



Atlanta industrial market report

Q1 2022

Industrial market trends

01

Lease escalations on the rise

The average industrial annual lease escalation in metro Atlanta has been at 3% for many years. Now that the market is at a 2.3% vacancy rate, landlords have begun to push escalations to a new standard of 4%. If leasing activity remains high, and vacancy low, there is the potential that escalations could go higher, but should not exceed 5% at this time.

02

Record breaking rental rates

As existing available space remains limited, average asking rental rates continue to rise. Up 13% year-over-year there is no sign of things slowing down. Landlords are also starting to limit concessions that are offered, or removing them all together, as well as pushing for shorter term leases on smaller shallow bay spaces so they don't have to lock in long term rates in the event they continue raising their rates.

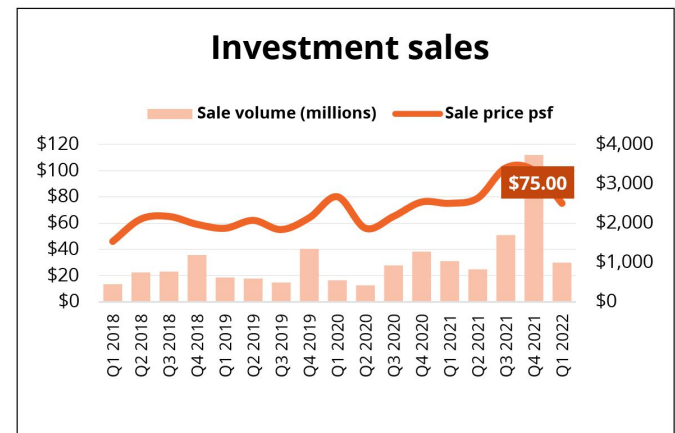
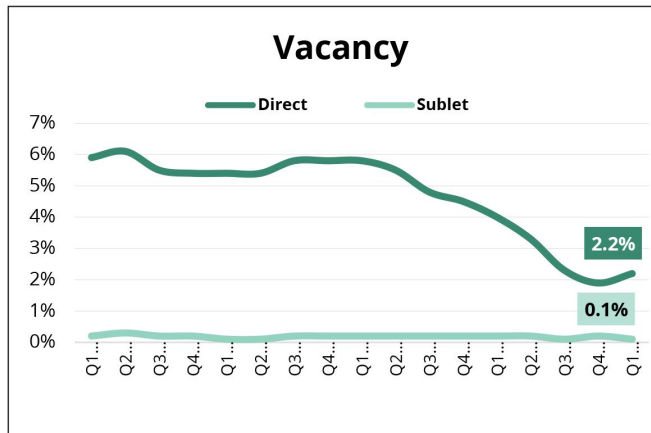
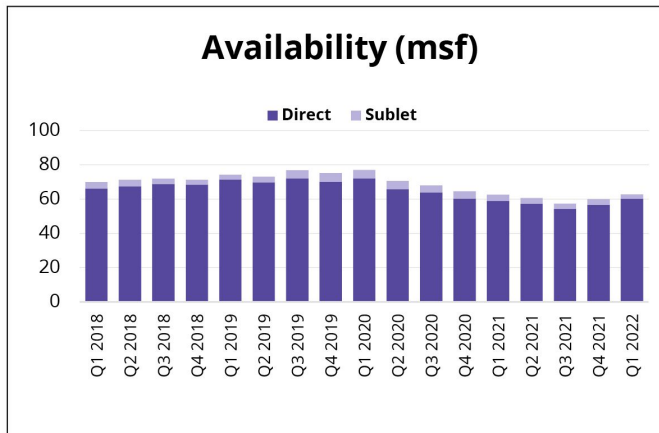
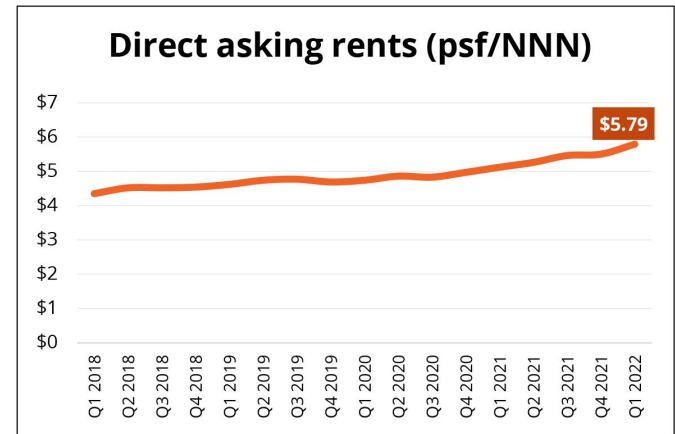
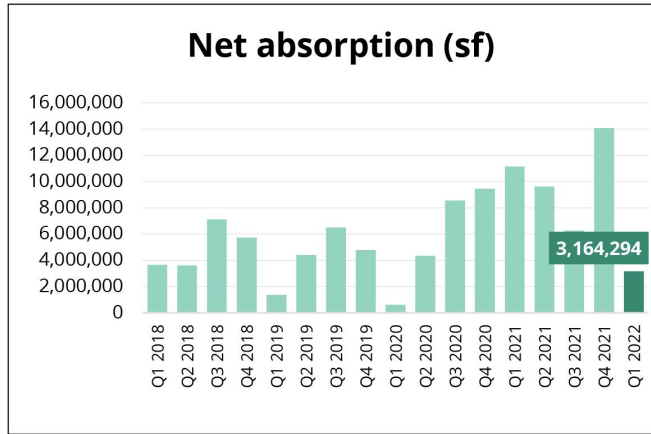
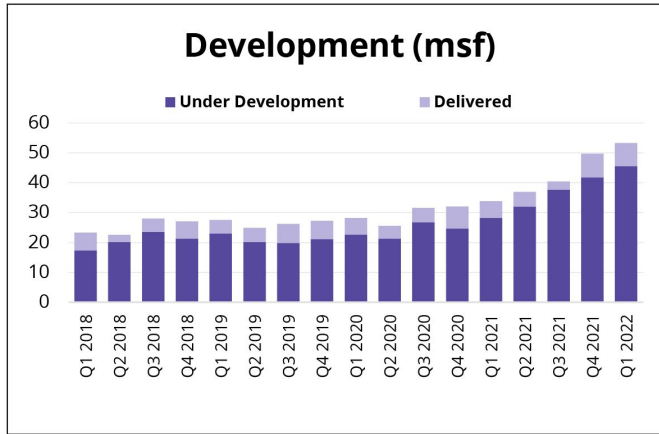
03

Industrial projects cannot break ground fast enough

With a record breaking 45.5 msf of new space underway, developers continue to announce new projects almost weekly. This is helping to ease the burden of larger tenants looking for space as the average project size is currently 342,000 sf, however companies looking in the 50,000-100,000-sf range still have limited options.



Industrial market indicators



*Tracking Industrial & Flex buildings 10,000 sf and up

Industrial market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Submarket
Owens Corning	8095 McLarin Road	Mar 2022	1,044,288	Renewal	Direct	Airport/N Clayton
Undisclosed	315 Greenwood Place	Mar 2022	1,001,700	New	Direct	I-75 South
Allen Distribution	4475 S Fulton Parkway	Jan 2022	634,900	New	Direct	Airport/N Clayton
Undisclosed	400 International Parkway	Mar 2022	498,144	New	Direct	Northwest
ACE Hardware	1220 Palmour Drive	Jan 2022	474,680	Renewal	Direct	Northeast

Recent sales activity

Buyer	Address	Sale date	Sale price	Sale price psf	Submarket	Seller
Florida State Board of Administration	139 Orchard Business Parkway	Jan 2022	\$135,000,000	\$89	I-85 South	Stonemont Financial
Kohlberg, Kravis, Roberts & Co	200 & 300 Eagles Landing Parkway	Feb 2022	\$70,052,030	\$84	I-75 South	State Teachers Retirement System of Ohio
Eaton Vance Real Estate Investment	280 Bridgeport Boulevard	Feb 2022	\$58,500,000	\$104	I-85 South	CRG
Walmart	Bana Road at Highway 98	Feb 2022	\$55,000,000	\$35	Northeast	Rooker
Growth Capital Partners/AEW Capital	500 Business Center Drive	Mar 2022	\$46,250,000	\$600	I-75 South	Realty Income Corporation

Under development projects

Address	Size	Project Completion	Percent Preleased	Major Tenant	Owner	Submarket
Bana Road at Highway 98*	1,550,000	Mar 2024	100%	Walmart	Walmart	Northeast
503 Shire Parkway*	1,500,000	Nov 2022	100%	Facebook	Facebook	Snapfinger/I-20 E
421 Toy Wright Road	1,174,012	Jun 2022	0%	N/A	Core5	Northeast
1231 Hog Mountain Road	1,117,800	Jun 2022	100%	ACE Hardware	Clarion	Northeast

*Owner-occupied property

Industrial market stats by submarket

By Submarket	Inventory (sf)	Vacancy			Net Absorption		SF Under	Average Asking Rent		
		Total %	W / D	Flex	1Q22	YTD	Construction	Total	W / D	Flex
Airport/North Clayton	115,014,918	2.20%	2.10%	5.20%	315,400	315,400	4,883,854	\$5.96	\$5.87	\$9.43
I-75 South	69,318,066	4.00%	4.10%	0.90%	-760,241	-760,241	4,966,070	\$4.00	\$4.00	-
I-85 South	30,201,222	5.20%	5.40%	0.30%	1,217,995	1,217,995	678,766	\$4.35	\$4.12	\$7.64
South Atlanta Total	214,534,206	3.20%	3.20%	2.70%	773,154	773,154	10,528,690	\$4.38	\$4.31	\$8.00
Central Atlanta	6,883,262	1.40%	1.50%	0.70%	-14,193	-14,193	20,000	\$11.70	\$10.85	\$22.39
Chattahoochee	16,658,788	1.60%	1.60%	1.60%	29,617	29,617	-	\$10.98	\$10.36	\$15.22
Fulton Industrial	53,338,389	1.00%	0.90%	6.50%	241,872	241,872	1,559,592	\$5.27	\$5.23	\$8.70
I-20 W/Douglasville	57,363,872	1.20%	1.20%	0.60%	69,182	69,182	5,455,365	\$5.23	\$5.20	\$11.75
North Central	32,623,126	2.10%	1.20%	4.60%	368,769	368,769	789,365	\$11.13	\$9.36	\$12.89
Northeast	212,038,994	1.60%	1.40%	4.30%	1,328,260	1,328,260	17,568,860	\$5.82	\$5.40	\$10.91
Northwest	85,166,499	3.90%	4.00%	3.00%	-13,136	-13,136	6,335,181	\$6.37	\$5.95	\$12.62
Snapfinger/I-20 East	43,752,285	1.80%	1.80%	2.00%	279,680	279,680	3,182,952	\$5.75	\$5.37	\$13.47
Stone Mountain	29,695,971	1.50%	1.30%	2.90%	101,089	101,089	96,000	\$6.89	\$6.36	\$10.08
Market Total	752,055,392	2.30%	2.20%	3.40%	3,164,294	3,164,294	45,536,005	\$5.79	\$5.37	\$11.69

Industrial market stats by product type

By Product Type	Inventory (sf)	Vacancy	1Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Warehouse / Distribution	697,020,157	2.20%	3,022,475	3,022,475	43,191,800	2,122,073
Flex	55,035,235	3.40%	141,819	141,819	2,344,205	435,829
Market Total	752,055,392	2.30%	3,164,294	3,164,294	45,536,005	2,557,902