



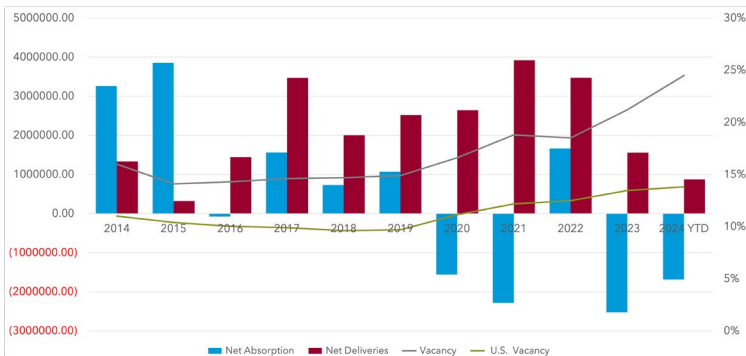
### OFFICE MARKET OVERVIEW

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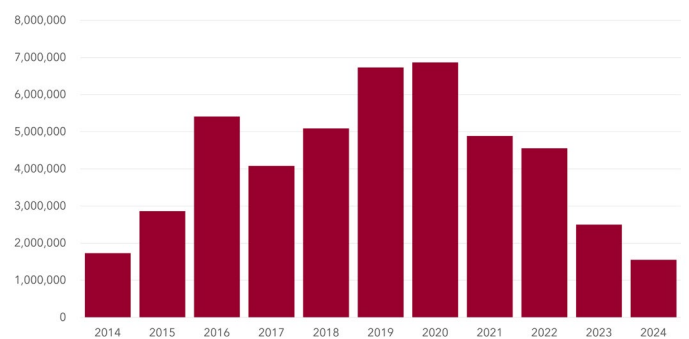
Atlanta's office market is currently marked by strong leasing activity alongside elevated vacancy rates. In Q3 2024, leasing activity reached 1.7 million SF, indicating robust demand. However, the vacancy rate stands at 24.5%, as companies reassess their real estate needs and downsize their office spaces, a trend driven by major corporations adapting to evolving work models. This shift has resulted in increased direct and sublet vacancies. Despite these challenges, the market is adapting, with 1.6 million SF currently under construction and stable asking rents averaging \$29.57 PSF. Moving forward, Atlanta's office market will likely continue navigating this complex landscape, balancing strong leasing activity with the need for landlords to address surplus space.

| MARKET INDICATORS          | Q3 2024     | Q2 2024     | Q1 2024     | Q4 2023     | Q3 2023     |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▼ 12 Mo. Net Absorption SF | (2,162,679) | (2,067,668) | (3,029,047) | (2,524,369) | (1,751,575) |
| ▲ Vacancy Rate             | 24.5%       | 24.2%       | 23.6%       | 21.2%       | 20.8%       |
| ▼ Avg Asking Rate PSF      | \$29.57     | \$29.88     | \$29.90     | \$30.92     | \$30.54     |
| ▲ Sale Price PSF           | \$143.00    | \$138.00    | \$144.00    | \$146.00    | \$161.00    |
| ▲ Cap Rate                 | 8.63%       | 8.60%       | 8.52%       | 8.46%       | 8.33%       |
| ▼ Under Construction SF    | 1,554,905   | 2,151,326   | 2,034,913   | 2,501,859   | 2,633,281   |
| ▼ Inventory SF             | 187,875,113 | 188,062,785 | 190,498,864 | 220,535,837 | 225,744,093 |

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF               | SIZE       | SALE PRICE                   | BUYER / SELLER                                     | BUILDING CLASS |
|---|------------|------------------------------|--|----------------|
| 1170 Peachtree Street<br>Atlanta, GA      | 523,071 SF | \$83,250,000<br>\$159.16 PSF | Town Lane<br>Manulife US Real Estate               | Class A        |
| 680 Murphy Avenue - 1000*<br>Atlanta, GA  | 173,600 SF | \$24,263,670<br>\$139.77 PSF | Atrium Health<br>Carter, USA                       | Class A        |
| 12 Executive Park Drive NE<br>Atlanta, GA | 129,825 SF | \$17,610,320<br>\$135.65 PSF | Emory University<br>Office Properties Income Trust | Class A        |

\*Part of a Portfolio Sale

| TOP LEASE TRANSACTIONS BY SF               | SIZE       | LANDLORD                                    | TENANT                       | TENANT INDUSTRY      |
|--|------------|---|------------------------------|----------------------|
| 3560 Lenox Road NE<br>Atlanta, GA          | 104,440 SF | Highwoods                                   | Morris, Manning & Martin LLP | Legal Services       |
| 303 Peachtree Center Avenue<br>Atlanta, GA | 104,100 SF | Truist                                      | Truist                       | Financial Services   |
| 3438 Peachtree Road<br>Atlanta, GA         | 82,131 SF  | Manulife US Real Estate<br>Investment Trust | CoStar Group, Inc.           | Information Services |

