



ATLANTA **OFFICE** MARKET REPORT


Leasing activity recovers, but vacancy increases due to footprint assessment.





WHAT'S HAPPENING


Leasing activity in the Atlanta office market has increased in the second quarter, highlighted by five leases signed for spaces larger than 100,000 SF. Although net absorption was negative for the quarter, this was largely due to AT&T's move-outs in Midtown, which contributed significantly to the market's total occupancy loss. While vacancy has continued its upward trend in recent quarters, positive move-in activity will occur later


this year and into 2025. AGL Services Company, one of the latest major headquarters move announcements in Atlanta, leased 264,300 SF in Q2 and will vacate its current 255,000 SF footprint to move into its new location later this year. A low level of new office development and anticipated gains in occupancy could lead to gradually improving market fundamentals, though the trend of space rightsizing is expected to continue.


- 


-687,572 SF
Q2 NET ABSORPTION
Q1: -130,718 SF
- 

24.2%
Q2 VACANCY RATE
Q1: 23.6%
- 

2.2 MSF
Q2 UNDER CONSTRUCTION
Q1: 2.0 MSF
- 

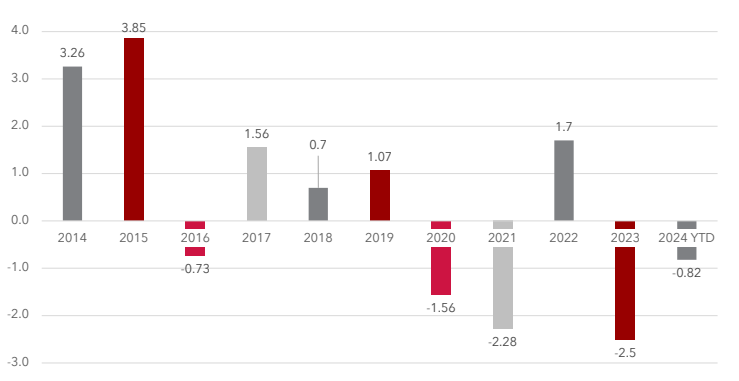
140,383 SF
Q2 NEW SUPPLY DELIVERED
Q1: 357,486 SF
- 

\$29.88 PSF
Q2 AVG. ASKING RENT | YEAR
Q1: \$29.90 PSF
- 

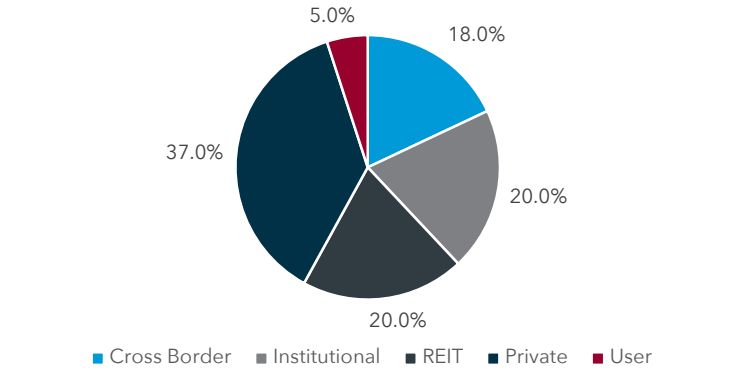
\$138 PSF
Q2 AVERAGE \$ PSF
Q1: \$144 PSF
- 

\$1.6 Billion
ROLLING 12-MO SALES VOLUME
Q1: \$1.2 Billion

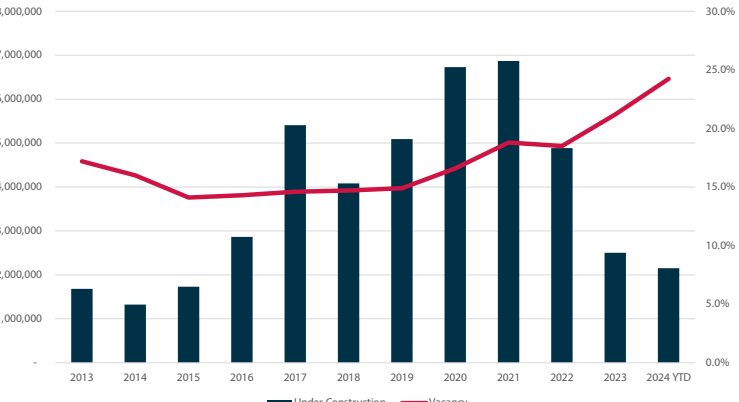
YEAR-TO-DATE | ABSORPTION (MSF)



Q2 2024 | BUYER COMPOSITION



Q2 2024 | VACANCY & UNDER CONSTRUCTION



MARKET ACTIVITY

Q2 2024 | TOP SALES



CENTRUM AT GLENRIDGE

ATLANTA, GA 30342

SUBMARKET	Central Perimeter
BUYER	Camco Investment Group
SELLER	Blackmount Real Estate Partners
SIZE (SF)	186,360
SALE PRICE	\$23,500,000 (\$126.10 PSF)



15 PEACHTREE ST

ATLANTA, GA 30303

SUBMARKET	Downtown
BUYER	The Atlanta Development Authority
SELLER	Private Individual
SIZE (SF)	85,000
SALE PRICE	\$18,400,000 (\$216.47 PSF)



THE DUPREE BUILDING

ATLANTA, GA 30339

SUBMARKET	Northwest Atlanta
BUYER	GreenSky, LLC
SELLER	Bridge Commercial Real Estate
SIZE (SF)	138,433
SALE PRICE	\$12,000,000 (\$86.68 PSF)

Q2 2024 | TOP LEASES



MIDTOWN CENTER II

ATLANTA, GA 30308

SUBMARKET	Midtown
TENANT	AGL Services Company
SIZE (SF)	264,300
LEASE TYPE	New



5 CONCOURSE PKWY

ATLANTA, GA 30328

SUBMARKET	Central Perimeter
TENANT	Newell Brands
SIZE (SF)	180,173
LEASE TYPE	New



271 17TH

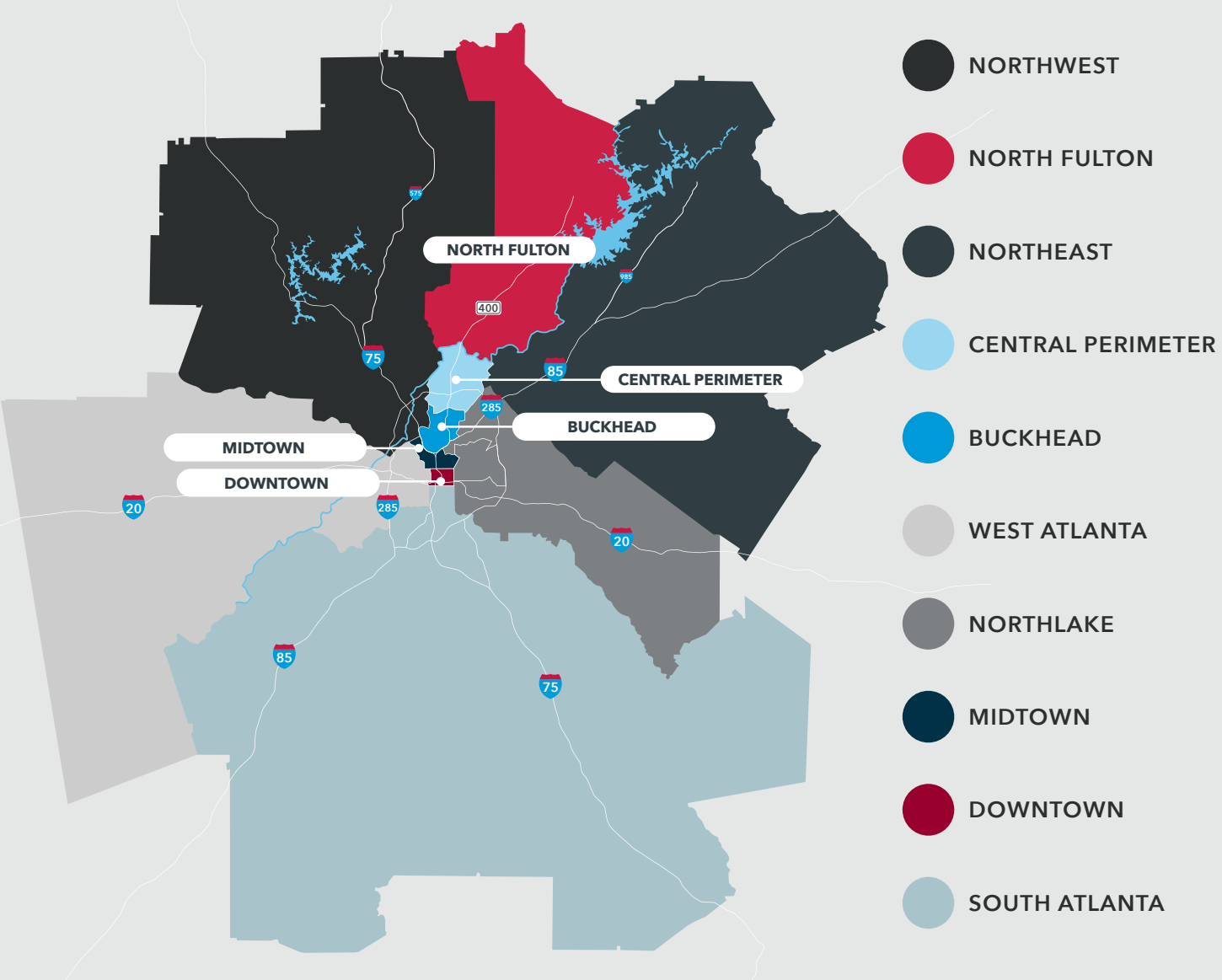
ATLANTA, GA 30363

SUBMARKET	Midtown
TENANT	Piedmont Healthcare
SIZE (SF)	164,221
LEASE TYPE	New

Q2 2024 | TOP CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE (SF)	SUBMARKET	DELIVERY
Spring Quarter	1020 Spring St	538,126	Midtown Atlanta	Q4 - 2024
Tech Square Phase III	830 W Peachtree St SW	400,000	Midtown Atlanta	Q1 - 2026
Truist Securities Headquarters	900 SE Battery Ave	250,000	Northwest Atlanta	Q4 - 2024
1050 Brickworks	1050 Marietta St NW	225,000	Midtown Atlanta	Q4 - 2024
1072 West Peachtree Office	1072 W Peachtree St NW	224,000	Midtown Atlanta	Q3 - 2025
Society Atlanta - Office	811 NE Peachtree St	123,723	Midtown Atlanta	Q4 - 2024

OFFICE SUBMARKETS	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	VACANCY RATE	YTD NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD DELIVERIES (SF)	AVG. ASKING RENT / YEAR (PSF)
Buckhead	21,504,377	5,842,752	27.2%	-121,892	-	-	\$36.87
Central Perimeter	26,750,069	7,390,502	27.6%	127,890	-	35,656	\$29.26
Downtown	20,509,178	5,206,289	25.4%	148,443	-	-	\$31.20
Midtown	27,301,100	8,016,692	29.4%	-1,005,376	1,510,849	379,701	\$41.26
North Fulton	22,382,075	6,042,154	27.0%	-111,844	173,233	82,512	\$26.09
Northeast Atlanta	17,888,983	3,017,047	16.9%	-20,388	55,580	-	\$21.91
Northlake	13,972,848	2,930,465	21.0%	-23,345	-	-	\$25.21
Northwest Atlanta	26,366,816	5,293,134	20.1%	218,430	293,367	-	\$27.90
South Atlanta	8,809,177	857,375	9.7%	-36,765	100,000	-	\$23.34
West Atlanta	2,578,162	986,380	38.3%	6,557	18,297	-	\$33.15
TOTAL	188,062,785	45,582,790	24.2%	-818,290	2,151,326	497,869	\$29.88



The information and details contained herein have been obtained from third-party sources believed to be reliable; however, Lee & Associates Atlanta has not independently verified its accuracy. Lee & Associates Atlanta makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to the implied warranty of suitability and fitness for a particular purpose.

Interested parties should perform their own due diligence regarding the accuracy of the information. The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. 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 building sizes of 15,000 SF and larger in the Atlanta Metropolitan Area. © Copyright 2024 Lee & Associates Atlanta. All rights reserved.

Report analysis by: Daniel Wagner, Chief Data Officer | Kate Hunt, Senior Research Analyst | Lucas Carvalho, Research Analyst
 Report created by: Bentley Rysedorph, Creative Director | Julia Whitlark, Marketing Director



LEE & ASSOCIATES - ATLANTA

3500 Lenox Road, Suite 1600 | Atlanta, GA 30326
 404.442.2810 | lee-associates.com/atlanta