LEE & ASSOCIATES

Q1 2025

ATLANTA INDUSTRIAL MARKET REPORT

Construction picks up, vacancy plateaus, fundamentals in balance to begin the new year

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WHAT'S HAPPENING?

Q1 2025

The Atlanta industrial market in Q1 2025 experienced slower leasing activity, at least in part due to the uncertainty over the Trump Administration's plan to introduce new tariffs, but overall conditions remained positive. Leasing volume fell by 15% quarter-over-quarter to 9.79 million square feet, while overall vacancy remained stable at 8.8%. Despite the slowdown, demand for industrial space remained solid, especially within the logistics, e-commerce, and manufacturing sectors. Rising construction costs and slower leasing activity are influencing market dynamics, but construction groundbreakings are moving forward with 6 new projects breaking ground in Q1. Developers are reacting swiftly to dwindling construction levels, which in turn may place more upward pressure on overall vacancy than anticipated through the balance of 2025. Despite renewed development activity, industrial fundamentals are predicted to remain in a healthy range through year-end 2025, with declining vacancy, steady rents and positive absorption levels similar to those of 2024. The balanced conditions in Atlanta will continue to offer attractive opportunities for owners, investors and occupiers of industrial properties.

1.98 MSF
Q1 NET ABSORPTION
Q4: 3.0 MSF

8.8%
Q1 VACANCY RATE
Q4: 8.8%

7.1 MSF
Q1 UNDER CONSTRUCTION
Q4: 5.2 MSF

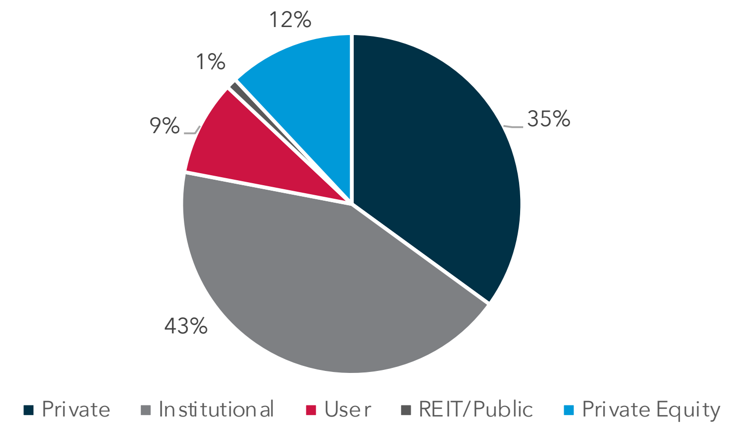
1.4 MSF
Q1 NEW SUPPLY DELIVERED
Q4: 8.4 MSF

$8.35 PSF
Q1 AVG. ASKING RENT | YEAR
Q4: $8.53 PSF

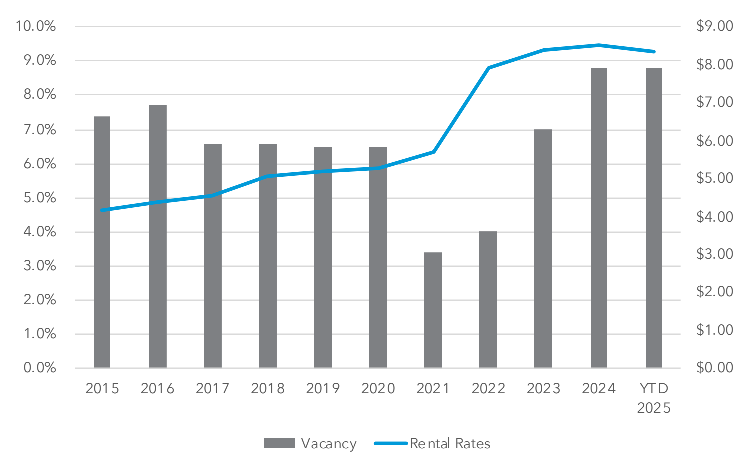
$124 PSF
Q1 AVG. SALES PRICE
Q4: $120 PSF

$4.2 Billion
ROLLING 12-MO SALES VOLUME
Q3: $3.9 Billion

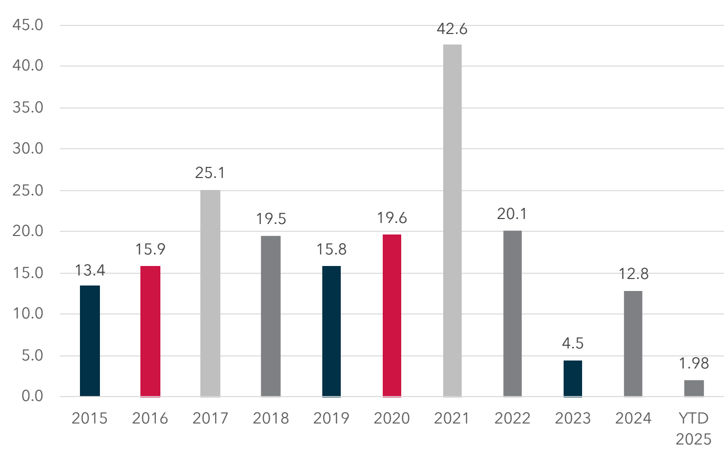
2025 YTD | BUYER COMPOSITION



ANNUAL | VACANCY & RENTAL RATES



ANNUAL | NET ABSORPTION (MSF)



MARKET ACTIVITY

Q1 2025

Q1 2025 | TOP SALES

1000 NATURALLY FRESH BLVD
COLLEGE PARK, GA 30349

SUBMARKET	South Atlanta
BUYER	Lancaster Colony Corp
SELLER	Winland Foods
SIZE (SF)	300,000
SALE PRICE	*$75,000,000 ($250.00 PSF)*

86 & 90 CARSON LOOP NW
CARTERSVILLE, GA 30121

SUBMARKET	Northwest
BUYER	Bentall Green Oak
SELLER	Hillwood Development Corp
SIZE (SF)	680,247
SALE PRICE	*$74,493,300 ($109.51 PSF)*

308 JESSE CRONIC RD
BRASELTON, GA 30517

SUBMARKET	Northeast
BUYER	Wen Products
SELLER	Rockefeller Group
SIZE (SF)	207,009
SALE PRICE	*$25,255,098 ($122.00 PSF)*

Q1 2025 | TOP LEASES

INTERSTATE 20 & WACO ROAD
WACO, GA 30182

SUBMARKET	I-20 W/Fulton Industrial
TENANT	Southwire
SIZE (SF)	1,200,000
LEASE TYPE	New Lease

545 LOGISTICS CENTER PKWY
JEFFERSON, GA 30549

SUBMARKET	Northeast
TENANT	Mobis Parts America
SIZE (SF)	924,820
LEASE TYPE	Renewal

95 INNOVATION WAY
NEWNAN, GA 30265

SUBMARKET	South Atlanta
TENANT	Variety Wholesale
SIZE (SF)	484,787
LEASE TYPE	New Lease

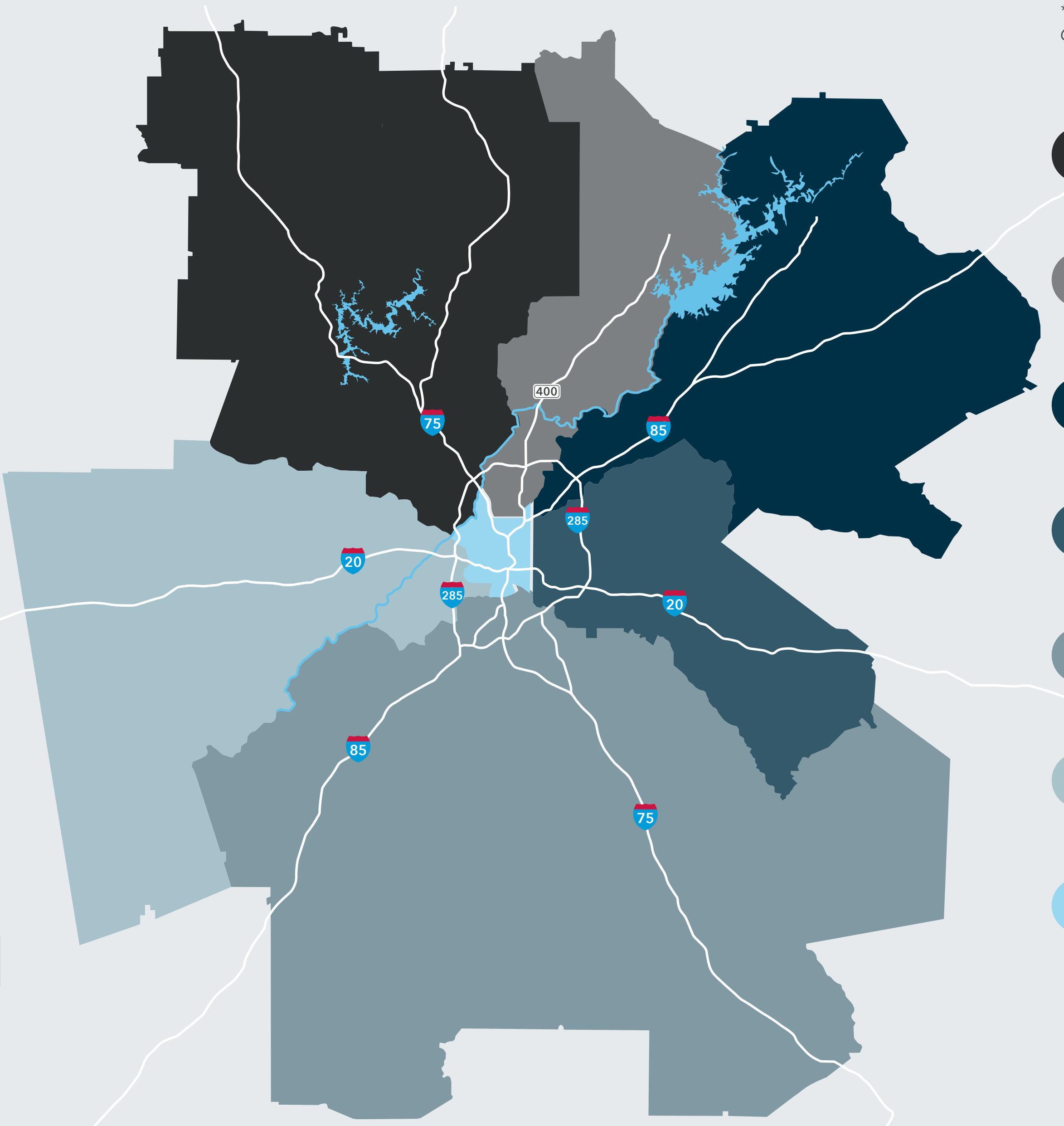
Q1 2025 | TOP CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE (SF)	SUBMARKET	DELIVERY
Bremen Logistics Center (Southwire)	Interstate 20 & Waco	1,200,000	I-20 W | Fulton Ind.	2026 Q1
Gillem Logistics Center - Bldg 600	2065 Anvil Block Rd	571,517	South Atlanta	2025 Q2
Stonemont Park 75 South - Bldg B	Pine Grove Rd	538,919	South Atlanta	2025 Q4
Alliance 985 Business Park - Bldg 200	Falcon Pkwy	426,872	Northeast	2026 Q1
Bright Star Logistics	Bright Star Connector	407,723	I-20 W | Fulton Ind.	2025 Q4
Intown Station - Bldg B	1400 Murphy Ave SW	351,230	Chattahoochee | Central ATL	2025 Q4
5950 Plummer Rd	5950 Plummer Rd	345,862	I-20 W | Fulton Ind.	2025 Q2
Buford North Commerce Center - Bldg 100	4497 Friendship Rd	320,603	Northeast	2025 Q3

Q1 2025

INDUSTRIAL SUBMARKETS	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	VACANCY RATE	Q1 2025 NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	Q1 2025 DELIVERIES (SF)	AVG. ASKING RENT / YEAR (PSF)
Northwest*	121,672,923	10,480,745	8.6%	461,354	308,880	439,043	$9.27
North Central	31,843,927	1,916,489	6.0%	(13,206)	434,605	0	$14.86
Northeast	248,614,993	23,266,081	9.4%	917,329	1,447,617	315,148	$8.09
Stn. Mountain | Snapfinger	87,345,800	6,630,100	7.6%	(360,071)	152,948	0	$8.19
South Atlanta	250,934,101	24,564,631	9.8%	492,682	2,195,687	206,400	$7.29
I-20 West | Fulton Ind.	126,599,160	10,098,140	8.0%	298,276	1,953,585	441,270	$6.98
Chattahoochee | Central Atl.	29,842,854	2,331,213	7.8%	181,893	626,176	0	$13.64
TOTAL	**896,853,758**	**79,287,399**	**8.8%**	**1,978,257**	**7,119,498**	**1,401,861**	**$8.35**

**Inventory additions now include Gordon County in Northwest submarket*



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