

KEY POINTS

- The largest lease signed in South Atlanta during Q3 was CJ Logistics who signed a 1 MSF lease in August for 700 Price Drive in Locust Grove.
- The 1.1 MSF Prologis Orchard Hills Bldg. 100 located at 139 Orchard Business Parkway is the largest project under construction in South Atlanta, a Build-to-Suit for Kellogg's, that is expected to deliver in Q1 of 2022.
- There were 93 sales in Q3 that totaled \$1.1B with an average sales price of \$12.3M. The average square footage of the 93 transactions was 119,000 SF.
- The largest available property in the South Atlanta submarket in Q3 was 502 W Broadway Street at 346,878 SF.

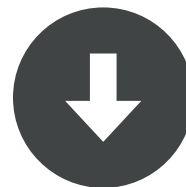
SUBMARKET SUMMARY

A total of 760,500 SF was delivered in Q3 and net absorption continued to rise as it reached 1.9 MSF in Q3. This 258,955 SF increase in net absorption points to a promising continued growth in the South Atlanta submarket. The vacancy rate decreased 60 basis points from 7.00% in Q2 to 6.40% in Q3. The South Atlanta submarket continues to reign as the largest Atlanta submarket in terms of total inventory.

The top five leases signed in Q3 consisted of 700 Price Dr (1 MSF), 6000 Studio Way (987k SF), 405 King Mill Rd (550k SF), 2764 Anvil Block Rd (365k SF), and 4795 Coates Dr (339k SF). The top five leases combined come to a total of 3.2 MSF. The South Atlanta submarket has and will continue to see large scale buildings being developed for the foreseeable future.

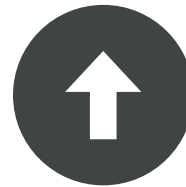
The hot streak of construction in South Atlanta has continued from Q2 to Q3 as the under construction in Q3 is 12.6 MSF. This is a 62.3% increase in under construction in the largest submarket of Atlanta. Although the construction of warehouses is present in Q3, the majority of projects under construction are for distribution in South Atlanta. There is a wide variety of developers operating in the South Atlanta but Majestic Realty Co. appears to have had the largest presence in the submarket during Q3.

The largest sales that took place in Q3 in the South Atlanta submarket was the \$103M sale between PNK Group and Kohlberg Kravis Roberts & Co. L.P. for 1325 Hwy 42 S Building B. The price per square foot was \$93.27 and the building consists of 1.1 MSF and is located in McDonough, GA.



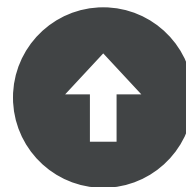
VACANCY RATE

Q3 21: 6.40%
Q2 21: 7.00%



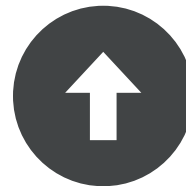
NET ABSORPTION

Q3 21: 1,936,069 SF
Q2 21: 1,677,114 SF



UNDER CONSTRUCTION

Q3 21: 12,648,486 SF
Q2 21: 7,794,432 SF

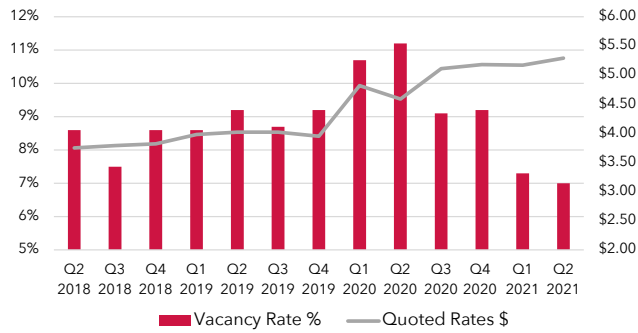


OVERALL ASKING LEASE RATES (NNN)

Q3 21: \$5.83
Q2 21: \$5.29

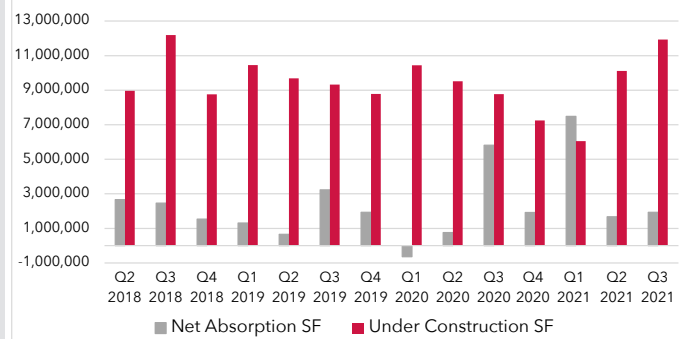
VACANCY & RENTAL RATE

Q2 2018 - Q3 2021



ABSORPTION & UNDER CONSTRUCTION

Q2 2018 - Q3 2021



NOTABLE SALES



1325 Highway 42 S
1,104,320 SF | \$106M | \$93.27 PSF
Buyer: Kohlberg Kravis Roberts & Co.



1015 Collinworth Road
1,000,200 SF | \$102M | \$101.98 PSF
Buyer: Kohlberg Kravis Roberts & Co.



6710 Oakley Industrial Boulevard
977,608 SF | \$134M | \$137.07 PSF
Buyer: Goldman Sachs & Co.

NOTABLE LEASES



700 Price Drive
1,000,993 SF
Tenant: CJ Logistics



6000 Studio Way
987,840 SF
Tenant: DHL



405 King Mill Road
550,800 SF
Tenant: Undisclosed

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