



WHAT'S HAPPENING SOUTH ATLANTA

South Atlanta, the largest submarket in Metro Atlanta, boasts an impressive 233 million square feet of industrial inventory, strategically located near the world's busiest airport and major ports on the Atlantic coast.

- With over 3 MSF of new industrial inventory added to the South Atlanta submarket, vacancy only rose 30 basis points to 5.3%, still below the metro average of 6.0%.
- While development activity in the South Atlanta submarket has been robust in quarters past, there were only two groundbreakings in Q3.
- Sublease inventory has been on the rise in South Atlanta throughout 2023 as tenants reevaluate footprints. Dollar General secured a sublease for 485,091 SF, marking the second largest lease metrowide.
- Large tenant move ins in South Atlanta pushed net absorption to 1.7 MSF in Q3, bringing year-to-date net absorption to 2.5 MSF.
- While leasing activity not as robust as quarters past, average asking rents in South Atlanta saw a modest increase of \$0.32 PSF since the previous quarter, reaching \$7.11 PSF at the end of Q3.



5.3%
Q3 VACANCY RATE
Q2: 5.0%



1,717,685 SF
Q3 NET ABSORPTION
Q2: -126,837 SF



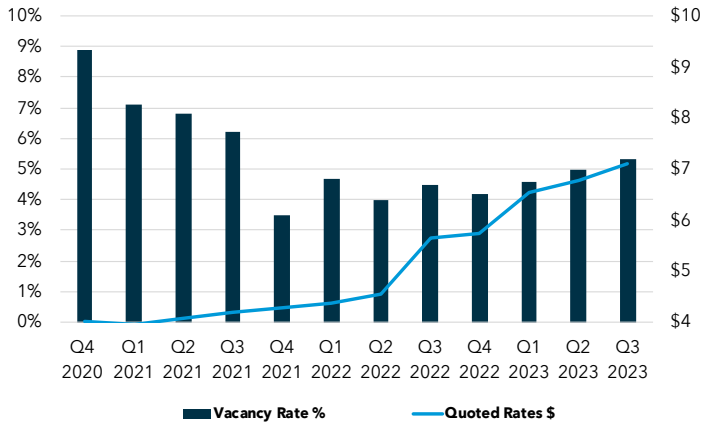
7.4 MSF
Q3 UNDER CONSTRUCTION
Q2: 10.6 MSF



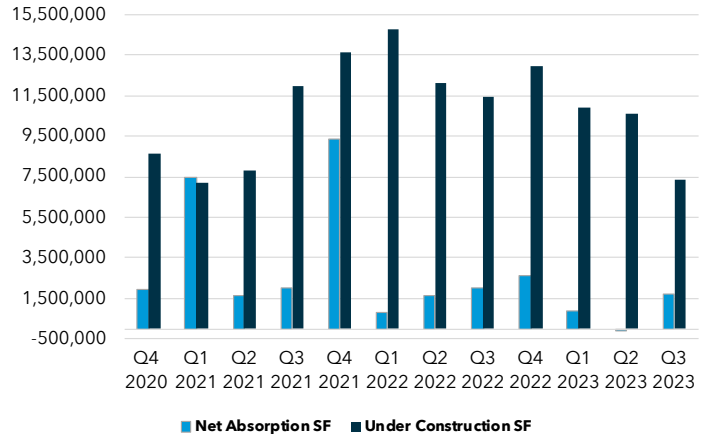
\$7.11 PSF
Q3 AVG. ASKING RENT | YEAR
Q2: \$6.79 PSF



Q3 2023 | VACANCY & RENTAL RATE



Q3 2023 | NET ABSORPTION & U.C.



NOTABLE SALES



OWENS CORNING
PALMETTO, GA 30268

SIZE (SF)	1,044,288
PRICE	\$72,400,000 (\$69.33 PSF)
BUYER	FHR Capital, LLC
SELLER	Clarion Partners



4525 ROOSEVELT HWY
ATLANTA, GA 30349

SIZE (SF)	29,500
PRICE	\$40,000,000 (\$1,355.93 PSF)
BUYER	Costco Wholesale Corporation
SELLER	TPA Gorup LLC



8440 TATUM RD - BLDG. A
PALMETTO, GA 30268

SIZE (SF)	201,624
PRICE	\$37,153,880 (\$184.27 PSF)
BUYER	The Orden Company
SELLER	Huntington Industrial Partners

NOTABLE LEASES



GREENWOOD INDUSTRIAL PKY - BLDG. 500
MCDONOUGH, GA 30253

SIZE (SF)	485,091
TENANT	Dollar General
LEASE TYPE	Sublease
LANDLORD	Big Lots



PEGASUS INDUSTRIAL
LAGRANGE, GA 30240

SIZE (SF)	323,368
TENANT	Kia Georgia
LEASE TYPE	New Lease
LANDLORD	Hines Development



SOUTHPARK - BLDG. 6
FAIRBURN, GA 30213

SIZE (SF)	285,600
TENANT	McKenny's
LEASE TYPE	New Lease
LANDLORD	Clarion

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