LEE & ASSOCIATES - ATLANTA

Q1 2025

ATLANTA MEDICAL OFFICE MARKET REPORT

Resilient Demand and Sale-Leaseback Activity Reinforce Atlanta's Medical Office Market

3500 Lenox Road, Suite 300 | Atlanta, GA 30326
404.442.2810 | lee-associates.com/atlanta

WHAT'S HAPPENING?

Q1 2025

Atlanta's medical office market has experienced a slight uptick in vacancy rates recently, though this trend is being tempered by a limited development pipeline. The lack of new construction is expected to help offset the impact of rising vacancies over time. The city's healthcare sector remains strong, supported by ongoing demand for services that reinforce the resilience of the medical office market. Key drivers include population growth, expanding healthcare networks, and a broader shift toward outpatient care. Providers are increasingly seeking modern, flexible spaces that support evolving care models, such as telemedicine and specialized services. One example is Aylo Health, which closed one of the quarter's top deals via a sale-leaseback with Montecito Medical Real Estate—boosting its regional footprint. With several new locations opening across the city, Aylo Health underscores Atlanta's role as a major healthcare hub. Despite rising vacancies, the continued growth of healthcare services is expected to stabilize the market and sustain long-term demand.

-42,517 SF
Q1 NET ABSORPTION
Q4: 127,079 SF

7.9%
Q1 VACANCY RATE
Q4: 7.1%

109,248 SF
Q1 UNDER CONSTRUCTION
Q4: 154,248 SF

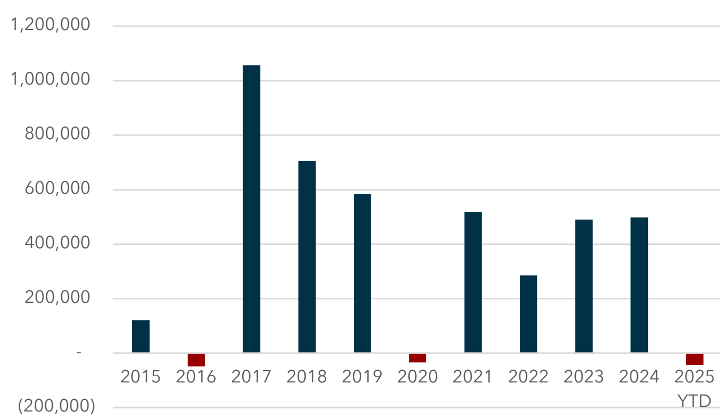
45,000 SF
Q1 NEW SUPPLY DELIVERED
Q4: 78,882 SF

$29.10 PSF
Q1 AVG. ASKING RENT | YEAR
Q4: $29.50 PSF

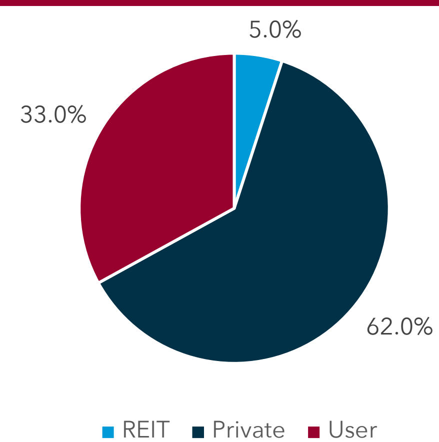
$196 PSF
Q1 AVG. SALES PRICE
Q4: $205 PSF

$330.8 Million
ROLLING 12-MO SALES VOLUME
Q4: $270.6 Million

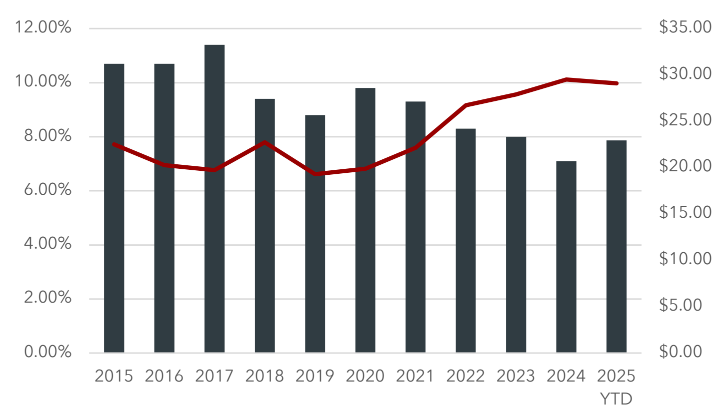
ANNUAL | ABSORPTION (MSF)



Q1 2025 | BUYER COMPOSITION



ANNUAL | VACANCY & RENTAL RATES



MARKET ACTIVITY

Q1 2025

Q1 2025 | TOP SALES

875 JOHNSON FERRY RD NE

ATLANTA, GA 30342

SUBMARKET	Central Perimeter
BUYER	Northside Hospital
SELLER	The Gipson Company
SIZE (SF)	35,116
SALE PRICE	*$28,500,000 ($811.60 PSF)*

AYLO HEALTH PORTFOLIO*

WOODSTOCK, DAWSONVILLE, & BALL GROUND, GA

SUBMARKET	Northwest
BUYER	Montecito Medical Real Estate
SELLER	Aylo Health
SIZE (SF)	52,748
SALE PRICE	*$27,417,520 ($519.78 PSF)*

** 3 PROPERTY PORTFOLIO SALE/ SALE LEASBACK*

124 JOHNSON FERRY RD

SANDY SPRINGS, GA 30328

SUBMARKET	Central Perimeter
BUYER	NNN REIT
SELLER	Montenido & Affillates
SIZE (SF)	7,221
SALE PRICE	*$5,202,485 ($720.47 PSF)*

Q1 2025 | TOP LEASES

2121 FOUNTAIN DR

SNELLVILLE, GA 30078

SUBMARKET	Northeast Atlanta
TENANT	Premier Primary Care
SIZE (SF)	8,290
LEASE TYPE	Renewal

211 CHICOPEE DR

MARIETTA, GA 30060

SUBMARKET	Northwest Atlanta
TENANT	Eye South Partners
SIZE (SF)	13,500
LEASE TYPE	New

275 UPPER RIVERDALE RD SW

RIVERDALE, GA 30274

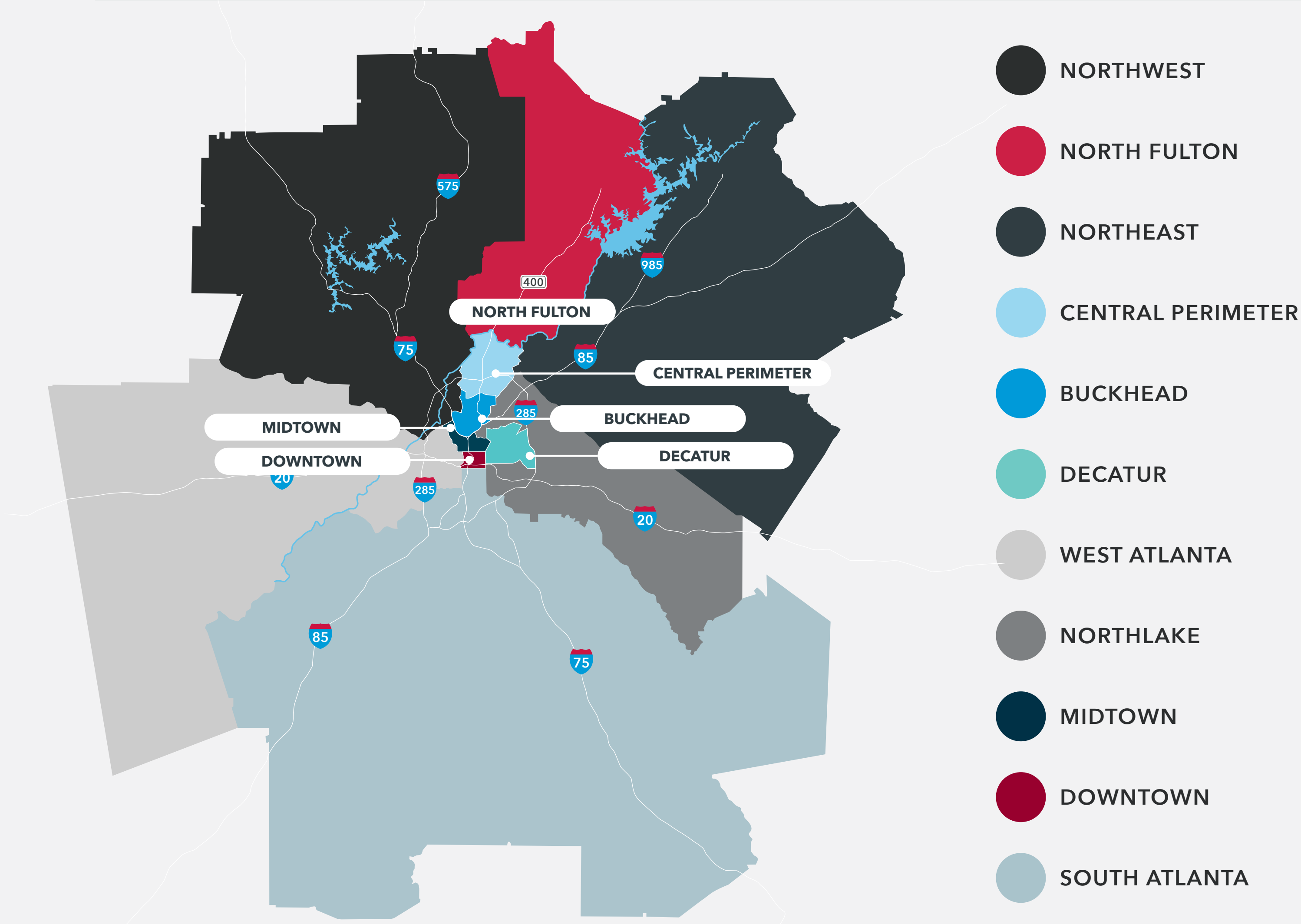
SUBMARKET	South Atlanta
TENANT	Well Star
SIZE (SF)	3,450
LEASE TYPE	New

Q1 2025 | TOP CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE (SF)	SUBMARKET	DELIVERY
The Emory Clinic	4553 N Shallowford Rd	60,000	Central Perimeter	Q3-25
1336 Highway 54	1336 Highway 54	20,000	South Atlanta	Q2-25
Satellite Park at Huntcrest	1164 Satellite Blvd NW	14,624	Northeast Atlanta	Q3-25
Satellite Park at Huntcrest	1168 Satellite Blvd NW	14,624	Northeast Atlanta	Q2-25

Q1 2025

METRO SUBMARKETS	NUMBER OF BUILDINGS	RBA (SF)	DIRECT VACANT (SF)	VACANCY RATE	OCCUPANCY RATE	YE NET ABSORP. (SF)	AVG. ASKING RENT / YEAR (PSF)
Buckhead	17	1,141,056	132,530	11.6%	88.4%	(16,128)	$33.88
Central Perimeter	52	3,885,775	435,813	11.2%	88.8%	(680)	$33.49
Downtown Atlanta	5	246,413	-	0.0%	100.0%	-	-
Gainesville	41	1,204,658	47,346	3.9%	96.1%	7,378	$33.81
Midtown Atlanta	4	511,570	30,338	5.9%	94.1%	(28,312)	-
North Fulton	130	4,341,781	512,880	11.8%	88.2%	40,012	$28.74
Northeast Atlanta	122	3,554,277	259,779	7.3%	92.7%	(31,524)	$26.08
Northlake	116	3,476,653	213,485	6.1%	93.9%	(15,172)	$26.02
Northwest Atlanta	181	5,121,967	227,547	4.4%	95.6%	10,198	$29.74
South Atlanta	175	4,340,626	375,099	8.6%	91.4%	(12,065)	$26.69
West Atlanta	38	1,115,518	40,696	3.6%	96.4%	3,776	$23.98
TOTAL/AVG	**881**	**28,940,294**	**2,275,513**	**7.9%**	**92.1%**	**(42,517)**	**$29.10**



Report analysis by: Daniel Wagner, Chief Data Officer | Kate Hunt, Senior Research Analyst | Lucas Carvalho, Research Analyst
Report created by: Julia Whitlark, Marketing Director | Grace Gregorie, Marketing Specialist

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