

# INDUSTRIAL

DEMAND CONTINUES TO SHATTER RECORDS;  
ABSORPTION AT A RECORD-SETTING HIGH

## Market Trends

INDICATOR	Current Quarter	1 Year Ago	Y-O-Y Change
INVENTORY	759 MSF	738 MSF	↑
VACANCY	4.4%	6.6%	↓
NET ABSORPTION	5.3 MSF	8.4 MSF	↓
LEASING ACTIVITY	13.9 MSF	16.3 MSF	↓

## Development Pipeline

<b>36.3</b> MSF UNDER CONSTRUCTION	<b>30%</b> PRE-LEASED AMOUNT	<b>13.5</b> MSF DELIVERIES YTD 2021
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## Takeaways

- ✓ Atlanta maintains a top spot among the strongest industrial markets in the nation
- ✓ YTD absorption of 26.3 MSF is an all-time high
- ✓ Strong leasing velocity leads to continued vacancy declines
- ✓ Asking rents on the rise
- ✓ Development remains at all-time high to meet elevated demand
- ✓ 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. As a result, Atlanta set a record for annual net absorption through the first three quarters of the year alone. Developers have responded with a continued supply wave. As a result, Atlanta ranks in the top five for industrial supply underway nationally.

Rent growth is on the rise in this tight market; however, Atlanta rents still come at a significant discount to other major East and West Coast distribution markets. Its low business costs, quality of labor, robust infrastructure network, and port access have made the metro area a vital national distribution hub. Port of Savannah traffic has surged over the past few months, with the port posting record numbers in 2021.

## Recent Transactions

### Notable 3Q Leases

**CJ Logistics USA**  
1.0 MSF New Lease  
THE CUBES AT LOCUST GROVE  
South Atlanta

**DHL**  
988K SF Renewal  
UNION STATION BUSINESS CENTER  
South Atlanta

**Goodman Manufacturing**  
750K SF New Lease  
JEFFERSON MILL BUSINESS PARK G  
Jefferson

**Mobis Parts America**  
447K SF New Lease  
JEFFERSON DISTRIBUTION CENTER C  
Jefferson

### Notable 3Q Sales

**Majestic Airport Center 3**  
\$134M, \$137.07/SF  
6710 Oakley Ind Blvd | South Atlanta  
Buyer: Goldman Sachs

**PNK Park Southern Gateway**  
\$103M, \$93.27/SF  
1325 Hwy 42 S | South Atlanta  
Buyer: KKR

**Palmetto Logistics Center**  
\$102M, \$101.98/SF  
1015 Collinsworth Rd | South Atlanta  
Buyer: KKR

**Jefferson Distribution Center C**  
\$73M, \$78.93/SF  
545 Logistics Center Pky | Jefferson  
Buyer: GLP

## Submarket Trends



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	ABSORPTION YTD	DELIVERIES YTD	CONSTRUCTION SF	LEASING ACTIVITY YTD
CENTRAL ATLANTA	11,870,024	1,162,544	9.8%	(62,959)	0	0	390,555
CHATTAHOOCHEE	19,445,749	1,048,055	5.4%	563,864	495,000	0	344,349
GAINESVILLE	25,655,628	626,901	2.4%	1,042,821	789,549	1,279,776	824,799
I-20 W/FULTON IND	116,115,002	2,003,939	1.7%	3,698,309	1,794,331	2,798,673	5,646,300
JEFFERSON	35,600,226	4,065,771	11.4%	2,055,218	160,200	7,548,200	3,677,808
NORTH CENTRAL	28,671,394	1,237,545	4.3%	143,820	165,141	758,501	1,066,144
NORTHEAST	150,812,915	4,788,265	3.2%	2,932,956	956,776	2,562,283	8,453,224
NORTHWEST	76,986,652	2,477,440	3.2%	2,657,902	1,082,512	5,963,808	3,943,078
SNAPPINGER/I-20 EAST	51,680,360	1,571,387	3.0%	1,613,493	1,094,170	3,406,033	1,064,178
SOUTH ATLANTA	213,886,705	13,699,352	6.4%	11,101,415	5,872,383	11,930,364	16,308,915
STONE MOUNTAIN	28,700,053	934,410	3.3%	544,162	0	96,000	1,578,697
<b>TOTALS</b>	<b>759,424,708</b>	<b>33,615,609</b>	<b>4.4%</b>	<b>26,291,001</b>	<b>12,410,062</b>	<b>36,343,638</b>	<b>43,298,047</b>

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	ABSORPTION YTD	DELIVERIES YTD	CONSTRUCTION SF	LEASING ACTIVITY YTD
FLEX	51,135,475	2,353,587	4.6%	2,400,458	1,799,500	1,923,600	1,837,986
SHALLOW-BAY	114,499,471	2,831,796	2.5%	721,349	401,200	2,670,123	4,285,924
WAREHOUSE	593,789,762	28,430,226	4.8%	23,169,194	10,209,362	31,749,915	37,174,137

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