

## The Atlanta industrial market continues to reach new heights as vacancy hits an all-time low

Rents in the Atlanta industrial market experienced a continuation of the recent uptrend in the fourth quarter of 2021. In Q4, the average asking rent reached a record \$4.79 per square foot (psf), increasing 7.2% year-over-year (yoy). The heightened demand for space has suppressed vacancy to 3.6% this quarter, down 360 basis points (bps) from the close of 2020. Additionally, 2021 was a momentous year for demand as net absorption for the year reached 38.3 million square feet (msf), nearly double the amount (19.7 msf) recorded in 2020. Despite low vacancies, there are still space options for tenants due to a robust construction pipeline with 29.2 msf currently available for lease.

### Development continues along Atlanta's major interstate corridors

Construction of industrial space continues to permeate the land surrounding major Georgia interstates. Atlanta's rise as the logistical centerpiece for the Southeastern United States has caused the construction pipeline to grow to 40.5 msf as of Q4 2021. More than half of current construction is either taking place in the South Atlanta (13.1 msf) or Northeast (16.0 msf) submarkets, both of which are major logistics arteries. The Northeast submarket encompasses both the I-985 and I-85 corridors, which connect Atlanta to the greater Greenville area. South of the city, the United States' busiest airport (Hartsfield Jackson) is connected to one of North America's busiest ports (the Port of Savannah) by I-75. Due to their advantageous location, these two submarkets have attracted an influx of construction directed capital looking to fill the climbing demand for industrial space.

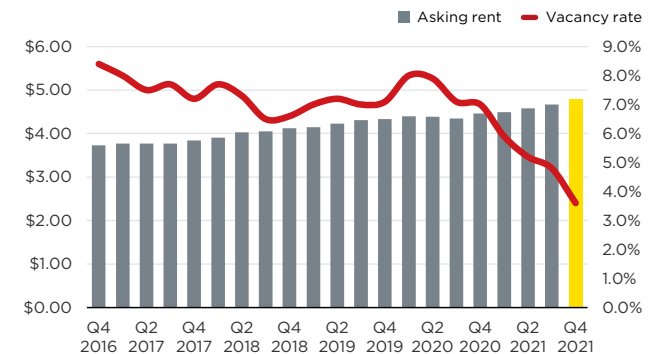
### Transaction activity up in 2021 as large occupiers navigate landscape of increasingly low vacancy

2021 deal activity across the market was up by approximately 0.7% over 2020; and despite a marginal increase, deal flow still reached record levels totaling 55.8 MSF. The largest deal of the fourth quarter came by way of Amazon's 1,108,990 sf lease in the Northwest submarket. The remainder of the quarter's top five largest leases all took place in the South Atlanta submarket. Momentum from increasing demand coupled with a healthy construction pipeline indicates a promising year for leasing ahead in 2022.

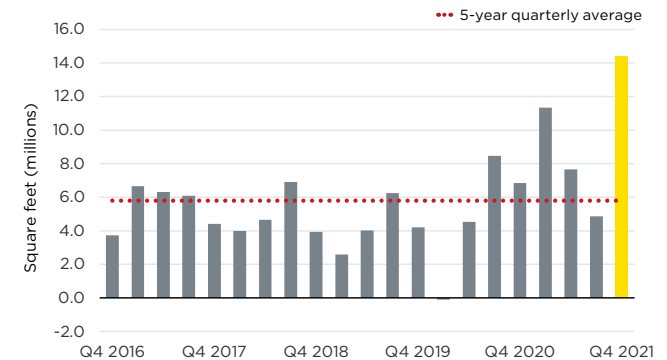
### KEY STATISTICS

	Q4 2020	Q4 2021	Y-o-Y Change
<b>Inventory</b>	597.9 MSF	617.1 MSF	▲
<b>Vacancy Rate</b>	7.0%	3.6%	▼
<b>Quarterly Net Absorption</b>	6.9 MSF	14.4 MSF	▲
<b>Under Construction</b>	18.9 MSF	40.5 MSF	▲
<b>Deliveries</b>	7.0 MSF	8.1 MSF	▲
<b>Asking Rental Rate</b>	\$4.47	\$4.79	▲

### ASKING RENT AND VACANCY



### NET ABSORPTION



### UNDER CONSTRUCTION



### Outlook

- As the strain of supply chains continues, Atlanta's centralized location will continue to drive the already robust industrial market.
- Opportunities existing for expansion and rightsizing due to the significant amount of new construction coming online.
- Expect a continuation in heightened deal flow as new construction delivers and demand continues to climb.

BY THE NUMBERS

**40.5M**

SF under construction, which is the highest in at least 25 years

**3.6%**

lowest vacancy rate on record

**2.0%**

I-20 West/Douglasville exhibits the lowest submarket vacancy

TOP TRANSACTIONS

Leases

Tenant	Square Feet	Address	Transaction Type	Submarket	Landlord
Amazon	1,108,990	1250 Cassville White Road	New Lease	Northwest	IDI Logistics
Kimberly Clark	400,255	7320 Oakley Industrial Boulevard	New Lease	South Atlanta	EQT Exeter
Kampack	379,050	1793 Highway 42 South	New Lease	South Atlanta	Heitman
VanTec	336,016	Prologis Commerce Center	New Lease	South Atlanta	Prologis
Caterpillar Inc.	320,000	Majestic Airport Center 2 - Building 7	Renewal	South Atlanta	The Blackstone Group

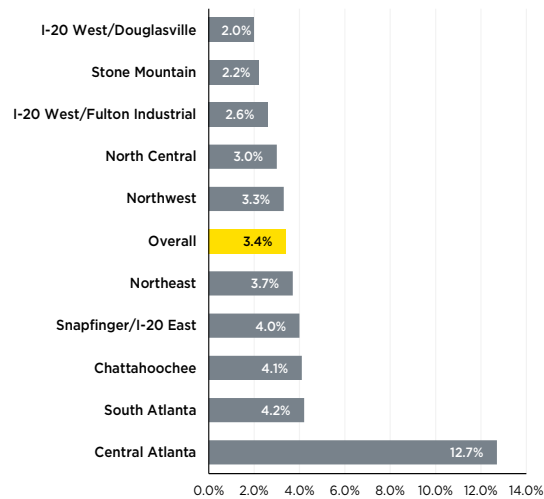
Sales

Owner/Buyer	Square Feet	Address	Price	Submarket	Seller
LBA Realty	2,342,900	5500 South Expressway	\$128,225,000	South Atlanta	Cooper Property CTL
Blackstone Real Estate Income Trust	800,000	201 Greenwood Court	\$106,262,424	South Atlanta	WPT Industrial Real Estate Investors
Blackstone Real Estate Income Trust	760,256	150 Distribution Drive	\$100,983,307	South Atlanta	WPT Industrial Real Estate Investors
BentallGreenOak Limited	1,015,740	355 Horace Head Road	\$78,720,000	Northeast	MetLife
Blackstone Real Estate Income Trust	793,792	440 Interstate West Parkway	\$74,547,207	I-20 West/Douglasville	WPT Industrial Real Estate Investors

Source: Savills Research

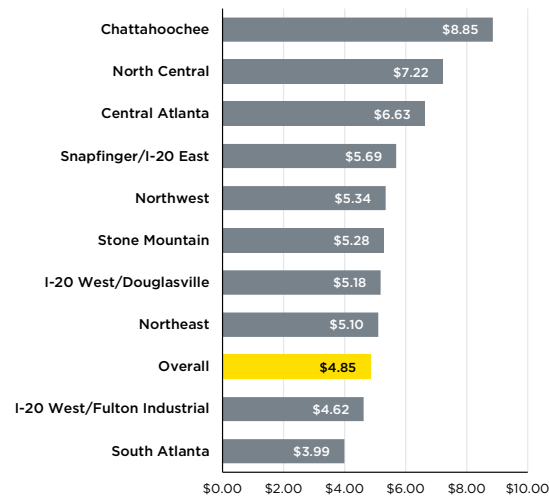
VACANCY RATE COMPARISON

Atlanta Industrial Submarkets



RENTAL RATE COMPARISON (\$/SF)

Atlanta Industrial Submarkets



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 vacancy 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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