

ATLANTA Industrial Market

YE 2023

MARKET TRENDS

INDICATOR	This Quarter Q4 2023	Last Quarter Q3 2023	Last Year Q4 2022
INVENTORY	828 MSF	816 MSF	799 MSF
VACANCY	6.7%	5.2%	3.9%
NET ABSORPTION	(2.4) MSF	3.2 MSF	5.9 MSF
LEASING ACTIVITY	6.2 MSF	6.0 MSF	9.4 MSF

DEVELOPMENT PIPELINE

18 MSF UNDER CONSTRUCTION	74 DELIVERIES YTD (#)	24 MSF DELIVERIES YTD (SF)
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KEY TAKEAWAYS

- ✓ Vacancy rising; still below average
- ✓ Lowest absorption since 2011
- ✓ Leasing activity stays flat
- ✓ YTD deliveries at record volume
- ✓ Construction slowdown begins
- ✓ Industrial demand stabilizes

Atlanta's industrial market has cooled, with a demand shift from big box properties to smaller and midsize buildings.

ECONOMIC INDICATORS

Even with six straight quarters of rising vacancy and the worst negative absorption since 2011 in 23Q4, Atlanta's industrial market is still tighter than at any time before 2017, with a 6% vacancy. But compared to the record run of tightening vacancies and escalating leasing activity mid-pandemic, Atlanta's industrial market cooled significantly over the past several months.

Longer term, the same challenging financing environment that has slowed sales volume could help strengthen market fundamentals in the years to come. Construction starts have declined precipitously in Atlanta, even more so than in other major U.S. markets. That will result in fewer deliveries in coming years, which will likely position Atlanta to return to tighter vacancies and reaccelerated rent growth in 2025.

NOTABLE LEASES

Czarnowski
570K SF Renewal
HARTMAN BUSINESS CENTER
20 W/Fulton

Primesource
623K SF Renewal
SOUTHPARK
South Atlanta

YITA
473K SF New Lease
GILLEM LOGISTICS CENTER 1100
South Atlanta

Real Truck
416K SF New Lease
VALENTINE 85 LOGISTICS CENTER
Jefferson

NOTABLE SALES

Cass-White Logistics Park (3 bldgs)
\$116M, \$96/SF
1343-47 Cass White Rd | Northwest
Buyer: KKR

Aero Logistics at 285
\$25M, \$146/SF
3611 Jonesboro Rd | South Atlanta
Buyer: ARKA Properties Group

1308 N Old 41 Hwy
\$17.8M, \$76/SF
1308 N Old 41 Hwy | South Atlanta
Buyer: Ranews Milner

400 Princeton
\$16.2M, \$56/SF
400 Princeton Blvd | Northwest
Buyer: UNIMAT Commercial

**SUBMARKET
TRENDS**

LOWEST VACANCY RATE	HIGHEST NET ABSORPTION
GAINESVILLE 3.7%	JEFFERSON 547K SF
ATLANTA 6.7%	ATLANTA (2.4) MSF
HIGHEST LEASING ACTIVITY	HIGHEST UNDER CONSTRUCTION
I-20/FULTON IND 1.6 MSF	SOUTH ATLANTA 6.6 MSF
ATLANTA 6.2 MSF	ATLANTA 17.8 MSF



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
CENTRAL ATLANTA	11,268,693	777,363	6.9%	11,310	(66,549)	-	-
CHATTAHOOCHEE	18,035,039	1,238,979	6.9%	70,328	(247,583)	-	220,863
GAINESVILLE	30,906,044	1,138,216	3.7%	41,739	(329,803)	-	585,660
I-20 W/FULTON IND	123,637,015	8,084,985	6.5%	1,608,983	(884,380)	872,595	2,197,279
JEFFERSON	44,602,710	6,787,437	15.2%	683,000	546,975	2,369,686	3,643,542
NORTH CENTRAL	29,961,468	1,215,608	4.1%	160,946	311,697	133,752	129,615
NORTHEAST	156,574,348	6,283,730	4.0%	1,380,814	(426,300)	322,051	1,914,053
NORTHWEST	93,676,428	9,993,514	10.7%	457,769	373,896	2,016,421	1,119,507
SNAPPFINGER/I-20 EAST	55,028,950	3,626,513	6.6%	213,008	373,547	1,002,486	1,425,000
SOUTH ATLANTA	234,998,504	14,959,334	6.4%	1,489,338	(1,645,002)	1,244,187	6,593,661
STONE MOUNTAIN	28,798,088	1,296,346	4.5%	106,140	(403,356)	-	-
TOTALS	827,487,287	55,402,025	6.7%	6,223,375	(2,396,858)	7,961,178	17,829,180

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
FLEX	53,562,640	2,543,980	4.7%	293,573	(200,856)	15,000	97,115
SHALLOW-BAY	113,010,031	4,870,323	4.3%	774,255	(701,910)	1,057,984	3,170,863
WAREHOUSE	660,914,616	47,987,722	7.3%	5,155,547	(1,494,092)	6,888,194	14,561,202

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