

ATLANTA Office Market

Q1 2024

MARKET TRENDS

INDICATOR	This Quarter Q1 2024	Last Quarter Q4 2023	Last Year Q1 2023
INVENTORY	245 MSF	244 MSF	242 MSF
VACANCY	20.8%	20.1%	17.3%
NET ABSORPTION	(485K) SF	(162)K SF	374K SF
LEASING ACTIVITY	2.4 MSF	1.7 MSF	2.0 MSF

DEVELOPMENT PIPELINE

2.6 MSF UNDER CONSTRUCTION	5 YTD TOTAL DELIVERIES (#)	409 KSF YTD TOTAL DELIVERIES (SF)
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KEY TAKEAWAYS

- ✓ Record high availability
- ✓ Absorption losses deepen
- ✓ Space reductions persist as companies reduce footprints
- ✓ Demand softens with few exceptions
- ✓ New buildings in vibrant areas account for positive activity
- ✓ Development pipeline slows

Despite high availability in Atlanta’s office market, there are bright spots in vibrant areas with new developments and modern amenities.

The challenges facing the office market have become more entrenched over the past year here, just as they have nationally. Several major local employers implemented space consolidation plans in 2023, resulting in steep negative absorption for the market. That reversed the reprieve seen in 2022, when a wave of tech-company move-ins stabilized vacancy. In the months ahead, the market faces three key headwinds: new supply, shrinking lease sizes, and sublease space. Still, Atlanta’s long-term appeal remains intact, and a handful of high-profile leases signed in the last few months have raised optimism among market participants, suggesting how the eventual recovery might play out. The precipitous fall in office construction starts could provide some longer-term relief.

NOTABLE LEASES

Manhattan Associates
210K SF Renewal
WILDWOOD CENTER
Northwest

Georgia Dept of Revenue
118K SF New Lease
2500 CENTURY PARKWAY
Northeast

MiMedx
80K SF Renewal
1775 W OAK COMMONS
Northwest

Vestis
45K SF Renewal
SOUTHERN POST
North Fulton

NOTABLE SALES

6405 Sugarloaf
\$23.5M, \$165/SF
6405 Sugarloaf Pkwy | Northeast
Buyer: JMS Family Holdings

Lincoln Center
\$14.6M, \$78/SF
1455 Lincoln Pkwy | Central Perimeter
Buyer: Innova Solutions

Woodside Terrace
\$14.5M, \$117/SF
3755 Mansell Rd | North Fulton
Buyer: Free Chapel

200 Barrett Summit
\$10M, \$125/SF
1990 Vaughn Rd | Northwest
Buyer: Ser Familia

**SUBMARKET
TRENDS**

LOWEST VACANCY RATE	HIGHEST NET ABSORPTION
JEFFERSON 0%	DOWNTOWN ATLANTA 246K SF
ATLANTA 20.8%	ATLANTA (485)K MSF
HIGHEST LEASING ACTIVITY	HIGHEST UNDER CONSTRUCTION
NORTH FULTON 496K SF	MIDTOWN ATLANTA 1.4 MSF
ATLANTA 2.4 MSF	ATLANTA 2.6 MSF



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
BUCKHEAD	24,009,856	6,178,939	25.7%	181,610	(57,720)	-	-
CENTRAL PERIMETER	32,211,384	8,092,439	25.1%	302,021	112,016	-	160,905
DOWNTOWN ATLANTA	33,328,574	5,957,242	17.9%	75,357	234,755	-	404,388
GAINESVILLE	2,679,312	139,927	5.2%	21,908	17,910	-	44,000
JEFFERSON	40,730	-	0.0%	-	-	-	-
MIDTOWN ATLANTA	30,787,209	8,412,199	27.3%	223,104	(422,514)	296,247	1,420,186
NORTH FULTON	29,030,637	7,172,826	24.7%	495,960	(514,676)	82,512	212,767
NORTHEAST ATLANTA	20,567,552	3,335,692	16.2%	326,318	(50,232)	-	135,580
NORTHLAKE	18,950,262	3,265,965	17.2%	213,519	78,685	-	-
NORTHWEST ATLANTA	34,230,524	5,732,941	16.7%	372,858	56,436	-	250,000
SOUTH ATLANTA	14,976,989	1,640,731	11.0%	162,004	51,221	30,259	-
WEST ATLANTA	4,132,839	964,176	23.3%	34,938	9,221	-	-
TOTALS	244,945,868	50,893,077	20.8%	2,409,597	(484,898)	409,018	2,627,826

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
CLASS A	134,075,737	36,268,668	27.1%	1,560,471	197,593	326,506	2,359,162
CLASS B	92,733,803	12,177,029	13.1%	752,615	(675,797)	82,512	248,729
CLASS C	18,136,328	2,447,380	13.5%	96,511	(6,694)	-	19,935

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