

COMPREHENSIVE HOUSING MARKET ANALYSIS

Atlanta Metropolitan Area Series Focus On: Northern Atlanta Suburbs, Georgia

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of July 1, 2023



PD&R

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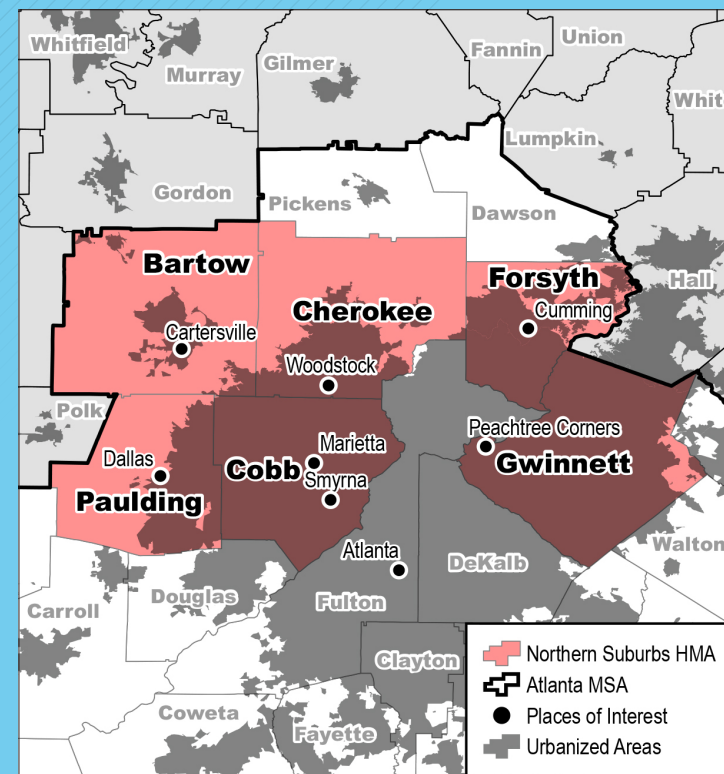
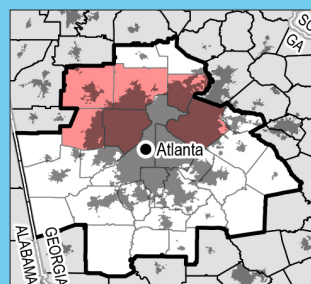
Executive Summary

Housing Market Area Description

The Northern Atlanta Suburbs Housing Market Area (HMA) consists of 6 counties (Bartow, Cherokee, Cobb, Forsyth, Gwinnett, and Paulding) and is part of the 29-county Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (hereafter, Atlanta MSA).

The current population of the HMA is estimated at 2.62 million.

The HMA includes much of the area directly north of the city of Atlanta and several of the most populous suburbs in the MSA. It is home to the headquarters of five Fortune 1000 companies, including The Home Depot, Inc., AGCO Corporation, and Asbury Automotive Group, Inc.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).

Market Qualifiers

Economy



Strong: During the 12 months ending June 2023, the number of jobs in the MSA was 5.8 percent higher than the prepandemic high during 2019 and more than double the 2.5-percent figure for the nation.

Nonfarm payrolls in the MSA rose by 107,500 jobs, or 3.7 percent, to 3.03 million jobs during the 12 months ending June 2023 compared with the previous 12 months. Each of the 11 sectors added jobs during the past 12 months, with the largest and fastest gains in the leisure and hospitality sector, which increased by 24,100 jobs, or 8.6 percent. The unemployment rate in the MSA was 3.0 percent during the 12 months ending June 2023, down from 3.1 percent a year ago and less than the 3.6-percent rate for the nation. During the next 3 years, job growth in the MSA is expected to moderate but remain strong at an average rate of 2.6 percent annually.

Sales Market



Slightly Tight but Easing: The 1.5-month supply of homes for sale in the Northern Atlanta Suburbs HMA in June 2023 was down from 1.7 months in June 2022, although home sales fell, and sales price growth decelerated sharply during the past year.

The sales vacancy rate in the HMA is estimated at 1.9 percent as of July 1, 2023, up from 1.5 percent in April 2020 but well below the 3.4-percent rate in April 2010 when sales market conditions were soft. Rising mortgage interest rates contributed to a significant decline in sales activity during the past year, and home sales price growth slowed notably. During the 12 months ending June 2023, home sales totaled only 49,550, down 34 percent from a year ago, and the average home price rose 8 percent to \$443,100, following an 18-percent increase a year earlier (Zonda). During the 3-year forecast period, demand is estimated for 35,000 new homes in the HMA, accounting for 49 percent of total sales demand in the MSA. The 5,850 homes under construction in the HMA will satisfy some of the sales demand during the next year.

Rental Market



Slightly Soft: A large wave of new apartment development resulted in sharp vacancy rate increases during each of the past 2 years.

The overall rental vacancy rate in the HMA is currently estimated at 8.9 percent, down from 11.4 percent in April 2010 but up from the 6.9-percent rate in April 2020. The apartment market is also slightly soft, with a vacancy rate of 9.6 percent as of the second quarter of 2023, up from 6.5 percent a year ago (CoStar Group). The average apartment rent decreased during the past year when vacancy rates rose. The average rent in the HMA declined 2 percent to \$1,648 as of the second quarter of 2023, following an 11-percent increase from a year ago. During the forecast period, demand is expected for 10,450 new rental units, representing 29 percent of the total rental demand in the MSA. The 7,275 rental units under construction in the HMA and an additional 1,250 units in final planning will satisfy all of the rental demand during the next 2 years. To prevent market conditions from softening further, developers should target new units not already under construction or in final planning to enter the market during the third year of the forecast period.

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3-Year Housing Demand Forecast

	Sales Units		Rental Units	
	MSA* Total	Northern Atlanta Suburbs HMA	MSA* Total	Northern Atlanta Suburbs HMA
Total Demand	71,950	35,000	35,650	10,450
Under Construction	15,350	5,850	23,275	7,275

* Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

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, 2023. The forecast period is July 1, 2023, to July 1, 2026.

Source: Estimates by the analyst



Economic Conditions

Largest Sector: Professional and Business Services

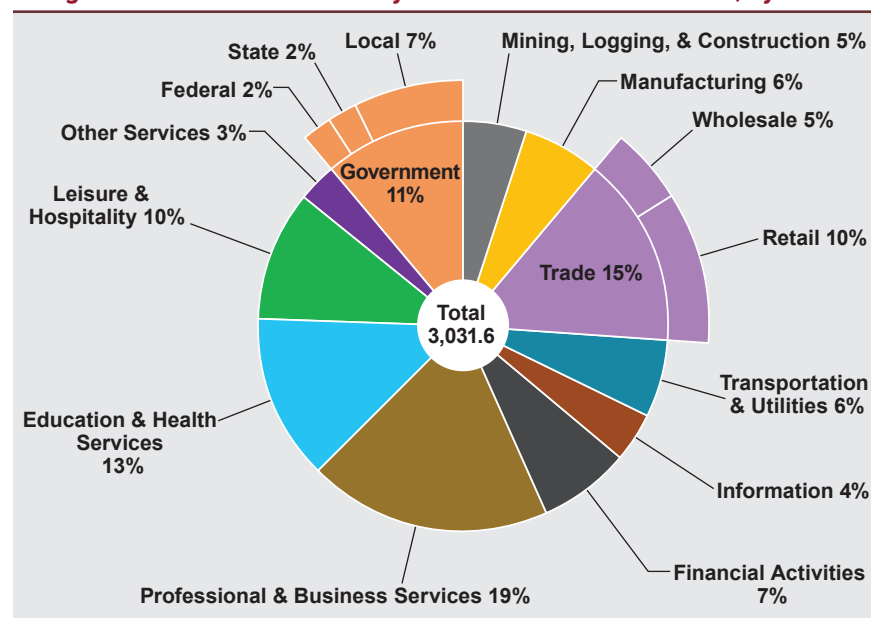
Job totals currently exceed prepandemic highs in 10 of 11 nonfarm payroll sectors in the Atlanta MSA.

Primary Local Economic Factors

The MSA is an international hub for logistics, education, health care, and trade. The MSA benefits significantly from the presence of Hartsfield-Jackson Atlanta International Airport (Hartsfield-Jackson), the busiest airport in the world during all but 1 year since 2000 (Airports Council International). Before the pandemic, Hartsfield-Jackson contributed approximately \$34.8 billion to the MSA economy each year (Hartsfield-Jackson). The MSA is also an attractive location for corporations, partly because of a highly educated workforce, including graduates from the Georgia Institute of Technology, Emory University, and Georgia State University. As of 2022, approximately 39 percent of all MSA residents aged 18 and older had at least a bachelor's degree, notably higher than the 33-percent share for the nation (2022 American Community Survey [ACS] 1-year data). The headquarters of 31 Fortune 1000 companies are in the MSA, contributing to a relatively high concentration of jobs in the professional and business services sector. The sector includes the temporary help services, technical services, administrative support, and waste management industries and is the largest in the MSA, accounting for 19 percent of total nonfarm payrolls during the past 12 months (Figure 1).

Several of the most populous suburbs in the MSA are located within the HMA, including the cities of Marietta, Peachtree Corners, and Smyrna. The HMA has become an increasingly significant job center in the MSA during the past two decades, with rising business costs, particularly associated with real estate, resulting in several large employers relocating from the city of Atlanta. The HMA accounted for an estimated 35 percent of covered employment in the MSA during 2022, up from 34 percent in 2010 and 32 percent in 2001 (U.S. Bureau of Labor Statistics).

Figure 1. Share of Nonfarm Payroll Jobs in the Atlanta MSA*, by Sector



*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through June 2023.

Source: U.S. Bureau of Labor Statistics

Current Conditions—Nonfarm Payrolls

Economic conditions in the MSA are currently strong following a robust recovery from the COVID-19 pandemic. Job gains slowed during the past 12 months, but the rate of job growth remained well above the rate for the nation. During the 12 months ending June 2023, nonfarm payrolls rose by 107,500 jobs, or 3.7 percent, down from a gain of 171,400 jobs, or 6.2 percent, during the 12 months ending June 2022 but faster than the 3.2-percent job growth nationally. The average of 3.03 million jobs in the MSA during the past 12 months is 5.8 percent greater than the prepandemic high of 2.86 million jobs during the same period of 2019. By comparison, nationally, nonfarm payrolls are currently 2.5 percent greater than the prepandemic high.

Each of the 11 nonfarm payroll sectors in the MSA added jobs during the 12 months ending June 2023, with the largest and fastest gains in the leisure and hospitality sector (Table 1). The number of jobs in the sector rose by 24,100, or 8.6 percent, during the past 12 months, following a gain of 30,900 jobs, or 12.5 percent, during the 12 months ending June 2022. The sector has benefited significantly from recent increases in passenger volume at Hartsfield-Jackson, which rose 11 percent to 99.47 million passengers during the 12 months ending June 2023 (Hartsfield-Jackson). By comparison, passenger volume nearly doubled from 49.81 million passengers during the 12 months ending June 2021, a period during which travel was significantly limited by the impact of the pandemic, to 89.79 million passengers during the 12 months ending June 2022. The leisure and hospitality sector is the only sector in the MSA remaining below the

Table 1. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Atlanta MSA*, by Sector

	12 Months Ending June 2022	12 Months Ending June 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	2,924.1	3,031.6	107.5	3.7
Goods-Producing Sectors	309.3	319.5	10.2	3.3
Mining, Logging, & Construction	136.2	142.5	6.3	4.6
Manufacturing	173.1	177.0	3.9	2.3
Service-Providing Sectors	2,614.8	2,712.1	97.3	3.7
Wholesale & Retail Trade	452.7	462.4	9.7	2.1
Transportation & Utilities	191.0	193.5	2.5	1.3
Information	112.8	115.4	2.6	2.3
Financial Activities	192.0	202.5	10.5	5.5
Professional & Business Services	577.7	588.9	11.2	1.9
Education & Health Services	377.6	400.5	22.9	6.1
Leisure & Hospitality	278.8	302.9	24.1	8.6
Other Services	100.5	105.9	5.4	5.4
Government	331.7	340.0	8.3	2.5

*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Notes: Based on 12-month averages through June 2022 and June 2023. Numbers may not add to totals due to rounding. Data are in thousands.

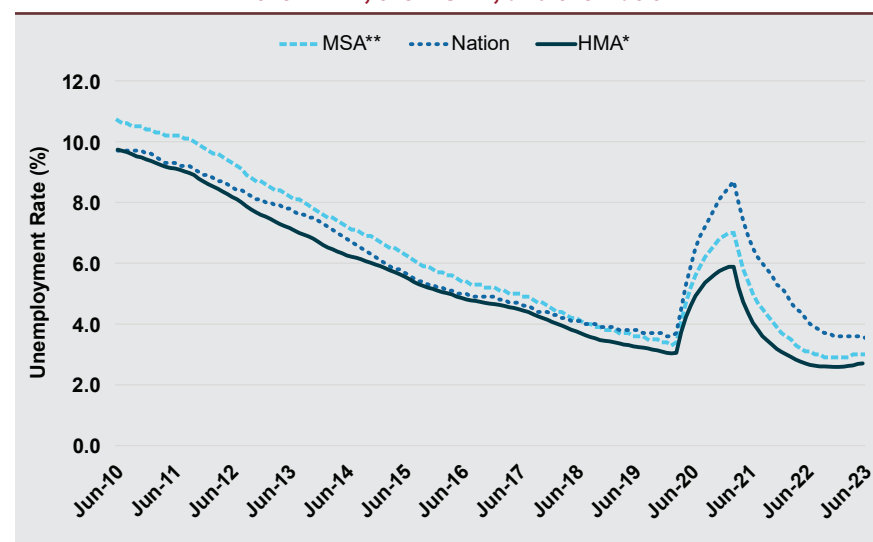
Source: U.S. Bureau of Labor Statistics

prepandemic high, although a full recovery appears imminent. The average of 302,900 jobs in the sector during the past 12 months was only 0.6 percent below the average of 304,700 jobs during 2019.

Current Conditions—Unemployment Rate

The respective unemployment rates for both the MSA and the HMA have declined significantly during the past 2 years following sharp increases during the early stages of the pandemic and are currently below the rate for the nation (Figure 2). During the 12 months ending June 2023, the unemployment rate for the MSA was 3.0 percent, down from 3.1 percent during the 12 months ending June 2022. The unemployment rate for the HMA was 2.7 percent during the past 12 months, unchanged from a year ago. By comparison, the unemployment rate for the nation was 3.6 percent during the current 12 months, down from 4.2 percent a year ago.

Figure 2. 12-Month Average Unemployment Rates in the HMA*, the MSA, and the Nation**



*Northern Atlanta Suburbs HMA. **Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Note: Based on the 12-month moving average.

Source: U.S. Bureau of Labor Statistics

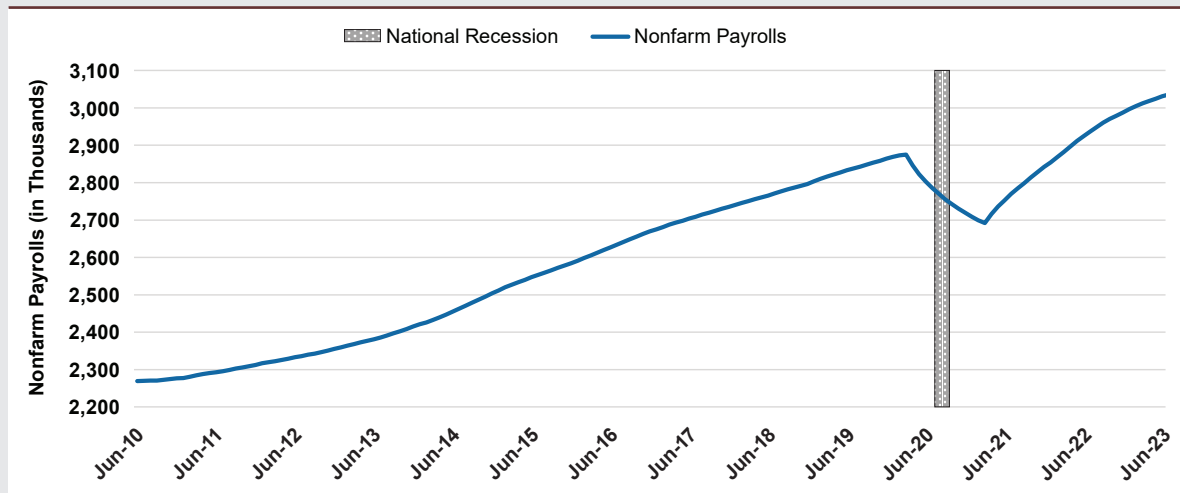


Economic Periods of Significance

2011 Through 2019: Great Recession Recovery and Expansion

Following the significant economic downturn associated with the Great Recession, the MSA added jobs at a rapid rate for much of the 2010s (Figure 3). From 2011 through 2019, the MSA added an average of 65,300 jobs, or 2.6 percent, annually, surpassing the prerecessionary high in 2014. The rate of job growth in the MSA was well above the rate for the nation, which averaged 1.6 percent annually during the period. Every sector in the MSA added jobs during the period, led by the professional and business services sector, which has added more jobs than any other sector in the MSA since 2011 (Figure 4). The sector added an average of 16,300 jobs, or 3.5 percent, a year from 2011 through 2019 due to several corporate relocations and expansions. AirWatch Holding, a mobile technology and security provider, added 1,000 jobs at its expanded headquarters in the MSA in 2013, and General Motors Company created 1,000 jobs at a new information technology innovation center that opened in 2014. Significant job growth also occurred from 2011 through 2019 in the education and health services sector. The sector increased by an average of 11,700 jobs, or 3.8 percent, annually, partly due to the completion of several large medical facilities, including Wellstar Paulding Medical Center, which opened in 2014, and a 210-bed medical tower at the Clifton Campus of Emory University, which opened in early 2017.

Figure 3. 12-Month Average Nonfarm Payrolls in the Atlanta MSA*

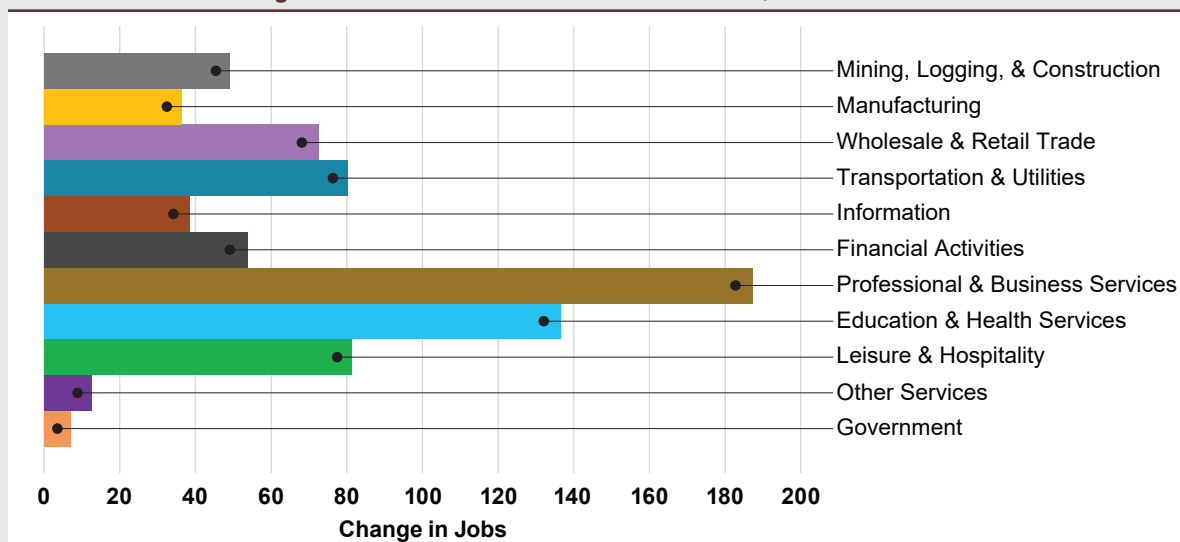


*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

Figure 4. Sector Growth in the Atlanta MSA*, 2011 to Current



*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Note: Current data are the 12-month averages ending June 2023.

Source: U.S. Bureau of Labor Statistics

From 2011 through 2019, covered employment in the HMA increased an average of 3.0 percent annually, accounting for 39 percent of all covered employment growth in the MSA. Consistent with the MSA as a whole, the professional and business services sector added the most jobs in the HMA, increasing by an average of 5,650 jobs a year; however, the fastest rate of growth in the HMA was in the mining, logging and construction sector, averaging 4.9 percent a year. The sector added an average of 2,625 jobs each year during the period due in part to a nearly fourfold increase in residential (sales plus rental) permitting, which rose from only 4,325 units in 2010 to 16,350 units in 2019.

2020 Through 2022: COVID-19 Recession and Recovery

Nonfarm payrolls fell in the MSA during the early stages of the COVID-19 pandemic, although the decline was at a lower rate than for the nation, and the subsequent recovery was notably strong. Nonfarm payrolls in the MSA decreased by 144,800 jobs, or 5.1 percent, during 2020 compared with a 5.8-percent decline nationally. Measures implemented to limit the effect of the pandemic contributed to job losses in 9 of 11 nonfarm payroll sectors in the MSA, with the largest and fastest decline in the leisure and hospitality sector, which fell by 61,000 jobs, or 20.0 percent. Job losses in the sector were largely due to significant limitations on travel and in-person contact during the year, which resulted in a 61-percent decline in passenger volume at Hartsfield-Jackson.

The subsequent easing of restrictions on travel and in-person contact contributed to a strong economic recovery in the MSA during 2021 and 2022. Nonfarm payrolls in the MSA rose by an average of 134,000 jobs, or 4.8 percent, a year during the period, with the average of 2.99 million jobs during 2022 representing a 4.3-percent increase from the prepandemic

high of 2.86 million during 2019. By comparison, nationally, the number of jobs rose an average of 3.6 percent a year during 2021 and 2022, and the average of 152.58 million jobs during 2022 was only 1.1 percent greater than the prepandemic high of 150.90 million during 2019. The fastest gains in the MSA during 2021 and 2022 were in the leisure and hospitality sector, which added an average of 23,400 jobs, or 9.2 percent, a year. Large numbers of restaurants and bars reopened during the period, and an average annual increase of 48 percent in passenger volume at Hartsfield-Jackson contributed to gains in the sector. All but three sectors in the MSA exceeded prepandemic highs during 2022, with the largest gain in the professional and business services sector. The number of jobs in the sector averaged 589,100 during 2022, an increase of 40,900 jobs from the previous peak of 548,200 during 2019. The resumption of in-person work contributed to significant gains in the sector during 2021 and 2022. The sector also benefited from several corporate relocations into the MSA, including Norfolk Southern Corporation, which created 3,000 jobs when it opened a new headquarters in the city of Atlanta in late 2021.

Due in part to the relatively high concentration of lower-density suburban areas within the HMA, the initial impact of the pandemic was relatively modest when compared with the MSA. Covered employment in the HMA fell only 4.5 percent during 2020 compared with a 5.3-percent decline for the MSA; consequently, when COVID-19-related restrictions were eased during 2021 and 2022, covered employment rose an average of 3.9 percent a year in the HMA, slower than the 4.3-percent average for the MSA. As a result, the economy of the HMA is largely in line with the MSA as a whole relative to prepandemic levels. During 2022, covered employment in the HMA was 3.1 percent greater than the prepandemic high compared with a 3.0-percent increase for the MSA.

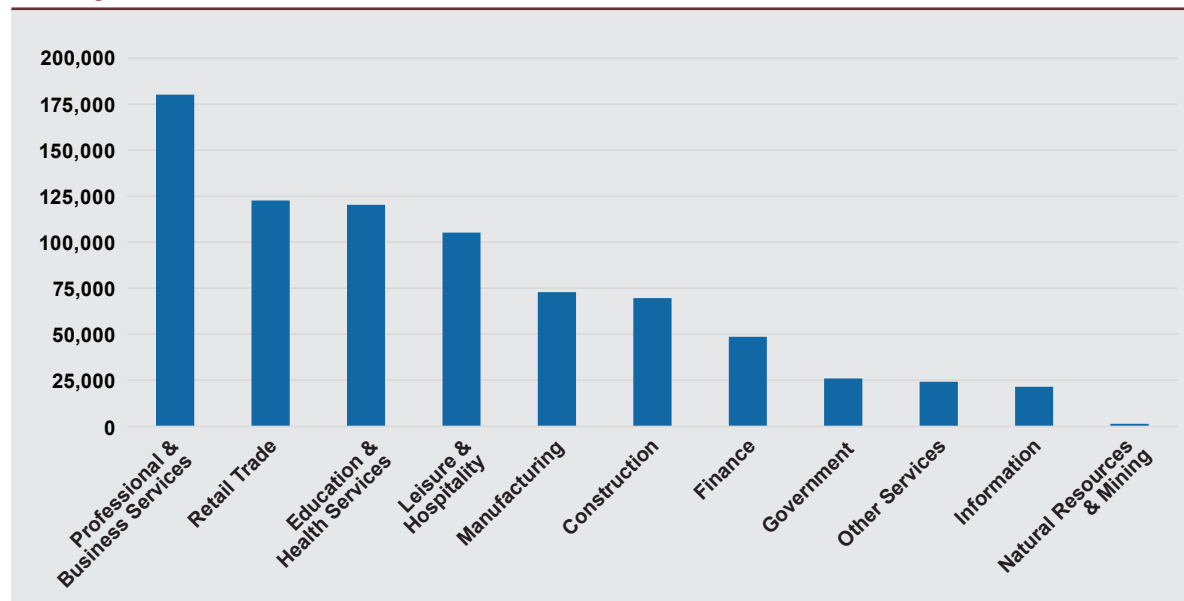
Major Industries and Employers in the HMA

Of the 31 Fortune 1000 companies headquartered in the MSA, 5—including The Home Depot, Inc., AGCO Corporation, and Asbury Automotive Group, Inc.—are in the HMA, contributing a significant number of jobs to the professional and business services sector (Figure 5). The sector accounted for an estimated 20 percent of all jobs in the HMA during 2022, generally in line with the share for the MSA. The presence of several high-population suburbs contributes to a notably high concentration of jobs in the retail trade subsector in the HMA, including large numbers of jobs at multisite retailers such as The Home Depot, Inc., Publix Super Markets, Inc. and Walmart Inc. (Table 2). The subsector accounts for approximately 14 percent of all jobs in the HMA, well above the 10-percent share for the MSA.

Commuting Patterns

The HMA, which includes several highly populated suburbs, accounts for a notably larger share of the employed residents in the MSA, 43 percent, than of the total jobs, 35 percent (Table 3). Significant out-flows of commutation occur from the HMA to Fulton and DeKalb Counties. Approximately 27 percent of all employed residents of the HMA commute to jobs in Fulton and DeKalb Counties, and only 12 percent of the employed residents of Fulton and DeKalb Counties commute to jobs

Figure 5. Total Jobs in Selected Sectors and Industries in the Northern Atlanta Suburbs HMA



Note: Annual average data for 2022.

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Table 2. Major Employers in the Northern Atlanta Suburbs HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
The Home Depot, Inc.	Wholesale & Retail Trade	10,000+
Northside Hospital	Education & Health Services	10,000+
Wellstar Health System	Education & Health Services	7,000-9,999
Piedmont Atlanta Hospital	Education & Health Services	7,000-9,999
Lockheed Martin	Manufacturing	5,000-6,999
Kennesaw State University	Government	5,000-6,999
Gwinnett County	Government	5,000-6,999
Cobb County	Government	5,000-6,999
Publix Super Markets, Inc.	Wholesale & Retail Trade	5,000-6,999
Walmart Inc.	Wholesale & Retail Trade	5,000-6,999

Note: Excludes local school districts.

Sources: Metro Atlanta Chamber, Partnership Gwinnett; Cumming-Forsyth County Chamber of Commerce; Cherokee County Office of Economic Development; City of Marietta; City of Smyrna

within the HMA. However, the HMA receives net in-flows of commutation from elsewhere in the MSA; approximately 9 percent of the employed residents in the remaining 19 counties in the MSA commute to primary jobs within the HMA (2016-2020 U.S. Census Bureau Journey to Work). Only 3 percent of the employed residents of the HMA commute to primary jobs in those counties (Table 4).

Forecast

Nonfarm payroll growth in the MSA is expected to moderate but remain relatively strong during the 3-year forecast period at an average annual rate of 2.6 percent. Corporate expansions and relocations are expected to contribute to notable growth in the professional and business services sector during the forecast period, including by Transportation Insight, LLC, a transportation logistics company that plans to relocate approximately 1,200 jobs from North Carolina to a new headquarters in the MSA by the end of 2023. Strong growth is likely to continue in the education and health services sector, partly due to approximately 1,000 new jobs associated with Children's Healthcare of Atlanta's new \$1.5 billion Brookhaven facility, which is expected

Table 3. HMA* Share of MSA Totals for Employed Residents and Jobs**

	2001 (%)	2010 (%)	2022 (%)
Employed Residents	40	42	43
Jobs	32	34	35

*Northern Atlanta Suburbs HMA. **Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Note: Data are annual averages.

Sources: U.S. Bureau of Labor Statistics; estimates by the analyst

Table 4. Jobs by Place of Worker Residence in the Atlanta MSA*

Worker Residence (%)	Location of Primary Job				
	Northern Atlanta Suburbs HMA	Fulton and DeKalb Counties	Remainder of MSA*	Remainder of Georgia	Remainder of Nation
Northern Atlanta Suburbs HMA	66	27	3	3	1
Fulton and DeKalb Counties	12	81	5	1	1
Remainder of MSA*	9	22	63	4	1
Remainder of Georgia	2	1	2	90	5
Remainder of Nation	<1	<1	<1	<1	99

*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Note: Rows may not add to 100 percent due to rounding.

Source: 2016-2020 U.S. Census Journey to Work

to be complete in late 2024. Several ongoing construction projects will also benefit the MSA economy throughout the forecast period. A \$1.4 billion expansion of Concourse D at Hartsfield-Jackson, which began in early 2023, is expected to continue until 2029. Likewise, the \$5.0 billion Centennial Yards mixed-use development, which broke ground in late 2022, is expected to add a combined 8.0 million square feet of residential and commercial space across 50 acres in downtown Atlanta during the next decade.

Population and Households

Current Population—Atlanta MSA: 6.30 million

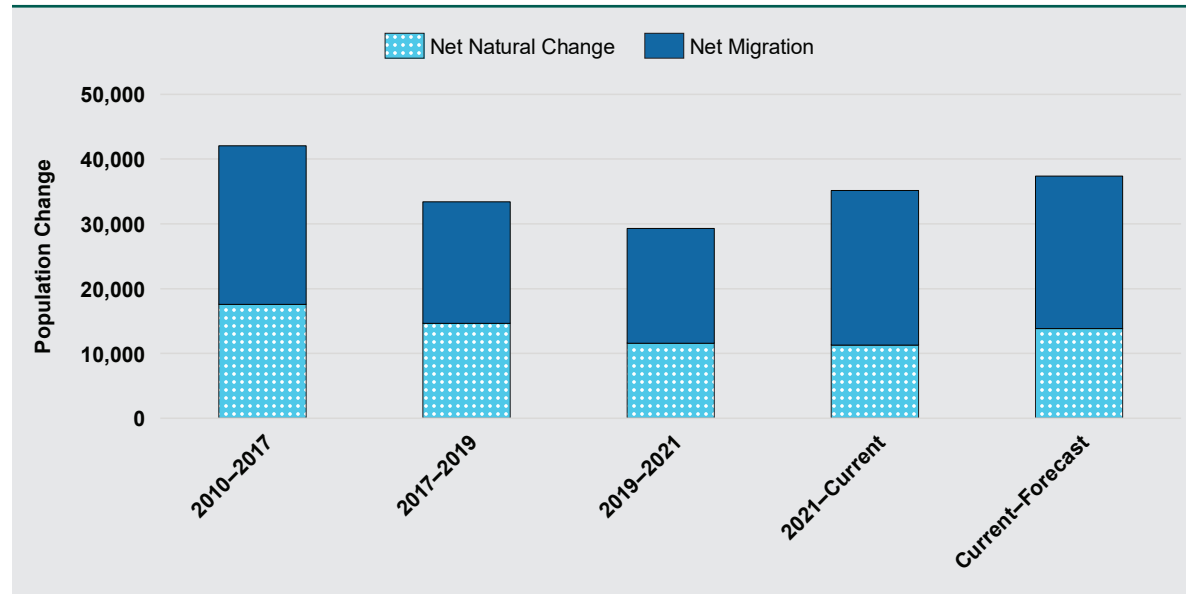
Current Population—Northern Atlanta Suburbs HMA: 2.62 million

The HMA currently accounts for approximately 42 percent of the total population of the MSA, up slightly from 40 percent in 2010.

Population Trends

Population growth in the HMA exceeded the rate for the MSA during the recovery from the Great Recession and the subsequent economic expansion; however, rising housing costs contributed to slowed net in-migration to the HMA from 2017 to 2019. Population growth slowed further in the HMA during the early stages of the pandemic but has since accelerated. The population of the HMA rose by an average of 42,050, or 1.9 percent, from 2010 to 2017, notably faster than the 1.5-percent growth rate for the MSA (U.S. Census Bureau population estimates as of July 1), and net in-migration averaged 24,500 people a year, accounting for 58 percent of total population growth (Figure 6). Net natural increase averaged 17,550 annually during the period. Despite strong economic conditions, population growth decelerated to an average of 33,400

Figure 6. Components of Population Change in the Northern Atlanta Suburbs HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is the current date (July 1, 2023) to July 1, 2026.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

people a year, or 1.4 percent, from 2017 to 2019, only slightly faster than the average of 1.3 percent for the MSA. Net in-migration to the HMA slowed to an average of 18,750 a year, or 56 percent of total population growth. Domestic out-migration, particularly associated with families who relocated to other counties in Georgia where housing costs are lower, accounted for much of the decline in net in-migration during the period. This subset of people leaving the HMA contributed to a reduction in net natural increase, which averaged 14,650 a year from 2017 to 2019.

Population growth slowed further in the HMA during the early stages of the pandemic because net in-migration continued to decline, and net natural increase fell sharply. From 2019 to 2021, population growth averaged only 29,300 people, or 1.2 percent, a year. During the period, net in-migration averaged 17,750 people a year, accounting for 61 percent of population growth, and net natural increase averaged only 11,550 people a year, largely due to deaths associated with COVID-19. By comparison, population growth in the MSA averaged 55,100 people, or 0.9 percent, a year from 2019 to 2021, including an average net

in-migration of 31,900 people and an average net natural increase of 23,200 people annually.

Since 2021, easing COVID-19-related restrictions and strengthening economic conditions have accelerated population growth in the HMA. The population has risen by an average of 35,150, or 1.4 percent, a year since 2021, including an average net in-migration of 23,850 people and an average net natural increase of 11,300 people annually. Population growth remained faster than for the MSA overall. The population of the MSA has grown by an average of 79,050, or 1.3 percent, annually since 2021, with net in-migration and net natural increase averaging 57,100 and 21,950 people a year, respectively.

Migration Trends

Relatively high housing prices in and around the city of Atlanta have contributed to net in-migration to the HMA during much of the period since the mid-2010s. From 2016 to 2020, a total of 33,848 residents relocated to the HMA from Fulton and DeKalb Counties, which include the city of Atlanta and have a combined average home sales price 10 percent higher than in the HMA. However, only 26,790 residents relocated from the HMA to Fulton and DeKalb Counties, resulting in a net in-flow of migration (Table 5). The HMA has also benefitted from net in-flows of residents from many areas outside Georgia, including the New York and Miami metropolitan

Table 5. Migration Flows in the Northern Atlanta Suburbs HMA: 2016–20

Into the HMA	
Fulton and DeKalb Counties	33,848
Remainder of Atlanta MSA*	15,339
Remainder of Georgia	19,160
Remainder of U.S.	59,775
Outside of U.S.	14,091
Out of the HMA	
Fulton and DeKalb Counties	26,790
Remainder of Atlanta MSA*	17,581
Remainder of Georgia	27,847
Remainder of U.S.	54,531
Outside of U.S.	NA

NA = data not available.

*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Source: U.S. Census Bureau Migration Flows, 2016-2020 American Community Survey 5-year data

areas, where home prices are currently 76 and 43 percent higher than in the HMA, respectively. In total, 59,775 people relocated to the HMA from outside Georgia but within the United States from 2016 to 2020 but only 54,531 people moved from the HMA to areas outside of Georgia but within the United States. Overall net in-migration to the HMA was, however, limited by net out-flows of residents to affordable counties within Georgia. A total of 45,428 people relocated from the HMA to other counties within Georgia (excluding Fulton and DeKalb Counties) whereas only 34,499 people moved from those counties to the HMA. Data regarding out-migration from the HMA to areas outside the United States are unavailable; however, international in-migration, particularly from Asia, South America, and Africa, appears to have contributed significantly to population growth in the HMA before the pandemic. People relocating from outside the United States accounted for approximately 10 percent of all in-migration to the HMA from 2016 to 2020.

Population by Geography

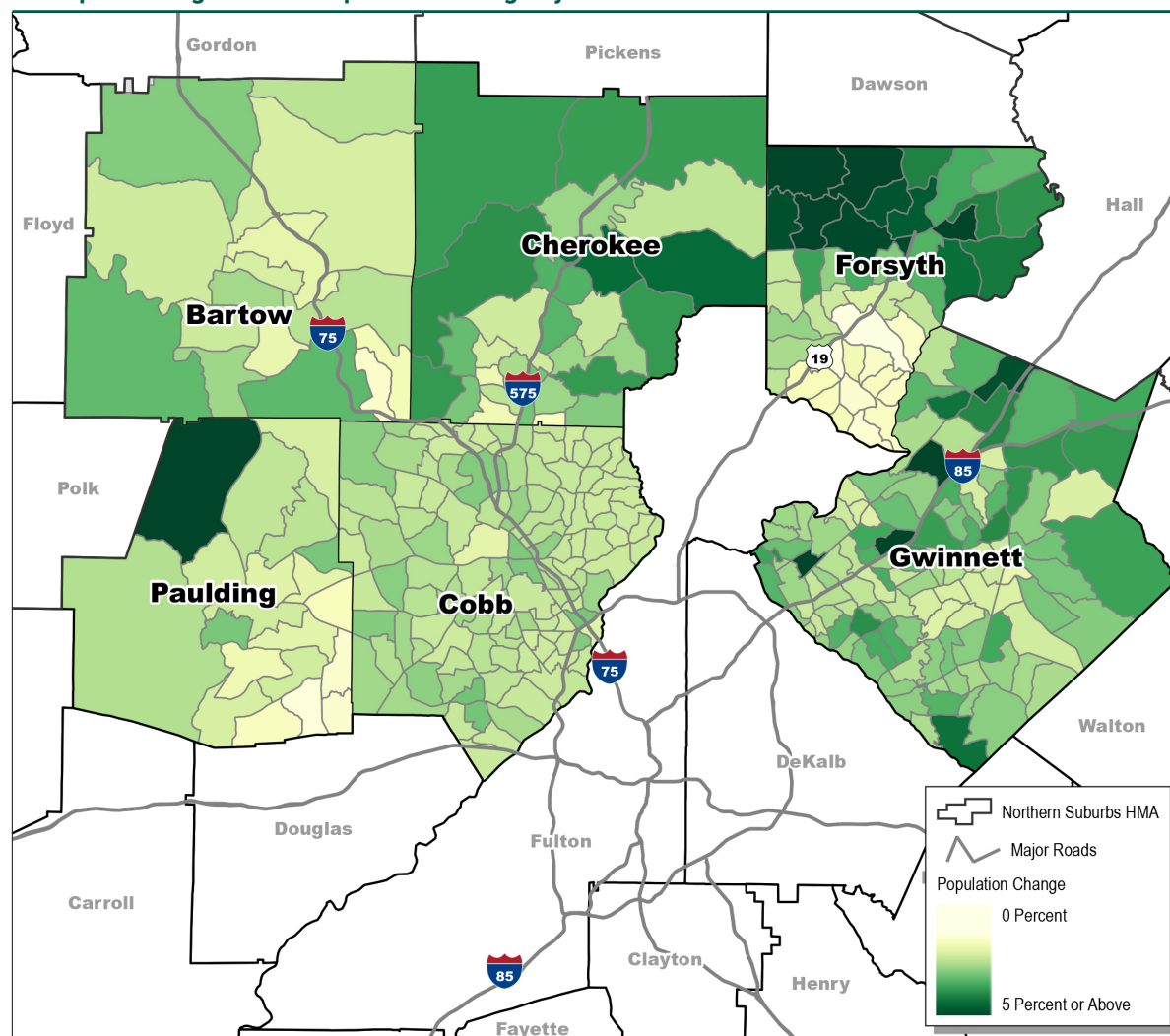
Four of the 10 most populous counties in the state of Georgia are located within the HMA, including Gwinnett and Cobb Counties, which were ranked second and third in 2022, with populations of 975,353 and

771,952, respectively (Census Bureau population estimates as of July 1). From 2010 to 2022, the populations of the two counties increased by respective averages of 1.6 and 0.9 percent each year. The total of 167,374 residents added in Gwinnett County during the period was the highest total of any county in the state; the 82,410 residents added in Cobb County ranked fourth. However, the most rapid rates of population growth in the HMA were in Forsyth and Cherokee Counties, where the number of residents rose by respective averages of 3.5 and 2.3 percent a year, the second and seventh fastest figures in the state, to 267,237 and 281,278. The respective populations of Paulding and Bartow Counties were 178,241 and 112,816 in 2022, representing average increases of 1.9 and 1.0 each year since 2010. Throughout the HMA, recent population growth has been notably fast in areas near primary commuting arteries, including Interstates 75, 85, and 575 and Highway 19 (Map 1).

Household Growth Trends

Consistent with population growth trends, the rate of household growth has generally been more rapid in the HMA than in the MSA since 2010. From 2010 to 2020, the number of households in the HMA increased from 747,831 to 884,770, an average annual increase of 1.7 percent compared with the 1.5-percent growth rate for the MSA. As of July 1, 2023, the number of households in the HMA is estimated

Map 1. Average Annual Population Change by Census Tract in the Northern Atlanta Suburbs HMA



Source: Atlanta Regional Commission, 2015–20

at 934,400, an average annual increase of 1.7 percent since 2020 (Table 6). The number of households in the MSA is estimated at 2.36 million as of July 1, 2023, an average increase of 1.4 percent each year since 2020.

Household Size Trends

The average household size in the HMA is currently estimated at 2.78 persons, a sharp decline from 2.82 in 2020 due in part to significant decoupling of households associated with the easing of COVID-19-related restrictions. However, the current figure for the HMA remains well above the average household size for the MSA as a whole, which is currently estimated at 2.63 persons, down from 2.66 in 2020. The relatively large average household size in the HMA is due to a notably high share of households with three or more people, particularly households with children. As of 2022, 47 percent of households in the HMA included three or more people compared with respective shares of 41 percent for the MSA and only 37 percent for the nation (2022 ACS 1-year data; Table 7).

Households by Tenure

The HMA has relatively high household incomes, and the homeownership rate is notably higher than the MSA overall. The average household income in the HMA was \$119,539 in 2022, 4 percent higher than the average of \$114,862 in the MSA (2022 ACS 1-year data). After declining sharply during the

Table 6. Population and Household Quick Facts

Population Quick Facts	MSA*			Northern Atlanta Suburbs HMA		
	2020	Current	Forecast	2020	Current	Forecast
Population	6,089,815	6,301,200	6,543,834	2,518,676	2,623,000	2,735,000
Average Annual Change	80,300	65,050	80,900	39,300	31,950	37,350
Percentage Change	1.4	1.1	1.3	1.7	1.3	1.4

Household Quick Facts	MSA*			Northern Atlanta Suburbs HMA		
	2020	Current	Forecast	2020	Current	Forecast
Households	2,258,264	2,363,700	2,459,000	884,770	934,400	975,800
Average Annual Change	31,450	32,450	31,900	13,700	15,250	13,800
Percentage Change	1.5	1.4	1.3	1.7	1.7	1.5

*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (July 1, 2023) to July 1, 2026.

Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Table 7. Selected Population and Household Demographics

	HMA*	MSA**	Nation
Population Aged 19 and Younger	27%	26%	24%
Population Aged 20 to 34	20%	21%	20%
Population Aged 35 to 44	14%	14%	13%
Population Aged 45 and Older	39%	39%	43%
Population With At Least a Bachelor's Degree (Aged 18 or Older)	40%	39%	33%
Households With 2 or Fewer People	53%	59%	63%
Households With 3 or More People	47%	41%	37%
Average Household Income	\$119,539	\$114,862	\$105,555

*Northern Atlanta Suburbs HMA. **Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Source: 2022 American Community Survey 1-year data

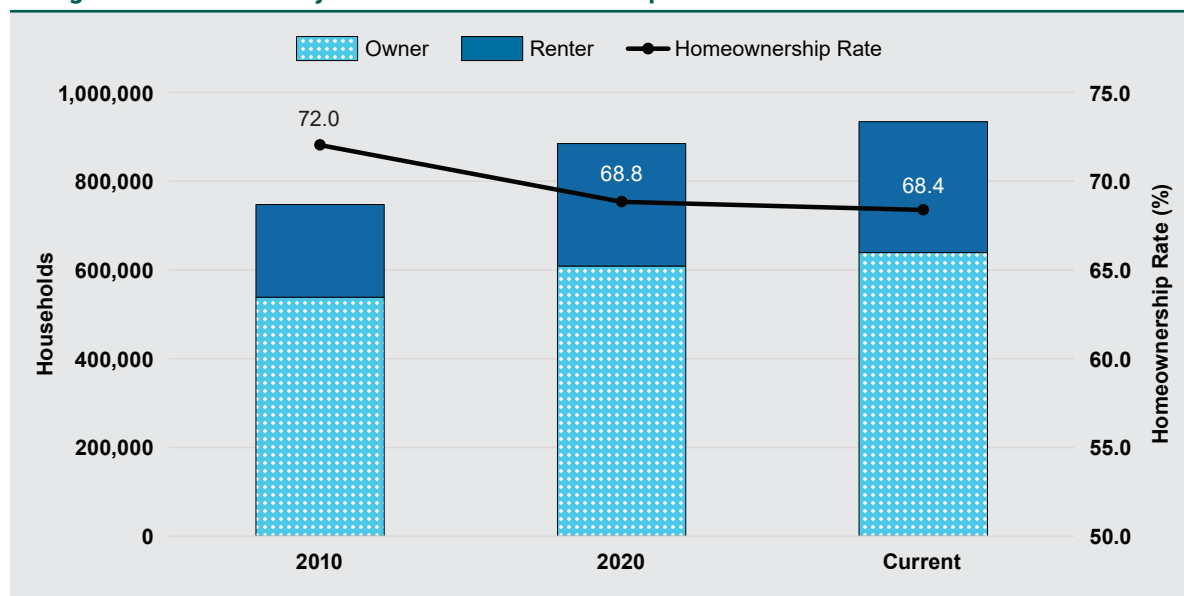
early 2010s when economic conditions were weak, homeownership generally trended upward during the remainder of the decade because the economy expanded and interest rates were relatively low; however, homeownership has declined since 2020, partly due to rising mortgage interest rates. As of July 1, 2023, the homeownership rate in the HMA is estimated at 68.4 percent, down from 72.0 percent in April 2010

and 68.8 percent in April 2020 (Census Bureau decennial census counts, estimates by the analyst; Figure 7). The homeownership rate in the MSA is currently estimated at 63.0 percent, down from 66.1 percent in April 2010 but up slightly from 62.8 percent in April 2020. The homeownership rate for the nation was 65.9 percent as of the second quarter of 2023, down from 67.9 percent as of the second quarter of 2020 and 66.9 percent as of the second quarter of 2010 (Census Bureau Current Population Survey).

Forecast

During the 3-year forecast period, the rate of population growth in the HMA is expected to accelerate slightly compared with recent years and remain higher than the rate for the MSA. Net in-migration to the HMA is expected to continue because economic conditions in the MSA continue to strengthen. The population of the HMA is expected to increase an average of 1.4 percent annually during the next 3 years, compared with average annual growth of 1.3 percent for the MSA. The number of households in the HMA is expected to increase an average of 1.5 percent annually, compared with a 1.3-percent rate for the MSA. The homeownership rate in the HMA is expected to decline slightly during the forecast period because economic conditions are expected to continue strengthening, but mortgage interest rates are anticipated to remain relatively high.

Figure 7. Households by Tenure and Homeownership Rate in the Northern Atlanta Suburbs HMA



Note: The current date is July 1, 2023.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Slightly Tight but Easing

The inventory of homes for sale in the Northern Atlanta Suburbs HMA remains low relative to historical levels, although sales price growth decelerated during the past year when the number of home sales declined sharply.

Current Conditions

Sales market conditions in the HMA tightened significantly during the early stages of the pandemic but eased during the past year when rising mortgage interest rates put downward pressure on sales demand and supply as owners with lower mortgage rates became unwilling to sell. During June 2023, 1.5 months of for-sale inventory were available in the HMA, down from 1.7 months a year ago and lower than the 1.9-month supply for the MSA. The sales vacancy rate in the HMA is currently estimated at 1.9 percent (Table 8), up from 1.5 percent in April 2020 but well below the 3.4-percent rate in April 2010 when conditions were soft.

Table 8. Home Sales Quick Facts in the HMA*, the MSA, and the Nation**

	HMA*	MSA**	Nation
Vacancy Rate	1.9%	1.9%	NA
Months of Inventory	1.5	1.9	2.3
Total Home Sales	49,550	116,400	5,489,000
1-Year Change	-34%	-36%	-28%
New Home Sales Price	\$526,200	\$498,800	\$506,600
1-Year Change	15%	15%	8%
Existing Home Sales Price	\$425,700	\$408,000	\$424,000
1-Year Change	6%	4%	2%
Mortgage Delinquency Rate	0.8%	1.1%	1.1%

NA = data not available.

*Northern Atlanta Suburbs HMA. **Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

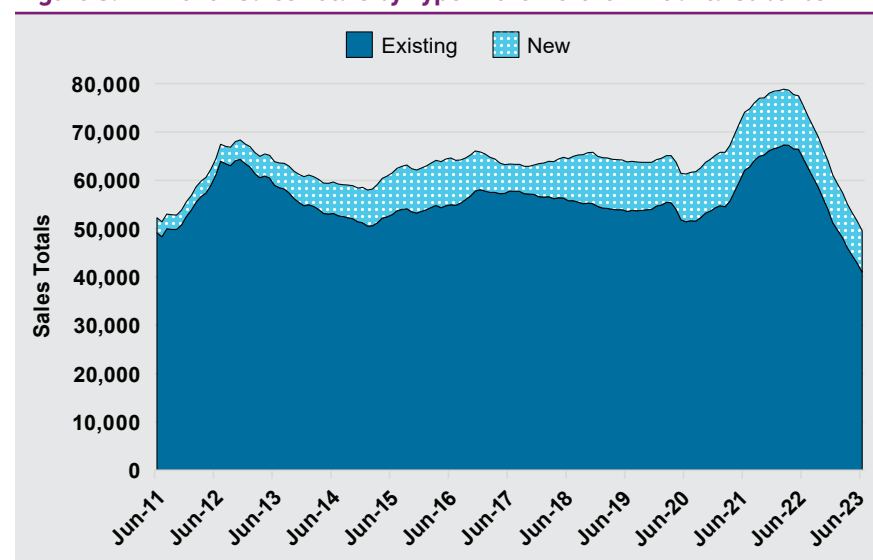
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending July 2023; and months of inventory and mortgage delinquency data are as of July 2023. The current date is July 1, 2023.

Sources: Vacancy rate—estimates by the analyst; months of inventory, mortgage delinquency rate and national sales prices—CoreLogic, Inc.; HMA and MSA home sales and prices—Zonda

Home Sales Trends

The number of homes sold in the HMA fell significantly during the housing crisis in the late 2000s before trending upward during much of the mid- and late 2010s, when economic conditions improved and then strengthened. An average of 54,950 homes were sold annually in the HMA in 2010 and 2011, a figure that subsequently rose to an average of 63,500 homes sold each year from 2012 through 2019 (Zonda). The number of home sales rose modestly to 65,150 during 2020 when economic conditions weakened and mortgage interest rates fell to historical lows (Figure 8). The number of home sales rose 20 percent to 78,400 during 2021 when interest rates remained low, economic conditions improved, and many COVID-19-related constraints on for-sale inventory—including supply chain issues and in-person contact restrictions—began to abate. Home sales activity continued to increase into early 2022; however, rising interest rates contributed to a sharp decline during the past 12 months. A total of 49,550 homes sold in the HMA during the 12 months ending

Figure 8. 12-Month Sales Totals by Type in the Northern Atlanta Suburbs HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.

Source: Zonda

June 2023, down 34 percent from 75,400 during the previous 12 months.

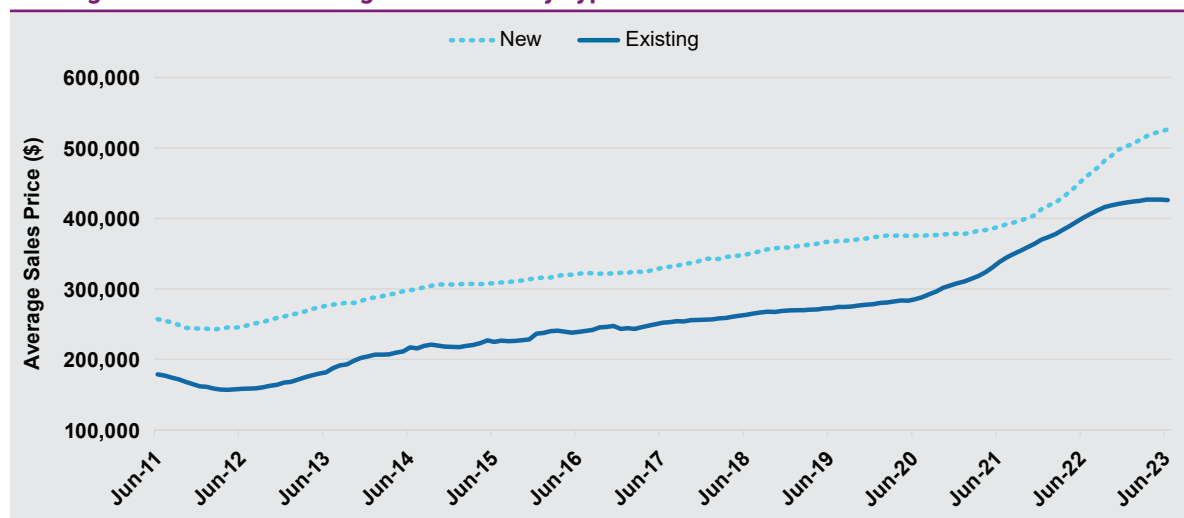
Home Sales Price Trends

Home sales prices in the HMA rose in the early and mid-2010s due in part to rapidly falling numbers of distressed sales, and strengthening economic conditions contributed to continued home price gains in the late 2010s (Figure 9). The average home price in the HMA reached a low of \$166,200 during 2011 but subsequently increased by an average of 7 percent each year to \$292,600 during 2019. Following the onset of the pandemic, the average home price in the HMA increased an average of 14 percent annually from 2020 through 2022, largely due to strong demand induced by low mortgage interest rates and sharply declining levels of for-sale inventory. Home price growth continued but moderated during the past year, reflecting easing but still slightly tight sales market conditions. The average home price in the HMA rose 8 percent to \$443,100 during the 12 months ending June 2023, following an 18-percent increase during the 12 months ending June 2022.

Sales Prices by Price Range and Geography

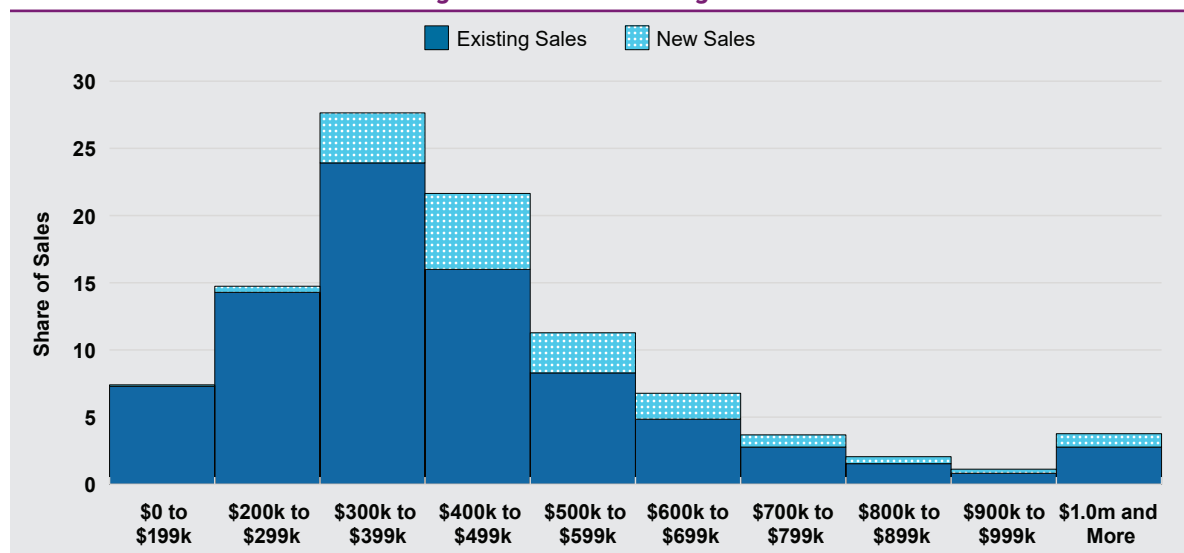
Home sales for the HMA are generally more concentrated in middle price ranges than for the MSA, with notably lower concentrations at the lowest price points. Approximately 28 percent of all homes sold in the HMA during the 12 months ending June 2023 were priced from \$300,000 to \$399,999, and an additional 22 percent were priced from \$400,000 to \$499,999 (Zonda; Figure 10).

Figure 9. 12-Month Average Sales Price by Type of Sale in the Northern Atlanta Suburbs HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

Figure 10. Share of Overall Sales by Price Range in the Northern Atlanta Suburbs HMA During the 12 Months Ending June 2023

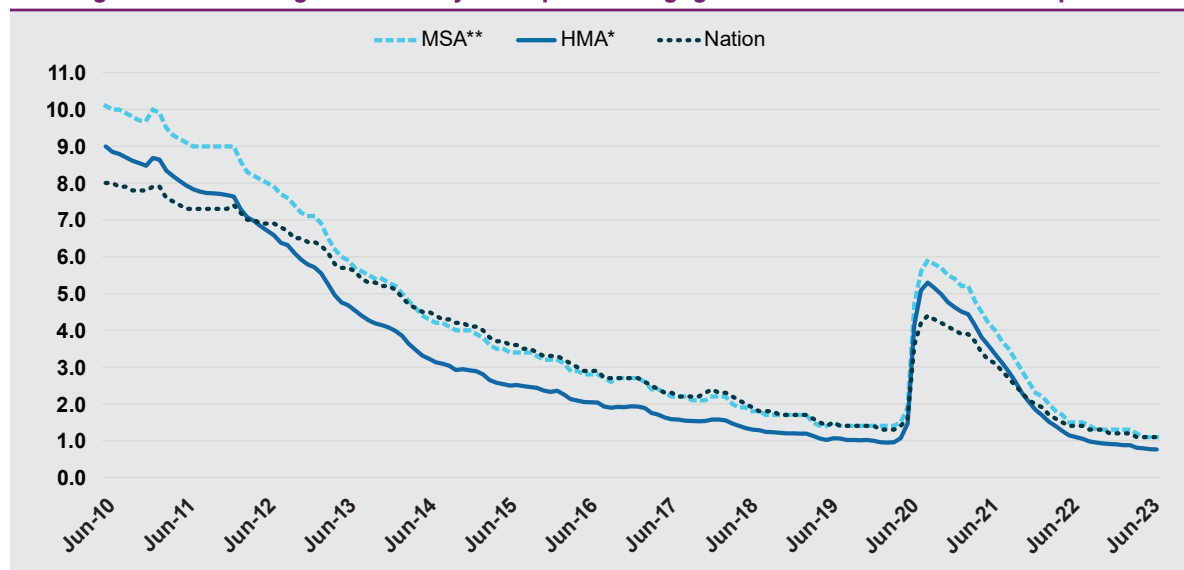


Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

Homes priced below \$200,000 accounted for only 7 percent of all sales. By comparison, a combined 40 percent of all homes sold in the MSA during the past 12 months were priced from \$300,000 to \$499,999, with 14 percent priced below \$200,000. Within the HMA, home prices are highly correlated with incomes and ease of access to the important job centers of the MSA. Forsyth County, which is located approximately 25 miles north of the city of Atlanta, had the highest average household income in the HMA in 2022, \$154,268, and the highest average home price during the most recent 12 months, \$596,700 (2022 ACS 1-year data; Zonda). The lowest average home price in the HMA, \$302,100, was in Bartow County, which is located approximately 50 miles northwest of the city of Atlanta and had an average household income of only \$99,694 in 2022.

The rate of seriously delinquent mortgages and real estate owned (REO) properties has been notably low in the HMA during much of the period since the late 2010s, following significant declines during the early and mid-2010s (Figure 11). After reaching a June high of 9.0 percent during 2010, the rate declined during each of the next 9 years to 1.1 percent in June 2019 (CoreLogic, Inc.). The rate spiked during the pandemic to 4.1 percent in June 2020 but has since declined sharply during the past 3 years to 0.8 percent in June 2023 because economic conditions have improved. By comparison, rates of seriously delinquent mortgages and REO

Figure 11. Percentage of Seriously Delinquent Mortgages and Real Estate Owned Properties



*Northern Atlanta Suburbs Housing Market Area. **Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.
Source: CoreLogic, Inc.

properties for the MSA and nation reached respective June highs of 10.1 and 8.0 percent in 2010 before declining to 1.5 percent each in June 2019. The rates for the MSA and the nation were both 1.1 percent in June 2023, down from 4.7 and 3.6 percent, respectively, in June 2020. REO sales were a significant factor in the HMA in the late 2000s and early 2010s but have had little effect on the sales market since the late 2010s. As a share of all existing home sales in the HMA, REO sales peaked at 28 percent during 2011; however, that figure subsequently declined during 9 of the next 11 years and has been at or below 2 percent since 2018 (Zonda).

Sales Construction Trends

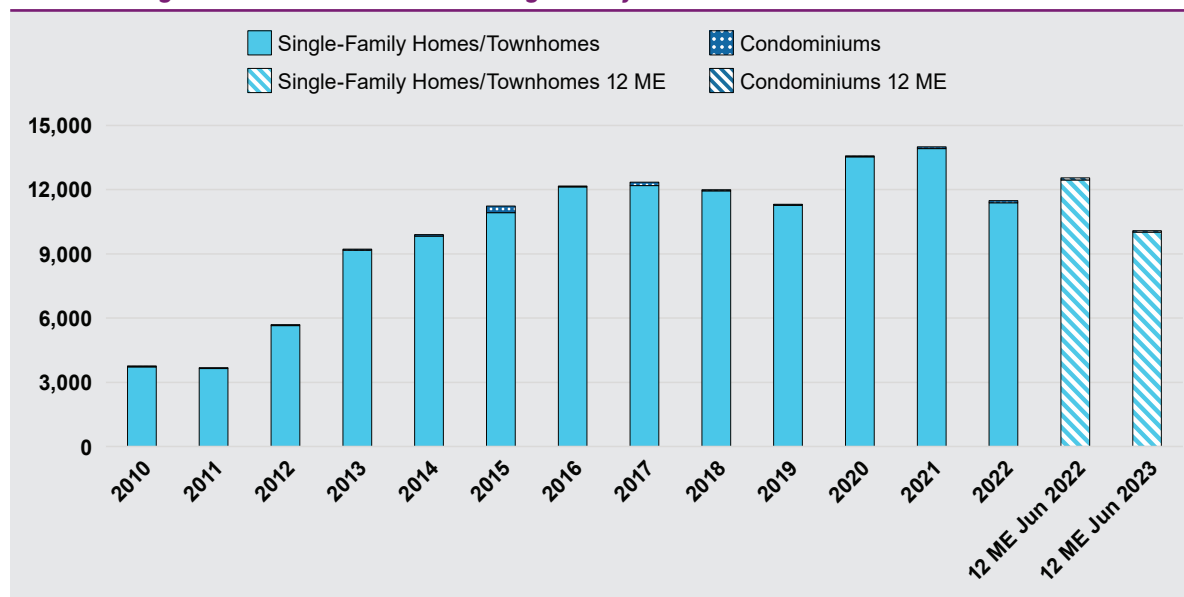
As measured by the number of single-family homes, townhomes, and condominiums permitted (see building permits), sales construction activity in the HMA rose throughout much of the 2010s after declining precipitously during the housing crisis in the late 2000s (Figure 12). The number of homes permitted increased each year, from 3,650 during 2011 to 12,350 during 2017, before moderating to an average of 11,650 a year from 2018 through 2019. However, for-sale construction rebounded quickly to an average

of 13,750 homes permitted annually during 2020 and 2021 because sales market conditions tightened. Builders have since responded to easing sales market conditions by notably reducing new home development. A total of 10,050 homes were permitted during the 12 months ending June 2023, down 20 percent from the previous 12 months (preliminary data).

Sales Construction Trends by Geography

Recent new home construction in the HMA has been heavily concentrated near primary commuting arteries, particularly Interstate 85, Interstate 575, and Highway 19. More than 30 percent of all new homes sold in the HMA during the most recent 12 months were in Gwinnett County, which is along Interstate 85 approximately 20 miles northeast of the city of Atlanta. Recent new home construction in the county includes the second phase of Waterside, a \$320 million master-planned community in the city of Peachtree Corners. Construction at the development began in 2021, with prices starting in the mid-\$300,000s for condominiums, single-family homes, and townhomes ranging in size from 1,575 to 3,200 square feet. Notable new home construction is also ongoing in Cherokee and Forsyth Counties, which are approximately 25 miles north of the city of Atlanta along Interstate 575 and Highway 19, respectively. The two counties combined accounted for more

Figure 12. Annual Sales Permitting Activity in the Northern Atlanta Suburbs HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

than one-third of all new home sales in the HMA during the 12 months ending June 2023, including many sales associated with new master-planned developments. Current home construction in Cherokee County includes the first phase of Vista Ridge, which will consist of 237 homes in the city of Woodstock. Sales are underway at the development, with prices starting in the mid-\$500,000s for one- and two-story homes ranging in size from 1,700 to 3,600 square feet. Brackley, a 116-home development in the city of Cumming in Forsyth County, began construction in mid-2023, with prices for new three- to six-bedroom homes starting in the high \$400,000s.

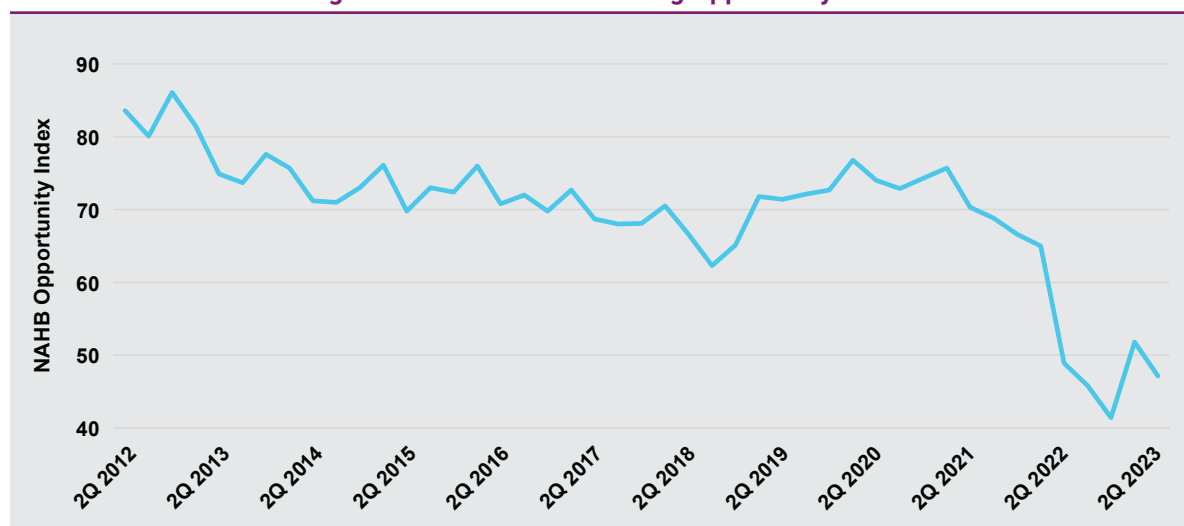
Housing Affordability: Sales

Since the early 2010s, homeownership has become notably less affordable in the MSA, which includes the HMA, with home sale prices generally increasing faster than incomes. The National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI) for the MSA, which represents the share of homes

sold that would have been affordable to a family earning the median income, was 47.1 during the second quarter of 2023, down from 48.9 during the second quarter of 2022 and well below the second quarter high of 83.6 in 2012 (Figure 13). Approximately one-half of the 236 ranked metropolitan areas were more affordable than the MSA during the second quarter of 2023; however, the HOI for the MSA remained higher than several comparable metropolitan areas in the South, including Orlando, Houston, and Charlotte, with HOIs of 25.0, 40.4, and 41.7, respectively. The MSA is also significantly more affordable than many of the highest profile metropolitan areas in the nation, including Los Angeles (3.2), Miami (13.2), and New York (15.1).

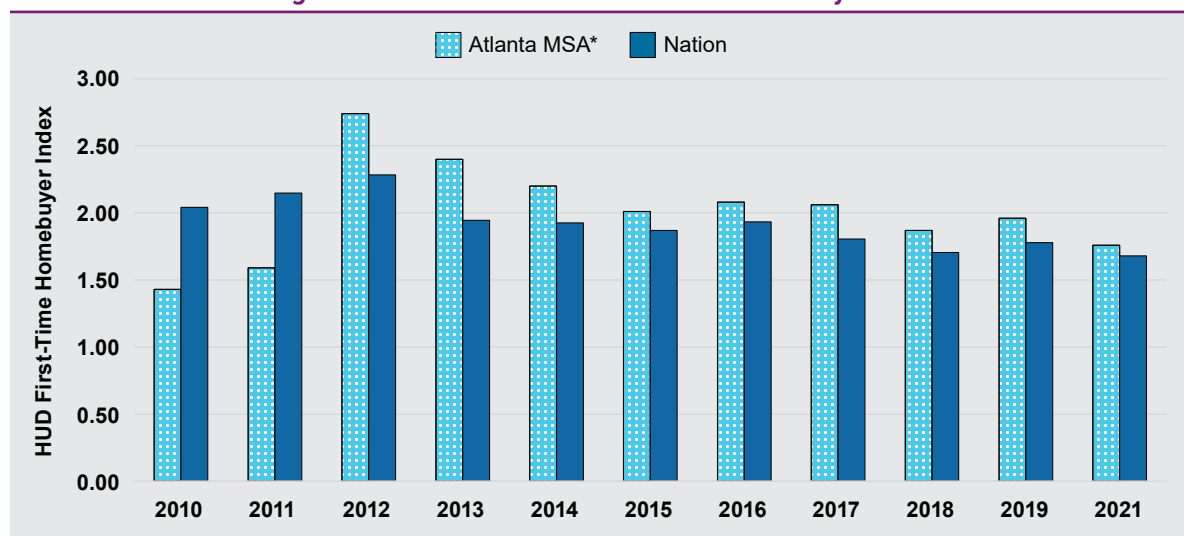
The U.S. Department of Housing and Urban Development (HUD) First-Time Homebuyer Affordability Index measures the median household income for householders aged 25 to 44 relative to the income needed to purchase a 25th percentile-priced home. The index for the MSA has generally been higher than the national level since the early 2010s but has trended downward during much of the period. From a low of only 1.43 in 2010, the index for the MSA rose to a high of 2.74 in 2012 before declining during 5 of the next 7 years to 1.96 in 2019 (Figure 14). By comparison, the national index increased from 2.04 in 2010 to 2.28 during 2012 and was 1.78 in 2019. Sharp home price growth resulted in further declines in the First-Time Homebuyer Affordability

Figure 13. Atlanta MSA* Housing Opportunity Index



*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.
NAHB = National Association of Home Builders. 2Q = second quarter.
Source: NAHB/Wells Fargo

Figure 14. Atlanta MSA* HUD First-Time Homebuyer Index



*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.
Note: Data for 2020 are not available.
Sources: American Community Survey 1-year data; Freddie Mac; Zonda



Index for both the MSA and the nation during the early stages of the pandemic. The respective figures for the MSA and the nation were 1.76 and 1.68 in 2021. Although easing sales market conditions contributed to slowed home price growth in the MSA during the past 12 months, affordability is not likely to have increased substantively since 2021 because of rising interest rates, which add considerable costs to financing the purchase of a home.

Homeownership in the Northern Atlanta Suburbs HMA is generally more affordable than both the nation and the MSA, particularly for households in the cohort aged 25 to 44, the prime group of first-time homebuyers. In 2022, the respective homeownership rates for the cohorts aged 25 to 34 and 35 to 44 were 44.0 and 67.7 percent in the HMA (Table 9). By comparison, the respective homeownership rates for the cohort aged 25 to 34 were 41.9 and 41.6 percent for the nation and the MSA, while the rates for the 35 to 44 cohort were 61.1 and 62.7 percent, respectively.

Table 9. Homeownership Rates by Age of Householder

	HMA*			MSA**			Nation		
	2010	2020	2022	2010	2020	2022	2010	2020	2022
Householder Aged 25 to 34 Years	50.8	42.2	44.0	43.8	36.6	41.6	42.0	38.3	41.9
Householder Aged 35 to 44 Years	71.5	62.7	67.7	65.7	57.4	62.7	62.3	57.3	61.1
Total Households	72.0	68.2	70.8	66.1	62.8	66.5	65.1	63.1	65.2

*Northern Atlanta Suburbs HMA. **Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.
Sources: 2010 and 2020 Decennial Census; 2022 American Community Survey 1-year data

Forecast

Demand is expected for an estimated 35,000 new sales units in the HMA during the 3-year forecast period, accounting for 49 percent of the estimated demand for new homes in the MSA (Table 10). Relatively stable demand for new homes is expected in the HMA during the forecast period as population growth accelerates, but mortgage interest rates remain higher than during much of the period since 2010. The 5,850 new homes under construction in the HMA, which represent 38 percent of the homes under construction in the MSA, will meet some of the forecast sales demand during the first year.

Table 10. Demand for New Sales Units in the Northern Atlanta Suburbs HMA During the Forecast Period

Sales Units	
Demand	35,000 Units
Under Construction	5,850 Units

Note: The forecast period is July 1, 2023, to July 1, 2026.
Source: Estimates by the analyst

Rental Market

Market Conditions: Slightly Soft

An estimated 9,275 new apartment units have been completed in the Northern Atlanta Suburbs HMA since the start of 2022, accounting for approximately 6 percent of the existing apartment inventory (CoStar Group, with adjustments by the analyst).

Current Conditions and Recent Trends

A significant number of new apartment completions have contributed to rising vacancy rates and softening rental market conditions in the HMA during the past 2 years. As of July 1, 2023, the overall rental market is soft, with a vacancy rate estimated at 8.9 percent, down from 11.4 percent in April 2010, a period when market conditions were also soft but up from the 6.9-percent rate in April 2020, when conditions were balanced. Due in part to the recent wave of apartment construction, multifamily units have risen as a share of all rental units in the HMA since 2021. As of 2022, 59 percent of all occupied rental units in the HMA were in multifamily structures, below the 63 percent share for the Atlanta MSA ACS 1-year data; Table 11).

Apartment Trends: Vacancy Rates

The apartment market in the HMA is also currently soft. Following a 9.6-percent high in

Table 11. Rental and Apartment Market Quick Facts in the Northern Atlanta Suburbs HMA

Rental Market Quick Facts	2020 (%)	Current (%)
	Rental Vacancy Rate	6.9
		8.9
	2022 (%)	
	Occupied Rental Units by Structure	
	Single-Family Attached & Detached	39
	Multifamily (2–4 Units)	7
	Multifamily (5+ Units)	52
	Other (Including Mobile Homes)	2

Apartment Market Quick Facts	2Q 2023	YoY Change
	Apartment Vacancy Rate	9.6
		3.1
	Bartow County	18.3
		15.5
	Cherokee County	10.6
		4.2
	Cobb County	8.9
		3.0
	Forsyth County	11.4
		1.6
	Gwinnett County	9.7
		2.7
	Paulding County	7.8
		3.5

	Average Rent	
		-2%
	Bartow County	\$1,648
		1%
	Cherokee County	\$1,480
		-5%
	Cobb County	\$1,680
		-3%
	Forsyth County	\$1,627
		-2%
	Gwinnett County	\$1,918
		-1%
	Paulding County	\$1,646
		-3%

2Q = second quarter. YoY= year-over-year.

Notes: The current date is July 1, 2023. Percentages may not add to 100 due to rounding.

Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

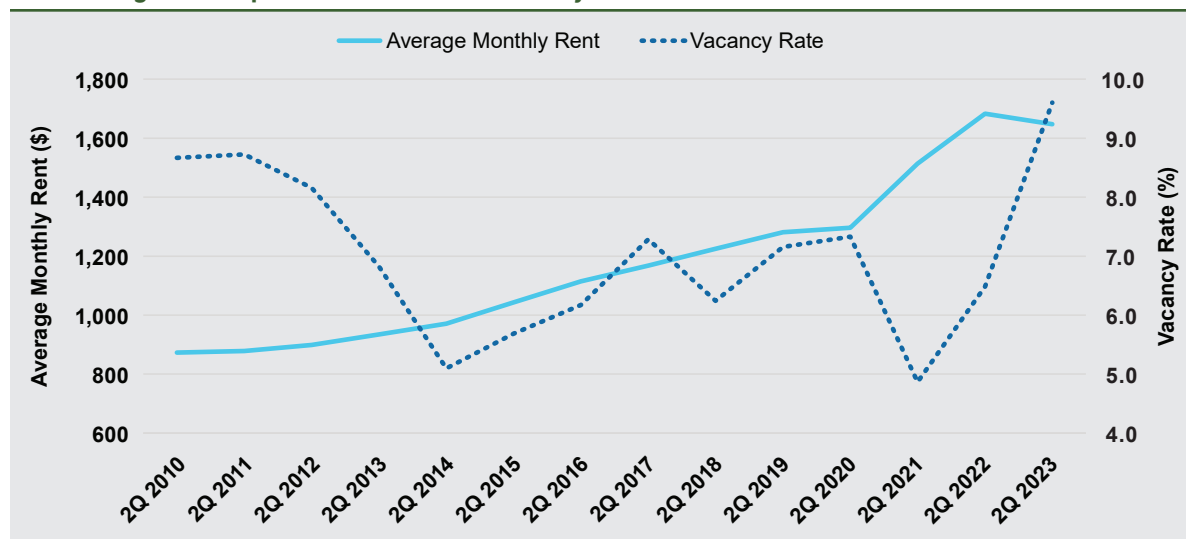
the second quarter of 2009, the apartment vacancy rate in the HMA declined during 4 of the next 5 years to a low of 5.1 percent in the second quarter of 2014, with relatively strong population growth and very low levels of rental construction contributing to significant absorption of existing inventory (CoStar Group). The apartment vacancy rate rose during 5 of the 6 years from 2015 through 2020, reaching a high of 7.3 percent partly due to increasing levels of apartment construction before falling to 4.9 percent as of the second quarter of 2021 because the public health crisis was more contained and many households started to decouple (Figure 15). However, a dramatic rise in apartment construction contributed to sharp increases

in the apartment vacancy rate during the past 2 years. The apartment vacancy rate in the HMA was 9.6 percent as of the second quarter of 2023, up from 6.5 percent as of the second quarter of 2022.

Apartment Trends: Rents

Soft apartment conditions contributed to declining rents from the second quarter of 2008 to the second quarter of 2010, although the average rent subsequently increased each year from the second quarter of 2011 to the second quarter of 2022. Declining vacancy rates contributed to average year-over-year rent growth of 3 percent each year as of the second quarter from 2010 to 2014 (CoStar Group). The rate of rent growth subsequently doubled in the HMA during the remainder of the decade when increasing numbers of new, largely high-end, apartment units entered the market. From the second quarter of 2014 to the second quarter of 2019, the average apartment rent in the HMA rose an average of 6 percent annually to \$1,282. Rent growth slowed during the early stages of the pandemic but accelerated sharply during 2021 and 2022, largely because of low apartment vacancy rates. After increasing only 1 percent as of the second quarter of 2020 from a year earlier, the average rent in the HMA rose 17 percent as of the second quarter of 2021 and 11 percent as of the second quarter of 2022. However, the average apartment rent in the HMA declined

Figure 15. Apartment Rents and Vacancy Rates in the Northern Atlanta Suburbs HMA



2Q = second quarter.
Source: CoStar Group

2 percent to \$1,648 as of the second quarter of 2023 from a year ago, with downward pressure from a 3.1-percentage-point increase in the vacancy rate mostly offsetting rent gains due to the large influx of new, mainly high-end units.

Apartment Trends by Geography

Apartment market conditions softened throughout the HMA during the past year, with vacancy rate increases of at least 1.5 percentage points in all six counties. As of the second quarter of 2023, apartment vacancy rates in the HMA ranged from 7.8 percent in Paulding County to 18.3 percent in Bartow County, where the apartment inventory rose nearly 25 percent during the past year. As of the second quarter of 2023, the average apartment rent in the HMA, \$1,648, was slightly below the average for the MSA, \$1,651 (CoStar Group). However, rents varied significantly within the HMA; the highest rents were generally concentrated in the high-income areas with convenient access to the economic core of the MSA. The highest rent, \$1,918, was in Forsyth County, which is along Highway 19 approximately 25 miles north of the city of Atlanta. The lowest average rent in the HMA, \$1,480, was in Bartow County, which is along Interstate 75 approximately 50 miles northwest of Atlanta.

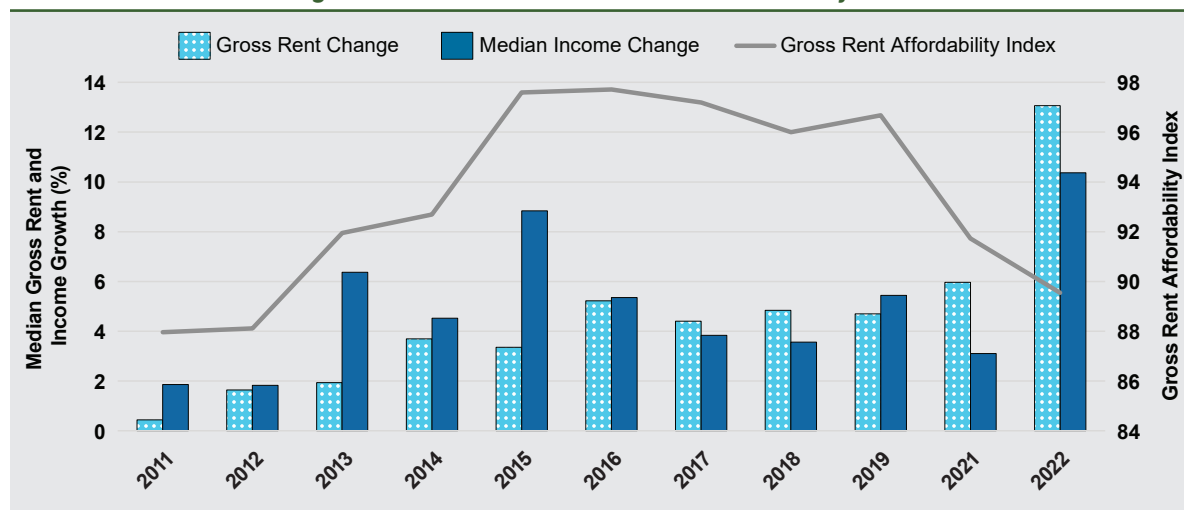
Housing Affordability: Rental

Rental affordability trended consistently upward in the MSA throughout the early and mid-2010s, with the median income for renter households increasing at a faster rate than the median gross rent each year from 2011 to 2016. The HUD Gross Rent Affordability Index, a measure of median renter household income relative to the qualifying income for a median-priced rental unit, was 97.7 in 2016, up from 86.7 in 2010 (Figure 16). However, relatively strong rent growth has contributed to a general decline in affordability during the late 2010s. That trend accelerated during the pandemic, and the index fell to 89.5 in 2022. By comparison, the Gross Rent Affordability Index for the nation was 94.6 in 2022, up from 89.7 in 2010 but below a recent high of 96.8 during 2019.

Rent Cost Burdens

Due in part to the general trend of declining rental affordability for the MSA, a relatively large percentage of all renter households in the HMA were cost burdened during the 2016–20 period (Table 12). An estimated 43.8 percent of all renter households in the HMA had moderate to high cost burdens, spending between 31 and 50 percent of their income on rent, and an additional 38.5 percent of renter households were severely cost burdened, spending 51 percent or more of income on rent. By comparison, those figures were 21.7 and 22.2 percent, respectively, for the nation. A significantly larger share of lower-income renter households in the HMA—those with

Figure 16. Atlanta MSA* Gross Rent Affordability Index



*Atlanta-Sandy Springs-Alpharetta Metropolitan Statistical Area.

Notes: Rental affordability is for the larger Atlanta MSA. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure. Data for 2020 are not available. Source: American Community Survey 1-year data

Table 12. Percentage of Cost Burdened Renter Households by Income, 2016–20

	Moderate to High Cost Burden: 31–50 Percent of Income Toward Housing Costs		Severe Cost Burden: 51 Percent or More of Income Toward Housing Costs	
	HMA*	Nation	HMA*	Nation
Renter Households with Income <50% HAMFI	27.4	27.5	57.3	47.4
Total Renter Households	43.8	21.7	38.5	22.2

HAMFI = HUD Area Median Family Income.

*Northern Atlanta Suburbs Housing Market Area.

Sources: Consolidated Planning/Comprehensive Housing Affordability Strategy (CHAS) Data; 2016-2020 American Community Survey 5-year estimates (huduser.gov)

incomes less than 50 percent of the HUD Area Median Family Income (HAMFI)—had severe cost burdens compared with the nation. Approximately 57.3 percent of renter households in the HMA with incomes less than 50 percent of the HAMFI were paying 51 percent or more of their income toward rent compared with 47.4 percent for the nation.

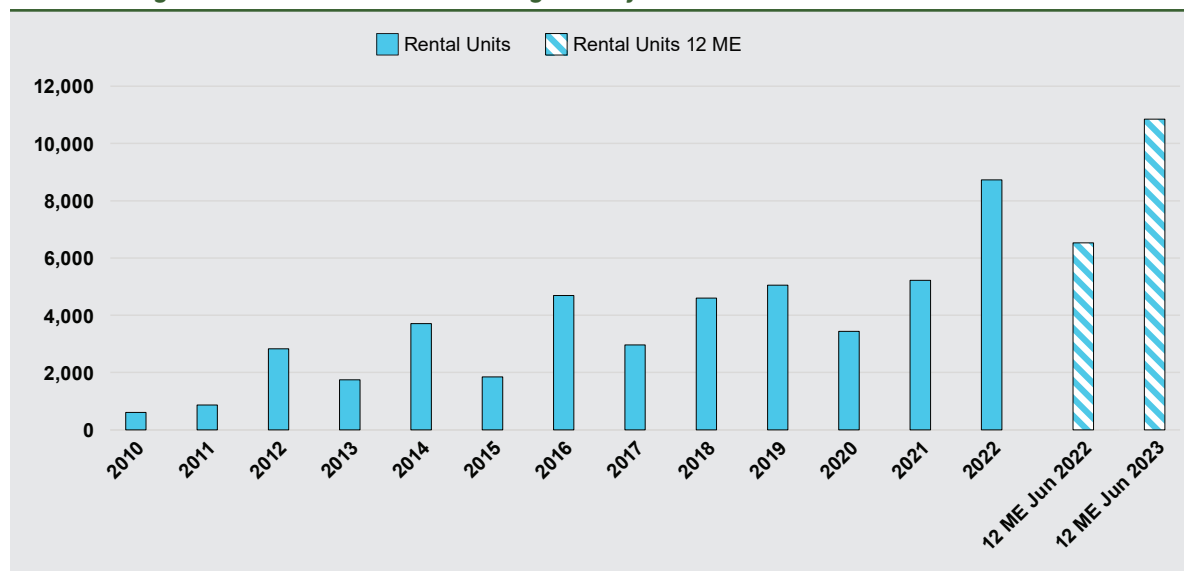
Rental Construction Trends

Rental permitting activity in the HMA declined to very low levels during the late 2000s and early 2010s when market conditions softened; however, the number of units permitted generally trended upward during the mid- and late 2010s because builders responded to accelerating rent growth. An average of 3,800 rental units were permitted each year from 2014 through 2019, up from an average of only 1,500 units a year from 2010 through 2013. Rental permitting moderated to 3,450 units in the HMA during 2020, partly due to pandemic-related construction issues, including supply chain problems and labor shortages. Sharply accelerating rent growth and low vacancy rates contributed to a massive wave of new apartment development starting in late 2021, when 5,225 units were permitted. Based on preliminary data, 10,850 rental units were permitted during the 12 months ending June 2023, up from 6,525 units during the 12 months ending June 2022 (Figure 17).

Rental Construction by Geography

Nearly 7,500 new apartment units were completed in the HMA during the past year, accounting for 37 percent of the 20,300 apartment units completed in the MSA. Cobb and Gwinnett Counties, which represent a combined 68 percent of the total population of the HMA, accounted

Figure 17. Annual Rental Permitting Activity in the Northern Atlanta Suburbs HMA



12 ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

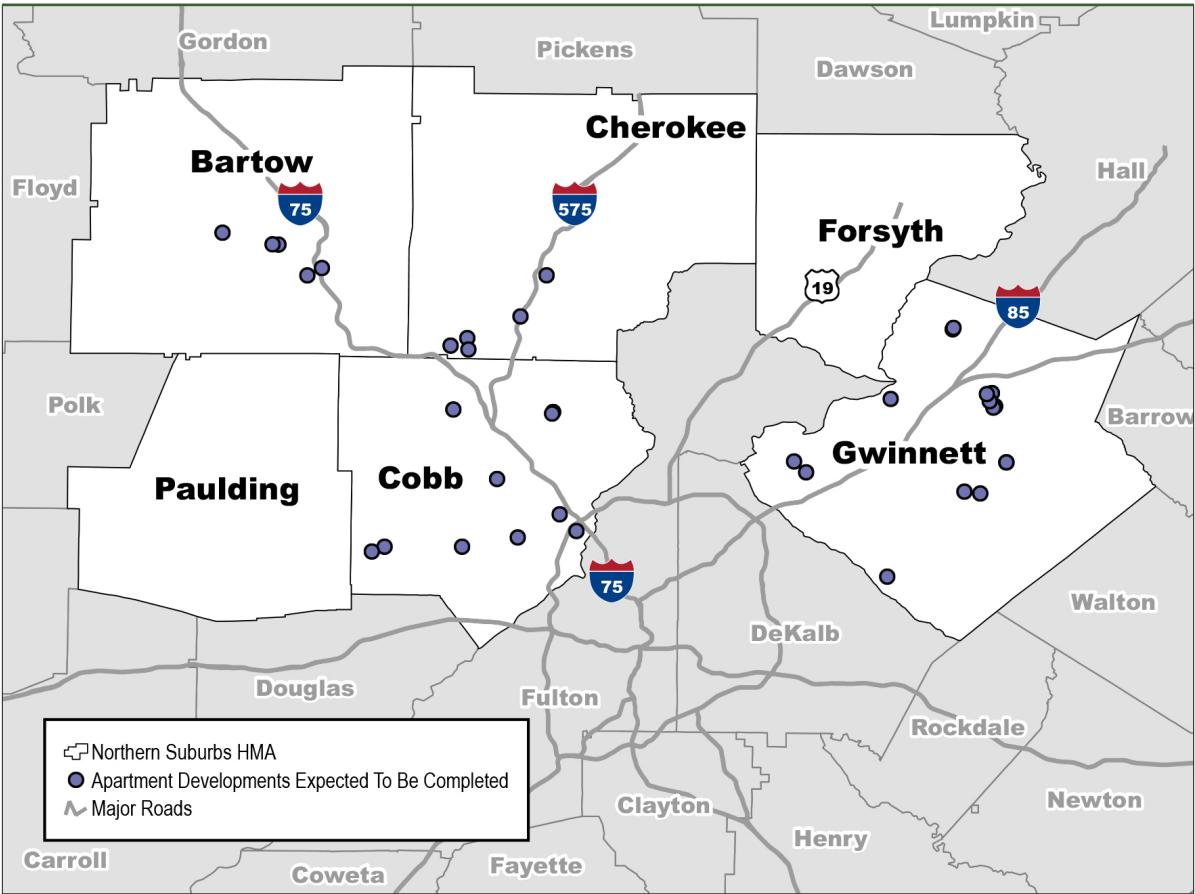
for a combined 5,150 apartment completions during the past year, or 69 percent of the total for the HMA. Those units include several notable developments located along the Interstate 75 and 85 commuting arteries. Harlow Apartments is a 303-unit apartment development located along Interstate 75 in the city of Smyrna in Cobb County. The property entered lease up in early 2023, with rents currently starting at \$1,825 for one-bedroom units and \$2,425 for two-bedroom units. In Gwinnett County, recently completed apartment developments include the 295-unit Broadstone Peachtree Corners, which was completed along the Interstate 85 corridor in the city of Peachtree Corners in early 2023. Rents at the property start at \$1,550 for 32 studio units, \$1,625 for 155 one-bedroom units, and \$2,000 for 108 two-bedroom units. Notable recent apartment construction has also occurred in Bartow County, where the 740 units completed during the past year represent approximately 23 percent of the total apartment inventory. Recently completed developments in the county include Authentix Cartersville, a 240-unit development located near Interstate 75 in the city of Cartersville. Rents at the development, which was completed in late 2022, currently start

at \$1,250 for 24 studio units, \$1,450 for 96 one-bedroom units, \$1,625 for 96 two-bedroom units, and \$1,900 for 24 three-bedroom units. Current apartment construction in the HMA remains heavily concentrated in areas with convenient access to the city of Atlanta (Map 2).

Forecast

Demand is expected for an estimated 10,450 rental units in the HMA during the 3-year forecast period (Table 13), accounting for 29 percent of the estimated demand for new rental units in the MSA. Demand for new rental units is expected to remain relatively consistent in the HMA during the next 3 years. The 7,275 units under construction, which represent 31 percent of the units under construction in the MSA, and an additional 1,250 units currently in final planning are expected to absorb all the rental demand in the HMA during the next 2 years. To prevent market conditions from softening further, developers should target new units not already under construction or in final planning to enter the market during the third year of the forecast period.

Map 2. Apartment Developments Expected to be Complete During The Forecast Period in the Northern Atlanta Suburbs HMA



Source: Estimates by the analyst

Table 13. Demand for New Rental Units in the Northern Atlanta Suburbs HMA During the Forecast Period

Rental Units	
Demand	10,450 Units
Under Construction	7,275 Units

Note: The forecast period is July 1, 2023, to July 1, 2026.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/ Average Apartment Rent	Apartment vacancy rates and average rents are for market-rate and mixed market-rate/affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in a housing market area (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.
Cost Burdened	Spending more than 30 percent of household income on housing costs. Moderate to high cost burden refers to households spending 31 to 50 percent of income on housing costs. Severe cost burden refers to households spending 51 percent or more of income on housing costs.
Covered Employment	A count of employment reported by employers and published as part of the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages.
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.
Existing Home Sales	Includes regular resales and real estate owned (REO) sales.

Forecast Period	July 1, 2023–July 1, 2026—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births minus resident deaths.
Other Vacant Units	In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), 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 U.S. Census Bureau.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Regular Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau’s 2010 Census Urban and Rural Classification and the Urban Area Criteria.



3.	The census tracts referenced in this report are from the 2010 Census.
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C. Additional Notes

1.	The National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI) represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	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.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. 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.

D. Photo/Map Credits

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