

INDUSTRIAL

CONSTRUCTION ACTIVITY DELIVERS AS DEMAND HOLDS STRONG

MARKET TRENDS

INDICATOR	This Quarter Q3 2022	Last Quarter Q2 2022	Last Year Q3 2021
INVENTORY	786 MSF	777 MSF	759 MSF
VACANCY	3.5%	3.4%	4.4%
NET ABSORPTION	5.6 MSF	4.5 MSF	5.3 MSF
LEASING ACTIVITY	9.8 MSF	14.2 MSF	13.9 MSF

DEVELOPMENT PIPELINE

33.5 MSF UNDER CONSTRUCTION	56 DELIVERIES YTD (#)	20.2 MSF DELIVERIES YTD (SF)
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TAKEAWAYS

- ✓ Vacancy remains low
- ✓ Record deliveries continue in efforts to meet increased demand
- ✓ Net absorption figures hike upward
- ✓ Average asking rates continue to climb
- ✓ Leasing activity dipped slightly

ECONOMIC INDICATORS

Macro and micro trends keep fueling a hyper-competitive industrial market in Atlanta as the second half of 2022 gets underway. Atlanta’s low business costs, abundance of labor, robust infrastructure, and port access make it an important national distribution hub, and demand for industrial space has escalated throughout the region.

Developers have responded to the heightened demand for industrial space here, and after a slowdown in construction starts in the months after the pandemic hit, groundbreakings have ramped up in recent quarters. However, even as the metro’s spec pipeline continues to increase, vacancies have generally trended lower due to impressive net absorption. Atlanta’s vacancy rate should remain relatively flat over the next few quarters.

RECENT TRANSACTIONS

Notable Q3 Leases

Kuehne + Nagel
1 MSF SF New Lease
381 DAVIS LAKE RD
85 South

Dollar General
712K SF New Lease
500 BUSINESS CENTER DR
85 South

Conn's HomePlus
706K SF New Lease
CLAYTON 75 - MT ZION RD
85 South

Syncreon Technology
686K SF New Lease
PALMETTO DISTRIBUTION CENTER
Airport/South Atlanta

Notable Q3 Sales

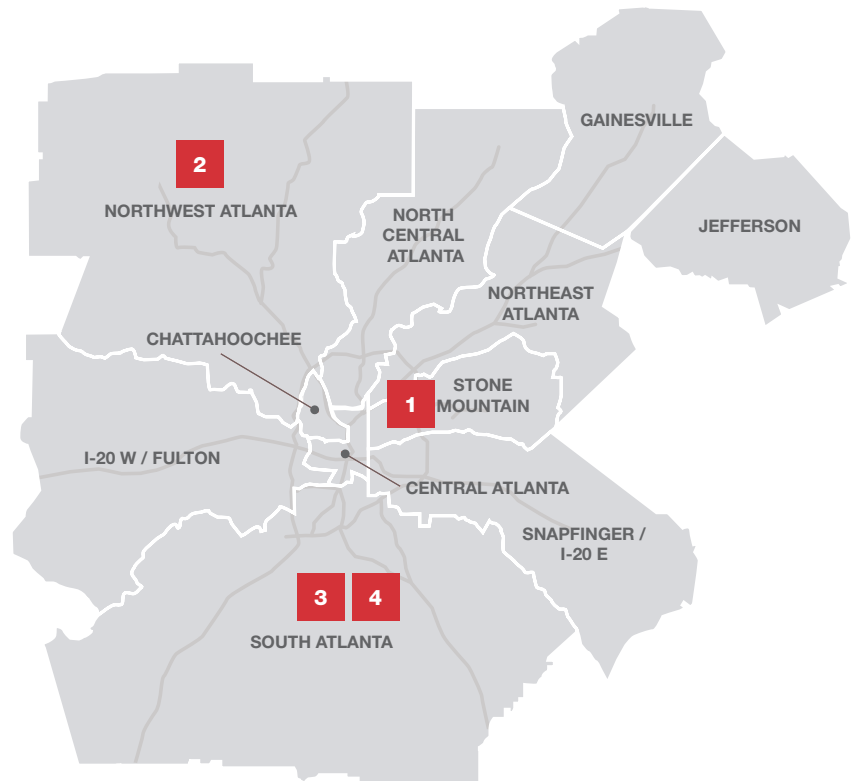
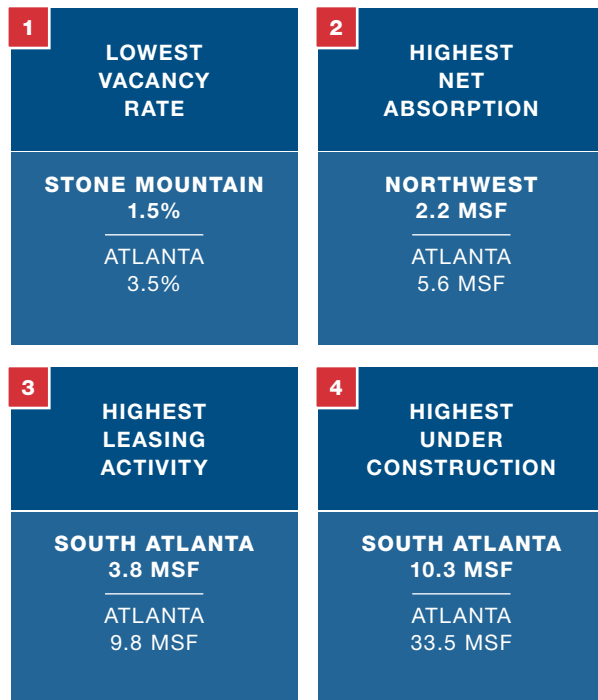
Southcreek - Clorox Building
\$135M, \$89/SF
1595 Oakley Ind Blvd | Airport/NClayton
Buyer: Kin Properties

Palmetto Logistics Park
\$85M, \$81/SF
700 Palmetto Logistics Pky | Airport/
NClayton
Buyer: Ares Industrial Real Estate

Ollie's Distribution Center
\$79M, \$82/SF
1523 Steve Reynolds Ind Pky | Jackson
Buyer: GIC Real Estate

Amazon Distribution Center
\$78M, \$403/SF
6020 Shiloh Rd | NFulton/Forsyth
Buyer: Faring

SUBMARKET TRENDS



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
CENTRAL ATLANTA	10,942,134	373,037	3.4%	8,960	34,252	-	-
CHATTAHOOCHEE	18,040,860	978,346	5.4%	74,593	8,217	-	-
GAINESVILLE	29,113,062	527,844	1.8%	227,839	644,260	600,000	847,948
I-20 W/FULTON IND	118,002,022	3,323,052	2.8%	1,389,069	257,475	1,033,728	6,753,460
JEFFERSON	38,274,906	4,589,027	12.0%	581,183	59,484	1,234,630	6,472,452
NORTH CENTRAL	29,219,438	952,688	3.3%	247,462	(27,897)	-	457,276
NORTHEAST	153,671,473	3,528,959	2.3%	1,760,626	(108,641)	160,000	2,640,436
NORTHWEST	83,781,901	3,575,605	4.3%	1,071,247	2,222,334	1,274,369	3,361,404
SNAPPINGER/I-20 EAST	51,701,094	1,835,397	3.6%	442,753	384,226	351,545	2,715,677
SOUTH ATLANTA	224,417,220	10,161,616	4.5%	3,773,903	2,043,071	3,463,887	10,275,622
STONE MOUNTAIN	28,588,086	417,888	1.5%	185,366	73,480	96,000	-
TOTALS	785,752,196	30,263,459	3.9%	9,763,001	5,590,261	8,214,159	33,524,275

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
FLEX	51,877,160	2,587,339	5.0%	575,130	(286,473)	126,920	2,256,685
SHALLOW-BAY	109,593,356	1,757,869	1.6%	776,362	362,727	600,000	3,606,936
WAREHOUSE	624,281,680	25,918,251	4.2%	8,411,509	5,514,007	7,487,239	27,660,654

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