

INDUSTRIAL

RECORD DEMAND CREATES SUPPLY PRESSURE AS NEW DEVELOPMENT WAVE CONTINUES

MARKET TRENDS

INDICATOR	Current Quarter	1 Year Ago	Y-O-Y Change
INVENTORY	751 MSF	728 MSF	↑
VACANCY	5.6%	7.1%	↓
NET ABSORPTION	9.8 MSF	396 KSF	↑
LEASING ACTIVITY	12.9 MSF	13.3 MSF	↓

DEVELOPMENT PIPELINE

25.7 MSF UNDER CONSTRUCTION	5.3 MSF DELIVERIES YTD 2021	37% PRE-LEASED AMOUNT
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TAKEAWAYS

- ✓ Atlanta remains among the top industrial markets in the nation
- ✓ Highest Q1 absorption ever; driven by multinational firms taking large blocks of space
- ✓ Vacancy dropped to a record low; offering fewer leasing options
- ✓ While there is plenty of speculative supply underway, the demand-side outlook remains strong in Atlanta

ECONOMIC INDICATORS







Rapidly lifted restrictions and vaccine roll-out has directly impacted job growth and the local economy, which is outperforming other U.S. metros.

Employment gains are just beginning. Atlanta is set to add office jobs from Google, Microsoft, and Norfolk Southern, as well as thousands of industrial jobs over the next few months.

Atlanta's standing as a major distribution hub with its international airport, connectivity to southeastern ports, and high-quality labor drawing major corporations to move operations here.

Generous tax incentives have attracted major corporations and also grown the film/entertainment industry in the area. In addition to those listed above, Papa Johns, ThyssenKrupp, Airbnb and Deluxe have also committed to Atlanta.

NOTABLE TRANSACTIONS

<p>LEASE / Tenant</p>  <p>1.2 MSF Pre-lease / BTS South Atlanta</p>	<p>LEASE / Tenant</p>  <p>590K SF New Lease Northeast</p>	<p>LEASE / Tenant</p>  <p>500K SF New Lease South Atlanta</p>
<p>LEASE / Tenant</p>  <p>402K SF New Lease Northwest</p>	<p>SALE / Buyer</p>  <p>\$225M \$110/SF 2.3M SF (7 bldgs) Northwest & South Atlanta</p>	<p>SALE / Buyer</p>  <p>\$93M \$92/SF 1M SF (1 bldg) South Atlanta</p>

SUBMARKET TRENDS

1	LOWEST Q1 VACANCY RATE	2	YTD HIGHEST ABSORPTION
	GAINESVILLE 2.9%		SOUTH ATLANTA 6.5 MSF
	ATLANTA 5.6%		ATLANTA 9.8 MSF
3	LARGEST YOY LEASING ACTIVITY INCREASE	4	LARGEST YOY CONSTRUCTION INCREASE
	NORTHEAST UP 1.1M TO 2.8 MSF		NORTHWEST UP 4.3 MSF TO 5.9 MSF
	ATLANTA 12.9 MSF		ATLANTA 25.7 MSF



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	ABSORPTION YTD	DELIVERIES YTD	CONSTRUCTION SF
CENTRAL ATLANTA	12,363,605	1,050,409	8.5%	121,762	0	0
CHATTAHOOCHEE	19,101,447	1,123,788	5.9%	98,131	0	250,000
GAINESVILLE	24,495,634	706,012	2.9%	391,821	250,660	844,080
I-20 W/FULTON	112,698,315	4,312,186	3.8%	993,540	1,146,370	2,321,699
JEFFERSON	35,596,026	6,075,869	17.1%	96,920	0	4,027,326
NORTH CENTRAL ATLANTA	28,928,232	1,451,913	5.0%	(127,980)	76,100	593,075
NORTHEAST ATLANTA	150,377,177	6,307,458	4.2%	499,419	29,140	1,760,165
NORTHWEST ATLANTA	75,540,611	3,489,641	4.6%	704,729	60,000	5,851,861
SNAPPINGER/I-20 EAST	50,604,951	1,823,807	3.6%	354,194	0	3,688,286
SOUTH ATLANTA	212,308,916	14,396,726	6.8%	6,543,915	3,706,594	6,383,177
STONE MOUNTAIN	29,000,739	1,407,495	4.9%	78,277	0	0
TOTALS	751,015,653	42,145,304	5.6%	9,754,728	5,268,864	25,719,669

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	ABSORPTION YTD	DELIVERIES YTD	CONSTRUCTION SF
FLEX	49,256,810	3,074,527	6.2%	194,596	264,500	3,283,600
SHALLOW-BAY	114,206,960	3,432,627	3.0%	231,448	90,720	2,202,403
WAREHOUSE	587,551,883	35,638,150	6.1%	9,328,684	4,913,644	20,233,666

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