

December 2021

Colliers

# Economic Indicators

## Upbeat Atlanta Data Pushes Index Upwards, Despite National Hurdles

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: 5

### For more information

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The Colliers Index is going to get bumped slightly to a 6 for the month of December. The uptick comes as a result of preliminary CRE data for the fourth quarter in the Atlanta market looking very favorable (mostly). Additionally, the MSA experienced its strongest monthly job growth in October since June of 2020 when the economy began to reopen from the initial lockdowns brought on by the pandemic. The move upwards also takes place in spite of another miss on the national jobs front for November, continued inflation which has now been officially deemed as non-transitory, and the onset of yet another highly infectious Covid-19 variant.

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Accelerating success.

# +210K

U.S. Jobs Gained in September

# +90K

in Prof. & Business Services

# +50K

in Trans. & Warehousing

# +31K

in Construction

# 4.2%

National Unemployment Rate

# 2.1%

Q3 2021 GDP

## Current Market Conditions

Following October's better than expected jobs report, the November data was a disappointment, shattering hopes the economy had turned the corner from Covid-19's Delta variant. The month's 210,000 jobs added fell well below expectations of 573,000. Most of the jobs added came from Professional & Business Services, Transportation & Warehousing, and Construction. The biggest setback was in one of the sectors most affected by the pandemic, Retail Trade, which declined by 20,000 jobs.

**Omicron Variant:** The onset of yet another new coronavirus variant took the news cycle by storm less than a month ago. The highly infectious nature of this variant sent shockwaves through the economy on Black Friday, with the major stock indices dropping more than 2%. The good news is it appears this variant, although highly contagious, is not as sinister as some thought it might be.

**Inflation:** With the latest inflation figures spiking to a 39-year high, more pressure will be put on the economic recovery from the pandemic. Even the Federal Reserve has accepted inflation as non-transitory and has begun to shift towards a tighter monetary policy.

**Atlanta CRE:** Locally, the commercial real estate market looks like it will end the year on a strong note...with the exception of office. Retail vacancy is expected to end the year at a 20-year low. Meanwhile the multifamily market will see its greatest annual rental rate increase ever. Finally, industrial will finish the year shattering previous records.

Monthly Economic Indicators	Prior Available Data	Current Available Data	M-O-M Change	Y-O-Y Change
<b>Interest Rates</b>	<b>November</b>	<b>December</b>		
10-year Treasury Rate	1.46	1.48	1.4%	64.4%
LIBOR (1 month)	0.081	0.102	26.2%	-35.7%
<b>Jobs (Metro Atlanta)</b>	<b>September</b>	<b>October</b>		
Employment (thousands)	2799.2	2839.9	40.7	134.8
<b>Unemployment Rate</b>	<b>October/September</b>	<b>November/October</b>		
U.S.	4.6%	4.2%	-0.4	-2.5
Atlanta	2.5%	2.4%	-0.1	-3.2
<b>GDP</b>	<b>Q2 2021</b>	<b>Q3 2021</b>		
U.S.	6.7%	2.1%		
<b>Oil</b>	<b>November</b>	<b>December</b>		
Crude (Nymex)	\$81.62	\$72.49	-11.2%	54.2%
<b>Mo. Building Permits (ATL)</b>	<b>September</b>	<b>October</b>	<b>3 Month Average</b>	<b>6 Month Average</b>
Single Family	2,270	2,314	2,307	2,548
YTD	24,928	27,283		
Multi-Family	981	449	629	642
YTD	4,146	4,595		