Atlanta

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Despite rising vacancy, Atlanta industrial market signals resilience

Atlanta's industrial market entered the second half of 2025 with vacancy rates continuing their upward trajectory, hitting a new five-year high of 10.4% in Q2—a 130-basis-point (bps) increase year over year and 370 bps above the five-year quarterly average of 6.7%. Despite rising vacancy, asking rents demonstrated stability, holding firm at a record-high $7.03 per square foot (psf), unchanged from the previous quarter and up 61.6% from five years ago. This continued strength highlights enduring demand for quality industrial space and underscores Atlanta's strategic importance as a logistics and distribution hub. With market fundamentals showing signs of stabilizing, Atlanta is poised for balanced growth in the months ahead.

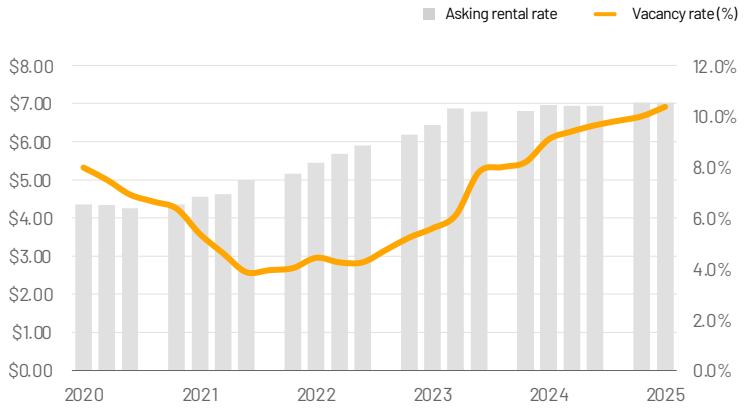
Construction slowdown and rising vacancy suggest market reset

Net absorption in Atlanta's industrial market reached negative territory in Q2 2025, totaling -0.4 million square feet (msf)—a significant drop of 3.0 msf year over year, bringing year-to-date absorption to -0.2 msf. This contraction was primarily driven by several major move-outs in the South Atlanta submarket, most notably Procter & Gamble's exit from a 1,001,893-square-foot facility at 6720 Oakley Industrial Boulevard. While these departures have temporarily softened market dynamics, they are also providing increased leasing flexibility for prospective tenants. Concurrently, Atlanta's construction pipeline continues to contract, with just 14.1 msf under development, reflecting a sharp 14.5 % reduction year over year and representing merely half of the five-year quarterly average of 28.6 msf. Quarterly deliveries also moderated, totaling 4.6 msf—29.0% below the five-year quarterly average. The reduced construction activity, now accounting for only 1.9% of total inventory, suggests a gradual market rebalancing, potentially stabilizing vacancy rates in the upcoming quarters.

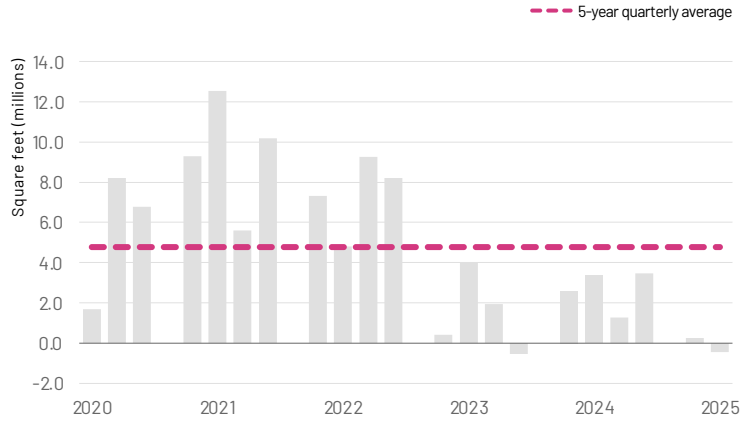
Tenant commitments double down amid economic headwinds

The largest lease in Atlanta's industrial market for Q2 2025 was secured by Coleto Brands, LLC, which expanded to 839,712 square feet (sf) at 350 Logistics Center Parkway in the Northeast submarket. The quarter's major leasing activities were concentrated primarily within the Northeast and South Atlanta submarkets, characterized predominantly by renewals and expansions that reinforce occupiers' long-term confidence in the region. These lease agreements highlight Atlanta's continued appeal, driven by its favorable fundamentals including strong population growth, an abundant and skilled workforce and a business-friendly climate. Despite broader economic uncertainties, the market remains well-positioned for continued leasing momentum and growth throughout the remainder of 2025.

Asking Rent and Vacancy



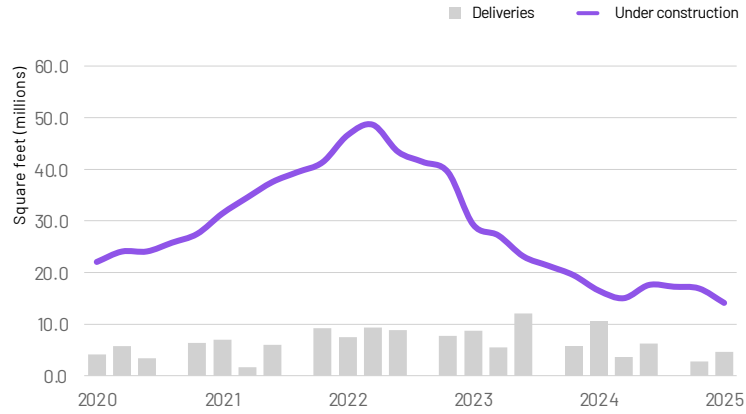
Net Absorption



Key Statistics

	Q2 2024	Q2 2025	Y-O-Y
Inventory	710.6 msf	731.8 msf	+21.2 msf
Vacancy Rate	9.1%	10.4%	+130 bps
Asking Rental Rate	$6.95	$7.03	+1.1%
Net Absorption YTD	6.0 msf	-0.2 msf	-6.2 msf
Deliveries YTD	16.4 msf	7.4 msf	-9.0 msf
Under Construction	16.5 msf	14.1 msf	-2.4 msf

Deliveries and Under Construction



Outlook

01 Ongoing renewals and expansions signal strong occupier confidence and are expected to sustain tenant activity in Atlanta's logistics corridors despite economic headwinds

02 Despite a five-year high in vacancy rates, record-high asking rents point to ongoing demand and balanced fundamentals in Atlanta's industrial market

03 A reduced construction pipeline may help stabilize vacancy in the coming quarters

Top Leases

Source: Savills Research

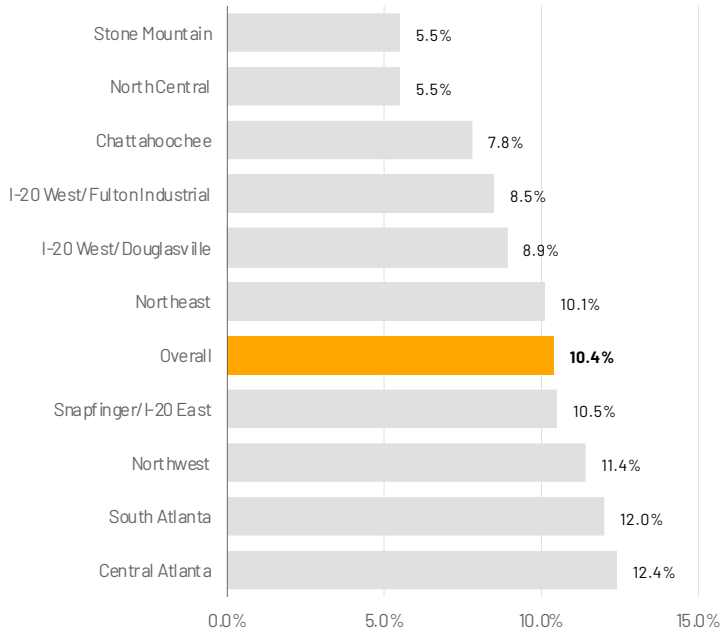
TENANT	SIZE (SF)	SUBMARKET	ADDRESS	TRANSACTION TYPE	INDUSTRY
Coleto Brands, LLC	839,712	Northeast	350 Logistics Center Parkway	Expansion	Consumer Goods
Mondelez Global LLC	570,988	South Atlanta	5355 Highway 92	Extension	Food & Beverage
The Williams Carver Company Inc	505,000	South Atlanta	301 Eagles Landing Parkway	Renewal	Consumer Goods
Cardinal Health 200	378,733	Northeast	874 Thomas Parkway	Renewal	Biosciences/Medical/ Pharmaceuticals
Royal Canin USA	318,279	I-20 West/Douglasville	7915 White Road	New Lease	Biosciences/Medical/ Pharmaceuticals

New Developments

OWNER/DEVELOPER	SIZE (SF)	SUBMARKET	ADDRESS	DEVELOPMENT TYPE	STATUS
Hyundai Motor Group	3,300,000	Northwest	US Highway 411	Build-to-suit	Under Construction
PNK Holdings LLC	1,013,902	Snapfinger/I-20 East	1365 East Hightower Trail	Speculative (available)	Under Construction
Prologis, Inc	351,230	Central Atlanta	1400 Murphy Avenue	Speculative (available)	Under Construction
Chill Development	334,467	South Atlanta	3200 South Park Boulevard	Speculative (available)	Under Construction
Clarion Partners	320,603	Northeast	4497 Friendship Road	Speculative (pre-leased)	Under Construction

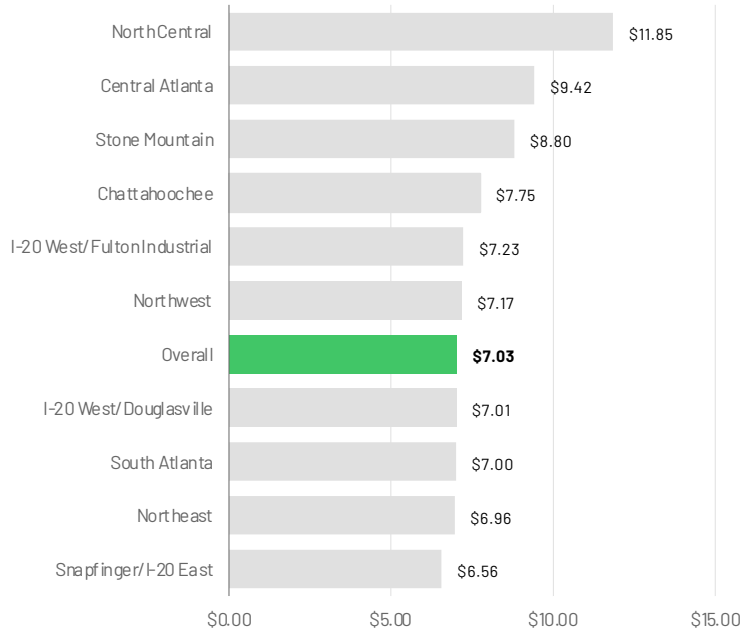
Vacancy Rate Comparison (%)

ATLANTA SUBMARKETS



Rental Rate Comparison ($/sf)*

ATLANTA SUBMARKETS



*based on all classes of available inventory

Atlanta Q2 2025 - Industrial

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Unless otherwise noted, all rents quoted throughout this report are average asking net (NNN) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory.

The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research.

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