

Q1 2017 ATLANTA **INDUSTRIAL** MARKET REPORT

6,704,331 SF

Q1 NET ABSORPTION ↑

Q4 1,842,739 SF

7.5 %

Q1 VACANCY ↓

Q4 7.8 %

4,067,463 SF

Q4 LEASING ACTIVITY ↓

19,637,162 SF

UNDER CONSTRUCTION ↑

1,587,876 SF

Q4 NEW SUPPLY DELIVERED ↓

\$4.49 SF

AVERAGE ASKING RENT (PER YR.) ↑

\$55

AVERAGE SALES PER SF ↑

\$343 M

234 SALES TRANSACTIONS ↑



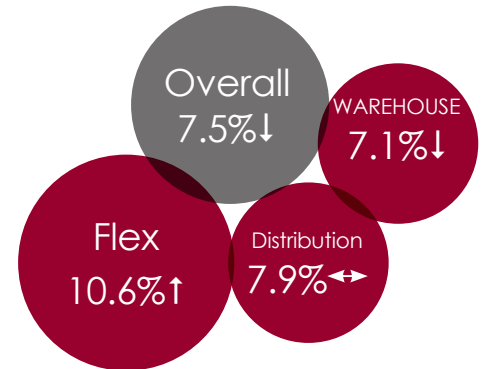
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COMMERCIAL REAL ESTATE SERVICES

MARKET OVERVIEW

Atlanta's industrial market continues to show a steady and strong performance in the first quarter of 2017. Overall vacancy decreased 30 basis points to 7.5% with a net absorption of 6.7 million SF and average asking rents increasing. Industrial development continues to push new projects as consumer confidence remains high and capital groups look to grow their presence in Atlanta. Over 19 million SF was under construction in the first quarter with 69% of that being speculative development. A sustained population growth in the Southeast is requiring most companies to relocate their distribution production in Atlanta to serve the region. With a strong market foundation coupled with an increasing demand for big box space, Atlanta is one of the top markets in the nation for industrial real estate.

OVERALL VACANCY RATES



ABSORPTION

- > Overall net absorption for Metro Atlanta in Q1 2017 was positive 6,704,331 SF

RENTAL RATES

- > Average quoted asking rental rate for all classes increased from \$4.43 PSF to \$4.49 PSF

SALES ACTIVITY

- > The largest sale transaction of Q1 was the sale of 201 Greenwood Court: 800,000 SF for \$49.28 PSF

VACANCY RATE

- > Vacancy decreased 30 basis points to 7.5 % from 7.8 % in Q1 2017
- > Chattahoochee/Central Atlanta reported lowest submarket vacancy at 3.6%

DEVELOPMENT/CONSTRUCTION

- > There was 19,637,162 SF of industrial space under construction in Q1 2017: 24 speculative buildings totaling 13.5M SF & 10 build to suit buildings totaling 6.1M SF

LEASING ACTIVITY

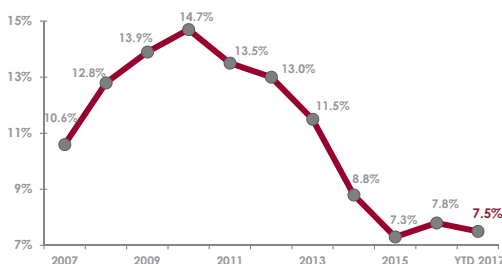
- > Leasing activity was 4,067,463 SF in Q1
- > The largest lease transaction of Q1 was signed by ULINE Co; 1,000,480 SF in Northeast Atlanta

LARGEST PROJECTS UNDER CONSTRUCTION as of Q1 2017

Project Location	Building SF	Tenant	Delivery	Project Location	Building SF	Tenant	Delivery
Valentine Industrial Pky	1,874,880	Spec	Q3-18	545 Logistics Center Pkwy	924,840	Spec	Q2-17
Charlie Brown Airport	1,500,000	UPS	Q1-18	4388 Lunsford Dr	797,580	Spec	Q2-17
Anvil Block Rd	1,471,260	Spec	Q3-18	440 Interstate West	781,440	Spec	Q1-17
120 Jackson Rd	1,200,000	Dollar General	Q3-17	150 Distribution Dr	759,495	Spec	Q4-17
King Mill Rd	1,004,400	Spec	Q1-18	Midland Ct	699,732	Spec	Q3-17
705 Braselton Industrial Blvd	1,000,821	ULINE Co	Q2-17	Thomas Pky	617,865	Spec	Q3-17
Hwy 155 S	1,000,000	Home Depot	Q4-17	159 Westridge Pky	612,551	Spec	Q2-17

VACANCY

percentage, 2007-2017



ECONOMIC INDICATORS

as of Q1 2017

Unemployment

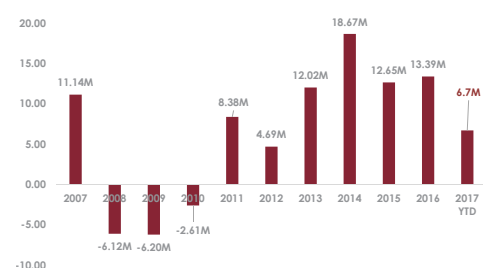
U.S. Upto 4.7%
Georgia Remains at 5.3%
Atlanta Metro Up to 5.3%

U.S. Consumer Price Index (CPI) Up 0.1%
Gross Domestic Product (GDP) Down 2.1%

Source: Bureau of Labor Statistics, Georgia State University Economic Forecasting Center, Bureau of Economic Analysis

ABSORPTION

in SF, 2007-2017



INDUSTRIAL SUBMARKET DATA

Submarkets	Total Inventory	Vacancy Total SF	Vacancy Q1 17	NET Absorption YTD Total	Under Construction	Building Completions YTD Total	Asking Rent
Northwest							
Warehouse	48,365,284	3,085,367	6.4%	440,354	172,000	-	\$4.57
Distribution	11,233,623	417,714	3.7%	(14,893)	846,800	-	-
Flex	7,751,143	734,421	9.5%	(35,826)	-	-	\$9.05
Total	67,350,050	4,237,502	6.3%	389,635	1,018,800	-	\$5.28
North Central							
Warehouse	14,155,390	727,523	5.1%	129,683	98,297	48,981	\$6.09
Distribution	5,392,302	387,560	7.2%	(44,276)	-	-	-
Flex	7,219,992	699,982	8.7%	(46,673)	-	-	\$10.98
Total	26,767,684	1,815,065	6.8%	38,734	98,297	48,981	\$8.28
Northeast							
Warehouse	114,604,433	7,629,237	6.7%	271,726	112,840	274,614	\$4.60
Distribution	28,590,238	1,787,505	6.3%	(216,656)	6,174,346	-	-
Flex	15,133,889	2,317,352	15.3%	(68,291)	-	-	\$9.43
Total	158,328,560	11,734,094	7.4%	(13,221)	6,287,186	274,614	\$5.42
St. Mountain/Snapfinger							
Warehouse	50,930,601	2,356,749	5.2%	(701,899)	480,000	-	\$3.77
Distribution	13,972,763	682,314	4.9%	191,162	-	-	-
Flex	4,804,549	708,811	14.5%	46,398	-	-	\$6.98
Total	69,707,913	3,747,874	8.2%	(464,339)	480,000	-	\$4.30
South Atlanta							
Warehouse	142,316,679	13,933,353	9.8%	3,783,223	6,565,689	-	\$3.41
Distribution	24,303,207	3,545,085	14.6%	150,708	3,626,775	400,125	-
Flex	4,200,484	336,782	8.0%	29,093	-	-	\$7.77
Total	170,820,370	17,815,220	10.4%	3,963,024	10,192,464	400,125	\$3.41
I-20 West/Fulton Ind							
Warehouse	77,301,833	4,071,030	5.3%	1,692,797	281,057	-	\$3.33
Distribution	16,232,625	1,240,429	7.6%	(16,703)	1,279,358	-	-
Flex	4,032,394	165,142	4.1%	805,875	-	808,355	\$5.82
Total	97,566,852	5,476,601	5.6%	2,481,969	1,560,415	808,355	\$3.42
Chattahoochee/Central Atl							
Warehouse	24,853,324	1,566,434	6.9%	342,921	-	55,801	\$6.52
Distribution	3,174,129	20,846	0.5%	(20,846)	-	-	-
Flex	5,516,377	177,027	3.4%	(13,546)	-	-	\$13.66
Total	33,543,830	1,764,307	3.6%	308,529	-	55,801	\$7.37
Total Submarkets							
Warehouse	472,527,544	33,369,693	7.1%	5,958,805	7,709,883	379,396	\$3.95
Distribution	102,898,887	8,081,453	7.9%	28,496	11,927,279	400,125	-
Flex	48,658,828	5,139,517	10.6%	717,030	-	808,355	\$9.29
Total	624,085,259	46,590,663	7.5%	6,704,331	19,637,162	1,587,876	\$4.49

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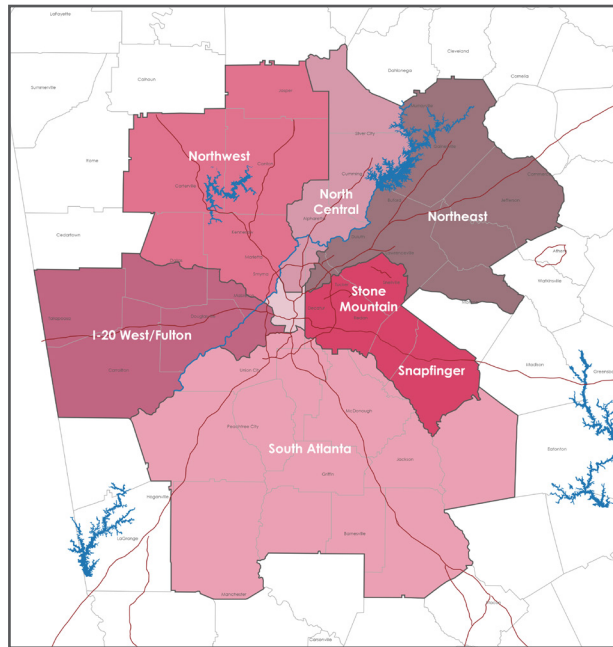
manufacturing and warehouse properties in the Atlanta Metropolitan Area.

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ATLANTA INDUSTRIAL SUBMARKETS



Q1 2017 TOP LEASES

Property Name	Address	Submarket	Tenant Name	SF	Lease Type
Braselton Logistics Center	705 Braselton Industrial Blvd	Northeast Atlanta	ULINE Inc	1,000,480	New
Jefferson Mill Business Park	0 Hog Mountain Rd	Northeast Atlanta	Amazon	822,257	New
Skyline 20 West	7875 White Rd	I-20 W/Douglasville	MARS	604,852	New
Gillem Logistics Center - Bldg 200	2160 Anvil Block Rd	South Atlanta	Kuhne & Nagel	406,625	New
*Barrett Lakes Distribution	2750 Barrett Lakes Blvd	Northwest Atlanta	Atlanta Bonded Warehouse	368,963	New

*Lee Atlanta deal

Q1 2017 TOP SALES

Property Address	Buyer	Seller	Sales Price	SF	PSF
201 Greenwood Court	Pure Industrial Real Estate Trust	TIAA-CREF Investment Management LLC	\$39,500,000	800,000	\$49.38
2000 Logistics Center Dr - Bldg 200	RREEF America REIT II Corp	TPA Group, LLC	\$26,000,000	495,625	\$52.46
1500 Cherokee Pky	Cabot Properties, Inc	Rooker	\$23,100,000	304,000	\$75.99
1300 Barrow Industrial Pky	Exeter	Winder Warehouse Partners	\$21,650,000	312,000	\$69.39
5105 Avalon Ridge Pky	Exeter	Atlanta Holdings, LLC	\$10,000,000	200,000	\$50.00

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