

A Prescription for Success: Atlanta's Medical Office Market Hits Decade-Low Vacancy

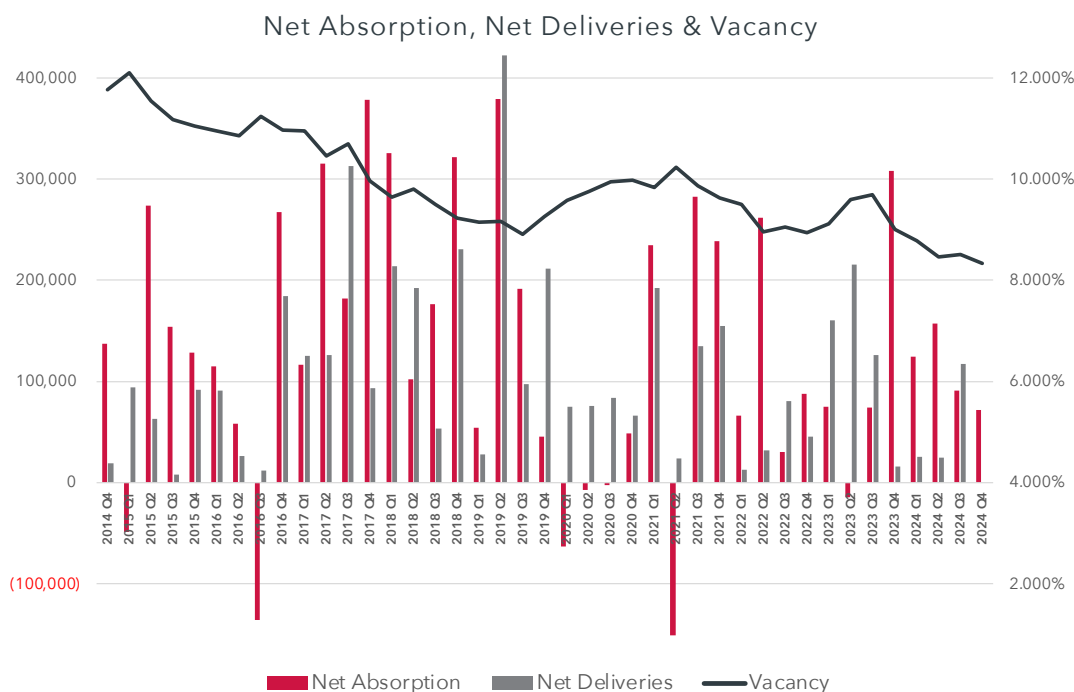
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Atlanta's medical office market is thriving, carving out a unique position in the city's commercial real estate landscape. Vacancy rates have plummeted to a decade-low of 8.3% as of Q4 2024, underscoring the sector's resilience in an otherwise challenging market. This surge in demand is largely attributed to Atlanta's booming population and the aging baby boomer demographic, both of which are driving the need for accessible, high-quality healthcare facilities.

The growing importance of strategically located medical office spaces is evident in Piedmont Healthcare's recent 2024 lease of 181,004-square-foot at 271 17th Street NW in Atlantic Station. While intended for administrative operations, the deal signals a broader trend: healthcare providers expanding their footprints in key areas to remain competitive. These expansions highlight the strengthening connection between administrative hubs and patient care facilities, as providers optimize their networks to deliver better services.

On the supply side, Atlanta's medical office market remains tight. With limited speculative construction and year-to-date absorption exceeding expectations, demand is outpacing supply. This imbalance presents a significant opportunity for developers and investors, especially in emerging submarkets where population growth and healthcare needs intersect.

While the medical office market still faces challenges, this sector is positioned for sustained growth. Atlanta continues to attract healthcare tenants, making it one of the most promising asset classes in the region. As the city's population grows and providers adapt to shifting demands, medical office space is proving to be an essential component of Atlanta's commercial real estate landscape.



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