



ATLANTA **OFFICE** MARKET REPORT

Vacancy rises as tenants downsize and consolidate; face rents increase.



WHAT'S HAPPENING

Atlanta's office market hit a 12-year high at 19.1% vacant at the end of Q2 2023. This time last year, companies absorbed 1.3 MSF, in stark contrast to this quarter's -1.6 MSF. While leasing activity increased from last quarter, tenants continue to evaluate current footprints and determine future space

requirements. AT&T, a major player in Atlanta's office market, shed almost 500,000 SF in Q2 2023 as it announced consolidation, but in early July committed to a new 120,000 SF lease at Lenox Park. Landlords, however, persist with increasing asking rents, ending Q2 at \$30.34 PSF.

-1,648,951 SF
Q2 NET ABSORPTION
 Q1: 373,960 SF

19.1%
Q2 VACANCY RATE
 Q1: 18.4%

3.1 MSF
Q2 UNDER CONSTRUCTION
 Q1: 3.3 MSF

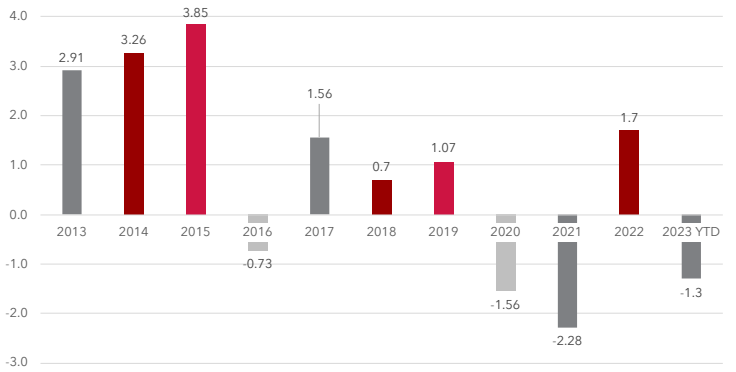
220,735 SF
Q2 NEW SUPPLY DELIVERED
 Q1: 465,793 SF

\$30.34
Q2 AVG. ASKING RENT | YEAR
 Q1: \$30.11

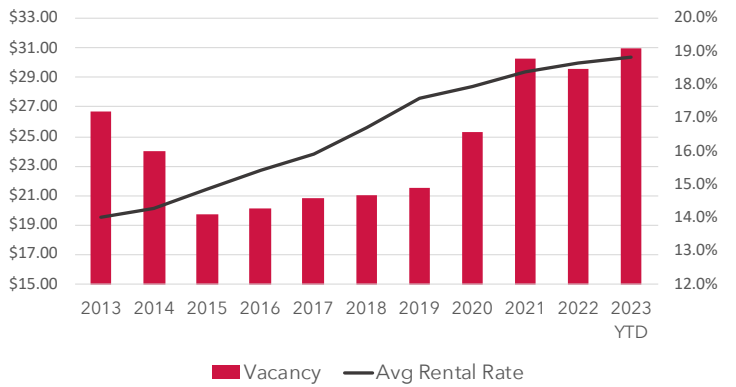
\$3.5 Billion
ROLLING 12-MO SALES VOLUME
 Q1: \$4.9 Billion

\$172 PSF
Q2 AVERAGE \$ | PSF
 Q1: \$241 PSF

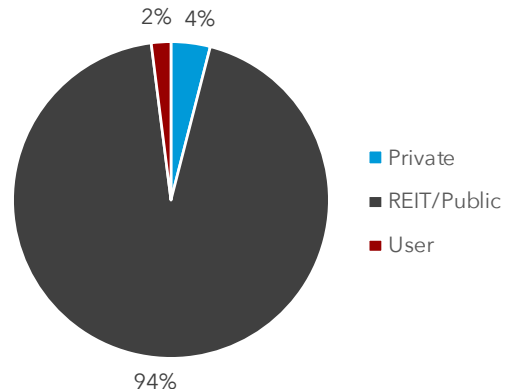
Q2 2023 | ABSORPTION



Q2 2023 | VACANCY & AVG RENTAL RATE



Q2 2023 | BUYER TYPE



2023 STATS

TOP SALES



THE INTERLOCK
ATLANTA, GA 30318

SUBMARKET	Midtown
BUYER	Armada Hoffler Properties, Inc.
SELLER	SJC Ventures
SIZE (SF)	400,000
SALE PRICE	\$215,000,000 (\$537.50 PSF)



3005 BUSINESS PARK DR
NORCROSS, GA 30071

SUBMARKET	Northeast
BUYER	DLS Properties
SELLER	Peach State Material Handling Equipment
SIZE (SF)	20,622
SALE PRICE	\$4,865,000 (\$235.91 PSF)



130 TECHNOLOGY PKWY
NORCROSS, GA 30092

SUBMARKET	Northeast
BUYER	Corners D003 LLC
SELLER	ChannelWorks
SIZE (SF)	29,734
SALE PRICE	\$3,800,000 (\$127.80 PSF)



*** 1281 FULTON IND BLVD NW**
ATLANTA, GA 30336

SUBMARKET	West Atlanta
BUYER	Undisclosed
SELLER	Cleveland Electric Co
SIZE (SF)	28,959
SALE PRICE	\$3,300,000 (\$113.95 PSF)

* Lee & Associates Atlanta Deal

TOP LEASES



PRIMERICA BUILDING
DULUTH, GA 30099

SUBMARKET	Northeast
TENANT	Primerica Life Insurance Company
SIZE (SF)	344,476
LEASE TYPE	Renewal



PROMENADE II
ATLANTA, GA 30309

SUBMARKET	Midtown
TENANT	Deloitte
SIZE (SF)	94,868*
LEASE TYPE	New Lease



GALLERIA 300
ATLANTA, GA 30339

SUBMARKET	Northwest
TENANT	OneDigital
SIZE (SF)	70,455*
LEASE TYPE	New Lease



FOUNDERS PARK II
ALPHARETTA, GA 30009

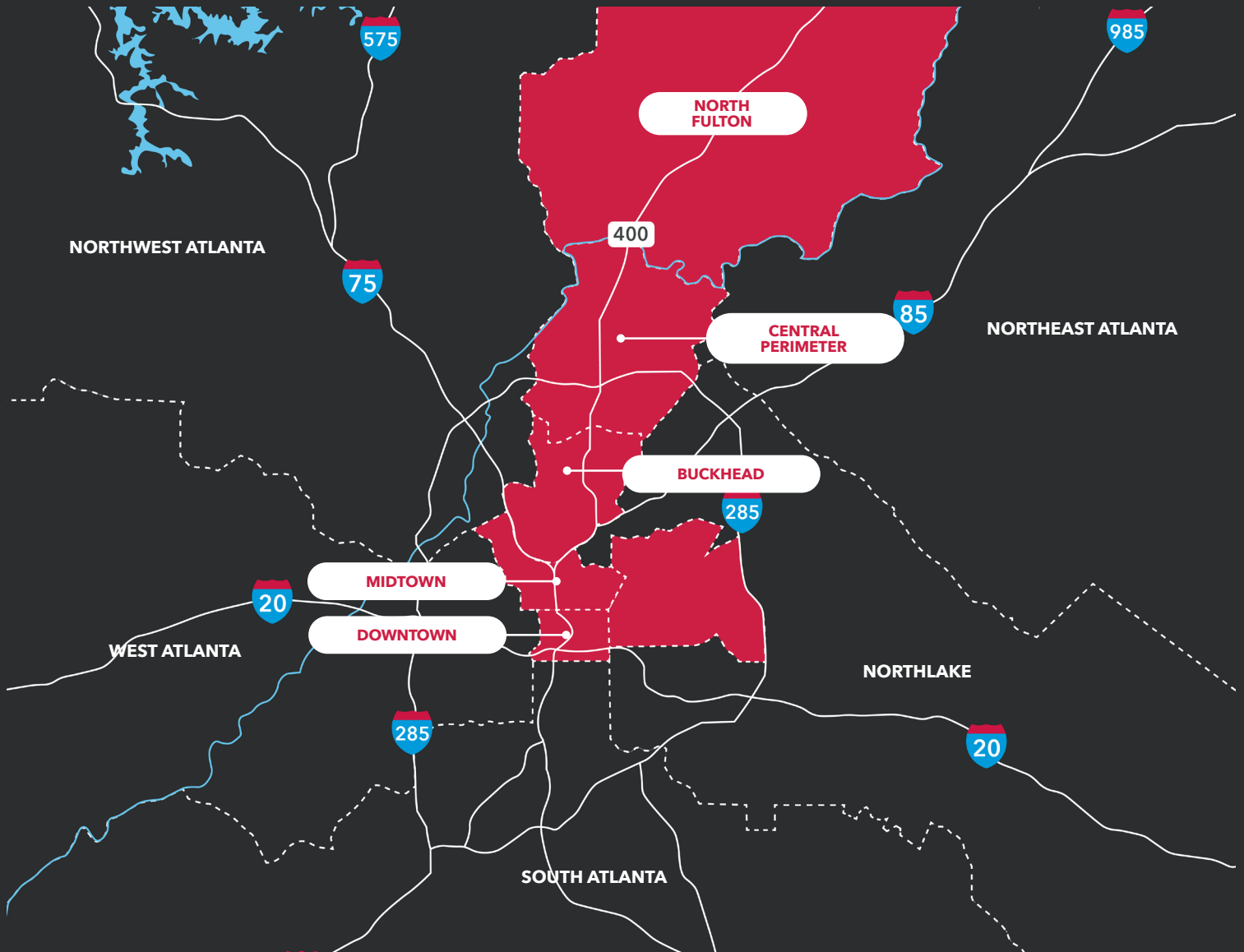
SUBMARKET	North Fulton
TENANT	Nolan Transportation Group
SIZE (SF)	62,156
LEASE TYPE	Renewal

*Combined Suites

TOP UNDER CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE	SUBMARKET	DELIVERY
Spring Quarter	1020 Spring St	538,126	Midtown Atlanta	Q3 - 2024
Science Square Labs	Northside Dr NW & Cameron M Alexander Blvd NW	364,871	Downtown Atlanta	Q2 - 2024
Echo Street West	765 Echo St NW	274,974	Midtown Atlanta	Q4 - 2023
Interlock Phase II	1080 Northside Dr	265,000	Midtown Atlanta	Q3 - 2023
1050 Brickworks	1050 Marietta St NW	225,000	Midtown Atlanta	Q2 - 2024
Junction at Krog District	667 Auburn Ave NE	135,000	Downtown Atlanta	Q3 - 2023
Garden Hills Office Building	2827 Peachtree Rd	129,751	Buckhead	Q3 - 2023

OFFICE SUBMARKETS	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	VACANCY RATE	YTD NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD DELIVERIES (SF)	AVG. ASKING RENT / YEAR (PSF)
1 Buckhead	23,872,224	5,809,168	24.3%	(681,197)	129,751	133,000	\$36.11
2 Central Perimeter	32,358,031	7,182,282	22.2%	(590,654)	100,905	28,540	\$29.90
3 Downtown	33,042,793	5,125,396	15.5%	75,758	635,066	-	\$30.60
4 Midtown	29,714,606	6,609,767	22.2%	44,271	1,594,250	-	\$41.17
5 North Fulton	27,820,794	6,121,174	22.0%	(90,274)	315,279	52,732	\$25.68
6 Northeast Atlanta	23,466,875	3,614,707	15.4%	(127,643)	130,580	145,000	\$20.96
7 Northlake	19,193,161	3,369,740	17.6%	(101,854)	50,000	-	\$24.58
8 Northwest Atlanta	34,425,047	5,817,914	16.9%	(165,140)	55,000	60,732	\$27.23
9 South Atlanta	14,615,122	1,544,630	10.6%	128,024	125,000	-	\$22.78
10 West Atlanta	4,420,838	1,222,382	27.7%	233,718	-	266,524	\$29.22
TOTAL	242,929,491	46,417,160	19.1%	-1,274,991	3,135,831	686,528	\$30.34



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