LEE ATLANTA | MARKET BRIEF

Déjà Vu in Atlanta's Industrial Sublease Market

MAY 2025

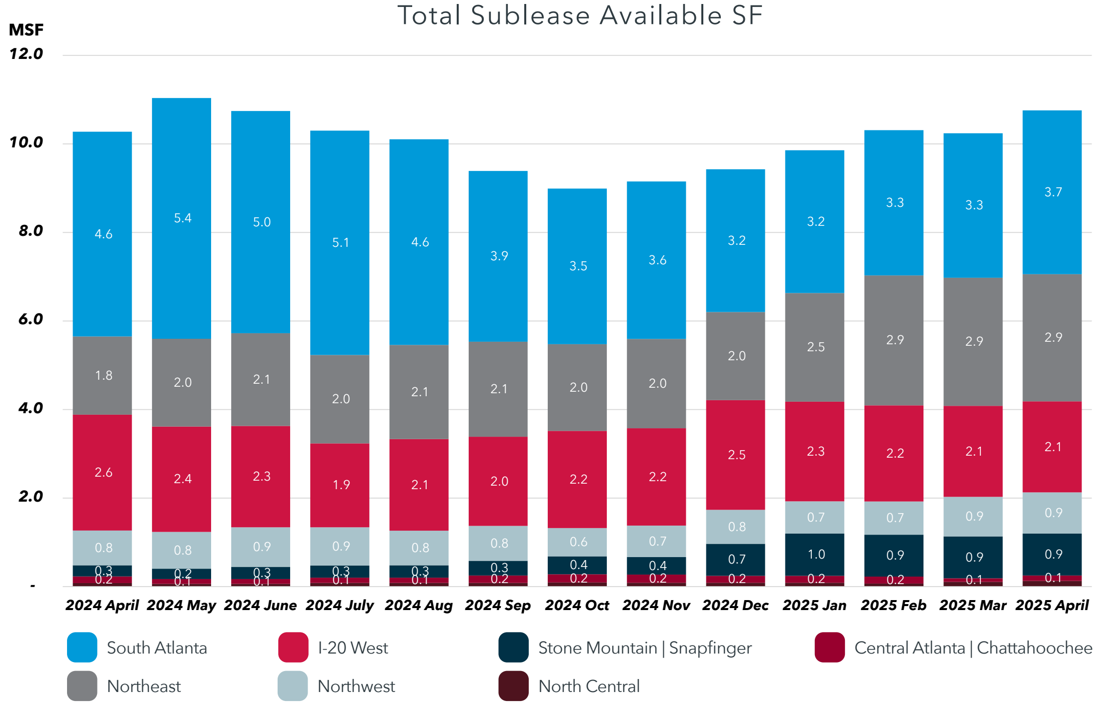
Sublease space is on the rise again in Atlanta's industrial market. For those watching closely, it's a familiar cycle—economic uncertainty creeps in, tenants go pencils down, and space quietly returns to the market. In April 2025, available industrial sublease space climbed to 10.8 million square feet, up from a low of 8.9 million in October. It's a return to a pattern that anyone who's followed this market long enough will recognize.

The data doesn't suggest a market in distress. Notably, the trend aligns with what we projected in our Lee Atlanta Industrial 2025 Forecast Report. We anticipated that sublease availability would remain steady in 2025, between 1.0% and 1.3% of total inventory. As of April 2025, we're tracking at 1.2%—a clear indication that the market is behaving in line with expectations. Tenants aren't retreating—they're re-evaluating.

The good news? Atlanta is built to absorb disruption. One of the key differentiators in this market is its balanced supply pipeline. With speculative construction cooling in response to tighter capital markets, there's no flood of new space arriving just as subleases hit the market. That restraint creates breathing room—space for the market to adjust without tipping into oversupply. And while national headlines may highlight growing vacancy in overbuilt logistics hubs, Atlanta continues to benefit from its strategic location, robust infrastructure, and long-term demographic growth. Vacancy has remained flat—and tenant demand remains positive.

So yes, industrial sublease space is up—but it's not a red flag. And if historical patterns hold, we may see those sidelined requirements reemerge later this year. Leasing momentum often returns in the second half as economic signals settle and confidence returns.

Total Sublease Available SF



EXPLORE THE REPORT

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