

ATLANTA

INDUSTRIAL | Q3 2019

MARKET REPORT

6,305,966 SF

Q3 Net Absorption ↑
Q2 4,198,869 SF

6.3 %

Q3 Vacancy ↓
Q2 6.6%

5,413,940 SF

Q3 Leasing Activity ↓

20,609,209 SF

Under Construction ↓

4,009,075 SF

New Supply Delivered ↓

\$5.28 SF

Average Asking Rent (per yr.)

\$60

Average Sales per SF

\$401 M

166 Sales Transactions

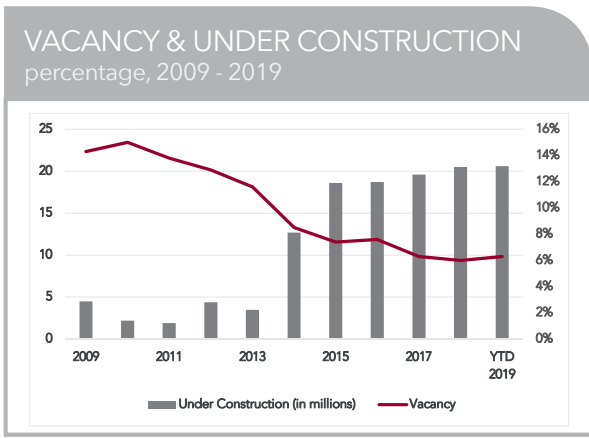
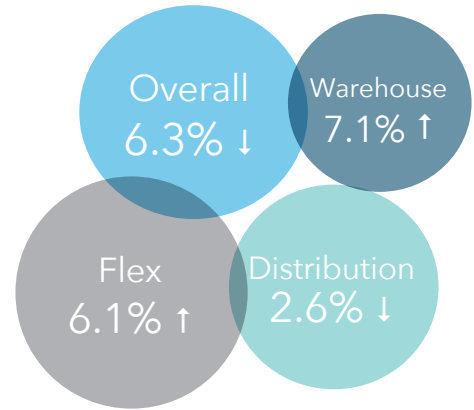


MARKET OVERVIEW

Atlanta's Industrial market continues to lead in strong net absorption, ending Q3 with 6,305,966 SF absorbed, bringing year-to-date absorption to 11.4 million SF. Overall vacancy decreased 30 basis points in the Atlanta industrial market to 6.3%. There was 20.61 million SF under construction at the end of Q3. Compared to 18 buildings that broke ground in Q2, only 6 new build to suit and speculative properties started in Q3. At the end of Q3, the Atlanta market delivered 4.01 million SF of new industrial product (100,000 SF plus) to the marketplace, bringing year-to-date deliveries to 12.3 million SF.

The Port of Savannah, a four hour drive to Atlanta, is the nation's fastest-growing and fourth-largest container port. The Port of Savannah offers the complete logistics package and a location that is 100 miles closer to Atlanta than any other port. Atlanta is the economic engine of the Southeast and the fastest growing region in the country. As population, job growth and e-commerce continue to surge, the metro Atlanta region will continue to be one of the top industrial markets in the country.

OVERALL VACANCY RATES



ABSORPTION

- Absorption was an impressive 6,305,966 SF in Q3, bringing year-to-date absorption to 11,361,949 SF. PVH Corp (982,777 SF) moved into Shugart Farms - Bldg 2 in the South Atlanta submarket and Stitch Fix (925,800 SF) moved into RiverWest Distribution Center - Phase II in the I-20 W/ Douglasville submarket in Q3.

VACANCY RATE

- Vacancy decreased 30 basis points to 6.3%.

RENTAL RATES

- Average quoted asking rental rate for all classes remained the same at \$5.28 PSF, an increase of \$1.26 PSF or 31%, since 2009.

DEVELOPMENT/CONSTRUCTION

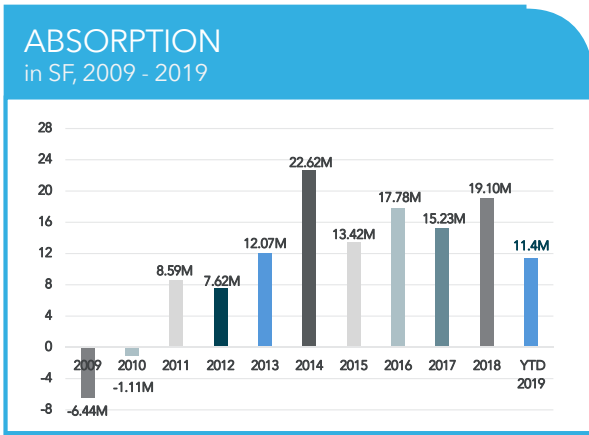
- Six new buildings broke ground in Q3, bringing under construction development to 20.61 M SF.

SALES ACTIVITY

- The largest sale transaction of Q3 was the sale of 5390 Hunter Rd; 903,145 SF for \$58 million in the South Atlanta submarket.

LEASING ACTIVITY

- The largest lease transaction of Q3 was signed by Amazon; 700,000 SF in the Stone Mountain submarket at 2100 - 2200 W Park Place Blvd. This will be a fulfillment center for Amazon, employing approx. 1,000 workers.



LARGEST PROJECTS UNDER CONSTRUCTION as of Q3 2019

Project Location	Building SF	Tenant	Delivery
5455 Campbellton Fairburn Rd	1,400,000	Spec	Q2 - 20
7055 Campbellton Rd	1,128,400	Spec	Q2 - 20
2160 Anvil Block Rd	1,043,418	Spec	Q4 - 19
700 Palmetto Logistics Pkwy	1,041,600	Spec	Q2 - 20
Dry Pond Rd @ Horace Head Rd	1,015,074	Spec	Q2 - 20
280 Brideport Blvd	1,002,150	Spec	Q4 - 19
Steve Reynolds Industrial Pkwy	1,000,000	SK Innovation	Q1 - 21

Project Location	Building SF	Tenant	Delivery
S Fulton @ Stonewall Tell	950,300	Spec	Q2 - 20
4996 Lanier Islands Pkwy	815,360	Spec	Q2 - 20
100 International Pkwy	769,366	Spec	Q4 - 19
875 Highway 42 S	728,000	Spec	Q4 - 19
4955 Oakley Industrial Blvd	703,080	Post Brands	Q4 - 20
580 Horizon Dr	688,813	Spec	Q4 - 19
South Fulton @ Hwy 92	570,988	Spec	Q4 - 19

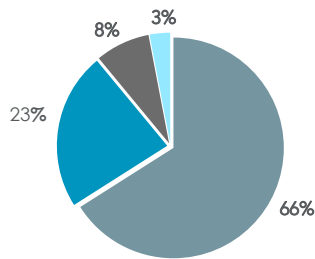


INDUSTRIAL SUBMARKET DATA

Industrial Submarkets	Total Inventory	Vacancy Total SF	Vacancy Q3 '19	YTD 2019 Net Absorption	Under Construction	YTD 2019 Deliveries	Asking Rent
Northwest	72,646,487	2,635,020	3.6%	681,311	1,195,406	647,000	\$6.72
North Central	27,118,670	948,580	3.5%	212,187	-	183,578	\$8.07
Northeast	202,707,257	14,950,584	7.4%	3,340,325	5,891,187	4,508,776	\$4.81
St. Mountain / Snapfinger	75,671,388	2,877,852	3.8%	255,123	1,251,625	470,000	\$6.04
South Atlanta	192,630,522	16,533,557	8.6%	4,846,442	10,234,785	3,500,264	\$4.02
I-20 West / Fulton Ind	106,996,782	4,771,270	4.5%	2,353,520	2,036,206	2,989,471	\$4.61
Chattahoochee / Central Atl	31,482,788	2,029,454	6.4%	(326,959)	-	-	\$10.91
Total	709,253,894	44,746,317	6.3%	11,361,949	20,609,209	12,299,089	\$5.28

Total Submarkets	Total Inventory	Vacancy Total SF	Vacancy Q3 '19	YTD 2019 Net Absorption	Under Construction	YTD 2019 Deliveries	Asking Rent
Warehouse	550,732,809	38,907,353	7.1%	8,705,959	7,018,389	2,316,158	\$4.79
Distribution	110,050,048	2,895,888	2.6%	2,356,782	13,590,820	9,982,931	-
Flex	48,471,037	2,943,076	6.1%	299,208	-	-	\$10.98
Total	709,253,894	44,746,317	6.3%	11,361,949	20,609,209	12,299,089	\$5.28

BUYER TYPE Q3 2019 sales



■ Private ■ User ■ REIT/Public ■ Institutional

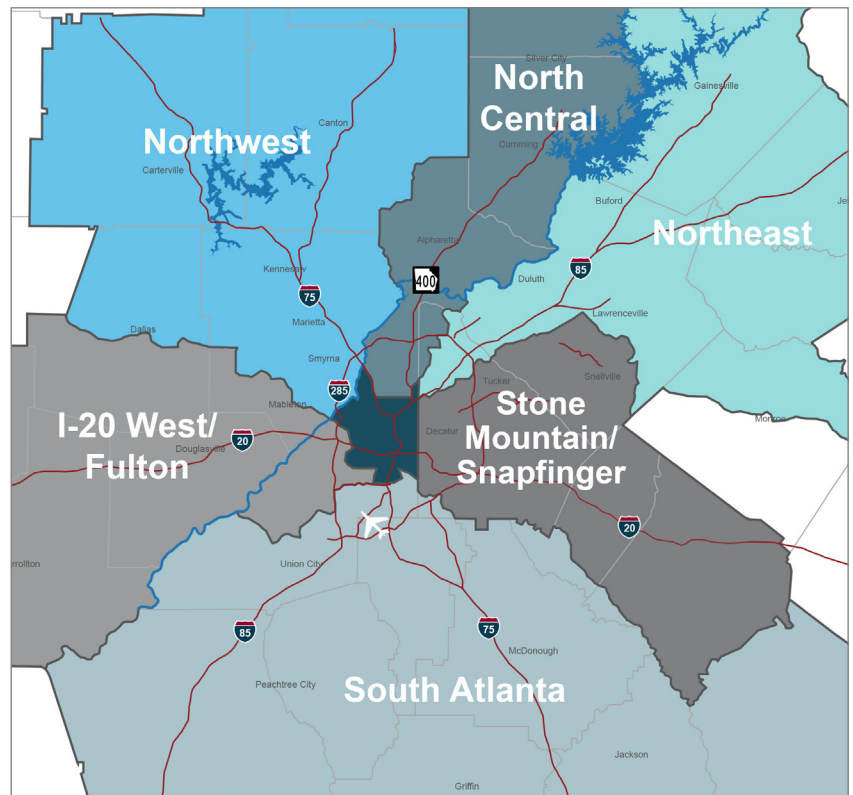
DEVELOPMENT As of Q3 2019

41 total buildings under construction

20.61 million SF under construction

83% of current development is speculative

ATLANTA SUBMARKET MAP



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Third-party data sources: CoStar Group, Inc., Real Capital Analytics, and Georgia State Economic Forecasting Center.
The Lee & Associates Atlanta Industrial Market Report compiles market data by using a third-party database for the proprietary analysis of over 15,000 industrial properties in the Atlanta Metropolitan Area.
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Q3 2019 TOP LEASES - SIGNED

Property Name/Park	Address	Submarket	Tenant Name	SF	Lease Type
Amazon Fulfillment Center	2100-2200 W Park Place Blvd	Stone Mountain	Amazon	700,000	New
Terminus West - Bldg 1	1265 Terminus Dr	I-20 W/Douglasville	Fr8Auctions	527,000	New
Clayton Commerce Center	3120 Anvil Block Rd	South Atlanta	FedEx Ground	447,520	New
Kroger Distribution Cetner	2000 Anvil Block Rd	South Atlanta	Kroger	375,000	New
SouthPark	5395 Oakley Industrial Blvd	South Atlanta	Confidential	271,438	New

Q3 2019 TOP SALES

* Portfolio Sale

	Address	Submarket	Buyer	Seller	SF	Sales / PSF
1	5390 Hunter Rd	South Atlanta	Morgan Stanley Real Estate	LaSale Investment Mgmt	903,145	\$58 M / \$66
2	2200 Thornton Rd*	I-20 West	Cabot Properties, Inc.	Colony Capital, Inc.	476,054	\$37 M / \$77
3	11665 Lewis Braselton Blvd	Northeast	Barings	UBS Realty Advisors	462,000	\$25M / \$54
4	2221 Northmont Pky*	Northeast	Cabot Properties, Inc.	Colony Capital, Inc.	370,000	\$19 M / \$108
5	5105 Avalon Ridge Pky	Northeast	DH Pace	Exeter Property Group	117,359	\$13 M / \$79



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