

August 2021

Colliers

Economic Indicators

Mixed Signals Lead to Stalled Index in August

Current
Colliers
Index

6

The Colliers Index is a 1-10 scale assessing Atlanta CRE as measured by key economic indicators, current and projected market fundamentals, and overall industry sentiment.

Last Month: 6

For more information

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The Colliers Index remains at a 6 for the month of August following yet another upbeat jobs report; however, continued inflation pressures, along with a surge in COVID-19 infections weigh on sentiment. Additionally, in spite of recovering fully from the pandemic, GDP for the second quarter came in well below expectations signifying the economy still has room to grow. Atlanta meanwhile continues to see positive momentum having now recovered 80% of the jobs lost to the pandemic.

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Accelerating success.

+943K

U.S. Jobs Gained in July

+380K

in Leisure & Hospitality

+261K

in Public & Private Education

+60K

in Prof. & Business Services

5.4%

National Unemployment Rate

6.5%

Q2 2021 GDP

Current Market Conditions

Both the national and Atlanta economy continue to show improvement even with a number of economic pressures transpiring. While the jobs report for July came in better than expected, the positivity of the data is being overshadowed by multiple factors including rising Covid cases, inflation, and labor availability.

Uncertainty is beginning to creep back into the equation which is never a good thing when it involves economic conditions. For now, it is expected these negative forces will only temporarily affect market conditions and not slow down the overall growth taking place.

U.S. Economy: Consumer and business confidence have dropped below the lowest point of the pandemic in April 2020. Sentiment is mostly being affected by the increase in Covid cases; however, inflation and labor availability are beginning to have a significant impact. Still, there is optimism in confidence levels quickly and easily reversing course should these situations stabilize.

COVID-19: The increase in cases as a result of the Delta variant is a step backwards when it comes to where we were a few months ago; however, it appears most states are holding off on implementing a return to any business shutdowns.

Inflation: Levels remained elevated for the month of July with consumer prices rising 5.4% year-over-year. This marks the second consecutive month over 5% and the highest annual level since August 2008. Some price pressures, however, are beginning to show easing.

Monthly Economic Indicators	Prior Available Data	Current Available Data	M-O-M Change	Y-O-Y Change
Interest Rates	July	Aug		
10-year Treasury Rate	1.31	1.33	-13.1%	95.6%
LIBOR (1 month)	0.077	0.095	13.4%	-44.1%
Jobs (Metro Atlanta)	May	June		
Employment (thousands)	2,744.8	2,783.3	38.5	158.2
Unemployment Rate	June/May	July/June		
U.S.	5.8%	5.4%	-0.4	-4.8
Atlanta	4.0%	4.5%	0.5	-4.1
GDP	Q1 2021	Q2 2021		
U.S.	6.3%	6.5%		
Oil	July	Aug		
Crude (Nymex)	\$69.50	\$68.34	-1.7%	64.2%
Mo. Building Permits (ATL)	May	June	3 Month Average	6 Month Average
Single Family	2,857	3,102	3,015	2,992
YTD	14,906	18,044		
Multi-Family	558	383	569	349
YTD	1,509	1,892		