

# COMMERCIAL REAL ESTATE REPORT Q3 2023

Atlanta-Sandy Springs-Alpharetta, GA Metro Area

Select a Metro Area

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## Demographics and Economy

### Demographics

1.3%	33.5%	2.8%	53.8%
population growth (2022)	share of renters (2022)	renter household formation (2022)	share of inbound moves (Q2 2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	

### Economy

11.2%	66,800	2.2%	1.6%
GDP growth (2021)	12-month job creation (September 2023)	1-year job growth (September 2023)	1-year wage growth (September 2023)
U.S.: 10.7%		U.S.: 2.0%	U.S.: 3.5%
\$60,141	3.4%	21.0%	46.9%
Average wage per year (September 2023)	Unemployment rate (September 2023)	Share of workers teleworking (2022)	Inbound businesses moves (Q2 2023)
U.S.: \$60,600	U.S.: 3.6%	U.S.: 17.9%	

## Commercial Real Estate by Sector

### 1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q3	-1,163,756	-2,728,456	0.9%	\$28	15.0%
2022 Q3	810,566	2,046,158	3.4%	\$28	13.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q3	337,048,257	898,010	1,447,809	\$352.46M	8.1%
2022 Q3	335,600,448	1,443,308	1,988,082	\$1,508.53M	7.6%

### 2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. Despite strong conditions, rent prices rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q3	3,102	4,816	-2.9%	\$1,616	\$1,595	11.0%
2022 Q3	-814	-2,435	3.6%	\$1,665	\$1,653	8.2%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q3	498,832	4,248	20,387	5.2%		
2022 Q3	478,445	4,716	11,393	4.6%		

### 3. Retail

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

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q3	775,981	2,822,679	6.2%	\$22	3.5%
2022 Q3	911,845	3,987,885	6.2%	\$20	4.0%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q3	371,423,213	6.9%	\$431.71M	\$233	
2022 Q3	370,352,741	7.0%	\$1,078.83M	\$215	

### 4. Industrial

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

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q3	4,049,430	9,613,608	9.9%	\$9	4.8%
2022 Q3	5,858,015	27,349,004	13.4%	\$8	3.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q3	819,253,569	8,110,974	24,120,234	6.5%	\$638.85M
2022 Q3	795,133,335	6,410,473	21,337,568	6.1%	\$1,124.27M

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

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