

Q4 2017

Atlanta Industrial Market Report

4,083,728 SF

Q4 Net Absorption ↑
Q3 3,168,125 SF

6.4%

Q4 Vacancy ↓
Q3 6.8%

5,014,822 SF

Q4 Leasing Activity ↓

21,032,913 SF

Under Construction ↑

2,043,636 SF

New Supply Delivered ↓

\$4.79 SF

Average Asking Rent per yr

\$48

Average Sales per SF

\$535 M

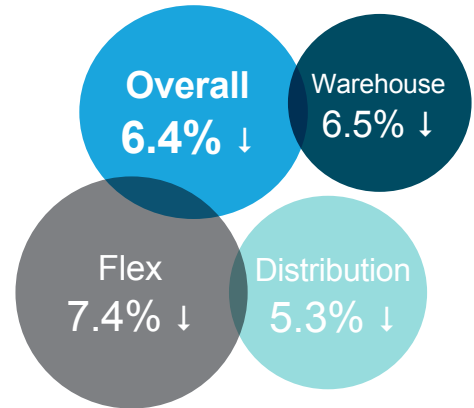
169 Sales Transactions



MARKET OVERVIEW

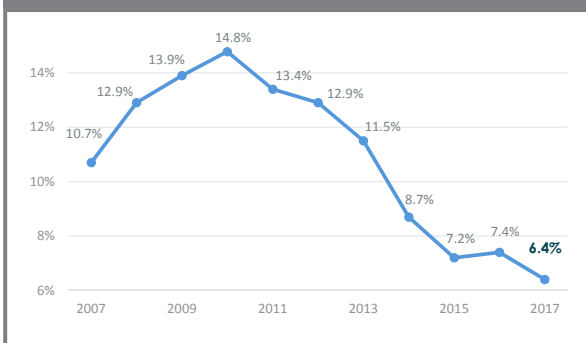
Atlanta's status as a major industrial market is clearly evident with a strong last quarter of 2017. Overall vacancy decreased in Q4 by 40 basis points to 6.4% with a net absorption of 4.1 million SF and average asking rents increasing to \$4.79 PSF for all classes. Industrial development continues to add new projects as capital groups look to grow their presence in Atlanta. Corporate expansions and relocations in the metro area are driving residential development and in turn, industrial growth. Over 21 million SF was under construction in the fourth quarter, with 80% of that being speculative development. As more e-commerce retailers and third party logistics providers look to expand in the metro area, the supply is not outpacing the increasing demand for big box space in Atlanta.

OVERALL VACANCY RATES



VACANCY

percentage, 2007-2017



ABSORPTION

- Overall net absorption for Metro Atlanta in Q4 2017 was positive 4,083,728 SF, bringing YTD net absorption to 19,982,196 SF, highest since 2014

VACANCY RATE

- Vacancy decreased 40 basis points from last quarter to 6.4%
- Stone Mountain/Snapfinger reported lowest submarket vacancy at 3.4%

RENTAL RATES

- Average quoted asking rental rate for all classes increased to \$4.79 PSF

DEVELOPMENT/CONSTRUCTION

- There was 21,032,913 SF of industrial space under construction in Q4 2017: 33 speculative buildings totaling 16.7M SF & 8 build to suit projects totaling 4.3M SF

SALES ACTIVITY

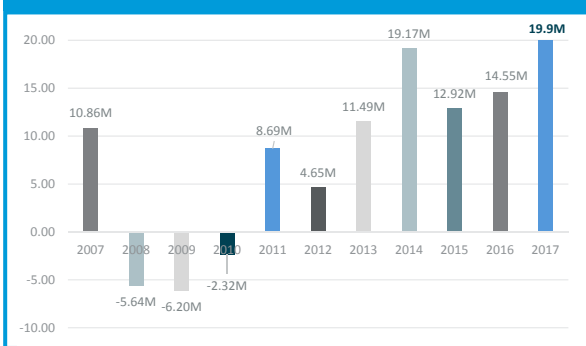
- The largest sale transaction of Q4 was the investment sale of 440 Interstate W Pky; 781,440 SF for \$55 PSF by WPT Capital Advisors in the I-20 W submarket

LEASING ACTIVITY

- Leasing activity was 5,014,822 SF in Q4
- The largest lease transaction of Q4 was signed by S&S Activewear; 505,000 SF in the South Atlanta submarket

ABSORPTION

in SF, 2007-2017



LARGEST PROJECTS UNDER CONSTRUCTION as of Q4 2017

Project Location	Building SF	Tenant	Delivery
King Mill Rd	1,555,200	Lindt	Q2 - 18
Charlie Brown Airport	1,200,000	UPS	Q4 - 18
Southern Gateway	1,104,320	Spec	Q4 - 18
590 Coweta Industrial Pky	1,076,320	Spec	Q2 - 18
500 Palmetto Logistics Pky	1,054,500	Spec	Q1 - 18
Toy Wright Rd	1,053,360	Spec	Q4 - 18
Valentine Industrial Pky	1,021,000	Spec	Q3 - 18

Project Location	Building SF	Tenant	Delivery
Anvil Block Rd	1,017,000	Spec	Q1 - 18
Bridgeport Blvd	1,022,150	Spec	Q4 - 18
700 Price Rd	1,000,993	Spec	Q1 - 18
8500 Tatum Rd	982,777	Spec	Q2 - 18
Hwy 16 @ I-75	842,000	Spec	Q2 - 18
4388 Lunsford Dr	797,580	Spec	Q1 - 18
New Salem Church Rd	639,112	Spec	Q4 - 18

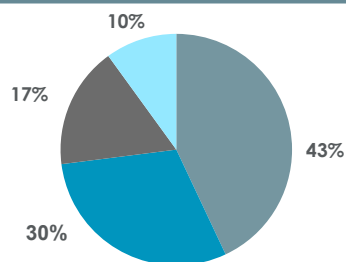
INDUSTRIAL SUBMARKET DATA

Industrial Submarkets	Total Inventory	Vacancy Total SF	Vacancy Q4 '17	Net Absorption YTD Total	Under Construction	Building YTD Deliveries	Asking Rent
Northwest	68,410,940	3,278,035	4.8%	2,119,216	446,496	1,018,800	\$5.40
North Central	27,098,113	1,503,036	5.5%	412,960	-	98,297	\$8.71
Northeast	161,133,742	9,041,471	5.6%	3,271,354	4,417,074	4,203,280	\$5.66
St. Mountain / Snapfinger	69,484,631	2,361,735	3.4%	528,449	480,000	-	\$4.80
South Atlanta	176,556,986	16,233,810	9.2%	10,561,745	12,804,548	6,572,700	\$3.60
I-20 West / Fulton Ind	98,813,652	7,060,636	7.1%	2,380,891	2,884,795	2,368,770	\$3.85
Chattahoochee / Central Atl	33,156,021	1,073,192	3.2%	707,581	-	-	\$8.63
Total	634,654,085	40,551,915	6.4%	19,982,196	21,032,913	14,261,847	\$4.79

Total Submarkets	Total Inventory	Vacancy Total SF	Vacancy Q4 '17	Net Absorption YTD Total	Under Construction	Building YTD Deliveries	Asking Rent
Warehouse	482,210,046	31,410,701	6.5%	15,321,929	9,520,471	3,978,857	\$4.24
Distribution	104,061,823	5,546,159	5.3%	2,937,961	11,512,442	9,474,635	-
Flex	48,382,216	3,595,055	7.4%	1,722,306	-	808,355	\$9.68
Total	634,654,085	40,551,915	6.4%	19,982,196	21,032,913	14,261,847	\$4.79

BUYER TYPE

Q4 2017 sales

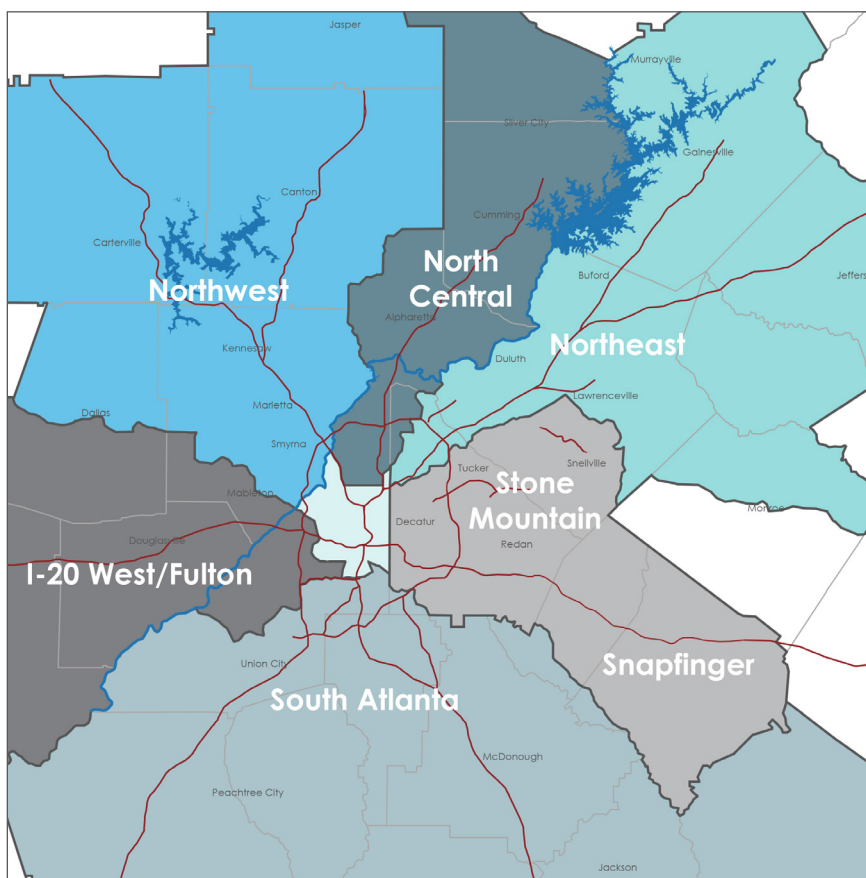


■ Private ■ User ■ REIT/Public ■ Institutional

SUBMARKET SIZE & OCCUPANCY

Submarket	Size	Occupancy %
Northwest	68.4 M	95.2%
North Central	27.1 M	94.5%
Northeast	161.1 M	94.4%
St Mountain/Snapfinger	69.5 M	96.6%
South Atlanta	176.6 M	90.8%
I-20 W/Fulton	98.8 M	92.9%
Chattahoochee/ Central Atlanta	33.2 M	96.8%

ATLANTA SUBMARKET MAP



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data sources: CoStar Group, Inc., Real Capital Analytics, and Georgia State Economic Forecasting Center.

The Lee & Associates Atlanta Office Market Report compiles market data by using a third-party database for the proprietary analysis of over 15,000 office properties in the Atlanta Metropolitan Area. © Copyright 2018 Lee & Associates Atlanta. All rights reserved.

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PROPERTY CORNER

4TH QUARTER 2017



3600 Southside Industrial Parkway, Fulton Co, Atlanta, GA 30354

± 135,200 SF delivering Spring 2018. Build to suit office, 163' deep, 30' clear height, 50' x 52' column spacing with 60' deep speed bay, 135' - 150' truck court with 60' concrete apron, ESFR sprinkler, 48 dock high doors (9' x 10'), 6 drive in doors (10' x 12'), 231 car parking spaces.

Inquire for lease pricing.



7405 Graham Road, Fairburn, Fulton County, GA 30213

± 104,060 SF available in a ±200,500 SF building. Tilt wall construction, 22'6" clear height, contains 2,380 SF office, T-5 lighting, 28 dock high doors. Possibility that the owner will demise to ±50,000 SF.

Asking \$2.95/SF Net.



Building Address	SF Available	Office SF	Ceiling Height	Loading	Dock High	Drive In	Rental Rate PSF Net
3655 Atlanta Industrial Dr.	116,828	3,919	24'	Front	19	1	\$3.85

Available: April 2018 - Atlanta Industrial Park



838 Southlake Parkway, Morrow, Clayton County, GA 30260

70,020 SF free standing building. Great manufacturing facility! Combination tilt wall and dock construction. Contains ±1,725 SF office, 20' clear height, abundant electrical power, 12 dock high doors and 1 drive in door. Available November 2017.

Asking \$2.75/SF Net.

LEASED



4820 GA Highway 42, Ellenwood, Clayton County, GA 30294

±54,272 SF with ±5,000 SF office, on ±4.29 acres, 6 dock high doors with pit levelers, clear column space, wet sprinkler, exposure to GA Highway 42 with proximity to Gillem Logistics Center and I-675.

Offered for \$1,485,000.

Information is deemed reliable but not guaranteed

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PROPERTY CORNER

4TH QUARTER 2017



5356 GA Highway 85, Suite 200, Atlanta, Clayton Co, GA 30349

±50,570 SF available. Unit contains ±5,419 SF office with 20 dock high doors and 1 drive in ramp door, T-5 lighting, ESFR, 24' clear height.
Asking \$4.85/SF Net.



4820 Clark Howell Highway, College Park, Clayton Co, GA 30349

Project consists of 3 buildings with a total area of 109,500 SF, brick on block construction with direct and immediate access to Hartsfield International Airport. All spaces have 18' clear ceiling height, are sprinkered, and have dock high loading.

Available Now:

Suite C-4: 4,500 SF with 1,350 office, 3 docks, major space upgrades, **asking \$6.25/SF Net.**

Suite A-8: 7,200 SF with 1,100 SF Office, 4 dock, 1 ramp, **asking \$4.50/SF Net.**

LEASED

Available 60 Days Notice

Suite B-1: 21,600 SF with 6,260 SF office, 16 docks, 1 ramp, **asking \$3.95 - \$4.25/SF Net**



5036 Clark Howell Highway, College Park, Clayton Co, GA 30349

3,747 SF Available: Sullivan Center is high quality brick on block construction with extensive use of insulated bronze glass. All spaces are 100% office finish. Superior access to Airport and interstates via Clark Howell Highway and Forest Parkway.

INQUIRE FOR PRICING.



3041 Commerce Way, Atlanta, Fulton County, GA 30354

ONE SPACE LEFT!

3025 Commerce Way: ±8,906 SF brick and block constructed multi-tenant building with exposure to I-75. Space contains 3,044 SF office, with 2 dock high doors.

Asking \$3.50/SF Net to lease.

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PROPERTY CORNER

4TH QUARTER 2017

Graham Road, Fairburn, Fulton County, GA 30213

Trailer Parking
or
Building Sites



±25 acres located at the intersection of Graham Road and Bumbley Court near Oakley Industrial Boulevard in the I-85 South submarket. ±4 acres currently utilized as a gravel drop-lot with perimeter fencing with dolly pads. Remaining ±6 acres in pad A is rough-graded and can be converted to a gravel drop-lot within 60 days. Two points of ingress/egress. Expandable up to net ± 20 acres (pads A & B)

Offered at \$2,000,000 for sale. Inquire for lease pricing.

OFFICE
SPACE

Aggressive
Rate



510 Plaza Drive, Atlanta, Fulton County, GA 30336

Two Story Office Building. ±46,896 SF Total: ±350 - 3,000 contiguous RSF Available. Close proximity to Hartsfield-Jackson International Airport. Easy access to I-75, I-85, and I-285. Up to ±8,000 RSF available for Lease. Ample free parking. Hotel and restaurant amenities nearby. Move in ready.
\$17 - \$18/SF Full Service.

Airport
Submarket

14 Dock
High Doors



309 Johnson Road, Bldg. 200, Forest Park, Clayton Co, GA 30297

57,600 SF building on ±6.06 acres of tilt wall construction
Suite 130-140: ±28,800 SF available with office are ±1,360 SF. Building is 120' deep with 40' x 40' column spacing, 24' minimum ceiling height, 14 (9' x 10') dock high doors and 1 (9' x 10') ramped drive in door, 2.2/1,000 auto parking, **\$4.95/SF Net.**

2446 Moreland Avenue SE, Atlanta, DeKalb Co, 30315

±1.3 acres with high traffic / visibility exposure inside I-285 on a corner lot. Zoned industrial with all utilities.

Asking \$130,000 for sale.



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PROPERTY CORNER

4TH QUARTER 2017
Q4 2017 TOP LEASES

Property Name	Address	Submarket	Tenant Name	SF	Lease Type
Midland Logistics Center	225 Midland Ct	South Atlanta	S&S Activewear	505,000	New
Camp Creek 3201	3201 Centre Pky	South Atlanta	CEVA Logistics	404,700	New
Trade Center II	200 Eagles Landing	South Atlanta	KL Outdoor	308,703	New
Greenwood 400	150 Greenwood Industrial Pky	South Atlanta	Viega	254,930	Renewal
7550 Wood	7550 Wood Rd	I-20 W/Douglasville	Andersen Windows & Doors	247,500	New

Q4 2017 TOP SALES

	Address	Submarket	Buyer	Seller	SF	Sales / PSF
1	440 Interstate West Pky	I-20 W/Douglasville	WPT Capital Advisors, LLC	Core5 Industrial Partners	781,440	\$43.0 M / \$55
2	1 Nestle Ct	South Atlanta	LIT Industrial LP	H & R Reit	848,421	\$40.0 M / \$51
3	150 Distribution Dr	South Atlanta	Pure Industrial Real Estate	Allstate Investments, LLC	760,256	\$36.5 M / \$48
4	159 Westridge Pky	South Atlanta	GPT 159 Westridge Owner LLC	C5LC At Westridge LLC	612,557	\$27.6 M / \$45
5	9250 S Main St	South Atlanta	Blackstone Real Estate	Clarion Partners	499,960	\$19.7 M / \$39

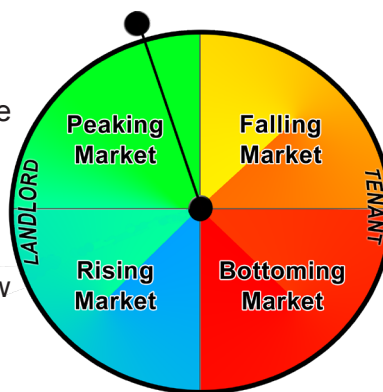
ATLANTA'S INDUSTRIAL REAL ESTATE MARKET CYCLE

Peaking Market

- Vacancy below stable levels and approaching cyclical low
- Rental rates hover around or above replacement costs and continue to rise
- Increase in new speculative construction

Rising Market

- Vacancy decreases from high to below stable levels
- Rental rates rise from cyclical lows toward replacement costs


Falling Market

- Vacancy increases to above stable levels
- Rental rates fall from cyclical highs rapidly
- Demand decreases while new construction continues to deliver
- No new construction starts

Bottoming Market

- Vacancy Rises above stable levels and approaches cyclical high
- Rental rates fall below replacement costs to cyclical lows

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ABOUT LEE & ASSOCIATES

In 2004, our Atlanta office joined Lee & Associates, the largest broker-owned commercial real estate sales organizations in the U.S. As a local office of this highly respected national firm, the Atlanta team specialized on Lee's stellar reputation to continue its paradigm of establishing long-term, client-driven relationships to develop customized solutions for every client's specific real estate requirement.



RICK TURLIN, CCIM, SIOR
SENIOR PARTNER—LEE & ASSOCIATES COMMERCIAL REAL ESTATE SERVICES

A graduate of Georgia State University, Rick has more than 30 years experience as a real estate broker. Since 1987, he has specialized in the leasing and sale of industrial properties. Rick was one of the first real estate brokers in Georgia to attain both the Certified Commercial Investment Member (CCIM) and Society of Industrial and Office Realtors (SIOR) designations, (currently one of few practitioners in the state of Georgia carry this dual designation) representing the highest degree of professionalism in commercial and industrial real estate.

For the past five years, Rick has been among the top producers in the Georgia Region. He has been honored as a Top Industrial Producer by the Atlanta Commercial Board of Realtors numerous times and received the CoStar Power Broker Award. Rick is currently involved with the Georgia Chapter SIOR, as President emeritus and various Atlanta Commercial Board of Realtors committees, along with the Boy Scouts of America.

Rick specializes in the leasing & sales of industrial properties in the Metro Atlanta Market. If you are considering leasing, buying and/or selling an industrial property, please contact him using the information below.

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