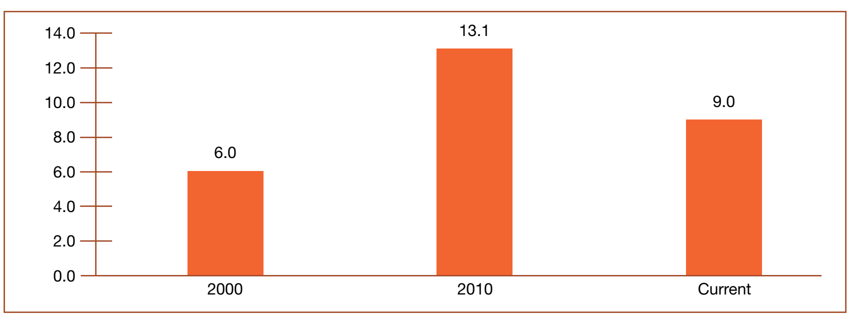
Source: Estimates by analyst

Rental Market—Core Five Counties Submarket

The overall rental housing market in the Core Five Counties submarket, including single-family homes, mobile homes, and other rental units, is soft, with an estimated vacancy rate of 9.0 percent, down from 13.1 percent in April 2010 (Figure 9). Overbuilding and a competitive sales housing market with low downpayment requirements for first-time homebuyers during the mid-2000s contributed to the soft market conditions. Since 2010, a shift from homeownership to renting has allowed for the rental market to absorb an estimated 26,000 vacant rental units.

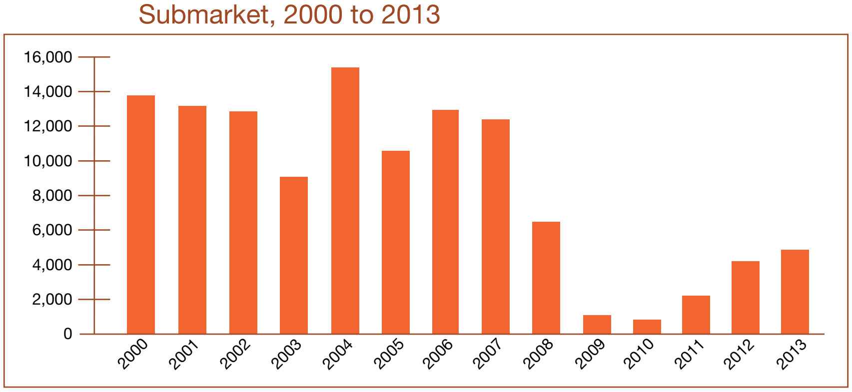
The apartment market is slightly soft but continues to improve; however, conditions vary depending on neighborhood factors, including the condition of the apartment inventory and access to transportation. The apartment vacancy rate in the submarket was approximately 8.0 percent during the second quarter of 2013, down from approximately 8.5 percent a year earlier (MPF Research). Vacancy rates ranged from a low of 3.8 percent in the MPF Research-defined North Gwinnett County submarket, where more than 95 percent of the apartments have been built since 1990, to a high of 19.0 percent in the Southwest DeKalb County submarket, where the greatest improvement in the vacancy rate occurred but where 65 percent of all apartments were built before 1980. Apartment market rents in the North Gwinnett County and Southwest DeKalb County submarkets increased 7 and 3 percent, to approximately $1,000 and $650, respectively, during the past year. Rents increased more in the North Gwinnett County submarket than in any other MPF Research-defined submarket.

Figure 9. Rental Vacancy Rates in the Core Five Counties Submarket, 2000 to Current



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 10. Multifamily Units Permitted in the Core Five Counties Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through June 2013.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

With apartment market conditions tightening, apartment development, as measured by the number of units permitted, increased in the Core Five Counties submarket during the past 12 months. During the 12 months ending June 2013, the number of multifamily units permitted increased 113 percent, to 7,100 units, more than 95 percent of which were apartments. By comparison, from 2009 through 2011, the number of units permitted fell to an average of 1,350 units, when access to multifamily financing was least and the apartment vacancy rate reached a peak of 12.0 percent in 2009. Multifamily development was elevated from 2000 through 2007, averaging 12,500 units permitted a year (Figure 10); however, in 2004 and 2005, during the peak of the sales market, an estimated 55 percent of multifamily units permitted were for condominium units instead of apartments. More apartments are currently under construction in the Buckhead and Midtown neighborhoods in the city of Atlanta than anywhere else in the HMA. Together, the two neighborhoods account for approximately one-half of all units currently under construction in the entire HMA, in-cluding the 330-unit 77 12th Street in Midtown, the 305-unit AMLI Ponce Park Apartments in Midtown, the 376-unit Camden Paces in Buckhead, and the 376-unit Buckhead Apartment Tower in Buckhead. These developments are expected to be complete from late 2013 to late 2014; rents for the properties have not yet been made public.

During the 3-year forecast period, demand is expected for 10,400 new rental units. The 6,500 units currently under construction will meet a portion of that demand (Table 1). Demand is expected to be highest in the first year of the forecast period and to decrease slightly during the second and third years as the sales market continues to improve and renters become more confident about seeking or returning to homeownership. Table 5 shows the estimated demand for new market-rate rental units in the submarket by rent and number of bedrooms.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Core Five Counties Submarket, July 1, 2013, to July 1, 2016

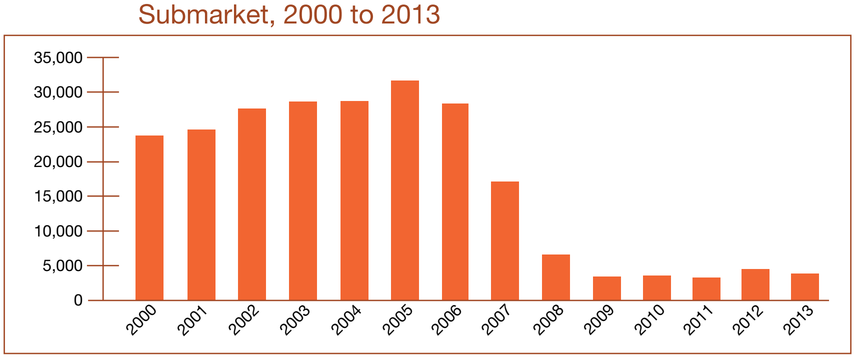
One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
900 to 1,099	1,450	1,100 to 1,299	2,600	1,400 to 1,599	620
1,100 to 1,299	1,100	1,300 to 1,499	1,550	1,600 to 1,799	470
1,300 to 1,499	730	1,500 to 1,699	520	1,800 to 1,999	310
1,500 or more	360	1,700 or more	520	2,000 or more	160
Total	3,650	Total	5,200	Total	1,550

Notes: Numbers may not add to totals because of rounding. The 6,500 units currently under construction will satisfy some of the estimated demand.
Source: Estimates by analyst

Sales Market—Remainder Submarket

In April 2010, after nearly a decade of homebuilding that exceeded owner household growth, the sales housing market in the Remainder submarket was soft, with a vacancy rate of 3.5 percent. From 2000 to 2010, an average of approximately 13,500 owner households formed annually in the submarket, 37 percent less than the average of 21,450 single-family homes permitted annually during the same period. At the peak production, which occurred from 2002 through 2006, an average of 28,900 single-family homes were permitted a year (Figure 11). A cutback in development from 2008 through 2010, to an average of approximately 4,350 homes permitted annually, allowed for the sales market to improve, but it remains soft, with a current estimated vacancy rate of 2.9 percent. Increased employment and an improving sales market in 2012 and 2013 led to more homebuilding in the submarket. During the 12 months ending June 2013, permitting increased 66 percent, to approximately 6,050 homes (preliminary data).

Figure 11. Single-Family Homes Permitted in the Remainder Submarket, 2000 to 2013



Notes: Includes townhomes. Includes data through June 2013.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Existing homes sales increased 16 percent, to 24,400 homes, during the 12 months ending May 2013 (CoreLogic, Inc.). During this period, approximately 35 percent of existing home sales were short sales and REO properties compared with a peak of 50 percent of homes sold in 2009. Stabilization in the sales market, beginning in 2012, lagged behind the sales market in the Core Five Counties submarket, which began to improve in 2011. Existing home sales in the Remainder submarket peaked in 2005 and 2006, at an average of approximately 42,100 homes, before declining to average 21,600 homes in 2009 and 2010. The recently improving sales market conditions resulted in a 6-percent sales price increase during the 12 months ending May 2013, to an average of $145,500. Home prices peaked in 2005 and 2006 at an average of $187,200 but fell 26 percent to a low of $138,800 from 2011 through 2012.

New home sales increased 38 percent during the 12 months ending May 2013, to 3,150 homes, with an average price of $248,900, 8 percent more than in the previous 12-month period. New home sales peaked at an average of 21,500 homes in 2005 and 2006 before decreasing to a low of 2,400 homes in 2010 and 2011. New home prices peaked at an average of $250,500 in 2006 and 2007. More new homes sold in the past 12 months in Cumming, where a new phase of Saddlebrook is currently under construction with prices in the $250,000-to-$300,000 range, than in any other city in the Remainder submarket.

During the 3-year forecast period, demand is expected for 24,600 new homes (Table 1). The 2,800 homes under construction and some of the 31,500 other vacant units that may reenter the market will likely meet a portion of that demand. Demand is expected to be lowest in the first year of the forecast period but to increase in the second and third years. Table 6 shows the estimated demand for new market-rate sales housing by price.

Table 6. Estimated Demand for New Market-Rate Sales Housing in the Remainder Submarket Submarket, July 1, 2013, to July 1, 2016

Price Range ($)		Units of Demand	Percent of Total
From	To		
100,000	149,999	2,450	10.0
150,000	199,999	4,875	20.0
200,000	249,999	7,300	30.0
250,000	299,999	6,100	25.0
300,000	399,999	2,450	10.0
400,000	and higher	1,225	5.0

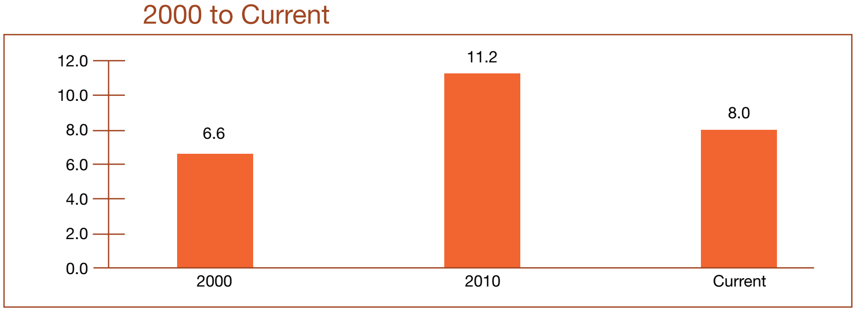
Notes: Numbers may not add to totals because of rounding. The 2,800 homes currently under construction and a portion of the estimated 31,500 other vacant units in the submarket will likely satisfy some of the forecast demand. Does not include estimated demand for 200 mobile homes.

Source: Estimates by analyst

Rental Market—Remainder Submarket

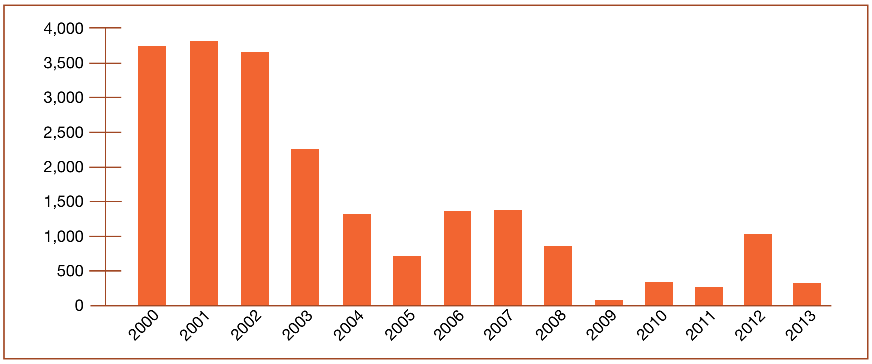
The overall rental housing market in the Remainder submarket, including single-family homes, mobile homes, and other rental units, is slightly soft but improving, with an estimated vacancy rate of 8.0 percent. As a result of limited rental housing production during the past 3 years and strong rental absorption because of the weak sales housing market, the vacancy rate declined from 11.2 percent in 2010 (Figure 12). Although the overall rental market is soft, the apartment market is balanced. The apartment vacancy rate in the submarket was approximately 6.5 percent during the second quarter of 2013, down from approximately 7.0 percent a year earlier (MPF Research). Vacancy rates ranged from 3.9 percent in the MPF Research-defined Far West Atlanta Suburbs submarket, which includes the city of Carrollton, to 9.3 percent in the Far North Atlanta Suburbs

Figure 12. Rental Vacancy Rates in the Remainder Submarket, 2000 to Current



Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst submarket, which includes the cities of Canton and Cartersville. Vacancy rates were stable or declining in each of the reported areas except the Far North Atlanta Suburbs submarket, where the vacancy rate increased 2.7 percentage points in the past year, from 6.6 percent, although no additional units were completed. During the past 12 months, average rents in the Far West and Far North Atlanta Suburbs submarkets increased 2 and 3 percent, to $950 and $740, respectively.

Figure 13. Multifamily Units Permitted in the Remainder Submarket Submarket, 2000 to 2013



Notes: Excludes townhomes. Includes data through June 2013.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 7. Estimated Demand for New Market-Rate Rental Housing in the Remainder Submarket Submarket, July 1, 2013, to July 1, 2016

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
800 to 999	480	900 to 1,099	550	1,100 to 1,299	90
1,000 to 1,199	380	1,100 to 1,299	420	1,300 to 1,499	210
1,200 or more	100	1,300 to 1,499	280	1,500 to 1,699	90
		1,500 or more	140	1,700 or more	40
Total	960	Total	1,400	Total	430

Notes: Numbers may not add to totals because of rounding. The 530 units currently under construction will satisfy some of the estimated demand.
Source: Estimates by analyst

After apartment production in the Remainder submarket more than tripled in 2012 in response to the tightening apartment market, the number of multifamily units permitted—all of which were apartments—decreased 40 percent, to 540 units during the 12 months ending June 2013 (preliminary data). An average of 230 multifamily units were permitted from 2009 through 2011, down from an average of 1,125 units from 2004 through 2008 (Figure 13). Multifamily construction peaked at 3,350 units permitted during the rapid expansion of the suburbs of the city of Atlanta from 2000 through 2003. Properties currently under construction include the 216-unit Greystone Summit Forsyth in Cumming, in Forsyth County, that is expected to be complete in early 2014 and HearthSide Peachtree City, a 96-unit, market-rate property for senior residents that is expected to be complete in late 2013. Expected rents for the two properties are not yet available.

During the 3-year forecast period, demand is expected for an estimated 2,800 new rental units. The 530 units currently under construction will satisfy a portion of that demand (Table 1). Demand is expected to be highest in the first year of the forecast period and to decrease slightly during the second and third years. Table 7 shows the estimated demand for new market-rate rental units by rent level and number of bedrooms.

Data Profiles

Table DP-1. Atlanta HMA,* Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%) 2000 to 2010	2010 to Current
Total resident employment	2,304,515	2,403,960	2,521,000	0.4	1.9
Unemployment rate	3.1%	10.1%	8.4%		
Nonfarm payroll jobs	2,295,000	2,270,500	2,377,000	– 0.1	1.9
Total population	4,247,981	5,268,860	5,426,000	2.2	0.9
Total households	1,554,154	1,937,225	1,996,000	2.2	0.9
Owner households	1,037,404	1,279,941	1,276,000	2.1	– 0.1
Percent owner	66.8%	66.1%	63.9%		
Renter households	516,750	657,284	719,900	2.4	2.8
Percent renter	33.2%	33.9%	36.1%		
Total housing units	1,644,572	2,165,495	2,181,000	2.8	0.2
Owner vacancy rate	1.7%	3.8%	3.0%		
Rental vacancy rate	6.1%	12.7%	8.7%		
Median Family Income	$58,520	$71,700	$68,300	2.1	– 2.4

** Atlanta-Sandy Springs-Marietta HMA.*

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through June 2013. Median Family Incomes are for 1999, 2009, and 2011.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-2. Core Five Counties Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%) 2000 to 2010	2010 to Current
Total population	2,914,587	3,365,297	3,464,000	1.4	0.9
Total households	1,082,628	1,267,394	1,307,000	1.6	1.0
Owner households	664,386	771,771	771,000	1.5	0.0
Percent owner	61.4%	60.9%	59.0%		
Rental households	418,242	495,623	535,700	1.7	2.4
Percent renter	38.6%	39.1%	41.0%		
Total housing units	1,143,528	1,424,815	1,430,000	2.2	0.1
Owner vacancy rate	1.8%	4.0%	3.0%		
Rental vacancy rate	6.0%	13.1%	9.0%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-3. Remainder Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%) 2000 to 2010	2010 to Current
Total population	1,333,394	1,903,563	1,962,000	3.6	0.9
Total households	471,526	669,831	689,300	3.6	0.9
Owner households	373,018	508,170	505,000	3.1	– 0.2
Percent owner	79.1%	75.9%	73.3%		
Rental households	98,508	161,661	184,300	5.1	4.1
Percent renter	20.9%	24.1%	26.7%		
Total housing units	501,044	740,680	751,900	4.0	0.5
Owner vacancy rate	1.7%	3.5%	2.9%		
Rental vacancy rate	6.6%	11.2%	8.0%		

Note: Numbers may not add to totals because of rounding.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 7/1/2013—Analyst's estimates
Forecast period: 7/1/2013–7/1/2016—Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated June 6, 2003, and does not reflect changes defined by the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to http://www.huduser.org/publications/pdf/CMARtables_Atlanta-SandySprings-MariettaGA_13.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to www.huduser.org/publications/econdev/mkt_analysis.html.