



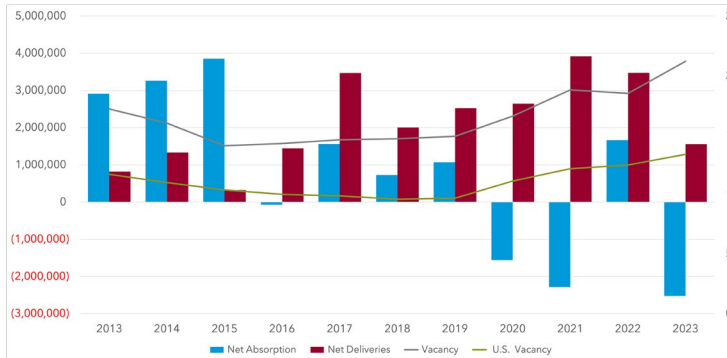
OFFICE MARKET OVERVIEW

KATE HUNT, Senior Research Analyst

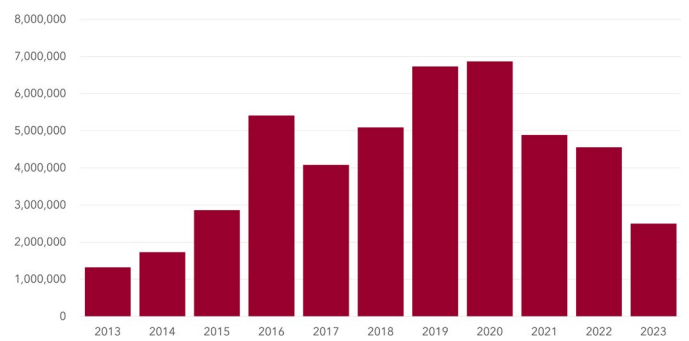
Although office leasing activity in Atlanta has not fully returned to pre-pandemic levels, the final quarter of 2023 showcased sustained tenant demand, evident in the signing of several new, sizable leases. However, the ongoing reassessment of footprints by tenants has led to an overall increase in both overall and sublease availability, resulting in a record high vacancy rate of 21.2%. The conclusion of 2023 marked the third consecutive quarter of negative absorption in the Atlanta office market, contributing to a year-end absorption of -2.5 million square feet. Despite facing macroeconomic challenges, development activity in Atlanta has remained subdued, offering a potential easing of supply pressures as the market enters 2024.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	(2,524,369)	(1,751,575)	(648,383)	2,322,843	1,666,507
▲ Vacancy Rate	21.2%	20.8%	19.1%	18.4%	18.5%
▲ Avg NNN Asking Rate PSF	\$30.92	\$30.54	\$30.34	\$30.11	\$29.96
▼ SF Under Construction	2,501,859	2,633,281	3,135,831	3,337,360	4,556,235
▼ Inventory SF	220,535,837	225,744,093	242,929,491	241,740,668	241,820,765

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
100 Edgewood Avenue, NE Atlanta, GA	306,000 SF	\$33,967,575 \$111.01 PSF	Board of Regents Univ System GA Atlanta Companies	Class B
925 North Point Parkway Alpharetta, GA	166,994 SF	\$8,500,000 \$50.90 PSF	Parkview Office LLC Macfarlan Capital Partners, LP	Class A
1500 Centre Parkway Atlanta, GA	97,969 SF	\$15,959,776 \$162.91 PSF	Easterly Government Properties, Inc Hight Knox Properties LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2233 SE Lake Park Drive Smyrna, GA	94,610 SF	BC Government Realty Trust	U.S. General Services Administration	Government
600 Galleria Parkway SE Atlanta, GA	77,163 SF	Piedmont Office Realty Trust	GE Capital	Manufacturing
505 N. Angier Avenue NE Atlanta, GA	73,533 SF	New City Properties	OneTrust LLC	Technology

