

LEE & ASSOCIATES ATLANTA

# OFFICE MARKET REPORT

**Q2**  
2022

**995,449 SF**  
Q2 Net Absorption

**18.4%**  
Q2 Vacancy Rate

**5,196,287 SF**  
Q2 Under Construction

**279,300 SF**  
Q2 New Supply Delivered

**\$29.60 PSF**  
Q2 Avg. Asking Rent / Year

**\$305.00 PSF**  
Q2 Average Sales Price

**\$965,252,367**  
Q2 Total Sales Volume

# MARKET OVERVIEW

Atlanta's office market is back in positive territory in 2022, recording nearly 1 million SF of net absorption through midyear. Midtown is attracting the greatest share of occupancy gains with Q2 absorption just north of 620,000 SF. Overall leasing activity is up 35% relative to Q2 of 2021 and the vacancy rate fell for the first time in nearly four years. While overall activity still pales in comparison to pre-pandemic levels, relocation and expansion announcements are rising in frequency. McKinsey & Co. just announced a 700-person expansion of its technology division in Atlanta, copying tech firms such as Microsoft, Google and Cisco that recently committed to the area. Of the Class A space currently under construction, approximately 30% of it is committed, which will have an inflationary effect on vacancy through the end of 2022. This additional availability will provide new and expanding office occupiers more places of entry to tap into Atlanta's deep and expanding talent pool.



**995,449 SF**

Q2 Net Absorption  
Q1: (264,317) SF



**18.4%**

Q2 Vacancy Rate  
Q1: 18.8%



**5,196,287 SF**

Q2 Under Construction  
Q1: 4,695,612 SF



**279,300 SF**

Q2 New Supply Delivered  
Q1: 689,000 SF



**\$29.60 PSF**

Q2 Avg. Asking Rent / Year  
Q1: \$29.55 PSF



**\$305.00 PSF**

Q2 Average Sales Price  
Q1: \$281.00 PSF

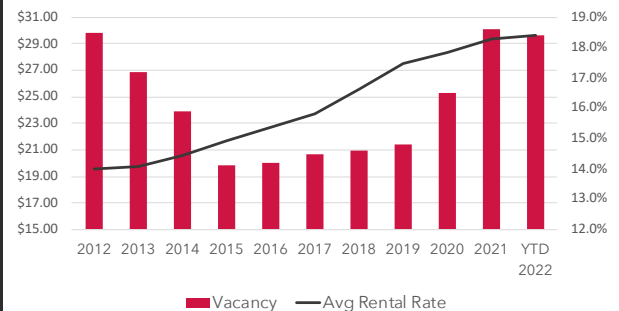


**\$965,252,367**

Q2 Total Sales Volume  
Q1: \$896,054,015

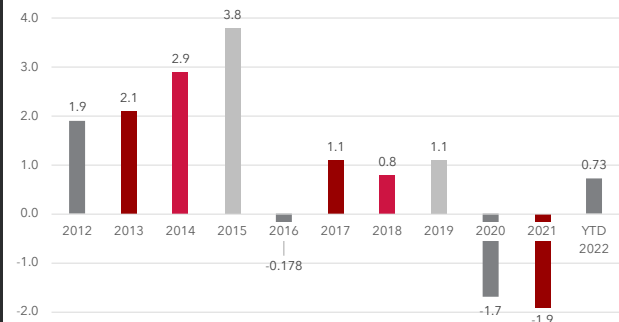
## VACANCY & AVG. RENTAL RATE

rate PSF | 2012 - YTD 2022



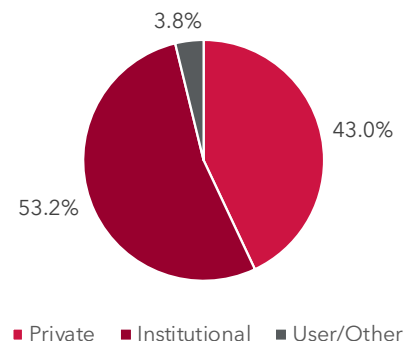
## ABSORPTION

in MSF | 2012 - YTD 2022

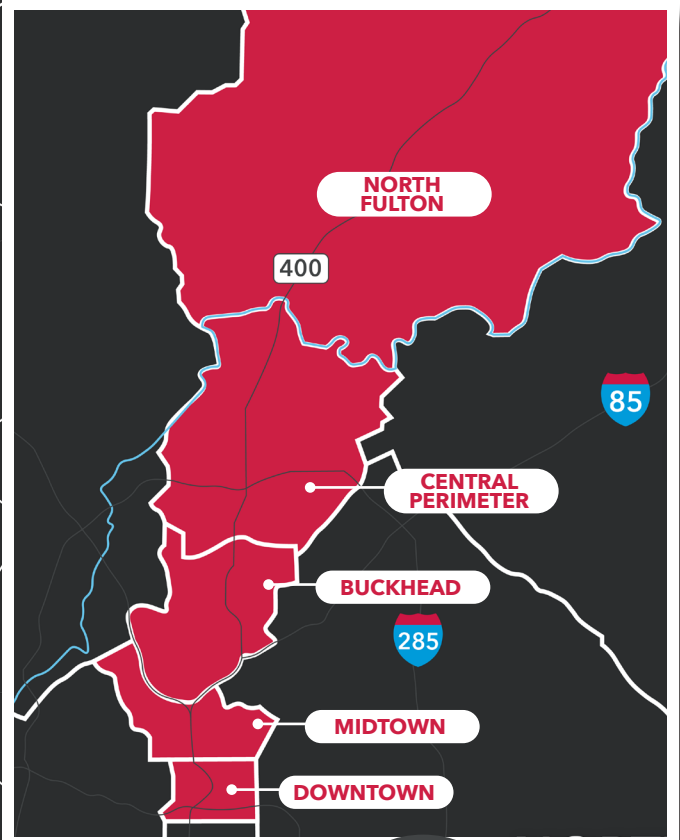
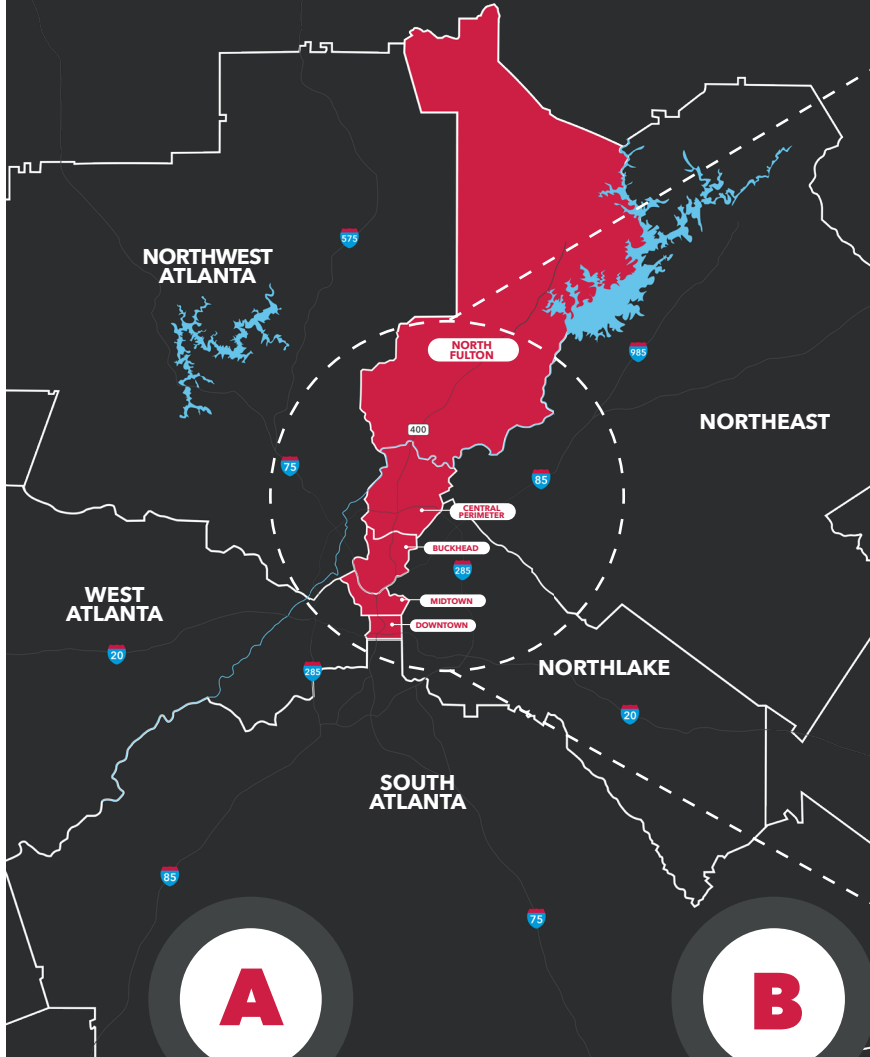


## BUYER TYPE

YTD 2022



	OFFICE SUBMARKETS	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	Q2 VACANCY RATE	YTD NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD DELIVERIES (SF)	AVG. ASKING RENT / YEAR (PSF)
1	Buckhead	22,445,078	4,863,336	21.7%	(233,026)	650,814	-	\$36.00
2	Central Perimeter	31,685,916	6,772,498	21.4%	247,879	124,007	-	\$30.50
3	Downtown	30,223,993	4,873,607	16.1%	36,647	1,226,616	-	\$30.48
4	Midtown	28,482,089	5,515,438	19.4%	621,260	1,845,089	100,000	\$40.35
5	North Fulton	27,329,169	5,808,208	21.3%	(146,614)	199,062	-	\$25.21
6	Northeast Atlanta	23,717,576	3,900,131	16.4%	47,142	197,436	-	\$20.91
7	Northlake	19,525,409	3,565,784	18.3%	(31,402)	-	-	\$23.43
8	Northwest Atlanta	34,154,400	5,608,653	16.4%	103,272	103,367	-	\$26.67
9	South Atlanta	14,371,357	1,682,415	11.7%	70,477	227,000	18,000	\$21.74
10	West Atlanta	3,862,959	850,130	22.0%	15,497	622,896	161,300	\$9.14
	<b>TOTAL</b>	<b>235,811,946</b>	<b>43,440,200</b>	<b>18.4%</b>	<b>731,132</b>	<b>5,196,287</b>	<b>279,300</b>	<b>\$29.60</b>



**A**

#### CLASS A

TOTAL INVENTORY (SF)	129,791,080
TOTAL VACANT (SF)	28,854,307
VACANCY RATE	22.2%
YTD NET ABSORPTION (SF)	330,804
UNDER CONSTRUCTION (SF)	4,135,923
YTD DELIVERIES (SF)	100,000
AVG. ASKING RENT / YR. (PSF)	\$32.11

**B**

#### CLASS B

TOTAL INVENTORY (SF)	90,507,344
TOTAL VACANT (SF)	13,524,644
VACANCY RATE	14.9%
YTD NET ABSORPTION (SF)	417,231
UNDER CONSTRUCTION (SF)	1,060,364
YTD DELIVERIES (SF)	179,300
AVG. ASKING RENT / YR. (PSF)	\$22.96

**C**

#### CLASS C

TOTAL INVENTORY (SF)	15,513,522
TOTAL VACANT (SF)	1,061,249
VACANCY RATE	6.8%
YTD NET ABSORPTION (SF)	(16,903)
UNDER CONSTRUCTION (SF)	-
YTD DELIVERIES (SF)	-
AVG. ASKING RENT / YR. (PSF)	\$19.84



## Q2 2022 TOP SALES



**3455 PEACHTREE ROAD NE**  
PINNACLE BUILDING

SUBMARKET Buckhead  
SALE PRICE \$215,175,00.00  
(\$503.95 PSF)  
BUYER STRS Ohio CA Real Estate  
SELLER Brookdale Group  
SIZE 426,978 SF



**1025 LENOX PARK BLVD. - BLD. B**  
LENOX PARK

SUBMARKET Buckhead  
SALE PRICE \$136,957,337  
(\$413.77 PSF)  
BUYER The Simpson Organization  
SELLER Bridge Investment Group  
SIZE 331,000 SF



**3600 MANSELL ROAD**  
MANSELL THREE

SUBMARKET North Fulton  
SALE PRICE \$19,709,628  
(\$156.25 PSF)  
BUYER The Simpson Organization  
SELLER Ravinia Capital Group  
SIZE 126,140 SF



**3100 BRECKINRIDGE BOULEVARD**

SUBMARKET Northeast  
SALE PRICE \$12,500,000  
(\$161.31 PSF)  
BUYER Front Street Capital  
SELLER Terracap Mgmt. Corp.  
SIZE 77,294 SF

## Q2 2022 TOP LEASES



**900 SE BATTERY AVENUE**  
THE BATTERY

SUBMARKET Northwest  
TENANT Truist  
SIZE 250,000 SF  
LEASE TYPE New



**244 PERIMETER CENTER PARKWAY NE**  
CAMPUS 244

SUBMARKET Central Perimeter  
TENANT Transportation Insight  
SIZE 174,400 SF  
LEASE TYPE New



**600 GALLERIA PARKWAY NE**  
GALLERIA 600

SUBMARKET Northwest  
TENANT Brand Industrial Services  
SIZE 53,080 SF  
LEASE TYPE New



**1090 NORTHCHASE PARKWAY SE**  
NORTHCHASE OFFICE PARK

SUBMARKET Northwest  
TENANT Georgia Dept. of Family & Children Services  
SIZE 48,000 SF  
LEASE TYPE New

## Q2 2022 UNDER CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE	SUBMARKET	DELIVERY
Midtown Union	1050 Marietta Street	612,947 SF	Midtown	Q3 2022
Fourth Ward	760 Ralph McGill Boulevard NE	475,000 SF	Downtown	Q4 2022
One Phipps Plaza	1 Phipps Plaza	388,063 SF	Buckhead	Q3 2022
Science Square Labs	Northside Dr. NW & Cameron Alexander Blvd.	364,871 SF	Downtown	Q1 2024
14th & Spring	14th & Spring Street NW	320,089 SF	Midtown	Q3 2022
Echo Street West	765 Echo St NW	274,974 SF	Midtown	Q2 2023
Westside Paper	950 W Marietta St NW	223,851 SF	West Atlanta	Q3 2022
Interlock Office Phase II	1080 Northside Dr	209,174 SF	Midtown	Q3 2023



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