

Q3 2018

Atlanta Industrial Market Report

6,778,636 SF

Q3 Net Absorption ↑
Q2 4,040,573 SF

6.3 %

Q3 Vacancy ↓
Q2 6.6%

7,279,408 SF

Q3 Leasing Activity ↑

20,649,068 SF

Under Construction ↓

4,399,849 SF

New Supply Delivered ↑

\$5.07 SF

Average Asking Rent per yr

\$68

Average Sales per SF

\$1.1 B

212 Sales Transactions

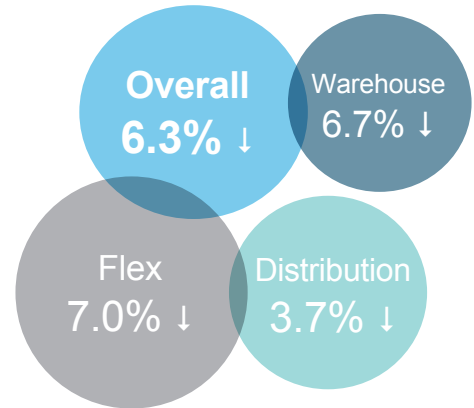


MARKET OVERVIEW

In Q3 of 2018, overall vacancy decreased 30 basis points to 6.3% with a net absorption of positive 6.78 million SF. In the first three quarters of 2018, the Atlanta market added over 15.7 SF of new industrial product (100,000 SF plus) to the marketplace, 5.1 million SF of built to suit space and 10.6 million SF of speculative space. Even with an influx of delivered speculative product, vacancy remains a healthy percentage. Of the 20.65 million SF under construction, 89% is speculative development, with the Northeast and South Atlanta submarkets dominating development market activity.

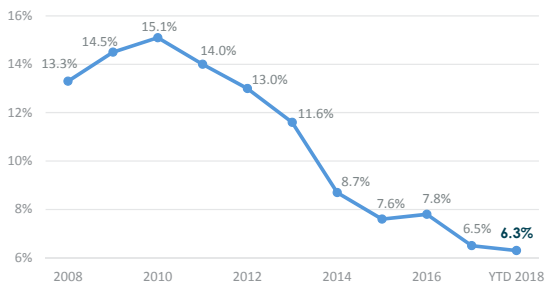
Atlanta is the economic engine of the Southeast and the fastest growing region in the country. As population, job growth and e-commerce continues to surge, the metro Atlanta region will continue to be one of the top industrial markets in the country.

OVERALL VACANCY RATES



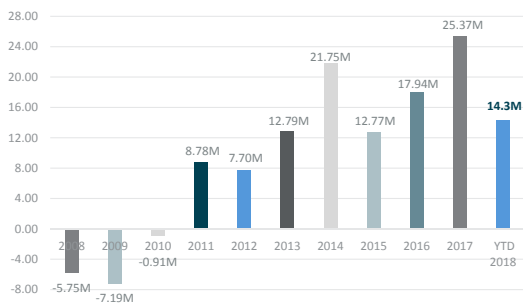
VACANCY

percentage, 2008 - YTD 2018



ABSORPTION

in SF, 2008 - YTD 2018



ABSORPTION

- South Atlanta's 6.8 million SF of absorption accounted for 48% of Atlanta's market total; tenant Saddle Creek occupied 1.2 million SF in Q3

VACANCY RATE

- Chattahoochee/Central Atlanta reported the lowest vacancy of Q3 at 3.6%, with the Northwest submarket right behind at 4.1%

RENTAL RATES

- Average quoted asking rental rate for all classes increased to \$5.07 PSF, an increase of \$0.79 PSF since 2008

DEVELOPMENT/CONSTRUCTION

- Of the 20.65 million SF of industrial space under construction, 18 million SF was speculative and no new build to suits broke ground in Q3

SALES ACTIVITY

- The largest sale transaction of Q3 was the portfolio sale of Lambert Farm Logistics Park; 2,307,790 SF for \$68 PSF by CBRE Global Investors in South Atlanta

LEASING ACTIVITY

- Leasing activity increased from Q2 to 7,279,408 SF in Q3
The largest lease transaction of Q3 was signed by Medical Depot; 1,054,500 SF in the South Atlanta submarket at 500 Palmetto Logistics Pky

LARGEST PROJECTS UNDER CONSTRUCTION as of Q3 2018

Project Location	Building SF	Tenant	Delivery	Project Location	Building SF	Tenant	Delivery
King Mill Rd	1,104,320	Spec	Q1 - 19	1015 Collinsworth Rd	1,000,200	Spec	Q4 - 18
Steve Reynolds Blvd	1,100,500	Haier	Q2 - 19	8500 Tatum Rd	982,777	Spec	Q4 - 18
421-429 Toy Wright Rd	1,053,360	Spec	Q4 - 18	Factory Shoals	925,800	Spec	Q2 - 19
Anvil Block Rd	1,042,730	Spec	Q1 - 19	120 Midway Rd	840,000	Spec	Q4 - 18
980 Douglas Hill Rd	1,026,000	Spec	Q1 - 20	100 International Pky	766,080	Spec	Q2 - 19
94 Logistics Lane	1,003,386	Spec	Q2 - 19	940 Possum Creek Rd	749,730	Spec	Q4 - 18
Bridgeport Blvd	1,002,150	Spec	Q4 - 18	515 Old Cassville White Rd	647,000	Lolio Inc	Q1 - 19

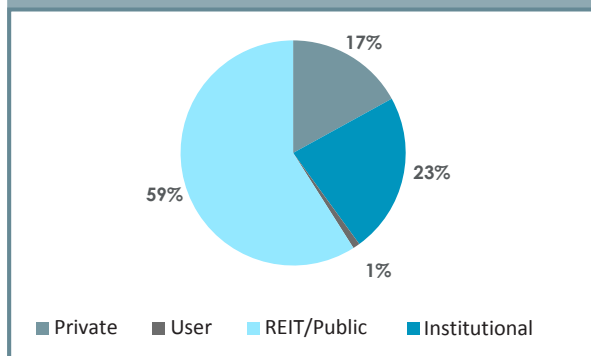
INDUSTRIAL SUBMARKET DATA

Industrial Submarkets	Total Inventory	Vacancy Total SF	Vacancy Q3 '18	Net Absorption YTD Total	Under Construction	Building YTD Deliveries	Asking Rent
Northwest	70,834,868	2,927,817	4.1%	550,822	1,413,080	446,496	\$5.91
North Central	27,122,065	1,426,554	5.3%	106,694	183,578	-	\$8.93
Northeast	193,130,579	13,360,167	6.9%	2,547,241	6,786,378	3,074,602	\$4.78
St. Mountain / Snapfinger	73,449,012	2,674,723	3.6%	898,542	285,000	669,690	\$5.04
South Atlanta	185,407,350	15,432,577	8.3%	6,805,836	7,922,937	8,392,540	\$3.79
I-20 West / Fulton Ind	101,414,132	6,532,856	6.4%	809,494	4,058,095	3,138,083	\$4.30
Chattahoochee / Central Atl	32,605,431	1,483,807	4.6%	(536,176)	-	-	\$10.22
Total	686,265,763	42,945,765	6.3%	14,291,989	20,649,068	15,721,411	\$5.07

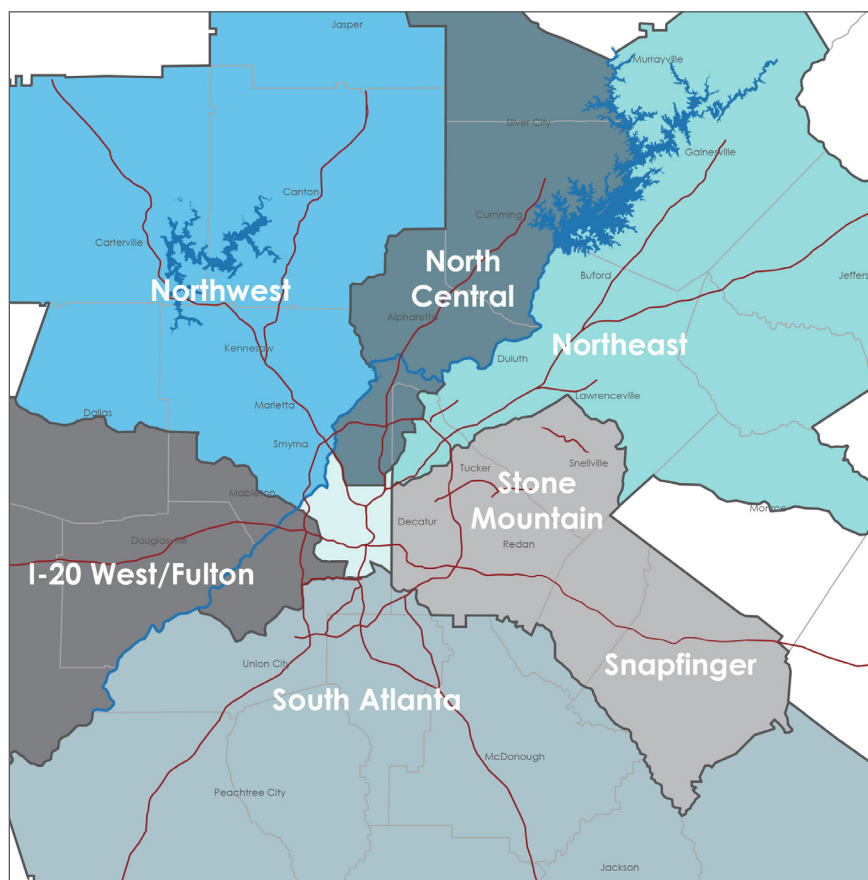
Total Submarkets	Total Inventory	Vacancy Total SF	Vacancy Q3 '18	Net Absorption YTD Total	Under Construction	Building YTD Deliveries	Asking Rent
Warehouse	530,494,903	35,571,645	6.7%	5,973,518	10,794,366	5,479,988	\$4.53
Distribution	107,877,402	4,032,726	3.7%	2,697,972	9,854,702	10,241,423	-
Flex	47,893,458	3,341,394	7.0%	497,730	-	-	\$10.38
Total	686,265,763	42,945,765	6.3%	14,291,989	20,649,068	15,721,411	\$5.07

BUYER TYPE

Q3 2018 sales

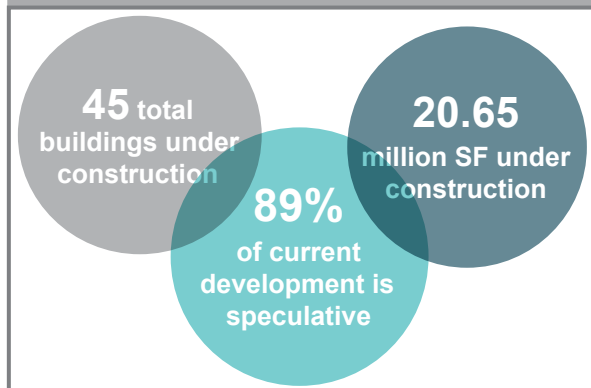


ATLANTA SUBMARKET MAP



DEVELOPMENT

AS OF Q3 2018



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Q3 2018 TOP LEASES - SIGNED

Property Name	Address	Submarket	Tenant Name	SF	Lease Type
Palmetto Logistics Park	500 Palmetto Logistics Pky	South Atlanta	Medical Depot	1,054,500	New
Buford Logisitics Bldg A	1665 Broadmoor Blvd	Northeast	DiversiTech	492,048	New
Jefferson Distrbution Center Bldg C	545 Logistics Center Pky	Northeast	Mobis	477,662	New
Jefferson Mill Bldg A	235 Hog Mountain Rd	Northeast	Amazon	459,134	New
Majestic Airport Center II Bldg IV	4475 S Fulton Pky	South Atlanta	Third Party Logistics	390,000	New

Q3 2018 TOP SALES *Portfolio sales as individual property sales

	Address	Submarket	Buyer	Seller	SF	Sales / PSF
1	405 King Mill Rd*	South Atlanta	CBRE Global Investors	Panattoni	1,555,200	\$105 M / \$68
2	5000 Bohannon Rd*	South Atlanta	Prologis	DCT Industrial Trust Inc	1,000,928	\$64 M / \$64
3	650 Brasleton Pky	Northeast	Monmouth Real Estate Investment Corp	SunCap Property Group	373,750	\$61 M / \$164
4	Thornton Rd @ Factory Shoals*	I-20W/Douglasville	Prologis	DCT Industrial Trust	925,800	\$61 M / \$65
5	375 King Mill Rd*	South Atlanta	CBRE Global Investors	Panattoni	752,590	\$51 M / \$68



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