

# INDUSTRIAL

DEMAND CONTINUES TO SHATTER RECORDS;  
VACANCIES DIP TO RECORD LOW

### MARKET TRENDS

INDICATOR	Current Quarter	1 Year Ago	Y-O-Y Change
INVENTORY	758 MSF	732 MSF	↑
VACANCY	4.8%	7.1%	↓
NET ABSORPTION	9.0 MSF	4.5 MSF	↑
LEASING ACTIVITY	15.2 MSF	15.6 MSF	↓

### DEVELOPMENT PIPELINE

<b>29</b> MSF UNDER CONSTRUCTION	<b>8.6</b> MSF DELIVERIES YTD 2021	<b>39%</b> PRE-LEASED AMOUNT
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### TAKEAWAYS







- ✓ Atlanta maintains a top spot among the strongest industrial markets in the nation
- ✓ Leasing activity surges
- ✓ Vacancy rates drop to a record low
- ✓ Development pipeline rises to an all-time high
- ✓ Demand expected to remain robust as supply chain pressures continue

### ECONOMIC INDICATORS

Atlanta's economy is rebounding at a vigorous pace, and the industrial sector is red hot. Leasing volume has surged over the past few quarters, particularly in big-box distribution. Developers have responded as groundbreakings have increased in recent quarters, making Atlanta home to one of the largest speculative supply pipelines in the nation. Even as the metro's spec pipeline continues to ramp up, vacancies should remain well below Atlanta's long-term historical average over the next few quarters due to the uptick in leasing activity.

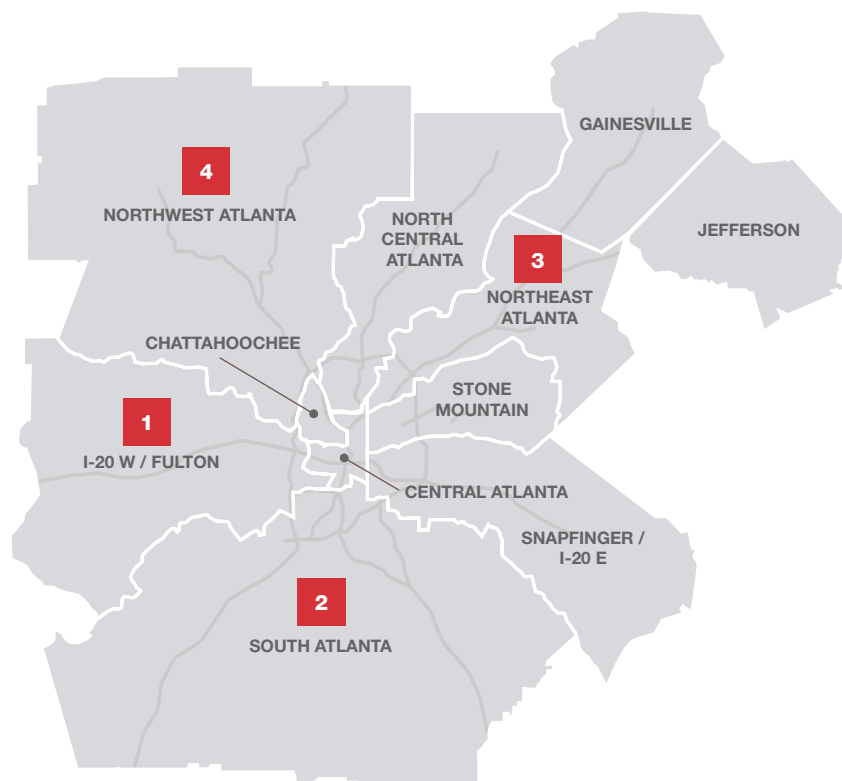
Rent growth continues to outperform the national benchmark; however, Atlanta remains one of the least expensive industrial markets in the country. Atlanta's low business costs, abundance of labor, robust infrastructure, and port access have made it an important national distribution hub. Port traffic has boomed over the past few months, with the port routinely setting new records for monthly volume.

### NOTABLE RECENT TRANSACTIONS

<p>LEASE / Tenant</p> <p>JEFFERSON</p>  <p><b>1.6 MSF</b> New Lease / BTS</p>	<p>LEASE / Tenant</p> <p>SOUTH ATLANTA</p>  <p><b>1.2 MSF</b> New Lease</p>	<p>LEASE / Tenant</p> <p>JEFFERSON</p>  <p><b>613K SF</b> Renewal</p>
<p>LEASE / Tenant</p> <p>SOUTH ATLANTA</p>  <p><b>573K SF</b> New Lease</p>	<p>SALE / Buyer</p> <p>JEFFERSON</p>  <p><b>\$62M \$62/SF</b> 1M SF (1 bldg) Pendergrass Commerce Center</p>	<p>SALE / Buyer</p> <p>NORTH CENTRAL</p>  <p><b>\$61M \$490/SF</b> 125K SF (1 bldg) Shiloh Technology Center</p>

## SUBMARKET TRENDS

<b>1</b>	<b>LOWEST Q2 VACANCY RATE</b>	<b>2</b>	<b>YTD HIGHEST ABSORPTION</b>
	<b>I-20 W/FULTON IND</b> 2.3%		<b>SOUTH ATLANTA</b> 9.2 MSF
	ATLANTA 4.8%		ATLANTA 9.0 MSF
<b>3</b>	<b>LARGEST YOY LEASING ACTIVITY INCREASE</b>	<b>4</b>	<b>LARGEST YOY CONSTRUCTION INCREASE</b>
	<b>NORTHEAST</b> UP 1.4M TO 2.6 MSF		<b>NORTHWEST</b> UP 4.0 MSF TO 5.6 MSF
	ATLANTA 28.4 MSF		ATLANTA 29.0 MSF



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	ABSORPTION YTD	DELIVERIES YTD	CONSTRUCTION SF
CENTRAL ATLANTA	11,676,817	1,072,888	9.2%	(71,483)	0	0
CHATTAHOOCHEE	19,625,338	1,074,057	5.5%	642,862	495,000	0
GAINESVILLE	25,385,695	678,512	2.7%	681,210	397,020	1,559,776
I-20 W/FULTON IND	113,590,686	2,610,433	2.3%	2,562,054	1,264,570	2,811,449
JEFFERSON	36,400,816	4,601,949	12.6%	1,731,040	160,200	5,600,951
NORTH CENTRAL ATLANTA	28,684,539	1,141,829	4.0%	115,399	165,141	574,825
NORTHEAST ATLANTA	150,263,517	4,950,263	3.3%	1,807,417	29,140	1,877,295
NORTHWEST ATLANTA	76,935,442	2,839,795	3.7%	2,174,298	960,463	5,559,457
SNAPPINGER/I-20 EAST	51,589,251	1,671,148	3.2%	1,414,562	0	3,006,763
SOUTH ATLANTA	214,949,445	14,218,712	6.6%	9,166,705	5,111,883	7,946,151
STONE MOUNTAIN	28,979,364	1,301,379	4.5%	177,193	0	96,000
<b>TOTALS</b>	<b>758,080,910</b>	<b>36,160,965</b>	<b>4.8%</b>	<b>20,401,257</b>	<b>8,583,417</b>	<b>29,032,667</b>

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	ABSORPTION YTD	DELIVERIES YTD	CONSTRUCTION SF
FLEX	50,706,980	3,051,379	2.7%	212,019	36,000	4,356,368
SHALLOW-BAY	115,142,185	3,051,379	2.7%	212,019	36,000	4,356,368
WAREHOUSE	592,231,745	30,234,393	5.1%	18,366,426	7,737,917	22,709,099

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