Atlanta

Industrial market snapshot | Q3 2024

Based on recent market activity during Q3, the Atlanta industrial market remains secure. Over 9.4msf of deals were executed during Q3 and absorption is climbing, proving that tenants are occupying available space. Vacancy rose slightly to 9%, but with the development pipeline drastically cooling, a decrease in new product should improve occupancy during the upcoming quarters. Tenants prove to be seeking smaller spaces, a trend the entire Southeast has been experiencing, and although the supply of smaller space is limited, rental rates are starting to level-out when comparing rates quarter-over-quarter.

17.5%

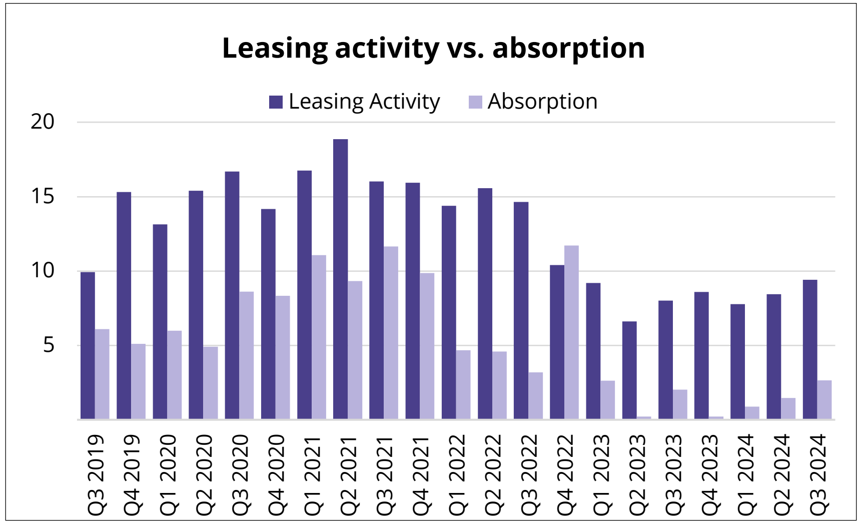
Leasing activity rose to 9.4msf during Q3, a 17.5% increase YOY and the highest it has been since 2022.

-80.8%

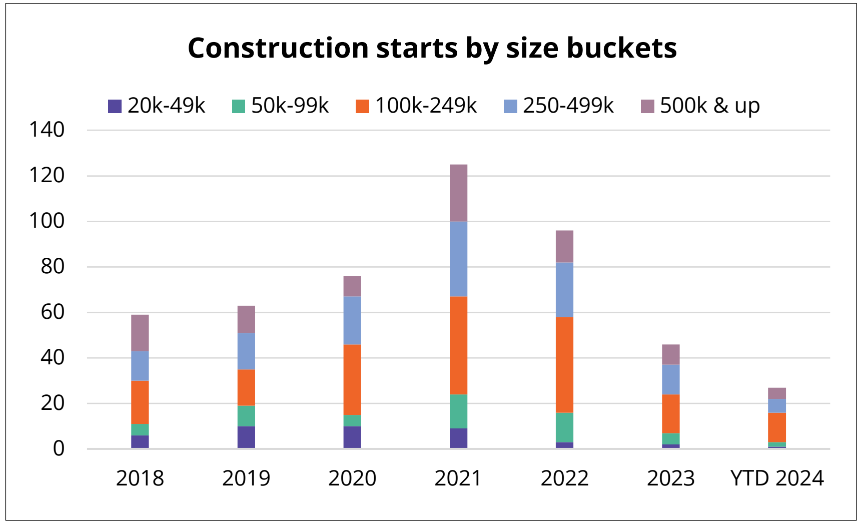
Groundbreakings for new construction projects are down over 80% when compared to the peak of development in 2021.

54%

An ongoing market trend continues to show smaller spaces in high demand. Leases <50k sf accounted for 54% of deals signed during Q3.



Leasing activity has been steadily increasing during 2024 and when looking at square footage leased, it is the highest it has been since 2022. The increase of activity has also pushed absorption numbers as well displaying an 80% increase QOQ .



27 buildings totaling 7.7msf have broken ground during 2024 showing an 80.8% decrease from the 40.3msf that broke ground during 2021, when 125 new properties were under construction. With vacancy rates continuing to uptick, slowing of the development pipeline should have a positive impact on the overall health of Atlanta industrial market.

Source: AVANT by Avison Young, CoStar

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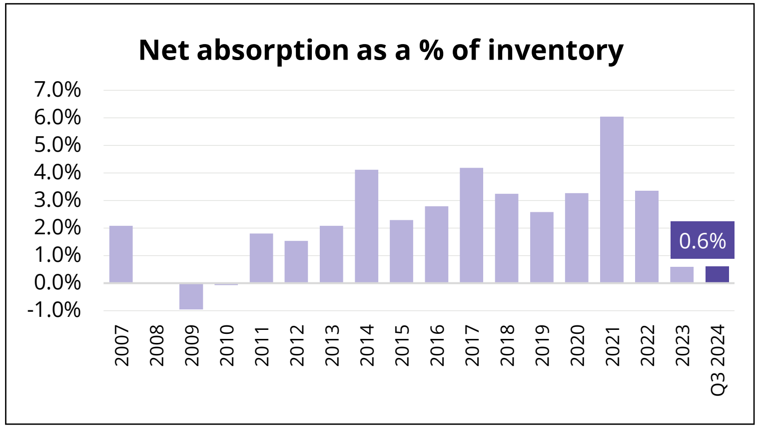

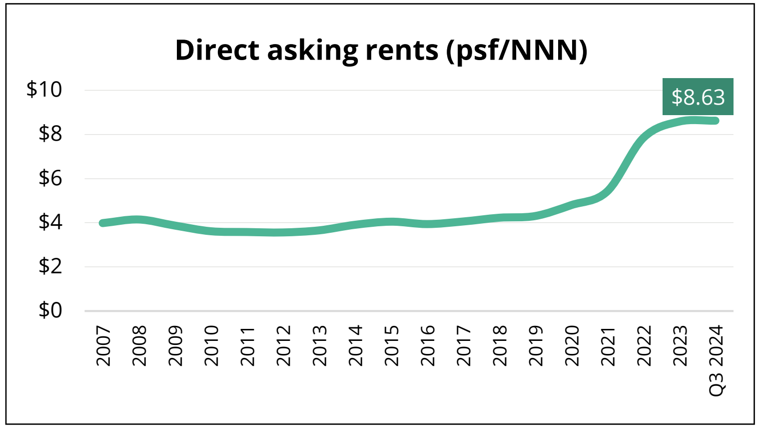

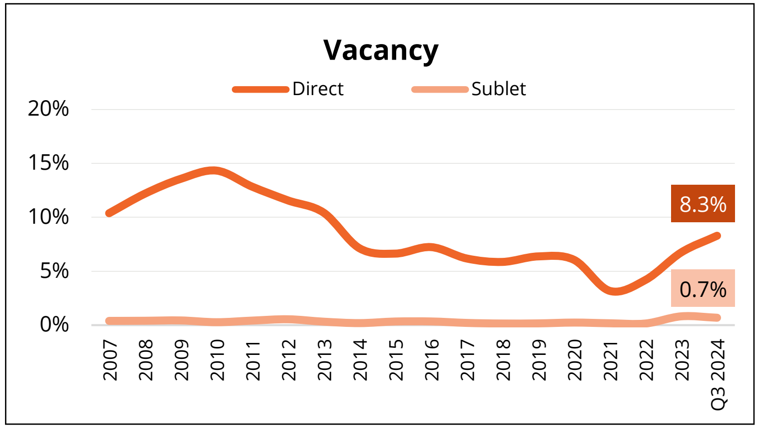

Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Confidential	401 Logistics Pky-Building 4	1,006,500	Direct	New
Dick's Sporting Goods	3909 N Commerce Dr	913,700	Direct	Renewal
GE Energy Parts	4955 Mason Rd	660,000	Direct	Renewal
Petco	930 Hwy 124	506,200	Direct	Renewal

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Stoltz Real Estate Company	*Multi-property portfolio	$145.5M	$147.00	TPG/Dogwood
Northwood Investors	1090 Broadway Ave	$55.5M	$69.00	UBS Realty Investors
Cabot Properties	*Victory Landing Logistics Center	$49.7M	$135.43	OA Development
Cabot Properties	4811 Flat Shoals Rd	$48.5M	$134.65	AEW Capital Management

Note 1: TPG/Dogwood portfolio includes total price of industrial GA properties
Note 2: The sale of Victory Landing Logistics Center included 2 properties
Source: AVANT by Avison Young, CoStar

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Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Net absorption SF (QTD)	Net absorption SF (YTD)	Annual direct asking rent psf NNN
Airport/North Clayton	123,105,525	1,258,949	733,526	8.7%	0.7%	9.4%	(1,013,957)	(1,175,434)	$7.79
I-75 South	79,335,622	4,996,242	3,500,820	5.8%	2.0%	7.8%	180,203	4,438,127	$6.95
I-85 South	29,755,111	2,130,896	234,624	10.4%	0.7%	11.2%	(102,778)	(520,086)	$12.84
South Atlanta Total	**232,196,258**	**8,386,087**	**4,468,970**	**7.9%**	**1.1%**	**9.1%**	**(936,532)**	**2,742,607**	**$9.19**
Central Atlanta	6,665,082	0	0	11.6%	0.0%	11.6%	(16,200)	(170,934)	$12.70
Chattahoochee	13,217,803	0	220,863	7.9%	1.1%	9.0%	(122,549)	(112,257)	$10.55
Fulton Industrial	53,185,331	0	0	6.1%	0.6%	6.6%	(36,785)	(275,227)	$6.37
I-20W/Douglasville	63,719,812	1,353,542	1,446,704	8.8%	1.0%	9.7%	432,193	(579,888)	$9.23
North Central	21,530,779	0	526,369	3.9%	0.3%	4.1%	(1,574)	(189,890)	$11.19
Northeast	222,981,476	5,694,116	3,484,786	9.2%	0.5%	9.7%	1,118,982	359,672	$8.98
Northwest	81,065,331	624,213	939,043	10.5%	0.7%	11.2%	1,343,395	1,577,806	$9.64
Snapfinger/I-20 East	49,556,439	2,099,365	4,055,716	8.2%	0.0%	8.2%	838,052	1,808,843	$7.43
Stone Mountain	24,947,368	0	0	3.8%	0.3%	4.0%	41,165	(112,542)	$11.43
Market total	**769,065,679**	**18,157,323**	**12,816,330**	**8.3%**	**0.7%**	**9.0%**	**2,660,147**	**5,048,190**	**$8.63**

Source: AVANT by Avison Young, CoStar

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