



## WHAT'S HAPPENING DOWNTOWN

Downtown Atlanta has boasted efficient transit amenities for metro Atlanta and is closer to the Atlanta airport than any other core office submarket. While office space rents at a considerable discount compared to other major in-town nodes, such as Midtown and Buckhead, vacancy continues to trickle down from recent highs.

- Net absorption, while still in the positive, decreased from Q1 to 17,379 SF in Q2.
- Development activity has remained stagnant at 635,066 SF.
- Average asking rents have decreased by \$0.18 PSF from the previous \$30.78 PSF.
- There were no notable office investment sales in Q2. Given the submarket's aging stock, traditional office sales are less common than value-add trades or sales aimed at converting assets to alternative uses in Downtown Atlanta.



**17,379 SF**  
Q2 NET ABSORPTION  
Q1: 58,379 SF



**15.50%**  
Q2 VACANCY RATE  
Q1: 15.80%



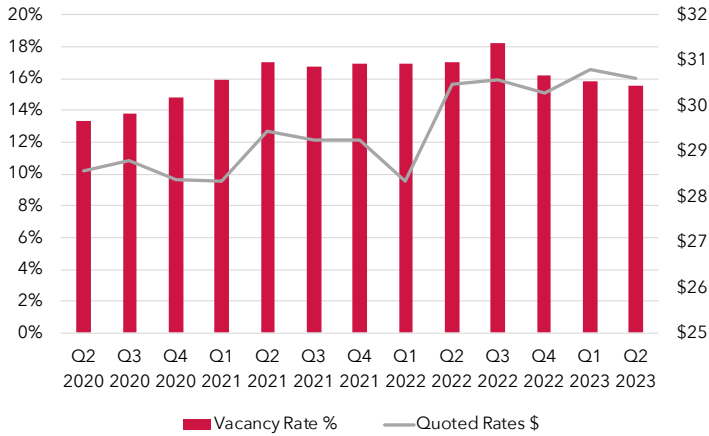
**635,066 SF**  
Q2 UNDER CONSTRUCTION  
Q1: 635,066 SF



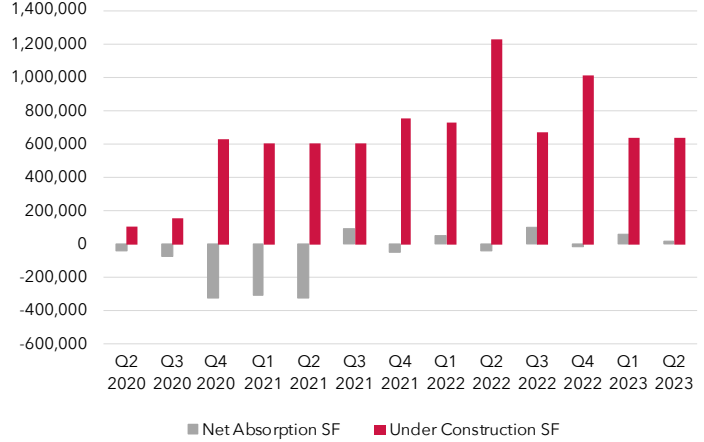
**\$30.60 PSF**  
Q2 AVG. ASKING RENT | YEAR  
Q1: \$30.78 PSF



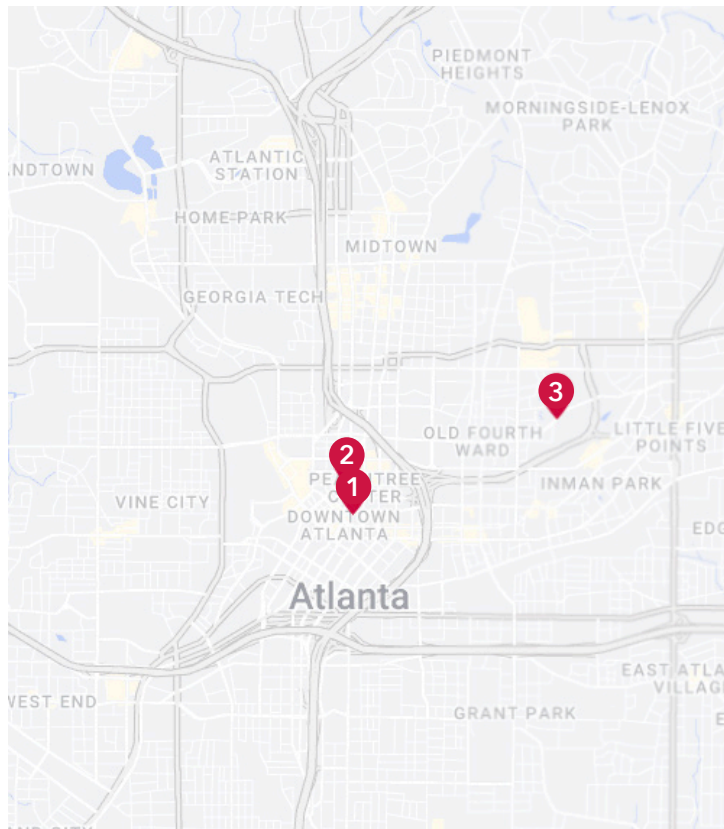
**Q2 2023 | VACANCY & RENTAL RATE**



**Q2 2023 | NET ABSORPTION & U.C.**



**NOTABLE LEASES**



**191 PEACHTREE TOWER**  
ATLANTA, GA 30303

SIZE (SF)	53,041
TENANT	Ogletree Deakins
LANDLORD	Banyan Street Capital
LEASE TYPE	Renewal



**270 PEACHTREE**  
ATLANTA, GA 30303

SIZE (SF)	41,772
TENANT	American Cancer Society
LANDLORD	Starwood Capital Group
LEASE TYPE	New



**FOURTH WARD TOWER 2**  
ATLANTA, GA 30308

SIZE (SF)	25,237
TENANT	Industrious
LANDLORD	New City Properties
LEASE TYPE	New

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: 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, Ben Rysedorph, Will Uhl Market report created by: Bentley Rysedorph, Hannah Johnson