



ATLANTA **OFFICE** MARKET REPORT

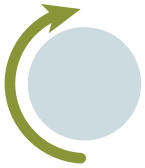
Amid increasing vacancy rates, leasing activity gains momentum at the start of the year.



WHAT'S HAPPENING

While office vacancy rates remain on the rise due to tenants reassessing their space needs and shrinking lease sizes, Atlanta's enduring appeal remains strong. The signing of several high-profile leases in Q1 2024 has infused optimism among market participants. Since 2020, developers have delivered 12 MSF of new inventory, but the current pipeline has significantly slowed, with only 2 MSF underway, marking the lowest level in a decade.

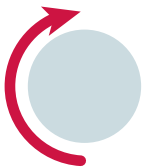
While the amount of available sublet space remains high compared to the area's 10-year average, there has been a decline for the third consecutive quarter in available sublet space, with 8.2 MSF available in Q1. Although the absence of recent groundbreakings may offer some relief in the long run, persistent trends towards smaller lease sizes and historically low office attendance will likely keep vacancy rates elevated in Atlanta throughout 2024.



-130,718 SF

Q1 NET ABSORPTION

Q4: -479,812 SF



23.6%

Q1 VACANCY RATE

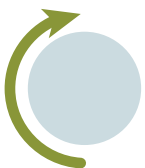
Q4: 21.2%



2.0 MSF

Q1 UNDER CONSTRUCTION

Q4: 2.5 MSF



357,486 SF

Q1 NEW SUPPLY DELIVERED

Q4: 0 SF



\$29.90 PSF

Q1 AVG. ASKING RENT | YEAR

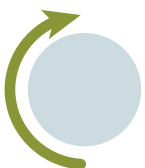
Q4: \$30.92 PSF



\$144 PSF

Q1 AVERAGE \$ PSF

Q4: \$146 PSF

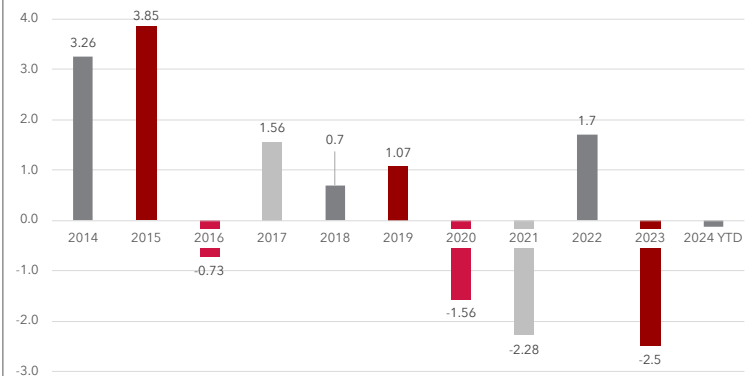


\$1.2 Billion

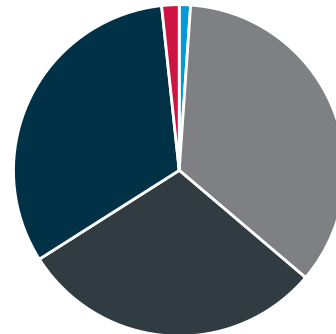
ROLLING 12-MO SALES VOLUME

Q4: \$1.02 Billion

Q1 2024 | ABSORPTION (MSF)

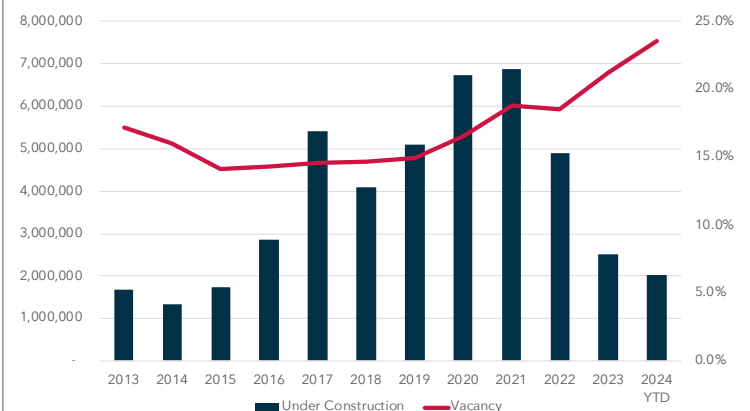


Q1 2024 | BUYER COMPOSITION



■ Cross Border ■ Institutional ■ REIT ■ Private ■ User

Q1 2024 | VACANCY & UNDER CONSTRUCTION



MARKET ACTIVITY

Q1 2024 | TOP SALES



WOODSIDE TERRACE

ALPHARETTA, GA 30022

SUBMARKET	North Fulton
BUYER	Free Chapel
SELLER	Ravi Zacharias International Ministries
SIZE (SF)	123,982
SALE PRICE	\$14,500,000 (\$116.95 PSF)



200 BARRETT SUMMIT

KENNESAW, GA 30144

SUBMARKET	Northwest Atlanta
BUYER	Ser Familia
SELLER	Lincoln Property Group
SIZE (SF)	80,250
SALE PRICE	\$10,000,000 (\$124.00 PSF)



2120 POWERS FERRY RD SE*

ATLANTA, GA 30339

SUBMARKET	Northwest Atlanta
BUYER	Woodside Capital Partners
SELLER	Atlanta Property Group
SIZE (SF)	84,000
SALE PRICE	\$6,419,867 (\$76.43 PSF)

* Portfolio sale

Q1 2024 | TOP LEASES



WILDWOOD CENTER

ATLANTA, GA 30039

SUBMARKET	Northwest Atlanta
TENANT	Manhattan Associates
SIZE (SF)	210,000
LEASE TYPE	Renewal



3350 PEACHTREE

ATLANTA, GA 30326

SUBMARKET	Buckhead
TENANT	Workday, Inc.
SIZE (SF)	112,899
LEASE TYPE	Renewal/Expansion



2500 CENTURY CENTER

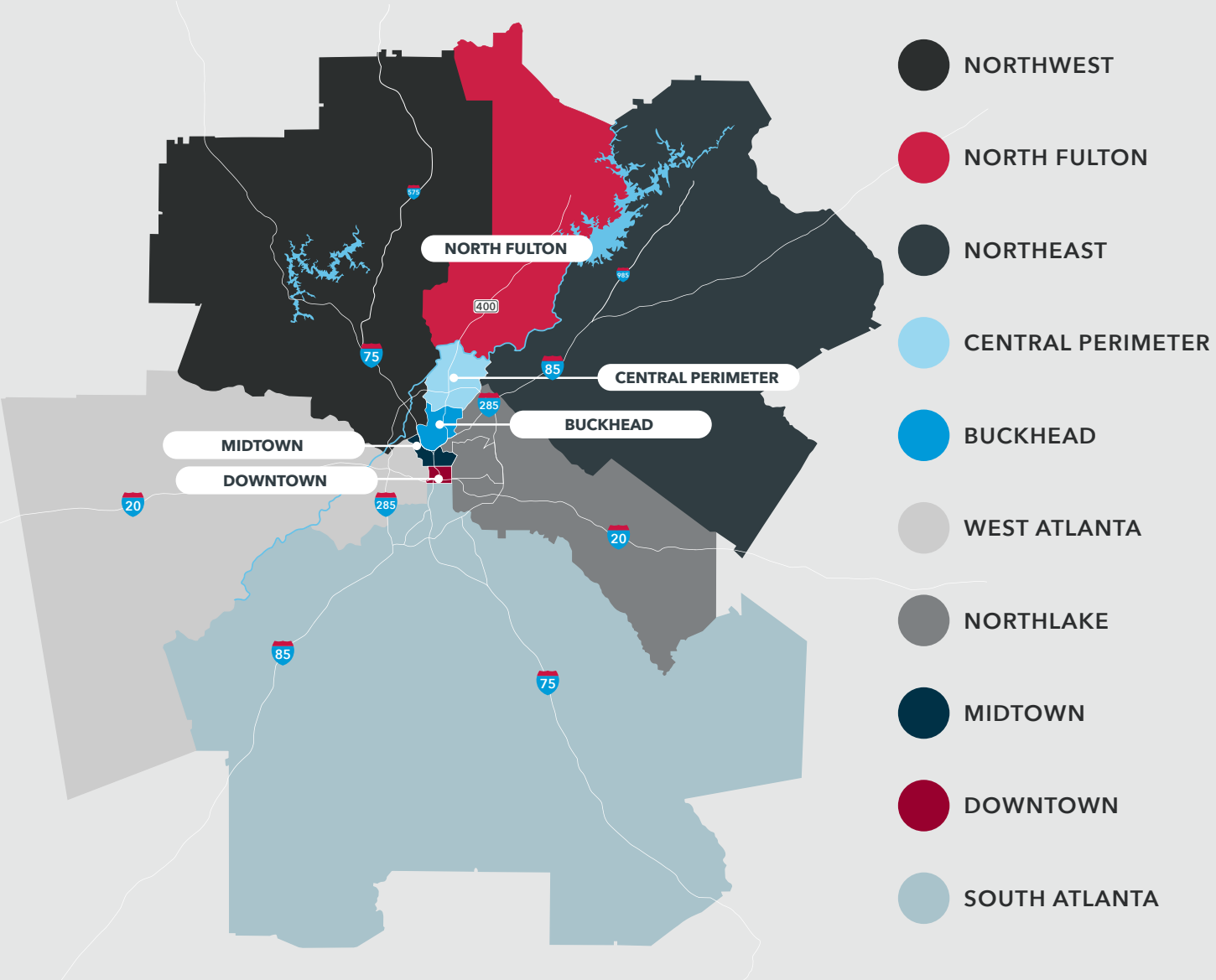
ATLANTA, GA 30345

SUBMARKET	Northlake
TENANT	GA Department of Revenue
SIZE (SF)	110,061
LEASE TYPE	New

Q1 2024 | TOP CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE (SF)	SUBMARKET	DELIVERY
Spring Quarter	1020 Spring St	538,126	Midtown Atlanta	Q3 - 2024
Science Square Labs	Northside Dr NW	368,258	Downtown Atlanta	Q2 - 2024
The Battery - Circle 75 & Windy Ridge Pky.	900 SE Battery Ave	250,000	Northwest Atlanta	Q4 - 2024
1050 Brickworks	1050 Marietta St NW	225,000	Midtown Atlanta	Q2 - 2024
1072 West Peachtree Office	1072 W Peachtree St NW	224,000	Midtown Atlanta	Q2 - 2025
Society Atlanta - Office	811 NE Peachtree St	123,723	Midtown Atlanta	Q4 - 2024

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	21,720,462	5,943,688	27.4%	(82,576)	-	-	\$36.85
2 Central Perimeter	27,173,745	7,139,309	26.3%	212,210	35,656	-	\$29.46
3 Downtown	21,007,461	5,272,553	25.3%	247,929	368,258	-	\$31.48
4 Midtown	27,240,663	7,473,696	27.4%	(380,277)	1,220,186	274,974	\$41.43
5 North Fulton	23,053,836	6,029,011	26.2%	(115,582)	125,233	82,512	\$25.95
6 Northeast Atlanta	17,962,312	3,054,637	17.0%	(83,359)	35,580	-	\$21.86
7 Northlake	14,014,199	2,847,070	20.3%	(15,572)	-	-	\$25.31
8 Northwest Atlanta	26,815,965	5,259,873	19.8%	111,643	250,000	-	\$27.55
9 South Atlanta	8,932,059	862,008	9.7%	(34,725)	-	-	\$23.11
10 West Atlanta	2,578,162	988,524	38.8%	9,591	-	-	\$33.24
TOTAL	190,498,864	44,870,369	23.6%	(130,718)	2,034,913	357,486	\$29.90



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