

Q2 2017

Atlanta Industrial Market Report

6,127,566 SF

Q2 Net Absorption ↓
Q1 6,630,091 SF

6.8%

Q2 Vacancy ↓
Q1 7.2%

4,686,730 SF

Q2 Leasing Activity ↓

16,963,258 SF

Under Construction ↓

6,960,252 SF

New Supply Delivered ↑

\$4.49 SF

Average Asking Rent per yr

\$53

Average Sales per SF

\$374 M

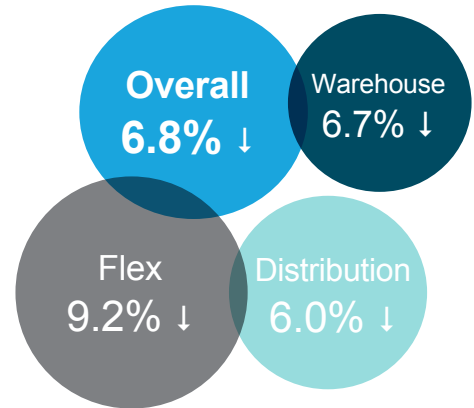
154 Sales Transactions



MARKET OVERVIEW

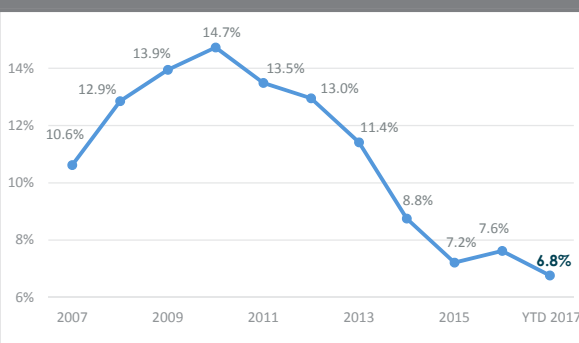
Atlanta's industrial market continues to show a steady and strong performance in the second quarter of 2017. Overall vacancy decreased in Q2 40 basis points to 6.8% with a net absorption of 6.1 million SF and average asking rents remaining steady. Industrial development continues to add new projects as consumer confidence remains high, while capital groups look to grow their presence in Atlanta. Over 16 million SF was under construction in the second quarter with 54% of that being speculative development. Of 16 completed warehouse and distribution facilities year to date 2017, 40% of product is preleased or build-to-suit. With strong market fundamentals coupled with an increasing demand for big box space, Atlanta is one of the top markets in the nation for industrial real estate.

OVERALL VACANCY RATES



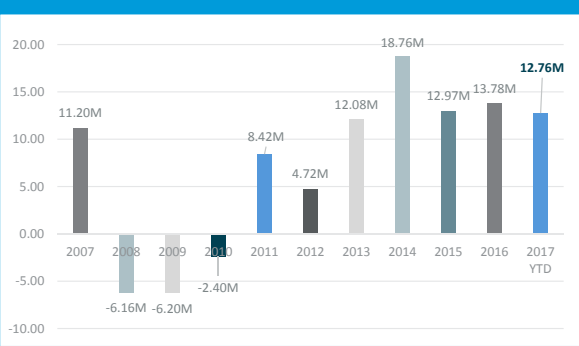
VACANCY

percentage, 2007-YTD 2017



ABSORPTION

in SF, 2007-YTD 2017



ABSORPTION

- Overall net absorption for Metro Atlanta in Q2 2017 was positive 6,127,566 SF, bringing YTD net absorption to 12,757,657 SF

VACANCY RATE

- Vacancy decreased 40 basis points from last quarter to 6.8 %
- Chattahoochee/Central Atlanta reported lowest submarket vacancy at 4.7%

RENTAL RATES

- Average quoted asking rental rate for all classes remained the same at \$4.49 PSF

DEVELOPMENT/CONSTRUCTION

- There was 16,963,258 SF of industrial space under construction in Q2 2017: 19 speculative buildings totaling 9.1M SF & 13 build to suit buildings totaling 7.9M SF

SALES ACTIVITY

- The largest sale transaction of Q2 was the investment sale of 5000 Bohannon Rd: 873,800 SF for \$71 PSF in South Atlanta

LEASING ACTIVITY

- Leasing activity was 4,686,730 SF in Q2
- The largest lease transaction of Q2 was signed by Owens Corning; 1,044,288 SF renewal in South Atlanta

LARGEST PROJECTS UNDER CONSTRUCTION as of Q2 2017

Project Location	Building SF	Tenant	Delivery
King Mill Rd	1,555,200	Lindt	Q3 - 18
Charlie Brown Airport	1,200,000	UPS	Q1 - 18
120 Jackson Rd	1,200,000	Dollar General	Q3 - 17
7705 Roosevelt Hwy	1,054,500	Spec	Q4 - 17
Valentine Industrial Pky	1,021,000	Spec	Q3 - 18
Anvil Block Rd	1,017,000	Spec	Q1 - 18
700 Price Rd	1,000,993	Spec	Q1 - 18

Project Location	Building SF	Tenant	Delivery
Highway 155 S	1,000,000	Home Depot	Q4 - 17
4388 Lunsford Dr	797,580	Spec	Q4 - 17
150 Distribution Dr	759,495	Spec	Q4 - 17
Thomas Pky	617,865	Kubota	Q3 - 17
White Rd	600,000	Empire Distributing	Q3 - 17
Preston Blvd	498,487	Spec	Q2 - 18
3707 N Commerce Dr	447,606	Armada	Q3 - 17

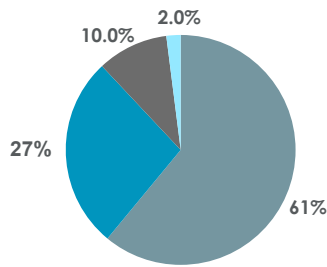
INDUSTRIAL SUBMARKET DATA

Industrial Submarkets	Total Inventory	Vacancy Total SF	Vacancy Q2 '17	Net Absorption YTD Total	Under Construction	Building YTD Deliveries	Asking Rent
Northwest	68,390,789	4,198,414	6.1%	1,155,185	566,500	944,800	\$5.35
North Central	26,846,209	1,463,549	5.5%	342,550	98,297	48,981	\$8.35
Northeast	158,491,493	10,718,914	6.8%	811,791	2,927,651	3,161,375	\$5.40
St. Mountain / Snapfinger	69,635,885	3,909,485	5.6%	-796,177	480,000	-	\$4.49
South Atlanta	171,282,077	14,447,292	8.4%	7,825,043	9,932,214	2,464,998	\$3.41
I-20 West / Fulton Ind	98,592,112	6,082,107	6.2%	2,977,458	2,958,596	1,872,173	\$3.41
Chattahoochee / Central Atl	33,216,054	1,550,090	4.7%	441,807	-	55,801	\$7.47
Total	626,454,619	42,369,851	6.8%	12,757,657	16,963,258	8,548,128	\$4.49

Total Submarkets	Total Inventory	Vacancy Total SF	Vacancy Q2 '17	Net Absorption YTD Total	Under Construction	Building YTD Deliveries	Asking Rent
Warehouse	474,631,625	31,678,873	6.7%	9,595,979	6,454,852	1,863,679	\$3.99
Distribution	103,350,746	6,210,221	6.0%	2,341,345	10,508,406	5,876,094	-
Flex	48,472,248	4,480,757	9.2%	820,333	-	808,355	\$9.30
Total	626,454,619	42,369,851	6.8%	12,757,657	16,963,258	8,548,128	\$4.49

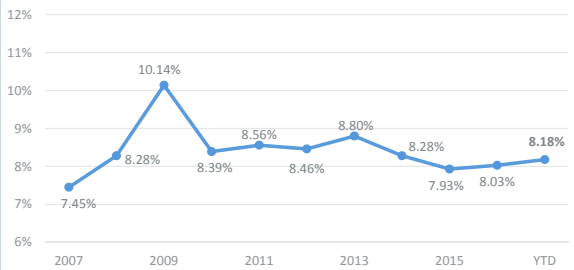
BUYER TYPE

Q2 2017 sales

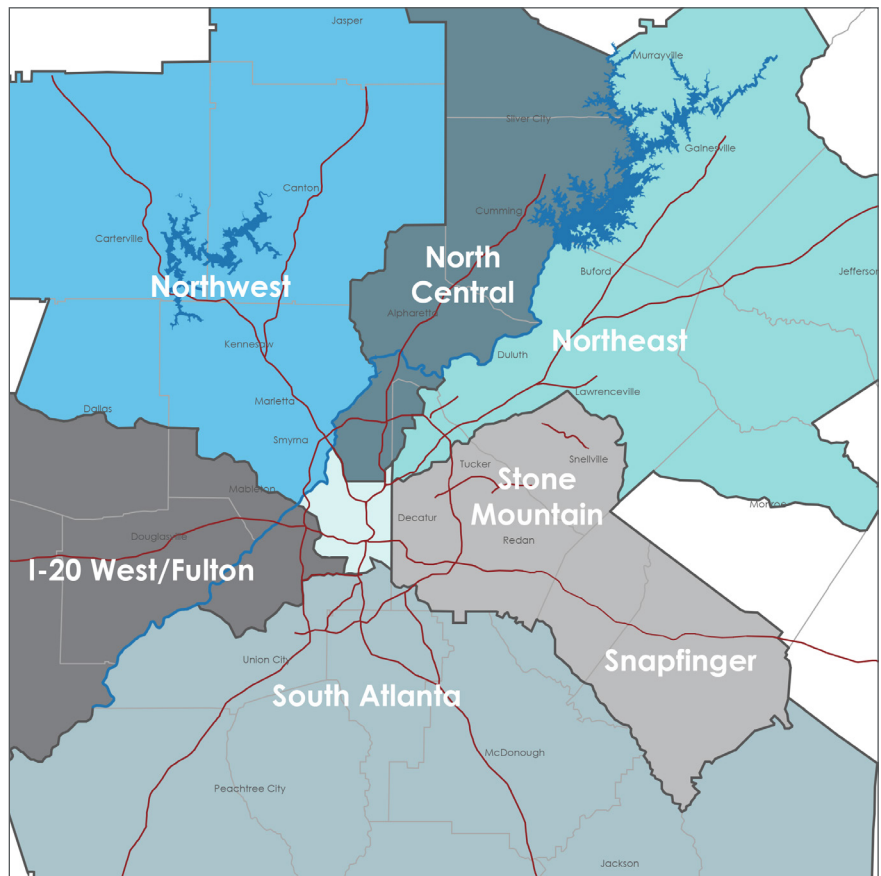


CAP RATE

percentage, 2007-YTD 2017



ATLANTA SUBMARKET MAP



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data sources: CoStar Group, Inc., Real Capital Analytics, and Georgia State Economic Forecasting Center.

The Lee & Associates Atlanta Office Market Report compiles market data by using a third-party database for the proprietary analysis of over 15,000 office properties in the Atlanta Metropolitan Area. © Copyright 2017 Lee & Associates Atlanta. All rights reserved.

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Q2 2017 TOP LEASES

Property Name	Address	Submarket	Tenant Name	SF	Lease Type
Owens Corning	8095 McLarin Rd	South Atlanta	Owens Corning	1,044,288	Renewal
Lambert Farms Logistics Park	King Mill Rd	South Atlanta	Lindt	1,004,400	New
Pendergass 85 Logistics Center	435 Henry D Robinson Blvd	Northeast Atlanta	Kubota	398,785	New
Hartman III	600 Hartman Industrial Ct	I-20 W/Douglasville	Keystone Automotive	350,819	Renewal
Southfield	5165 Kennedy Rd	South Atlanta	All South Warehouse	297,000	Renewal

*Lee Atlanta Deal

Q2 2017 TOP SALES

	Address	Submarket	Buyer	Seller	SF	Sales / PSF
1	5000 Bohannon Rd	South Atlanta	TA Realty Associates	Core5 Industrial Partners	873,800	\$62.0 M / \$71
2	8095 McLarin Rd	South Atlanta	Clarion Partners	USAA Real Estate Company	1,044,288	\$54.8 M / \$52
3	7800 Third Flag Pky	I-20 W/Douglasville	Blackstone Real Estate	High Street Realty Company	344,932	\$20.5 M / \$59
4	237 Greenwood Industrial Ct	South Atlanta	Exeter Property Group	Starwood Property Trust	455,000	\$14.7 M / \$32
5	500 Interstate W Pky	I-20 W/Douglasville	Blackstone Real Estate	High Street Realty Company	181,800	\$10.8 M / \$59



Stay Connected!



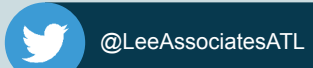
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About Lee & Associates

In 2010, our Atlanta office joined Lee & Associates, the largest broker-owned commercial real estate sales organizations in the U.S. As a local office of this highly respected national firm, the Atlanta team capitalizes on Lee's stellar reputation to continue its paradigm of establishing long-term, client-driven relationships to develop customized solutions for every client's specific real estate requirement.

PROPERTY CORNER

2ND QUARTER 2017



7405 Graham Road, Fairburn, Fulton County, GA 30213

+/- 104,060 SF AVAILABLE in a +/- 200,500 SF building. Tilt wall construction, 22'6" clear height, contains 2,380 SF office, T-5 lighting, 28 dock high doors. **Asking \$2.95/SF Net.**



Ownership Opportunity With income

Outside Storage

120-146 Westridge Industrial Blvd., McDonough, Henry Co., GA 30253

ONE SPACE LEFT

+/- 79,513 SF total with +/-16,997 SF available for Lease with +/- 3,082 SF Office , 3 dock high doors, 24' clear height, T-5 lighting, wet sprinkler. **Inquire for Lease and Sale price offering rates.**



HEAVY POWER

6838 Southlake Parkway, Morrow, Clayton County, GA 30260

+/- 70,027 SF free standing building. Great manufacturing facility! Combination tilt wall and brick & block construction. Contains +/- 1,725 SF office, 20' clear height, abundant electrical power, 9 dock high doors and 1 drive in door. **Asking \$2.75/SF Net.** Available October 2017.



HEAVY POWER

UNDER CONTRACT

4820 GA Highway 42, Ellenwood, Clayton County, GA 30294

+/- 59,272 SF with +/- 5,000 SF Office, on +/- 4.29 acres, 6 dock high doors with pit levelers, clear column space, wet sprinkler, exposure to GA Highway 42 with close proximity to Gillem Logistics Center and I-675. **Offered for \$1,485,000.**



Airport Submarket

5356 Georgia Highway 85, Suite 200, Atlanta, Clayton County, GA 30349

+/- 50,570 SF available. Unit contains +/- 5,419 SF office with 20 dock high doors and 1 drive in ramp door, T-5 lighting, ESFR, 24' clear height. **Asking \$4.85/SF Net.**

Information is deemed reliable but not guaranteed.

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PROPERTY CORNER

2ND QUARTER 2017

4820 Clark Howell Highway, College Park, Clayton County, GA 30349

Project consists of 3 buildings with a total area of 109,500 SF, brick on block construction with direct and immediate access to Hartsfield International Airport. All spaces are 18' clear ceiling height, sprinklered and have dock high loading.

Available Now:

Suite A4: 7,320 SF with 1,860 SF office, 3 docks, 1 drive in, major space upgrades, asking \$5.85/SF Net

~~Suite B-West-1: 18,000 SF with 4,110 SF office, 12 docks, 2 ramps, asking \$3.95/SF Net~~

Available September 1, 2017: C-8: 7,200 SF with 1,190 SF Office, 4 docks, 1 ramp, asking \$5.50/SF Net

Available 60 Days Notice or December 1, 2017

Suite B-1: 21,600 SF with 6,260 SF office, 16 docks, 1 ramp, asking \$3.95/SF Net



Exposure to Clark Howell Hwy Ste. A4

Crossdock Building B

5020-5044 Clark Howell Highway, College Park, Clayton County, GA 30349

2,786—8,705 SF Available; Sullivan Center is a high quality brick and block construction with extensive use of insulated bronze glass. All spaces are 100% office finish. **Suite 5044 contains approximately 6,176 SF of medical office buildout and can be brought back to office space and split into 2,786 SF and 3,390 SF increments.** Suite 5020 and 5028 contain approximately 8,705 SF of office finish and can be split into 3,960 and 4,745 SF increments. Superior access to Airport and interstates via Clark Howell Highway and Forest Parkway. **INQUIRE FOR PRICING**



FLEX & MEDICAL OFFICE SPACE

High Visibility

Atlanta Industrial Park, Atlanta, Fulton County, GA 30336

Building Address	SF Available	Office SF	Ceiling Height	Loading	Dock High	Drive In	Rental Rate Per SF/Net
3715 Atlanta Industrial Pkwy. #1 Suite N&R (split 8,340 SF & 8,940 SF)	14,500	±3,000	18'	Rear	5	2	\$4.85
3715 Atlanta Industrial Pkwy. Suite N	8,940	1,530	18'	Rear	2	1	\$4.85
3715 Atlanta Industrial Pkwy. Suite R	8,340	1,530	18'	Rear	3	1	\$4.85

LEASED



100% Occupancy

Opportunity Zone: Substantial Job Tax Credits

To receive an electronic copy of this publication, email aweimar@lee-associates.com with "Property Corner" in the subject line. Thank you.

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3041 Commerce Way, Atlanta, Fulton County, GA 30354

One Space Left !

3025 COMMERCE WAY: ±8,906 SF brick and block constructed multi-tenant building with exposure to I-75. Space contains 3,044 SF office, with 2 dock-high doors . **Asking \$3.50 SF Net to lease.**



316 Cash Memorial Boulevard, Forest Park, Clayton County, GA 30297

+/- 14,000 SF Office/Service Center/Wash Bay/Storage Shed. Property has ±9,000 SF main office/service center facility on ±5.48 acres with ±3.82 acres paved with plenty of outside storage and parking. Center building contains ~~12,700 SF office area and 16,000 SF storage area~~ (1) 12'w x 14'h and (1) 12'w x 12'h drive-in door, 12' high platform with leveler. 19'-21' ceiling height in clear span service area. Separate wash area and storage shed area. **Offered at \$12,500/month Net**

LEASED



400 Northside Drive, Atlanta, Fulton County, GA 30318

±15,351 SF Free standing building on ±1.46 Acres. Ideal for Conversion or Redevelopment of Commercial, Retail, Hospitality, Office, Student Housing, and/or Multifamily Project. Within one mile of Georgia Tech, Georgia Aquarium, World of Coca Cola, Centennial Olympic Park, the Georgia World Congress Center, Philips Arena, and the new Mercedes Benz Stadium. **FOR SALE: \$1,800,000.00**



510 Plaza Drive, Atlanta, Fulton County, GA 30336

Two story Office Building. 46,896 SF Total; ±350—3,000 contiguous RSF Available. Close proximity to Hartsfield-Jackson International Airport. Easy access to I-75, I-85, and I-285. Up to ±8,000 RSF available for Lease. Ample free parking. Hotel and restaurant amenities nearby. **\$17-18/SF Full Service.**



309 Johnson Road, Building 200, Forest Park, Clayton County, GA 30297

57,600 SF building on ±6.06 acres of tilt wall construction

Suite 130-140: +/- 28,800 SF available with office area +/- 1,360 SF. Building is 120' deep with 40' x 40' column spacing. 24' minimum ceiling height. 14 (9' x 10') dock high doors and 1 (9' x 10') ramp drive in door available. 2.2/1,000 auto to parking. **\$4.95/SF Net to lease.**

Suite 160: +/- 19,200 SF available (Oct. 2017), +/-5,161 SF office; T-5 lighting; 39 auto parks, END CAP, **\$5.35/SF Net to lease.**

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ABOUT LEE & ASSOCIATES

In 2004, our Atlanta office joined Lee & Associates, the largest broker-owned commercial real estate sales organizations in the U.S. As a local office of this highly respected national firm, the Atlanta team specialized on Lee's stellar reputation to continue its paradigm of establishing long-term, client-driven relationships to develop customized solutions for every client's specific real estate requirement.



RICK TURLIN, CCIM, SIOR
SENIOR PARTNER—LEE & ASSOCIATES COMMERCIAL REAL ESTATE SERVICES

A graduate of Georgia State University, Rick has more than 30 years experience as a real estate broker. Since 1987, he has specialized in the leasing and sale of industrial properties. Rick was one of the first real estate brokers in Georgia to attain both the Certified Commercial Investment Member (CCIM) and Society of Industrial and Office Realtors (SIOR) designations, (currently one of few practitioners in the state of Georgia carry this dual designation) representing the highest degree of professionalism in commercial and industrial real estate.

For the past five years, Rick has been among the top producers in the Georgia Region. He has been honored as a Top Industrial Producer by the Atlanta Commercial Board of Realtors numerous times and received the CoStar Power Broker Award. Rick is currently involved with the Georgia Chapter SIOR, as President emeritus and various Atlanta Commercial Board of Realtors committees, along with the Boy Scouts of America.

Rick specializes in the leasing & sales of industrial properties in the Metro Atlanta Market. If you are considering leasing, buying and/or selling an industrial property, please contact him using the information below.

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