

# Atlanta

## Industrial market snapshot | Q1 2025

Resilience is beginning to define Atlanta's industrial landscape as the market transitions out of its peak development phase. Vacancy edged down 10 basis points to 9.1% in Q1 2025, with demand for buildings under 100,000 square feet remaining strong and limited supply keeping core segments tight. New construction has cooled to decade lows, giving the market space to absorb recent deliveries. Stable rents and consistent absorption point to a market correcting in stride—one that's realigning for more sustainable, long-term growth.

## \$8.44 psf

Asking rents remained stable from Q4 2024's \$8.46 psf NNN, holding firm amid new supply and signaling landlord confidence despite shifting demand.

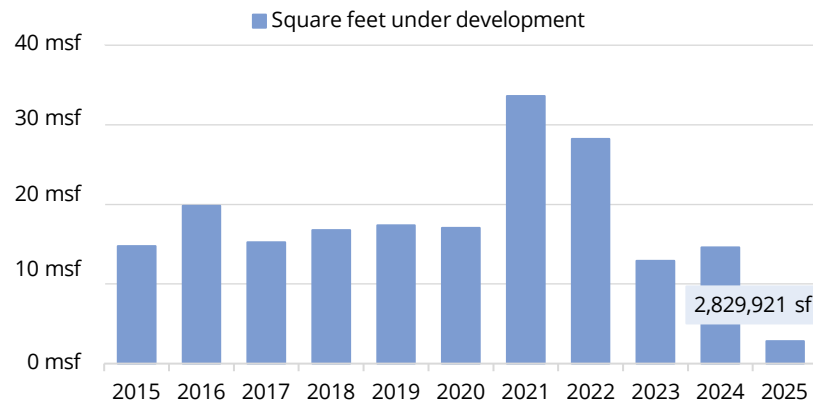
## 1.5m

Atlanta posted 1,499,196 square feet of net absorption, as the market transitions from rapid expansion to a more balanced phase following record deliveries.

## 9.1%

The vacancy rate fell 10 basis points from 9.2% in Q4 2024, easing off a record high and showing signs of stabilization.

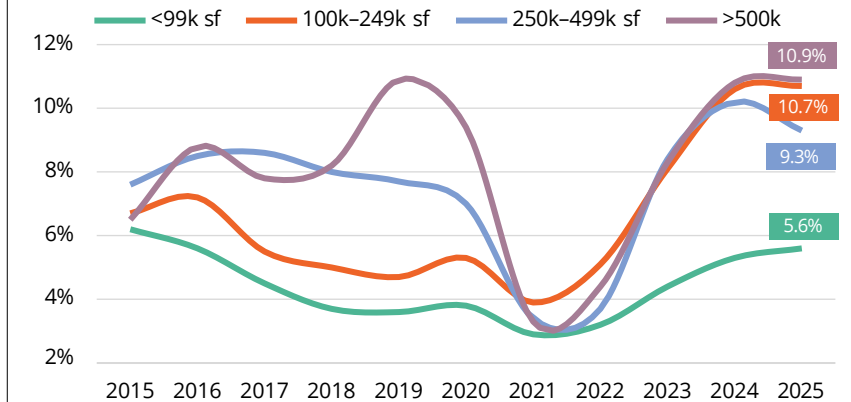
### Construction starts at multi-year lows



Atlanta construction starts fell to 2.8 million square feet in Q1 2025—the lowest total in more than a decade and a clear departure from the 2021 peak of 33.6 million. Following several years of elevated development, the slowdown reflects a cooling pipeline and a shift toward absorption, giving the market space to stabilize and recalibrate for future growth.

Source: Avison Young Market Intelligence, CoStar

### Atlanta vacancy continues to diverge by building size

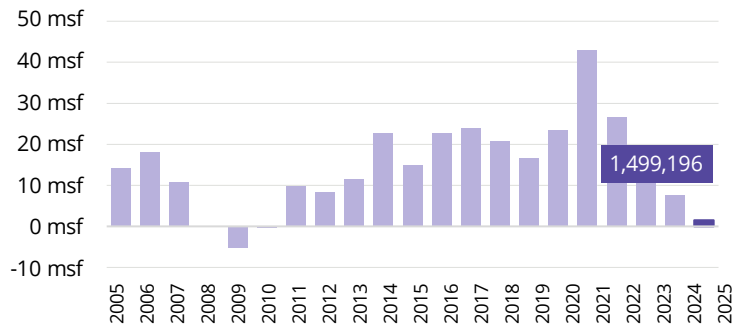


Sub-99k sf product continues to outperform, with vacancy at a healthy 5.6% amid stable demand and limited new supply. Larger buildings are seeing elevated vacancy—10.7% for 100k–249k, 9.3% for 250k–499k, and 10.9% for 500k+. The divide underscores the resilience of small-bay space in today's market.

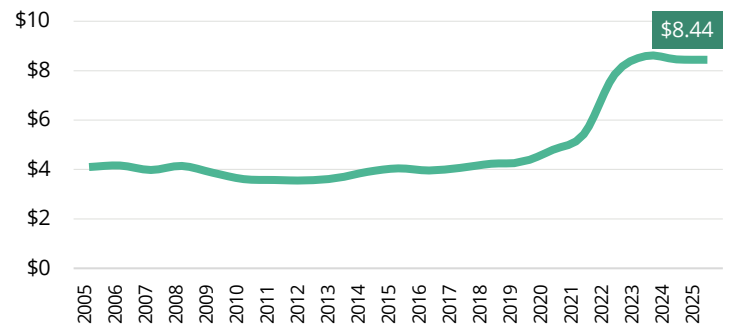
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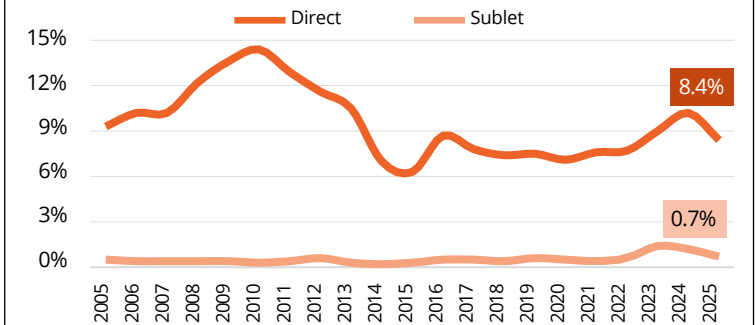
Net absorption (sf)



Direct asking rents (psf/NNN)



Vacancy



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
GXO Logistics	2124 Skyview Dr	395,750	Direct	Renewal
Staci Americas	195 Sawmill Dr	327,825	Direct	New
Dropp Logistics	5395 Oakley Industrial Blvd	271,438	Direct	New
Kittrich Corporation	5070 Phillip Lee Dr	220,000	Direct	Renewal

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Lancaster Colony	1000 Naturally Fresh Blvd	\$75,000,000	\$250	Winland Foods
Faropoint	200 Cook St	\$11,373,482	\$75	Americo Manufacturing Co.
Unilev Capital & Palladius Capital	5470 Oakbrook Pky	\$10,900,000	\$128	Atlanta Property Group & TPG Angelo Gordon
YF Technology	7270 McGinnis Ferry Rd	\$9,800,000	\$157	Tabor Communications

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Location	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption (QTD)	Net absorption (YTD)	Annual direct asking rent psf NNN
Airport/North Clayton	124,766,501	-	1,559,926	7.9%	1.3%	9.2%	2.2%	(153,270)	(153,270)	\$7.07
I-75 South	83,732,546	-	2,083,720	9.5%	0.9%	10.4%	4.1%	355,439	355,439	\$5.88
I-85 South	28,214,881	-	429,474	10.0%	0.0%	10.0%	5.8%	136,503	136,503	\$9.66
<b>South Atlanta total</b>	<b>236,713,928</b>	<b>-</b>	<b>4,073,120</b>	<b>8.8%</b>	<b>0.9%</b>	<b>9.6%</b>	<b>3.3%</b>	<b>338,672</b>	<b>338,672</b>	<b>\$7.25</b>
Central Atlanta	7,412,705	-	626,176	12.0%	0.0%	12.0%	0.0%	49,428	49,428	\$10.08
Chattahoochee	13,758,881	-	1,255,000	5.6%	0.3%	5.9%	(2.0%)	262,871	262,871	\$9.43
Fulton Industrial	53,427,793	-	502,642	7.2%	0.9%	8.1%	1.3%	(307,016)	(307,016)	\$6.85
I-20W/Douglasville	69,314,187	433,566	1,077,427	7.7%	0.7%	8.4%	0.7%	3,887	3,887	\$10.90
North Central	21,834,598	-	720,219	4.7%	0.3%	5.0%	0.6%	(168,994)	(168,994)	\$13.53
Northeast	228,678,751	224,599	2,667,029	9.7%	0.4%	10.1%	2.2%	1,258,797	1,258,797	\$8.80
Northwest	84,215,456	439,043	500,000	7.6%	0.6%	8.3%	(4.2%)	279,518	279,518	\$9.82
Snapfinger/I-20 East	50,892,582	212,745	1,166,850	8.8%	0.6%	9.5%	1.6%	(146,594)	(146,594)	\$8.27
Stone Mountain	24,969,173	-	-	4.4%	0.6%	5.0%	1.7%	(71,373)	(71,373)	\$9.89
<b>Sub total</b>	<b>554,504,126</b>	<b>1,309,953</b>	<b>8,515,343</b>	<b>8.3%</b>	<b>0.5%</b>	<b>8.9%</b>	<b>0.7%</b>	<b>1,160,524</b>	<b>1,160,524</b>	<b>\$9.25</b>
<b>Market total</b>	<b>791,218,054</b>	<b>1,309,953</b>	<b>12,588,463</b>	<b>8.4%</b>	<b>0.7%</b>	<b>9.1%</b>	<b>2.2%</b>	<b>1,499,196</b>	<b>1,499,196</b>	<b>\$8.44</b>