LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

ATLANTA INDUSTRIAL MARKET REPORT

Vacancy rises slightly despite strong leasing activity, absorption.

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WHAT'S HAPPENING

As expected, Atlanta's industrial vacancy rate rose by 50 basis points in Q1 2024 to 7.5%, fueled by 5.5 million square feet of new inventory. Yet, leasing activity highlighted robust market demand, returning to pre-pandemic levels. Sublease availability, which had plateaued 2023, saw another decline, as companies reclaimed subleases due to rising warehouse space demand. With Atlanta's construction starts dwindling each quarter, the supply surge is expected to be short-lived in 2024. Fewer projects launched today will mean fewer deliveries, leading to tightening vacancy in 2025.

4.3 MSF
Q1 NET ABSORPTION
Q4: 138,481 SF

7.5%
Q1 VACANCY RATE
Q4: 7.0%

18.7 MSF
Q1 UNDER CONSTRUCTION
Q4: 19.5 MSF

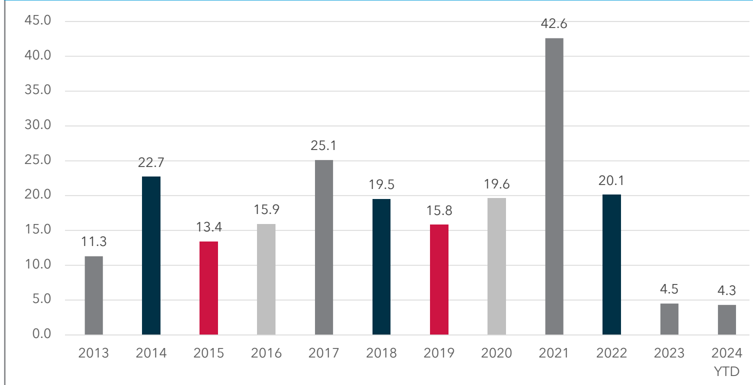
5.5 MSF
Q1 NEW SUPPLY DELIVERED
Q4: 9.4 MSF

$8.24 PSF
Q1 AVG. ASKING RENT | YEAR
Q4: $8.37 PSF

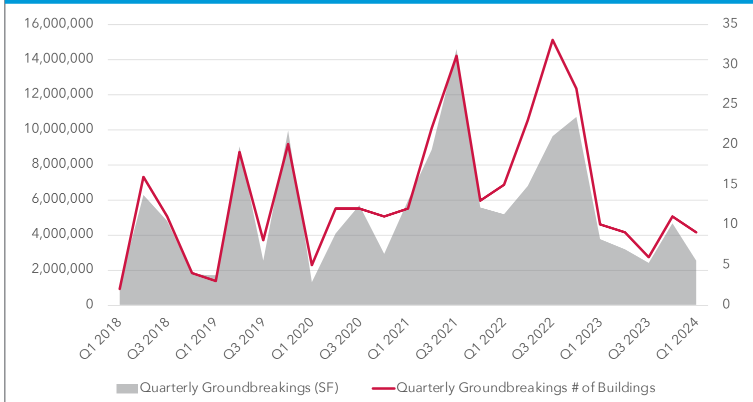
$102 PSF
Q1 AVG. SALES PRICE
Q4: $99 PSF

$2.8 Billion
ROLLING 12-MO SALES VOLUME
Q4: $2.8 Billion

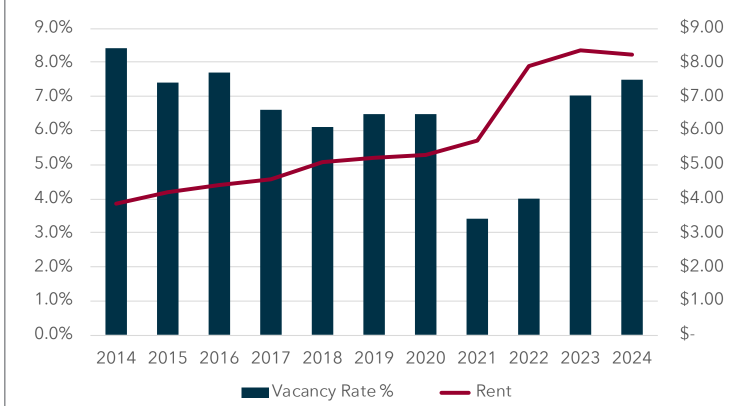
Q1 2024 | ABSORPTION (MSF)



Q1 2024 | INDUSTRIAL GROUNDBREAKINGS



Q1 2024 | VACANCY & RENTAL RATES



MARKET ACTIVITY

Q1 2024 | TOP SALES

5005 TERMINUS DR*
FAIRBURN, GA 30213

SUBMARKET	South Atlanta
BUYER	Purina
SELLER	Clarion Partners
SIZE (SF)	599,914
SALE PRICE	$70,936,728 *($118.24 PSF)*

* Portfolio sale

4755 THURMON TANNER RD
FLOWERY BRANCH, GA 30542

SUBMARKET	Northeast
BUYER	National Financial Services
SELLER	Hines
SIZE (SF)	447,120
SALE PRICE	$58,700,000 *($131.28 PSF)*

SUWANEE LOGISTICS CENTER
SUWANEE, GA 30024

SUBMARKET	Northeast
BUYER	Longpoint Realty Partners
SELLER	TPA Group
SIZE (SF)	327,825
SALE PRICE	$39,339,000 *($120.00 PSF)*

Q1 2024 | TOP LEASES

BUSCH COMMERCE CENTER
WHITE, GA 30184

SUBMARKET	Northwest
TENANT	Hanwha QCells
SIZE (SF)	834,971
LEASE TYPE	New

CLAYTON 75
JONESBORO, GA 30236

SUBMARKET	South Atlanta
TENANT	Devgiri
SIZE (SF)	705,833
LEASE TYPE	Sublease

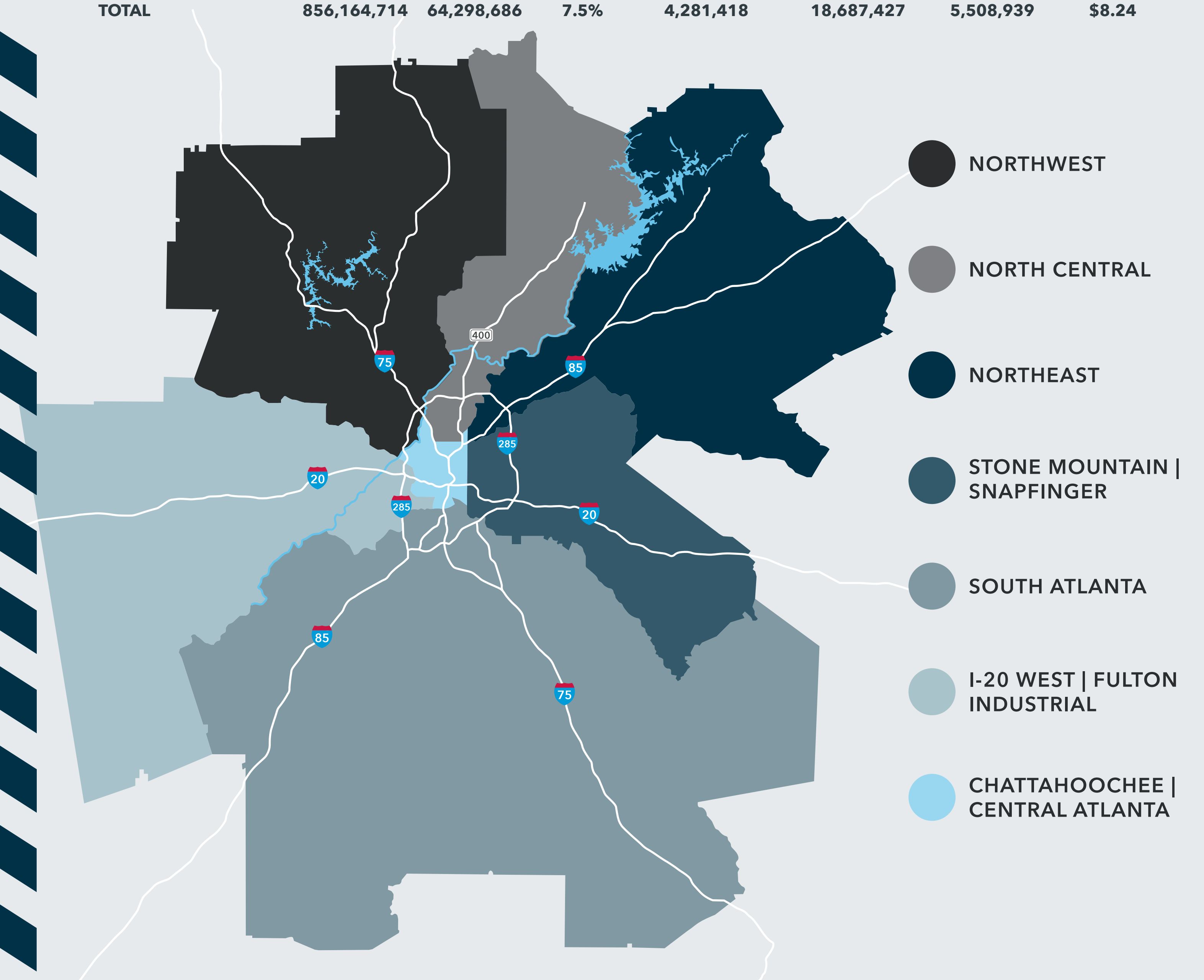
COVINGTON LOGISTICS PARK - BLDG 2
COVINGTON, GA 30015

SUBMARKET	Snapfinger | I-20 East
TENANT	Central Garden & Pet
SIZE (SF)	496,200
LEASE TYPE	New

Q1 2024 | TOP CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE (SF)	SUBMARKET	DELIVERY
Project Archer	Richard Petty Blvd	1,392,166	South Atlanta	Q2 - 2024
PNK Park Southern Gateway at Lambert Farms	1305 Hwy 42 S	1,219,826	South Atlanta	Q3 - 2024
The Cubes Bridgeport - Bldg. D	Bridgeport Blvd	1,201,200	South Atlanta	Q2 - 2024
Jackson 85 North Business Park - Bldg. 2	352 Raco Pkwy	1,017,900	Northeast	Q2 - 2024
Gravel Springs Logistics Center	2630 Gravel Springs Rd	1,001,424	Northeast	Q2 - 2024
Lidl Regional Distribution Center	3301 Iris Dr	925,000	Stone Mountain | Snapfinger	Q2 - 2024
River Park - Bldg. 10	Logistics Pkwy	825,000	South Atlanta	Q4 - 2024
Prologis Thompson Mill Distribution Center	810 Thompson Mill Rd	815,029	Northeast	Q3 - 2024

	INDUSTRIAL 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	Northwest	98,143,415	9,955,288	11.0%	724,528	1.272.699	695,645	$9.72
2	North Central	30,696,572	1,741,571	5.7%	-409.648	-	97,115	$14.54
3	Northeast	240,979,260	19,571,401	8.1%	-687,642	5,601,109	1,641,473	$8.26
4	Stn. Mountain | Snapfinger	85,984,348	5,641,891	6.6%	715,409	1,423,960	-	$8.62
5	South Atlanta	242,230,168	16,004,302	6.6%	3,861,473	9,419,844	2,337,885	$6.43
6	I-20 West | Fulton Ind.	128,172,329	9,100,667	7.1%	342,322	969,815	736,821	$6.53
7	Chattahoochee | Central Atl.	29,958,622	2,283,566	7.6%	-265,024	-	-	$15.23
	TOTAL	**856,164,714**	**64,298,686**	**7.5%**	**4,281,418**	**18,687,427**	**5,508,939**	**$8.24**



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