

INDUSTRIAL

RECORD-SETTING YEAR WITH CONTINUOUS DEMAND TO DRIVE GROWTH INTO 2022

Market Trends

INDICATOR	This Quarter Q4 2021	Last Quarter Q3 2021	Last Year Q4 2020
INVENTORY	763 MSF	759 MSF	743 MSF
VACANCY	3.5%	4.4%	6.3%
NET ABSORPTION	14.4 MSF	5.3 MSF	8.3 MSF
LEASING ACTIVITY	13.2 MSF	13.9 MSF	9.6 MSF

Development Pipeline

38.4 MSF UNDER CONSTRUCTION	78 2021 TOTAL DELIVERIES (#)	20.7 MSF 2021 TOTAL DELIVERIES (SF)
--	---	--

Takeaways

- ✓ Atlanta's industrial market closes a record shattering year
- ✓ Demand reaches all-time high leading to a sharp decline in vacancy rate
- ✓ Asking rents surge
- ✓ Development accelerates to meet persistent demand
- ✓ Robust market performance expected to continue in 2022

Economic Indicators

Industrial leasing volume has surged in Atlanta over the past few quarters. Third-party logistics firms and e-commerce fulfillment providers account for many new deals. The metro area benefits from its role as a regional and national distribution hub, the growing Port of Savannah, and its strong local demographic trends. Developers have responded to the strong demand for industrial space here as groundbreakings have ramped up in recent quarters. However, even as the metro's speculative pipeline continues to increase, vacancies have trended downward due to impressive net absorption. As a result, Atlanta's vacancy rate should remain relatively flat through 2022. Rent growth is outperforming the national benchmark, though Atlanta remains one of the least expensive industrial markets in the country.

Recent Transactions

Notable Q4 Leases

Amazon
1.1 MSF New Lease
NORTHWEST 75 LOGISTICS CENTER
Northwest

Vanderlande
973K SF New Lease
GREAT VALLEY COMMERCE CENTER
Northwest

GXO Logistics
908K SF New Lease
1625 OAKLEY INDUSTRIAL
South Atlanta

Costco
903K SF New Lease
MAJESTIC AIRPORT CENTER
South Atlanta

Notable Q4 Sales

Majestic Airport Center IV
\$128M, \$105/SF
6055 S Fulton Pkwy | South Atlanta
Buyer: Blackstone

Greenwood Industrial Park
\$106M, \$133/SF
201 Greenwood Ct | South Atlanta
Buyer: Blackstone

King Mill Distribution Park II
\$101M, \$133/SF
150 Distribution Dr | South Atlanta
Buyer: Blackstone

Jefferson Logistics Center
\$79M, \$78/SF
355 Horace Head Rd | Jefferson
Buyer: BentalGreenOak

Submarket Trends



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
CENTRAL ATLANTA	11,722,896	922,795	7.9%	48,404	105,321	-	-
CHATTAHOOCHEE	18,933,407	826,266	4.4%	58,285	176,823	-	-
GAINESVILLE	25,558,513	540,348	2.1%	158,974	371,453	284,900	2,956,484
I-20 W/FULTON IND	115,506,450	2,345,362	2.0%	1,583,178	702,713	942,911	2,377,480
JEFFERSON	36,058,135	2,989,601	8.3%	178,279	1,454,788	378,618	8,334,032
NORTH CENTRAL	28,950,564	1,336,497	4.6%	427,409	192,673	291,625	207,276
NORTHEAST	151,225,599	3,919,143	2.6%	1,747,080	1,081,484	293,838	2,625,445
NORTHWEST	78,974,675	3,548,857	4.5%	3,084,511	823,842	1,846,634	6,721,659
SNAPPINGER/I-20 EAST	51,540,573	2,080,614	4.0%	348,098	939,466	1,382,593	2,386,337
SOUTH ATLANTA	215,624,816	7,213,640	3.3%	5,078,443	8,487,529	2,532,192	12,664,982
STONE MOUNTAIN	29,012,714	872,618	3.0%	487,726	61,792	-	96,000
TOTALS	763,108,342	26,595,741	3.5%	13,200,387	14,397,884	7,953,311	38,369,695

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	LEASING ACTIVITY	NET ABSORPTION	DELIVERIES	UNDER CONSTRUCTION
FLEX	50,779,306	2,316,903	4.6%	596,162	(32,748)	-	1,947,285
SHALLOW-BAY	115,472,501	2,483,124	2.2%	1,118,448	1,801,026	1,471,123	5,048,263
WAREHOUSE	596,856,535	21,795,714	3.7%	11,485,777	12,629,606	6,482,188	31,374,147

©2022 NAI Brannen Goddard, LLC. Source: Costar Group, Inc. Data within is believed to be accurate but not warranted; subject to future revision.