Overview

The Atlanta-Sandy Springs-Roswell (hereafter, Atlanta) metropolitan area consists of 29 counties in northwest Georgia. As well as being an important international transportation hub, the metropolitan area is home to the headquarters of corporations such as The Coca-Cola Company; Delta Air Lines, Inc.; The Home Depot; and UPS (United Parcel Service, Inc.) and several notable colleges, including Emory University, the Georgia Institute of Technology, and Georgia State University.

- As of October 1, 2018, the estimated population of the Atlanta metropolitan area is 5.99 million. Strengthening economic conditions have contributed to average net in-migration of 45,450 people, annually since 2010. Lower-than-usual net natural change (resident births minus resident deaths), which has averaged only 37,950 people a year, has limited population growth to an average of 83,400 people, or 1.5 percent, annually during the period.

- From 2007 to 2010, job losses contributed to slowed net in-migration, which averaged only 30,050 people a year. Population growth averaged 80,150 people, or 1.6 percent, a year during the period, as net natural change averaged 50,050 people a year.
Population growth averaged 115,400 people, or 2.4 percent, a year from 2003 to 2007, as strong job growth resulted in average net in-migration of 65,100 people a year. Net natural change averaged 50,300 people a year during the period.

**Economic Conditions**

Economic conditions in the Atlanta metropolitan area have strengthened since 2014, when nonfarm payrolls surpassed the prerecession high. Job growth in the metropolitan area has been faster than the rate for the nation since 2010, a trend that continued during the past year. During the 3 months ending September 2018, nonfarm payrolls in the metropolitan area averaged 2.79 million, an increase of 59,700 jobs, or 2.2 percent, from a year ago when the number of jobs had increased 2.1 percent. By comparison, nonfarm payrolls for the nation increased 1.7 percent during the 3 months ending September 2018, and 1.5 percent during the 3 months ending September 2017.

During the 3 months ending September 2018—

- The education and health services sector added the most jobs, expanding by 13,400 jobs, or 3.9 percent. A new 84-bed patient tower at Northside Hospital Atlanta, which opened in early 2018, contributed to gains in the sector.

Most sectors in the Atlanta area added jobs during the past year.

<table>
<thead>
<tr>
<th>Name of Employer</th>
<th>Nonfarm Payroll Sector</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Airlines, Inc.</td>
<td>Transportation &amp; Utilities</td>
<td>31,700</td>
</tr>
<tr>
<td>Emory University/Emory Healthcare</td>
<td>Education &amp; Health Services</td>
<td>26,050</td>
</tr>
<tr>
<td>The Home Depot, Inc.</td>
<td>Wholesale &amp; Retail Trade</td>
<td>25,000</td>
</tr>
</tbody>
</table>

Note: Excludes local school districts.
Source: Metro Atlanta Chamber of Commerce

<table>
<thead>
<tr>
<th>3 Months Ending</th>
<th>Year-Over-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2017</td>
<td>September 2018</td>
</tr>
<tr>
<td>(Thousands)</td>
<td>(Thousands)</td>
</tr>
<tr>
<td>Total Nonfarm Payrolls</td>
<td>2,727.8</td>
</tr>
<tr>
<td>Goods-Producing Sectors</td>
<td>290.2</td>
</tr>
<tr>
<td>Mining, Logging, &amp; Construction</td>
<td>122.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>167.3</td>
</tr>
<tr>
<td>Service-Providing Sectors</td>
<td>2,437.6</td>
</tr>
<tr>
<td>Wholesale &amp; Retail Trade</td>
<td>449.2</td>
</tr>
<tr>
<td>Transportation &amp; Utilities</td>
<td>153.5</td>
</tr>
<tr>
<td>Information</td>
<td>98.8</td>
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<tr>
<td>Financial Activities</td>
<td>171.4</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>501.6</td>
</tr>
<tr>
<td>Education &amp; Health Services</td>
<td>340.6</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>295.5</td>
</tr>
<tr>
<td>Other Services</td>
<td>100.1</td>
</tr>
<tr>
<td>Government</td>
<td>326.8</td>
</tr>
</tbody>
</table>

Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics

Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area
Southeast/Caribbean Region
Nation

Note: Nonfarm payroll jobs.
Source: U.S. Bureau of Labor Statistics
The fastest job growth was in the mining, logging, and construction sector, which added 10,600 jobs, or 8.6 percent, due in part to increased single-family home construction.

Job growth was limited by declines in three sectors. The largest decrease was in the information sector, which lost 2,300 jobs, or 2.3 percent, as AT&T, Inc. moved several hundred jobs from Atlanta to other locations within the nation in early 2018.

The unemployment rate averaged 3.5 percent, down from 4.6 percent a year ago and below the rates for Georgia, 3.7 percent, and the nation, 4.1 percent.

Partly because of the presence of Hartsfield–Jackson Airport and a readily available supply of educated labor, Atlanta is an attractive location for corporate headquarters and, increasingly, information technology and customer service centers. The Atlanta metropolitan area is home to the headquarters of 28 Fortune 1000 companies (Metro Atlanta Chamber of Commerce). The professional and business services sector, which includes both the management of companies and enterprises and the technical services industries, has been the largest sector in the metropolitan area since 2011 and has contributed significantly to recent economic growth. The sector has added more jobs than any other sector since the end of 2010, expanding by an average annual 16,200, or 3.8 percent, from 2011 through 2017. During the 3 months ending September 2018, payrolls in the sector averaged 507,600 jobs, an increase of 6,000 jobs, or 1.2 percent, from a year ago. The sector has benefited from several relocations and expansions since the early 2010s. In 2015 alone, VXI Global Solutions, LLC created 570 jobs at a new call center in College Park; Hexaware Technologies, Limited created 300 jobs at a new software development and information technology operations center in Fulton County; and The Sage Group, LLC added 400 jobs at its North American headquarters in the city of Atlanta. The arrival of Mercedes-Benz USA, LLC, which relocated its headquarters to the city of Sandy Springs in 2018, created approximately 700 jobs.

**Sales Market Conditions**

Rapidly declining numbers of distressed homes have resulted in rising home prices in the Atlanta area since the early 2010s.

During the 12 months ending August 2018—

- A total of 20,400 new homes were sold, up 4 percent from the previous 12 months (CoreLogic, Inc., with adjustments by the analyst).

**Strengthening economic conditions have contributed to increased home sales activity in the Atlanta area since 2012.**

The sales housing market in the Atlanta metropolitan area is balanced with an estimated sales vacancy rate of 1.5 percent as of October 1, 2018, down from 3.8 percent during April 2010. Strengthening economic conditions and relatively low levels of single-family home construction have contributed to a significant decline in available inventory since the early 2010s. As of September 2018, 2.9 months of available inventory were for sale in the metropolitan area, down from 3.5 months a year ago, and below the high of 13.1 months during September 2010 (Redfin). The decline in available inventory is highly linked to a significant decrease in the number of distressed properties (real estate owned [REO] and short sales) on the market. The percentage of home loans in the Atlanta metropolitan area that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status was 1.7 percent as of August 2018, down from 2.2 percent a year ago and below the August high of 10.0 percent in 2010 (CoreLogic, Inc., with adjustments by the analyst). The current rate for the metropolitan area is slightly below the rates for Georgia and the nation, 1.9 and 1.8 percent, respectively.

During the 12 months ending August 2018—

- The unemployment rate averaged 3.5 percent, down from 4.6 percent a year ago and below the rates for Georgia, 3.7 percent, and the nation, 4.1 percent.

**Note:** Includes single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst.

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**Percentage Change from Previous Year (12-Month Average)**

- **New Home Sales Price**
- **Existing Home Sales Price**

**Percentage Change from Previous Year (12-Month Ending)**

- **New Home Sales**
- **Existing Home Sales**

Note: Includes single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst.
The rate of seriously delinquent mortgages and REO properties has declined significantly in the Atlanta area since the early 2010s and is currently below the rate for the nation.

Single-family home permitting in the Atlanta area has increased each year since 2012.

Rental housing market conditions in the Atlanta metropolitan area are currently balanced with strong renter household growth contributing to declining vacancy rates and consequent rent growth since the early 2010s. The overall rental vacancy rate is estimated at 6.2 percent as of October 1, 2018, down from 12.7 percent in April 2010. Rental household growth in the metropolitan area has averaged 3.4 percent a year since April 2010, more than double the overall rate of household growth of 1.5 percent.
During the third quarter of 2018—

- The apartment market in the metropolitan area was also balanced, with a vacancy rate of 4.8 percent, down from 5.5 percent a year ago and less than one-half of the 9.8-percent rate during the first quarter of 2010 (RealPage, Inc.).

- The average rent in the metropolitan area increased to $1,197, a 6-percent increase from a year ago. By comparison, the average rent for the nation increased 4 percent to $1,352.

- Vacancy rates were generally higher in areas where large numbers of new units are being absorbed, particularly to the north of downtown Atlanta, with lower rates in outlying areas, where development has been relatively sparse. The lowest vacancy rate, 3.0 percent, was in the RealPage, Inc.-defined Far West Atlanta Suburbs market area and the highest rate, 6.2 percent, was in the Dunwoody market area.

- Significant new apartment construction also contributed to relatively high rents in and around downtown Atlanta. Average rents in the metropolitan area ranged from $834 in the South DeKalb County market area to $1,779 in the Midtown market area.

Multifamily construction in the metropolitan area, as measured by the number of units permitted, has slowed from a recent peak of 13,250 units in 2016, but remains at notably higher levels than it was during the late 2000s and early 2010s.

- During the 12 months ending September 2018, multifamily permitting declined to 9,850 units, down 2 percent from 10,000 units during the previous 12 months.

- After averaging only 3,450 units a year from 2008 through 2012, multifamily permitting increased to an average of 10,300 units a year from 2013 through 2017. By comparison, an average of 14,950 units were permitted each year from 2000 through 2006.

- Recent apartment construction has been concentrated in and around the economic core of the metropolitan area. The city of Atlanta has accounted for approximately 49 percent of all units completed since 2013 with development particularly prevalent in the Midtown and Buckhead market areas, which are north of downtown Atlanta. New projects in the city include the 390-unit Icon Midtown, a 39-story apartment building that opened in March 2018. Rents at the project for studio, one-bedroom, two-bedroom, and three-bedroom units currently start at $1,925, $2,325, $2,750, and $4,075, respectively. The 249-unit Alexan Buckhead Village also began leasing in early 2018, with rents currently ranging from $1,600 to $1,850 for one-bedroom units and from $2,325 to $3,050 for two-bedroom units.

Strong rental household growth has contributed to declining vacancy rates and increasing rents in the Atlanta area since the early 2010s.

Multifamily permitting in the Atlanta area has decreased since 2016 but is at much higher levels than in the late 2000s.