

INDUSTRIAL

QUARTERLY RECORDS SET FOR NEW SPACE DELIVERED AND CONSTRUCTION ACTIVITY

MARKET TRENDS

INDICATOR	This Quarter Q1 2022	Last Quarter Q4 2021	Last Year Q1 2021
INVENTORY	773 MSF	763 MSF	750 MSF
VACANCY	3.8%	3.5%	5.5%
NET ABSORPTION	3.0 MSF	14.4 MSF	15.7 MSF
LEASING ACTIVITY	12.2 MSF	13.2 MSF	11.6 MSF

DEVELOPMENT PIPELINE

43.4 MSF UNDER CONSTRUCTION	20 1Q TOTAL DELIVERIES (#)	8.8 MSF 1Q TOTAL DELIVERIES (SF)
---------------------------------------	--------------------------------------	--------------------------------------------

TAKEAWAYS

- ✓ Atlanta added more industrial space than ever this quarter
- ✓ New development continues at record high
- ✓ Vacancy remains exceedingly low
- ✓ Net absorption softens slightly
- ✓ Rents continue growth
- ✓ Investor interest remains strong
- ✓ Robust leasing demand expected to continue through 2022

ECONOMIC INDICATORS

Industrial leasing volume has surged in Atlanta over the past few quarters. Third-party logistics firms and e-commerce fulfillment providers account for many new deals. The metro area benefits from its role as a regional and national distribution hub, the growing Port of Savannah, and its strong local demographic trends.

Developers have responded to the strong demand for industrial space here as groundbreaking have ramped up in recent quarters. However, even as the metro’s speculative pipeline continues to increase, vacancies have trended downward due to impressive net absorption. As a result, Atlanta’s vacancy rate should remain relatively flat through 2022. Rent growth is outperforming the national benchmark, though Atlanta remains one of the least expensive industrial markets in the country.

RECENT TRANSACTIONS

Notable Q1 Leases

Owens Corning
1 MSF Renewal
MCLARIN DISTRIBUTION CENTER
85 South

Home Depot
1 MSF SF New Lease
GREENWOOD 75 LOGISTICS PARK
75 South

Allen Distribution
635K SF New Lease
MAJESTIC AIRPORT CENTER II
Airport/South Atlanta

GXO Logistics
446K SF New Lease
FALCON PARKWAY LOGISTICS CENTER
85 North

Notable Q1 Sales

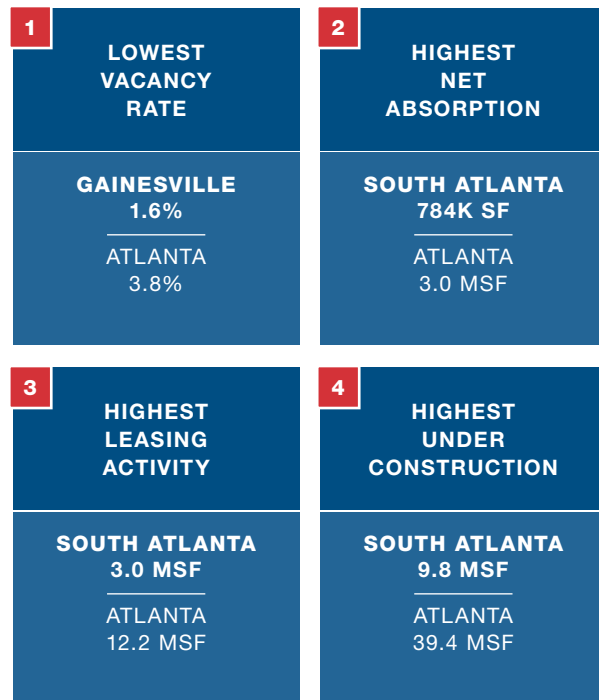
Prologis Orchard Hills
\$135M, \$89/SF
139 Orchard Business Pkwy | 85 South
Buyer: Florida State BOA

Trade Center I & II
\$72.5M, \$87/SF
200 & 300 Eagles Landing | 75 South
Buyer: KKR

The Cubes at Bridgeport
\$59M, \$104/SF
280 Bridgeport Blvd | 85 South
Buyer: Eaton Vance

Bana 85 Commerce Center
\$55M, \$35/SF
Bana Rd | 85 North
Buyer: Walmart

SUBMARKET TRENDS



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
CENTRAL ATLANTA	11,564,230	998,002	8.6%	146,388	(75,207)	-	-
CHATTAHOOCHEE	18,948,910	929,395	4.9%	206,137	(103,129)	-	-
GAINESVILLE	26,494,405	425,827	1.6%	1,353,399	601,421	486,900	2,469,584
I-20 W/FULTON IND	115,854,997	2,249,132	1.9%	1,607,283	297,602	254,100	6,479,088
JEFFERSON	36,161,588	2,534,038	7.0%	488,245	477,328	-	8,506,752
NORTH CENTRAL	29,010,611	997,751	3.4%	351,492	338,746	-	327,276
NORTHEAST	152,463,318	3,810,922	2.5%	2,029,563	168,336	450,200	3,323,776
NORTHWEST	80,799,193	3,995,798	4.9%	2,192,665	6,902	1,592,833	5,455,889
SNAPPINGER/I-20 EAST	51,597,414	1,804,880	3.5%	450,495	316,534	-	2,897,222
SOUTH ATLANTA	221,077,691	10,816,420	4.9%	3,011,361	784,231	4,367,471	9,828,866
STONE MOUNTAIN	28,920,570	721,078	2.5%	332,610	181,290	-	96,000
TOTALS	772,892,927	29,283,243	3.8%	12,169,638	2,994,054	7,151,504	39,384,453

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
FLEX	51,014,876	2,255,758	4.4%	569,559	134,326	100,000	2,344,205
SHALLOW-BAY	116,372,571	1,972,466	1.7%	873,887	789,600	350,200	4,707,563
WAREHOUSE	605,505,480	25,055,019	4.1%	10,726,192	2,070,128	6,701,304	32,332,685

©2022 NAI Brannen Goddard, LLC. Source: Costar Group, Inc. Data within is believed to be accurate but not warranted; subject to future revision.