

MARKET OVERVIEW

↑ 9.3%
VACANCY RATE

↓ 0.3 M SF
YTD ABSORPTION

↑ 4.4 M SF
NEW SUPPLY

↓ 6.4 M SF
UNDER CONSTRUCTION

→ \$7.71
AVG LEASE RATE (NNN)

HIGHLIGHTS

The Atlanta industrial market showed signs of stagnation through the first half of 2025, with Q2 reflecting a clear slowdown in activity. Due to a decline in larger-scale deals and major move-outs, Atlanta had its first quarter of negative net absorption since Q4 2023. Despite this, the Atlanta Northeast submarket experienced a positive quarterly absorption of 1.4 M SF, well above all of Atlanta.

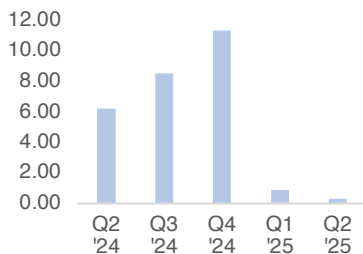
As a result of Atlanta's negative quarterly absorption, the vacancy rate increased to 9.3%, its highest in over a decade. This pullback in bulk leasing appears to reflect a market correction, as many occupiers over-secured long-term space commitments in recent years, reducing current demand. In addition, Atlanta is losing population growth to tier II and tier III cities such as Charlotte, Nashville, Tampa, and Chattanooga.

The average lease rate remained flat at \$7.71 NNN psf. Landlords are holding pricing power in smaller, newer spaces that are closer in. On the other hand, Landlords in second-generation bulk warehouse spaces located farther out are seeing reduced leverage in negotiations, with asking rents beginning to soften in these submarkets. In general, newer buildings are more favored by tenants than second-generation, less modern buildings.

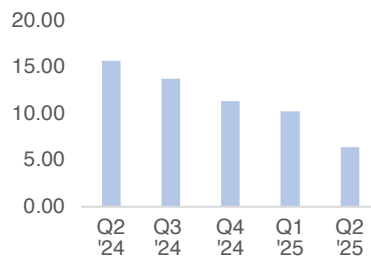
4.4 M SF of new supply was delivered in Q2, and the construction pipeline fell to 6.4 M SF, its lowest in over a decade. Moving forward, developers are likely to take a cautious approach, prioritizing build-to-suit and smaller spec projects that better match current demand and leasing pace.

Overall, broader economic and political uncertainty weighed on the sentiment of both tenants and investors. Leasing activity may stay subdued in the near term, but should rebound once confidence and large-space demand pick back up.

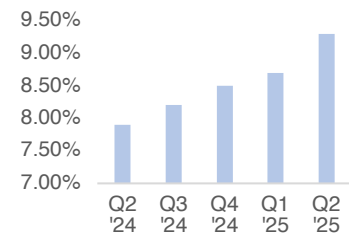
YTD ABSORPTION (MSF)



UNDER CONSTRUCTION (MSF)



VACANCY RATE



HISTORIC COMPARISON

QUARTER	VACANCY	YTD ABSORPTION (MSF)	NEW SUPPLY (MSF)	UNDER CONSTRUCTION (MSF)
Q2 '24	7.9%	6.2	7.9	15.7
Q3 '24	8.2%	8.5	4.8	13.8
Q4 '24	8.5%	11.3	5.8	11.4
Q1 '25	8.7%	0.9	2.1	10.3
Q2 '25	9.3%	0.3	4.4	6.4

*Report includes averages from JLL, Colliers, CBRE, and Cushman & Wakefield.

NOTABLE BUILDING SALES



PROPERTY: 4795 Innovative Way
SUBMARKET: I-20 West
BUYER: CenterPoint Properties
SELLER: Native Development/
Crow Holding Capital
SIZE (SF): 347,013
SALE PRICE: \$53,700,000 (\$155/SF)
SALE TYPE: Investment



PROPERTY: 8206 N US Highway 129
SUBMARKET: Northeast/I-85
BUYER: Samsung SRA Asset Management &
Capstone Asset Management
SELLER: Panattoni
SIZE (SF): 356,400
SALE PRICE: \$36,887,400 (\$104/SF)
SALE TYPE: Investment

NOTABLE LEASES



PROPERTY: 4497 Friendship Rd
SUBMARKET: Northeast/I-85
LANDLORD: Clarion/Seefried
TENANT: EDA International
SIZE (SF): 320,603
LEASE TYPE: New



PROPERTY: 7915 White Rd SW
SUBMARKET: I-20 West
LANDLORD: Link Logistics
TENANT: Royal Canin USA
SIZE (SF): 318,279
LEASE TYPE: New

NOTABLE DELIVERIES



PROPERTY: 1365 E Hightower Trl
SUBMARKET: I-20 East
DEVELOPER: PNK Holdings
BUILDING SIZE: 1,013,902 SF



PROPERTY: 2065 Anvil Block Road
SUBMARKET: Airport
DEVELOPER: Robinson Weeks
BUILDING SIZE: 571,517 SF