



Atlanta

South Atlanta

21Q3

Key Takeaways

- Another 1.9-million square feet of industrial space was absorbed in South Atlanta this quarter.
- Given the positive gains, year-over-year vacancy has declined 2.6% to the lowest point in more than 20 years.
- Construction remains highest in South Atlanta. The I-85 South/Airport subarea is seeing the most activity.
- With expected absorption of +2-million square feet in Q4, South Atlanta will be the strongest submarket in Atlanta this year.



Vacancy Rate
6.5%



Net Absorption
+1.9M SF



Under Construction
12.3M SF



Overall Asking Lease Rates (NNN)
\$4.12/SF



Industrial Absorption Tops 11-Million Sq. Ft. For Year In South Atlanta

South Atlanta experienced its sixth consecutive quarter of positive absorption in Q3 bringing the year-to-date total to just over 11.1-million square feet. Almost three-quarters of the occupancy gains this quarter came from retail and consumer staples companies. Additionally, most of the tenant occupancies were between 100,000 to 400,000 square feet showing continued strength in the smaller industrial users. With demand remaining strong, developers continue to respond with an additional 2.5-million square feet breaking ground in Q3. South Atlanta remains the strongest in Atlanta and will see a record year in 2021.

Atlanta Market Indicators



3.35%
Unemployment Rate



9.23%
GDP - Quarterly % change yr/yr

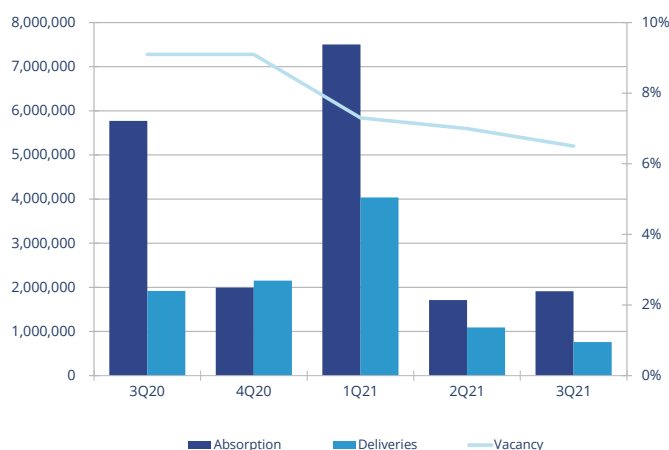


1.483%
U.S. 10 Year Treasury Note

Historic Comparison

	20Q3	21Q2	21Q3
Total Inventory (in Millions of SF)	208.6	215.9	216.7
New Supply (in Millions of SF)	1.9	1.1	0.8
Net Absorption (in Millions of SF)	5.8	1.7	1.9
Overall Vacancy	9.1%	7.0%	6.5%
Under Construction (in Millions of SF)	8.8	10.4	12.3
Overall Asking Lease Rates (NNN)	\$3.87	\$4.03	\$4.12

Market Graph



With Q3 absorption reaching just under +2.0-million square feet, South Atlanta's vacancy rate declined another 50 basis points (0.5%) and is down to its lowest level in more than 20 years. The quarter's occupancy gains brings year-to-date absorption to +11-million sq. ft.

Sources: CoStar, Colliers Research

Recent Transactions



Lease
Locust Grove DC -100
1.0m SF



Renewal
Union Station BC
988k SF



Lease
1625 Oakley Ind.
908k SF



Sale
6710 Oakley Ind.
\$134M (\$137/SF)
Goldman Sachs

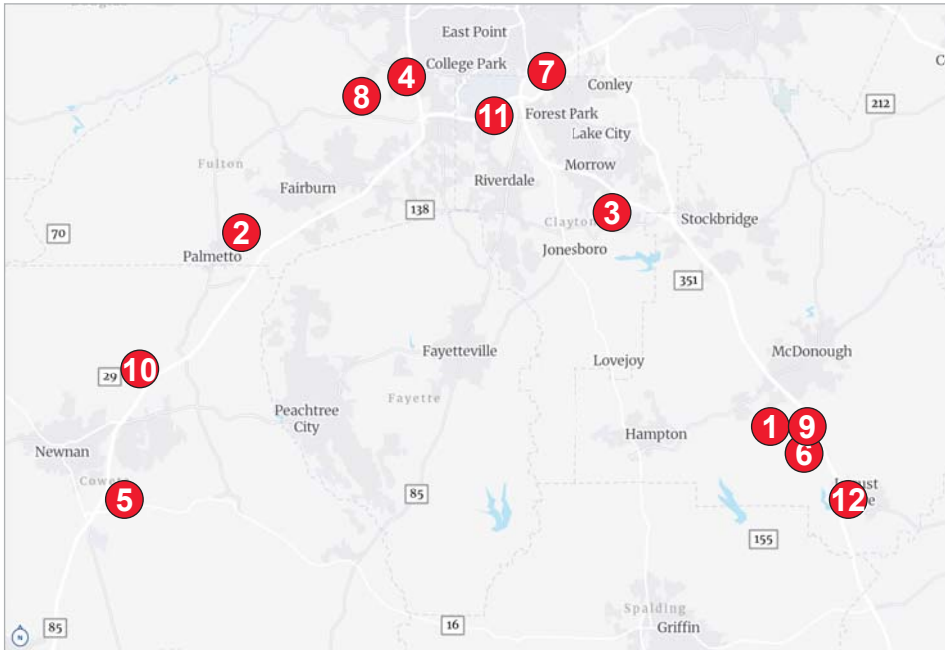


Sale
1325 Hwy. 42 S
\$103M (\$93/SF)
KKR



Sale
Palmetto Log. Ctr.
\$102M (\$102/SF)
KKR

Colliers South Atlanta Industrial Listings



#	Property	SF Available	Broker(s)
1	Greenwood 300 & 400	101,000-561,140	Scott Plomgren / Harrison Marsteller
2	Palmetto Logistics Park	705,474-1,008,474	Price Weaver / Ben Logue
3	1791 Mt. Zion Road	525,433	Brian Camp / Max Ellis
4	Camp Creek Comm. Ctr.	110,000-220,127	Price Weaver / Hooper Wilkinson
5	Prologis Orchard Hills	1,192,440	Scott Plomgren / Harrison Marsteller
6	Greenwood 75	1,001,700	Sean Boswell / Scott Plomgren
7	Aero Logistics at 285	80,000-171,183	Harrison Marsteller / Scott Plomgren
8	4475 S Fulton Pkwy.	634,900	Scott Plomgren / Harrison Marsteller
9	Greenwood 900	302,496	Harrison Marsteller / Price Weaver
10	Scout Cold Logistics Ctr. II	215,822	Turner Wisheart / Chris Cummings
11	5088 Pinetree St.	55,028	Turner Wisheart / Cater Cosgrove
12	Cubes at Locust Grove	280,000-1,006,500	Mike Spears

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