

ATLANTA Industrial Market

Q1 2024

MARKET TRENDS

INDICATOR	This Quarter Q1 2024	Last Quarter Q4 2023	Last Year Q1 2023
INVENTORY	835 MSF	828 MSF	804 MSF
VACANCY	7.0%	6.7%	4.5%
NET ABSORPTION	2.4 MSF	(2.4) MSF	2.0 MSF
LEASING ACTIVITY	6.3 MSF	6.2 MSF	8.2 MSF

DEVELOPMENT PIPELINE

14 MSF UNDER CONSTRUCTION	14 DELIVERIES YTD (#)	4.8 MSF DELIVERIES YTD (SF)
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KEY TAKEAWAYS

- ✓ Vacancy above 10-year average
- ✓ Large-block move-ins boost absorption
- ✓ Leasing activity remains steady
- ✓ Development pipeline declines as material costs and interest rates have risen
- ✓ Slowing supply forecasted to drive tighter vacancy and rent growth
- ✓ Notable increase in sales volume

The Atlanta industrial market has stabilized, and remains quite healthy.

Momentum in Atlanta's industrial market has slowed after years of record-low vacancy rates and record-high leasing activity. While net absorption remained positive in Q1, it lagged behind the robust pace set before the pandemic. Net absorption totaled 2.4 million square feet. With seven consecutive quarters of rising vacancy, Atlanta's overall industrial vacancy rate has climbed above the 10-year average of around 6%.

The volume of speculative industrial projects completing construction remains elevated compared to historical norms. With fewer speculative projects expected to deliver in 2025 and 2026, the Atlanta industrial market is well-positioned to return to tighter vacancy rates and re-accelerating rent growth over the next few years.

The market's strong fundamentals and continued population growth should drive a resurgence in tenant demand once the current adjustment period passes.

NOTABLE LEASES

Hanwha QCells
835K SF New Lease
BUSCH COMMERCE CENTER
Northwest

Devgiri Home
706K SF New Lease
CLAYTON 75
South Atlanta

Trane
400K SF Renewal
SOUTHMEADOW DIST. CENTER
South Atlanta

KGP Logistics
395K SF Renewal
SHAWNEE RIDGE
Northeast

NOTABLE SALES

Atlanta Cold Storage
\$54M, \$287/SF
4777 Derrick Rd | South Atlanta
Buyer: BentallGreenOak

Thurmon Tanner Logistics - Bldg A
\$59M, \$131/SF
4755 Thurmon Tanner | Northeast
Buyer: National Financial Services

Southpark - Phase 1
\$71M, \$123/SF
5005 Terminus Dr | South Atlanta
Buyer: Purina

Suwanee Logistics Center
\$39M, \$120/SF
195 Sawmill Dr | Northeast
Buyer: Longpoint Realty Partners

**SUBMARKET
TRENDS**

LOWEST VACANCY RATE	HIGHEST NET ABSORPTION
STONE MOUNTAIN 4.3%	SOUTH ATLANTA 2 MSF
ATLANTA 7.0%	ATLANTA 2.4 MSF
HIGHEST LEASING ACTIVITY	HIGHEST UNDER CONSTRUCTION
SOUTH ATLANTA 1.9 MSF	SOUTH ATLANTA 6.2 MSF
ATLANTA 6.3 MSF	ATLANTA 14.2 MSF



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
CENTRAL ATLANTA	11,435,041	1,056,546	9.2%	31,309	(281,183)	-	-
CHATTAHOOCHEE	18,071,380	1,168,801	6.5%	113,529	30,673	-	220,863
GAINESVILLE	31,005,944	1,499,774	4.8%	55,174	(361,558)	-	585,660
I-20 W/FULTON IND	124,306,196	8,441,714	6.8%	895,163	(174,716)	182,418	857,060
JEFFERSON	46,444,270	8,312,257	17.9%	-	215,390	1,590,098	2,070,444
NORTH CENTRAL	30,056,733	1,591,891	5.3%	337,545	(274,168)	97,115	326,686
NORTHEAST	156,500,203	6,904,320	4.4%	1,239,893	(187,342)	417,825	1,962,510
NORTHWEST	94,267,186	9,940,429	10.5%	1,256,344	664,608	201,263	528,126
SNAPPFINGER/I-20 EAST	55,454,677	3,132,008	5.6%	391,443	736,085	239,580	1,425,000
SOUTH ATLANTA	238,329,431	15,348,149	6.4%	1,919,575	2,003,173	2,037,885	6,231,377
STONE MOUNTAIN	28,802,010	1,231,234	4.3%	59,988	65,112	-	-
TOTALS	834,673,071	58,627,123	7.0%	6,299,963	2,436,074	4,766,184	14,207,726

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
FLEX	52,990,834	3,004,207	5.7%	336,068	(282,456)	97,115	308,924
SHALLOW-BAY	115,394,293	4,119,759	3.6%	444,188	2,342,996	2,025,000	1,346,863
WAREHOUSE	666,287,944	51,503,157	7.7%	5,519,707	375,534	2,644,069	12,551,939

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