



WHAT'S HAPPENING SOUTH ATLANTA

South Atlanta is the largest submarket in Metro Atlanta at 230 MSF of industrial inventory. South Atlanta's location appeals to a wide range of industrial users with its close proximity to the world's busiest airport and exceptional highway transportation routes to major ports on the Atlantic coast.

- Vacancy rose 40 basis points in Q2 2023 to 5%. While leasing activity within South Atlanta was not as robust as quarter's past, vacancy still remained below the metro average of 5.1%.
- The Cubes Bridgeport - Bldg D, a 1.2 MSF speculative building in Newnan, Georgia, broke ground in Q2.
- The South Atlanta submarket accounted for 26% of all Metro Atlanta's leasing activity in Q2 2023 at 1.6 MSF leased.
- Average asking rents increased \$0.24 from Q1 to Q2 to \$6.79 PSF. Rent growth continues to well outperform historical norms, growing 10.5%, year-over-year.
- The largest South Atlanta industrial sale of Q2 was also the largest sale metro wide. Palmetto Distribution Center, a 686 KSF distribution facility, sold for \$123.90 PSF, just under the metro's average of \$129 PSF.



5.0%

Q2 VACANCY RATE

Q1: 4.6%



-126,837 SF

Q2 NET ABSORPTION

Q1: 903,860 SF



10.6 MSF

Q2 UNDER CONSTRUCTION

Q1: 10.9 MSF



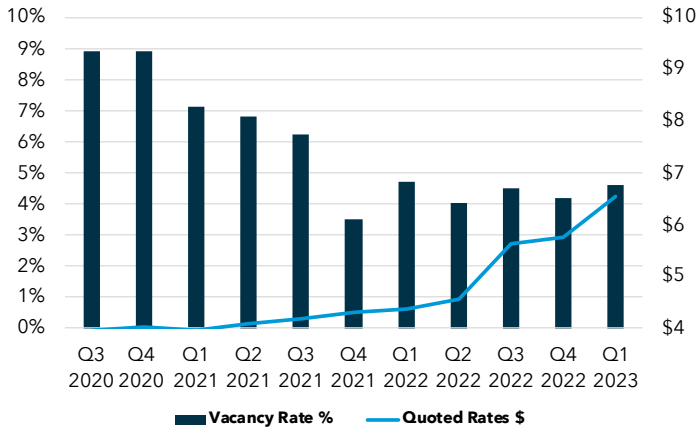
\$6.79 PSF

Q2 AVG. ASKING RENT | YEAR

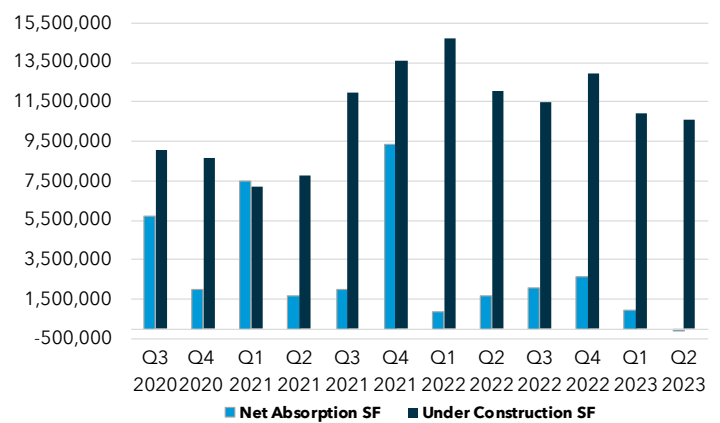
Q1: \$6.55 PSF



Q2 2023 | VACANCY & RENTAL RATE



Q2 2023 | NET ABSORPTION & U.C.



NOTABLE SALES



PALMETTO DISTRIBUTION CENTER
PALMETTO, GA 30268

SIZE (SF)	686,038
PRICE	\$85,000,000 (\$123.90 PSF)
BUYER	KKR
SELLER	Becknell



SOUTHPOINT BUILDING F *
FOREST PARK, GA 30297

SIZE (SF)	358,360
PRICE	\$42,100,000 (\$117.48 PSF)
BUYER	Prologis, Inc.
SELLER	Blackstone Inc.



SOUTHPOINT BUILDING B *
FOREST PARK, GA 30297

SIZE (SF)	297,000
PRICE	\$40,100,000 (\$135.02 PSF)
BUYER	Prologis, Inc.
SELLER	Blackstone Inc.

* Portfolio sale

The information and details contained herein have been obtained from third-party sources believed to be reliable; however, Lee & Associates Atlanta has not independently verified its accuracy. Lee & Associates Atlanta makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information. The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources:

NOTABLE LEASES



601 LOGISTICS PARKWAY
JACKSON, GA 30233

SIZE (SF)	306,035
TENANT	Yongsan Automotive USA, Inc.
LEASE TYPE	New
LANDLORD	Confidential



SOUTHPOINT BUILDING B
FOREST PARK, GA 30297

SIZE (SF)	297,000
TENANT	Sanofi-Aventis U.S.
LEASE TYPE	Renewal
LANDLORD	Prologis, Inc.



4800 COATES DRIVE
FAIRBURN, GA 30213

SIZE (SF)	289,106
TENANT	Quantix SCS, LLC
LEASE TYPE	Renewal
LANDLORD	Clarion Partners

CoStar Group, Inc., Real Capital Analytics, and Georgia State Economic Forecasting Center. The Lee & Associates Atlanta Industrial Market Report compiles market data by using a third-party database for the proprietary analysis of building sizes of 15,000 SF and larger in the ATL-Metro Area.
© Copyright 2023 Lee & Associates Atlanta. All rights reserved.
Market report analysis by: Dan Wagner, Kate Hunt, Ben Rysedorph, Will Uhl
Market report created by: Bentley Rysedorph, Hannah Johnson