

Atlanta

Office market snapshot | Q3 2024

The Atlanta office market continues to look optimistic. Leasing activity remains steady with more deals being executed as well as an increase in average transaction size. Tenants are showing more confidence when it comes to making decisions. Buyers are also slightly more active in the market as higher class properties are starting to transact but at discounted rates. Availability is decreasing and while overall absorption was still negative this quarter, sublease absorption was positive and the highest it has been since the end of 2022. Activity is projected to strengthen during the remainder of 2024 and into 2025.

2.3%

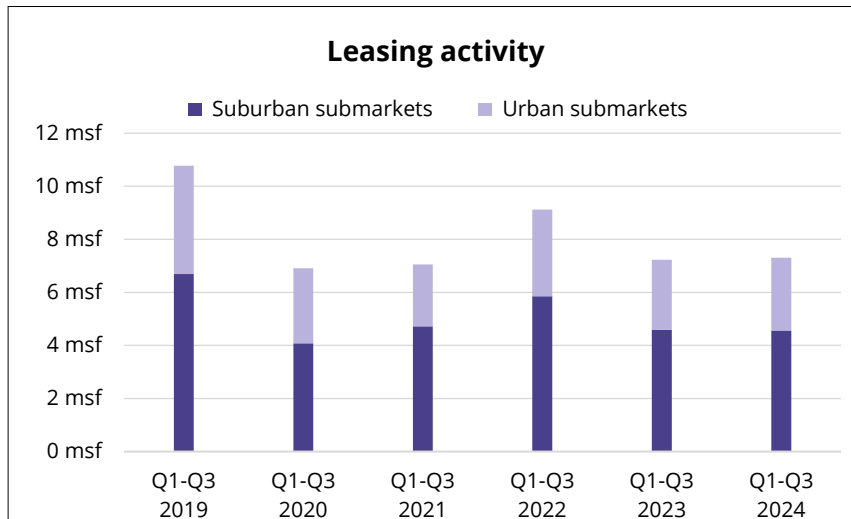
Leasing activity remains sound in 2024 and is up 2.3% YTD when compared to the same time in 2023.

-43%

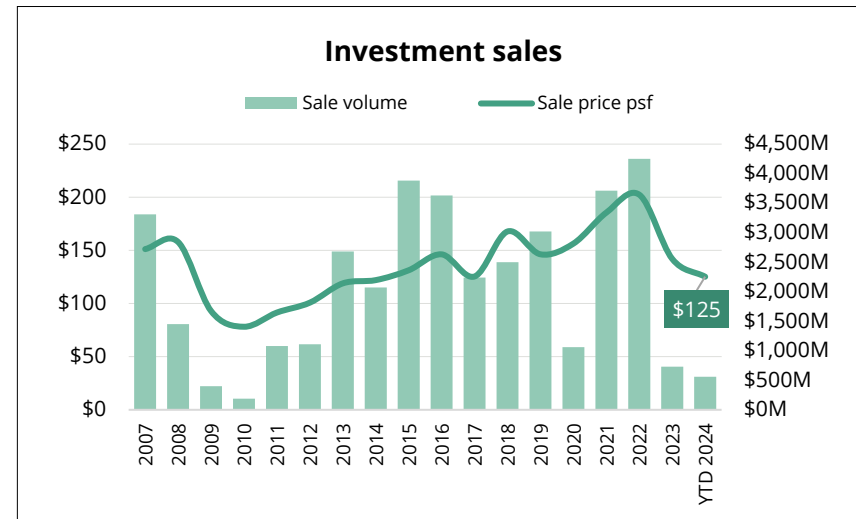
Atlanta's highest sale for Q3 was a class A asset that transacted for \$83M which is 43% lower than what the property sold for in 2017.

224k sf

224k sf of sublease space was absorbed during Q3 directly impacting availability now down 6% QOQ for sublease space.



Leasing activity has increased in 2024 as tenants are becoming more confident in making decisions. Not only is activity up, but the average size of deals signed has increased 60% YOY as tenants are able to securely commit to space.

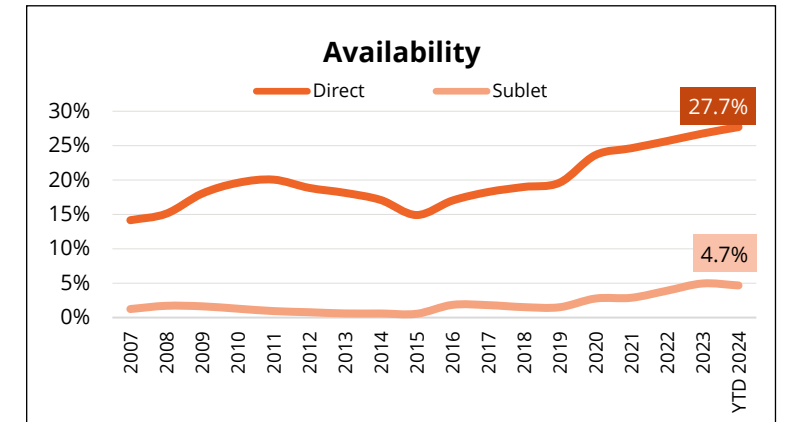
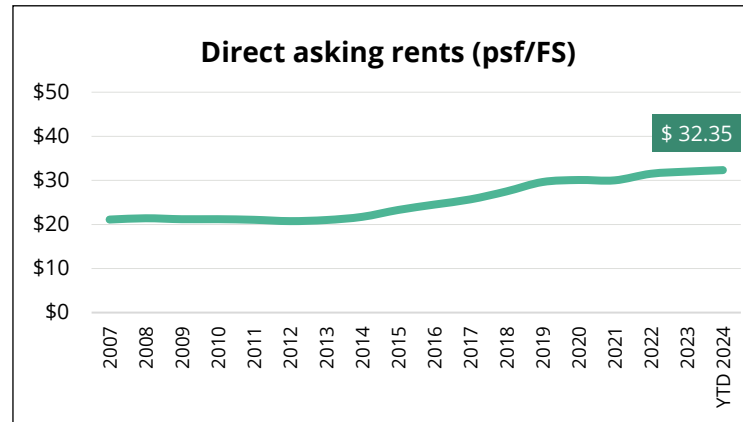
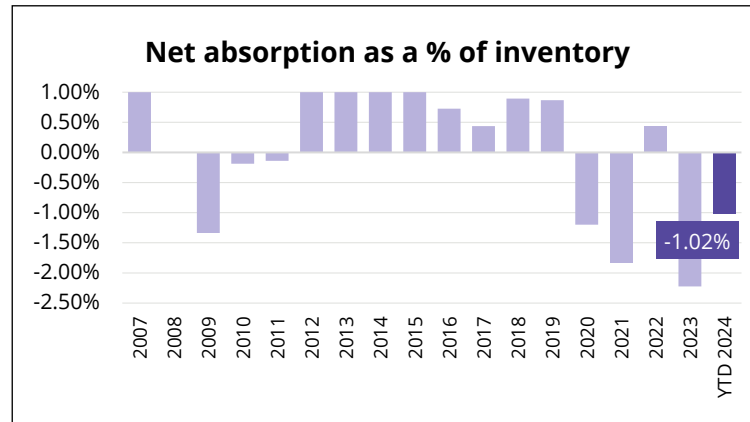


Atlanta is starting to see higher class transactions, but they are still selling at a discounted rate than they were pre-covid. Considering upcoming loan expirations as well as the announcement of rate cuts by the Federal Reserve, sales activity is projected to strengthen.

Source: AVANT by Avison Young, CoStar

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Morris, Manning & Martin, LLP	3560 Lenox Road NE	104,440	New	Direct
Truist Financial	303 Peachtree Center Ave	104,100	New	Direct
CoStar	3438 Peachtree Rd NE	82,131	Renewal	Direct
Cargill	864 Spring St	82,000	New	Sublease

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Town Lane, Cousins Properties	1170 Peachtree St	\$83.2M	\$159	Manulife
Emory University	12 Executive Park Dr NE	\$17.6M	\$140	Office Properties Income Trust
Phoenicia Real Estate	200 Ashford Ctr N	\$13.0M	\$82	Terracap Management Corp
OA Development	2160 Satellite Blvd	\$10.7M	\$125	Velocis

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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 % of inventory (YTD)	Annual direct asking rent psf FS
Buckhead	20,544,868	0	57,574	31.4%	2.2%	33.5%	57,495	0.13%	\$37.97
Downtown	18,973,397	0	0	30.3%	3.2%	33.4%	(40,280)	(2.7%)	\$31.20
Midtown	25,331,540	400,947	1,110,849	32.1%	4.5%	36.6%	(72,442)	(3.9%)	\$43.85
Urban total	64,849,805	400,947	1,168,423	31.8%	3.4%	35.3%	(55,222)	(2.3%)	\$37.67
Airport/South Atlanta	5,766,231	30,149	0	17.5%	0.6%	18.1%	63,805	0.7%	\$23.86
Central Perimeter	26,572,749	100,905	0	30.8%	9.1%	37.3%	(100,623)	(0.4%)	\$31.28
Cumberland/Galleria	21,325,875	0	250,000	22.3%	4.9%	26.7%	(6,195)	(0.2%)	\$29.03
Decatur/Stone Mountain	1,833,949	0	0	15.0%	0.6%	15.5%	(17,562)	0.1%	\$32.94
Duluth/Suwanee/Buford	7,662,658	0	35,580	15.3%	2.6%	17.9%	(28,420)	1.8%	\$24.38
Norcross/Peachtree Corners	6,530,362	0	0	29.6%	3.8%	31.3%	18,215	(1.1%)	\$21.64
North Fulton/Forsyth	20,646,305	104,233	0	29.9%	5.8%	35.3%	(183,178)	(1.5%)	\$27.30
Northeast Atlanta	9,760,990	0	0	22.3%	1.9%	24.2%	(42,000)	(0.3%)	\$25.68
Northwest Atlanta	4,008,309			20.8%	9.0%	27.8%	55,222	4.4%	\$27.36
Suburban total	104,107,428	0	285,580	25.5%	5.5%	29.9%	(240,744)	(0.2%)	\$27.08
Market total	168,957,233	636,234	1,454,003	27.7%	4.7%	31.7%	(295,971)	(1.0%)	\$32.35

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption SF (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
Trophy	12,991,828	0	0	20.4%	4.4%	24.8%	20,960	2.79%	\$44.99
Class A	103,911,828	636,234	1,454,003	30.9%	5.2%	35.3%	139,425	(0.7%)	\$33.47
Class B	48,112,491	0	0	23.7%	4.1%	27.2%	(422,522)	(2.8%)	\$24.88
Class C	3,941,732	0	0	15.8%	0.2%	16.0%	(32,944)	0.7%	\$20.54
Market total	168,957,233	636,234	1,454,003	27.7%	4.7%	31.7%	(295,081)	(1.0%)	\$32.35

Source: AVANT by Avison Young, CoStar