Atlanta

Office market snapshot | Q2 2025

Atlanta's office market posted mixed results in Q2 2025, highlighted by a surge in investor activity and a shift toward opportunistic buying. Sales volume jumped, driven by a combination of traditional investment deals and an uptick in nontraditional transactions tied to looming loan maturities on distressed assets. Leasing momentum slowed, particularly in urban submarkets, though over 4.1 MSF of deals were recorded in the first half of the year—largely driven by tenants in the banking, finance, insurance, and real estate sectors. While absorption remained negative, Q2 figures showed improvement over Q1, and declining availability suggests underlying market stability despite ongoing headwinds.

-45%

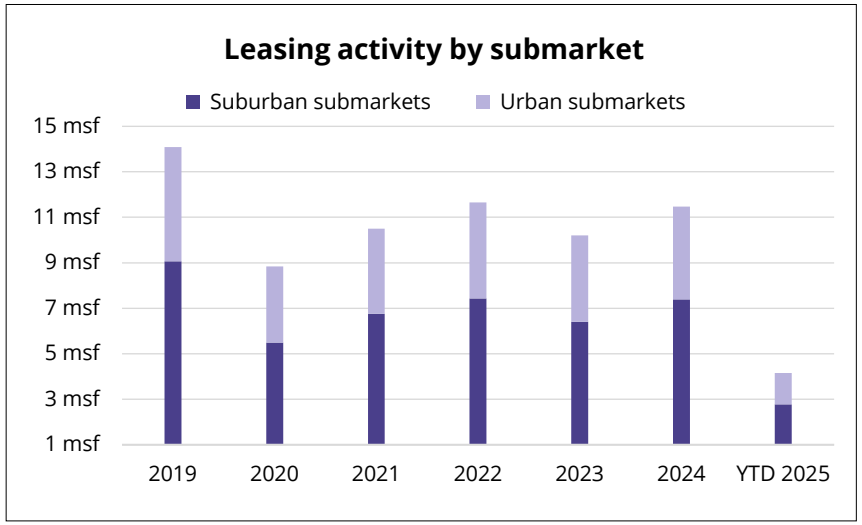
Leasing activity in Atlanta's urban markets dropped sharply in Q2, down 45% quarter-over-quarter, following a spike in large occupier lease signings in Q1.

277%

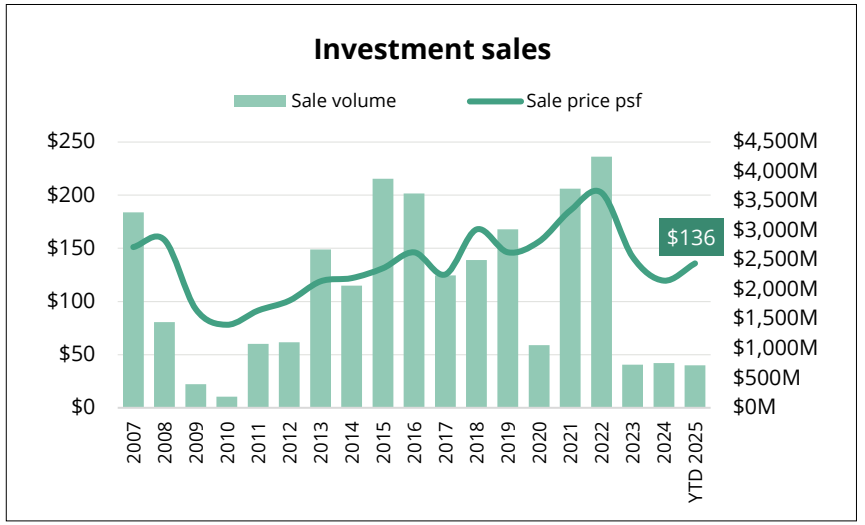
Investment sales activity surged in Q2, with transaction volume increasing by 277% quarter-over-quarter based on total dollar volume.

25%

Banking, finance, insurance & real estate tenants are driving leasing, accounting for 25% of activity recorded in Q2, with nearly 300k sf leased.



Year-to-date leasing activity totals 4.1 MSF, with most of the slowdown occurring in urban submarkets. Tenants are increasingly shifting from a 'flight to quality' to a 'flight to value,' favoring suburban areas like North Fulton and Central Perimeter for their lower rents and strong assets. Despite a Q2 dip, declining availability reflects continued market resilience.



Sales activity surged in Q2, up 277% quarter-over-quarter and 49% year-over-year. Portfolio deals are becoming more common as investors take advantage of discounted pricing—a trend expected to continue as distressed assets hit the market. The quarter's largest sale was Piedmont Center, a 2.2 MSF office campus, which sold at auction for $200M.

Source: Avison Young Market Intelligence, CoStar

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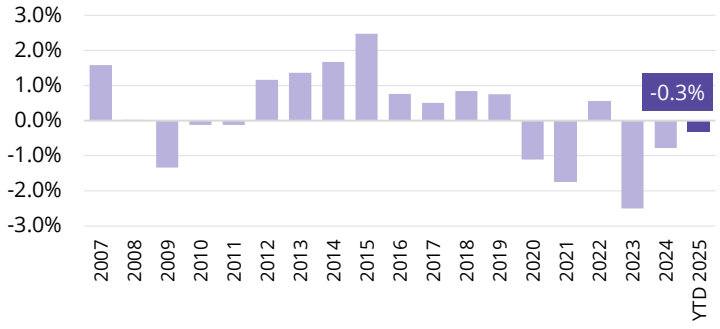
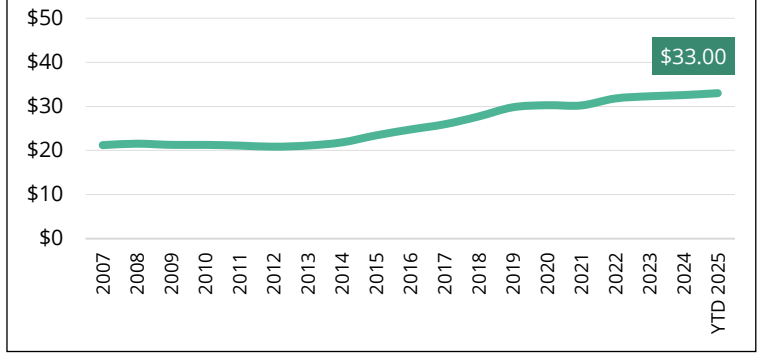
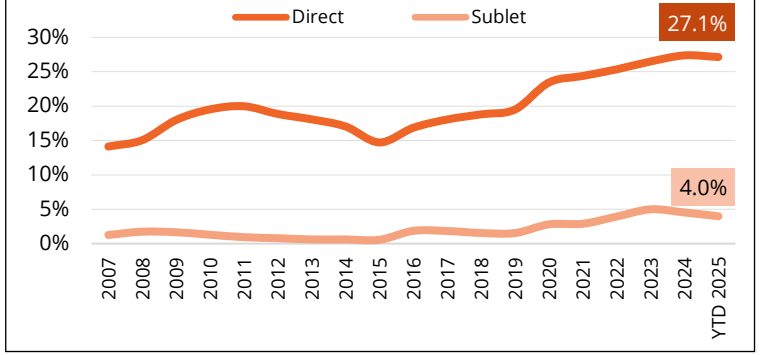
Net absorption as a % of inventory



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
TriNet Group	211 Perimeter Center Pkwy, 145 & 255 Hillside Pky	147,692	New	Direct
Boehringer Ingelheim	11650 Johns Creek Pky	73,900	New	Direct
AT&T	1277 Lenox Park Blvd	72,909	Renewal	Direct
Quikrete	5 Concourse Pky	69,084	Renewal	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
CP Group	Piedmont Center Portfolio (3565, 3495 & 3535 Piedmont Rd)	$200.0M	$89.8	The Ardent Companies
Spear Street Capital	1100 Peachtree St NE	$133.7M	$228.7	Manulife
Landmark Properties	Northcreek Office Park (4 property portfolio)	$77.9M	$139.4	GEM Realty Capital
RG Real Estate	3225 Cumberland Blvd SE	$53.0M	$242.5	CP Group

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption SF (QTD)	Net absorption SF (YTD)	Annual direct asking rent psf FS
Buckhead	20,495,242	0	0	32.4%	2.3%	34.7%	-73,214	-95,987	$ 38.04
Downtown	18,236,350	0	0	29.6%	3.4%	33.0%	85,950	72,821	$ 32.34
Midtown	26,608,981	0	224,000	33.5%	5.5%	39.0%	7,421	-27,310	$ 44.34
Urban total	**65,340,573**	**0**	**224,000**	**32.2%**	**3.9%**	**36.1%**	**20,157**	**-50,476**	**$ 38.24**
Airport/South Atlanta	5,754,419	0	0	19.3%	0.8%	19.7%	-36,903	-52,938	$ 24.05
Central Perimeter	26,478,124	0	0	29.4%	7.6%	34.4%	-124,332	-186,656	$ 31.24
Cumberland/Galleria	21,312,594	0	250,000	22.1%	3.4%	25.5%	128,480	21,846	$ 29.77
Decatur/Stone Mountain	1,833,949	0	0	16.1%	.8%	16.8%	4,364	-14,483	$ 32.23
Duluth/Suwanee/Buford	7,347,914	0	35,580	16.9%	1.9%	18.9%	15,458	-3,294	$ 25.35
Norcross/Peachtree Corners	6,426,762	0	0	24.4%	1.1%	25.5%	8,604	43,401	$ 21.93
North Fulton/Forsyth	20,462,298	0	0	27.3%	4.3%	31.2%	-16,752	-66,239	$ 27.62
Northeast Atlanta	9,790,298	0	38,743	16.6%	0.9%	17.5%	606	62,950	$ 24.52
Northwest Atlanta	3,886,297	0	0	23.%	4.7%	27.7%	-68,551	-268,099	$ 28.13
Suburban total	**103,292,655**	**0**	**324,323**	**24.1%**	**4.0%**	**27.3%**	**-89,026**	**-463,512**	**$ 27.20**
Market total	**168,633,228**	**0**	**548,323**	**27.1%**	**4.0%**	**31.1%**	**-68,869**	**-513,988**	**$ 33.00**

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption SF (QTD)	Net absorption SF (YTD)	Annual direct asking rent psf FS
Trophy	12,991,182	0	0	20.3%	4.1%	24.3%	92,804	136,227	$ 44.62
Class A	104,973,400	0	509,580	30.5%	4.5%	34.3%	211,558	3,186	$ 34.05
Class B	47,116,770	0	38,743	22.4%	3.0%	25.2%	-351,026	-554,889	$ 25.54
Class C	3,551,876	0	0	15.7%	0.2%	15.9%	-22,205	-98,512	$ 19.52
Market total	**168,633,228**	**0**	**548,323**	**27.1%**	**4.0%**	**31.1%**	**-68,869**	**-513,988**	**$ 33.00**

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