Industrial Market Report

Atlanta - GA

PREPARED BY

KW COMMERCIAL

John Rose

Agent

CoStar™

INDUSTRIAL MARKET REPORT

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Overview

Atlanta Industrial

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
17.4 M	10.8 M	6.3%	6.6%

The industrial market in Atlanta remains on solid footing, but the metro's speculative supply pipeline, coupled with a recent slowdown in absorption, could lead to a softening in market conditions in the coming quarters. Atlanta is home to one of the largest speculative supply pipelines in the nation, and submarkets in the southern part of the metro will bear the brunt of the current supply wave. However, after a slowdown in leasing activity immediately following the onset of the coronavirus pandemic in mid-March, leasing volume has surged over the past few weeks, driven by a few major leases by Amazon. Even if absorption does slow over the next few quarters, vacancies should remain below Atlanta's long-term historical average.

Sustained low vacancies have kept pricing power in the favor of landlords in recent years, and rent growth continues to outperform the national benchmark. The metro benefits from its role as a regional and national distribution hub, the growing Port of Savannah, and strong local demographic growth. While the Port of Savannah is a major driver for Atlanta industrial and a long-term net positive, any disruption in trade caused by the economic impact of the coronavirus pandemic, specifically sustained weakness in East Coast port traffic, could affect Atlanta industrial.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	568,446,596	6.9%	$0.46	9.4%	1,566,428	2,671,087	16,571,224
Specialized Industrial	99,266,326	3.3%	$0.57	6.6%	138,362	138,373	757,070
Flex	66,708,406	6.1%	$0.92	7.8%	(364,286)	0	1,341,500
Market	**734,421,328**	**6.3%**	**$0.52**	**8.9%**	**1,340,504**	**2,809,460**	**18,669,794**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.7%	9.6%	8.4%	14.4%	2010 Q4	5.2%	2018 Q3
Net Absorption SF	10.8 M	11,237,042	10,231,703	27,404,283	1999 Q3	(11,954,391)	2009 Q2
Deliveries SF	17.4 M	12,328,304	17,978,938	23,943,558	1999 Q4	481,605	2010 Q1
Rent Growth	6.6%	1.9%	3.2%	6.9%	2020 Q1	-5.2%	1991 Q1
Sales Volume	$2.9 B	$1.1B	N/A	$3.4B	2019 Q3	$0	1994 Q4

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Atlanta's low business costs, abundance of labor, robust infrastructure, and port access have made this metro an important national distribution hub. As the Southeast is expected to remain one of the fastest-growing regions in the country over the next few years, demand for local and regional distribution facilities will likely persist.

But absorption has slowed compared to a few years ago, plenty of speculative supply is on the way, and vacancies are already starting to rise, albeit slowly. Net absorption in 20Q1 was essentially flat, representing one of the worst quarters for demand over the past decade. However, leasing velocity has picked up over the past few weeks despite ongoing concerns about the coronavirus pandemic, so demand could surprise to the upside in the coming quarters.

Similar to other national and super regional distribution hubs, absorption in Atlanta is driven by firms taking large blocks of space. In the two biggest recent deals, Amazon is working on a massive four-story, 2.8-million-SF build-to-suit in the Stone Mountain Submarket, and a 1.5-million-SF build-to-suit is underway for Goodyear in Fayette/Coweta County. Amazon signed on for even more space in the region in the first half of 2020, leasing 1 million SF in Fayette/Coweta County, 1 million SF in Airport/North Clayton, and 1.1 million SF in the Fulton District, along with 815,000-SF and 302,000-SF facilities in the neighboring Gainesville market.

Third-party logistics firms continue to account for a significant portion of new deals, particularly those involving newly built speculative properties. In recent months, XPO Logistics signed for 674,000 SF in Airport/North Clayton, SBS Transportation leased 517,000 SF in Fayette/Coweta County, and Fulfillment Services Inc. took 487,000 SF in I-20 W/Douglasville. All three deals involved properties built in 2019, and all of those assets have clear heights of at least 36 feet.

Speculative deliveries should continue to put upward pressure on vacancies over the next few months. Groundbreakings have ramped up in recent quarters, and about 50% of the 18.7 million SF underway is available for lease, representing one of the largest speculative supply pipelines in the country on a nominal basis. Furthermore, the Jackson County and Gainesville (Georgia) markets also have notable construction pipelines that will impact the Atlanta market.

Atlanta will continue to benefit from fast-growing Southeastern ports such as those in Savannah, Charleston, and Jacksonville, though any longer-term disruption in trade due to the coronavirus pandemic could eventually hurt Atlanta industrial demand. The Georgia Ports Authority has announced nearly continuous increases in record TEUs over the past few years at the Port of Savannah. However, the port announced a roughly 20% year-over-year drop in shipping volume as of March 2020 due to the pandemic, and though port traffic rebounded in April, the Georgia Ports Authority expects slower than usual volume over the next few months. Savannah has commenced deepening its channel to 47−49 feet so that it can accommodate most of the new post-Panamax ships, which should continue to boost shipping volume once the pandemic subsides. The dredging is expected to complete in late 2021 or early 2022. The Southeastern U.S. has also received a significant boost from the automobile manufacturing industry. The ports in Charleston and Jacksonville are also pursuing channel-deepening projects, which will likely drive more demand in the Atlanta logistics market over the long haul.

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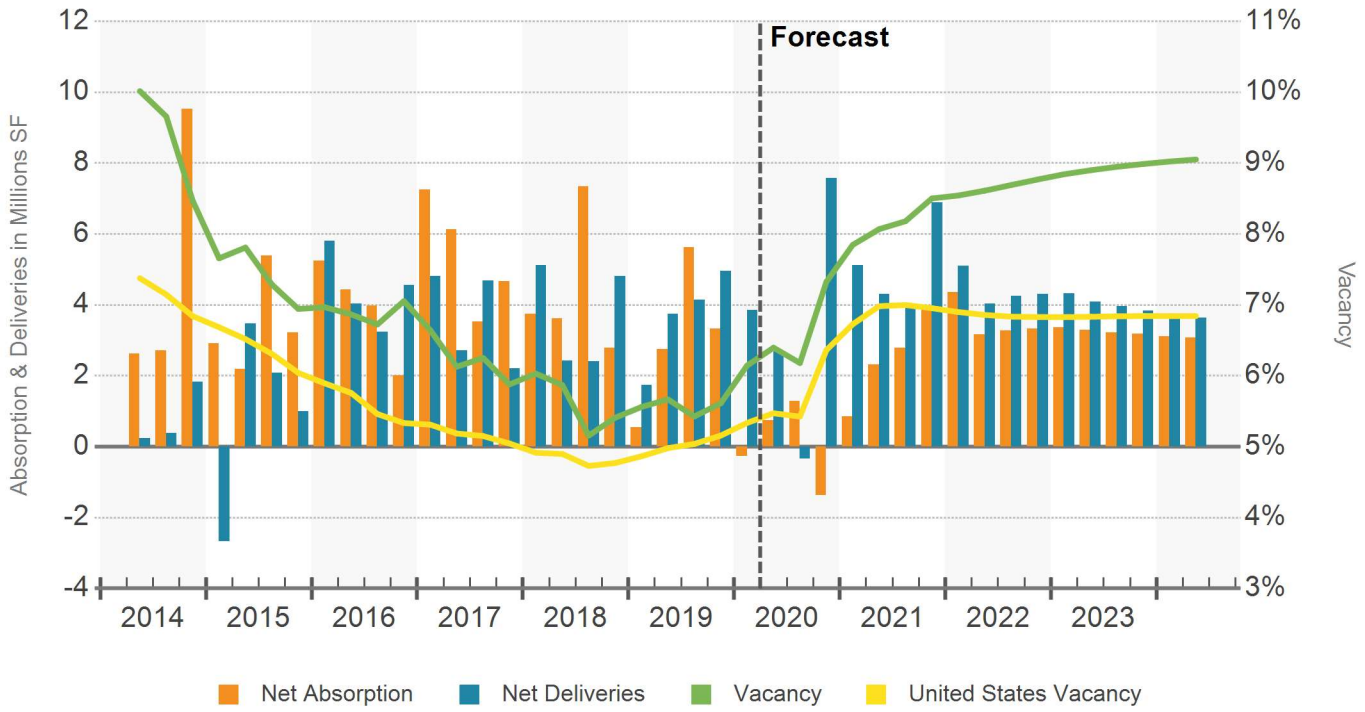
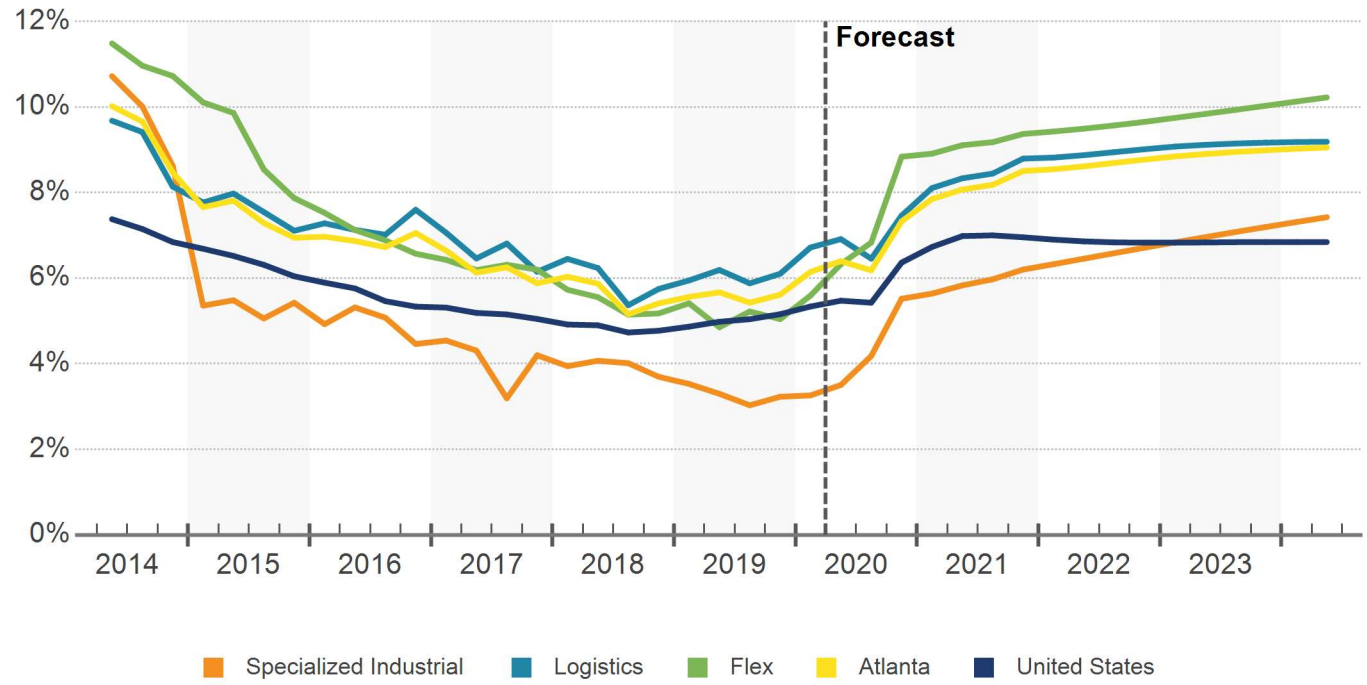
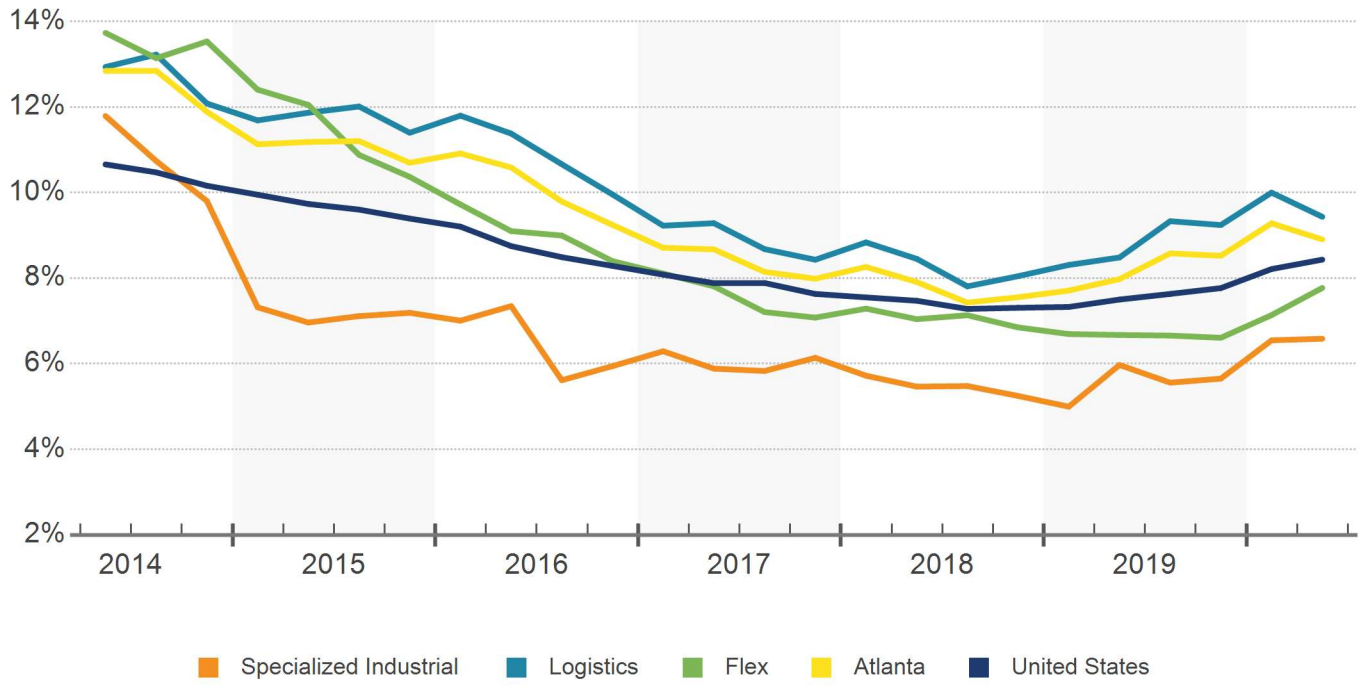
NET ABSORPTION, NET DELIVERIES & VACANCY



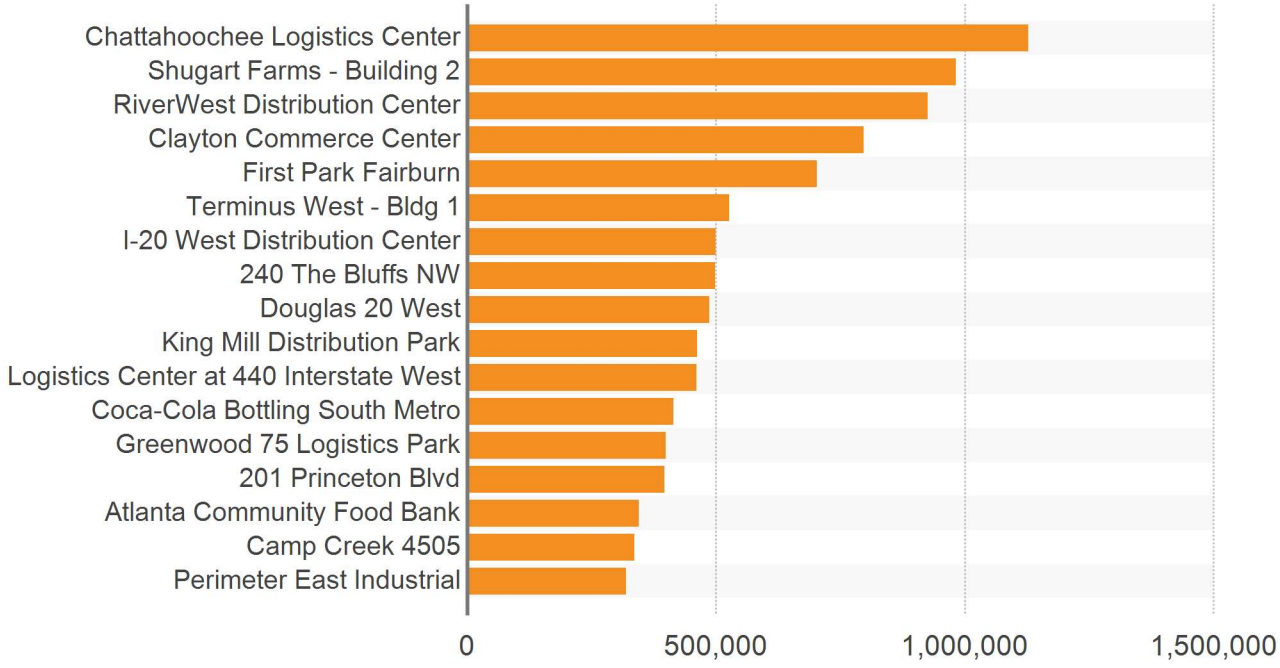
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Chattahoochee Logistics Center	Fulton District Ind	1,128,400	0	0	1,128,400	0	0	1,128,400
Shugart Farms - Building 2	Airport/North Clayton…	982,777	0	0	0	0	0	982,777
RiverWest Distribution Center	I-20 W/Douglasville Ind	925,800	0	0	0	0	0	925,800
Clayton Commerce Center	S Clayton/Henry Cnt…	797,580	0	0	350,060	0	0	797,580
First Park Fairburn	Airport/North Clayton…	703,339	0	0	0	0	0	703,339
Terminus West - Bldg 1	I-20 W/Douglasville Ind	527,000	0	0	0	0	0	527,000
I-20 West Distribution Center	I-20 W/Douglasville Ind	499,320	0	0	0	0	0	499,320
240 The Bluffs NW	I-20 W/Douglasville Ind	498,480	0	0	0	0	0	498,480
Douglas 20 West	I-20 W/Douglasville Ind	486,852	0	0	486,852	0	0	486,852
King Mill Distribution Park	S Clayton/Henry Cnt…	760,256	298,050	0	462,206	0	0	462,206
Logistics Center at 440 Interstat…	I-20 W/Douglasville Ind	780,575	0	0	0	0	0	460,924
Coca-Cola Bottling South Metro	Airport/North Clayton…	415,000	0	0	0	0	0	415,000
Greenwood 75 Logistics Park	S Clayton/Henry Cnt…	400,000	0	0	0	0	0	400,000
201 Princeton Blvd	Kennesaw/Acworth Ind	552,945	0	414,345	138,600	0	0	397,088
Atlanta Community Food Bank	Airport/North Clayton…	345,000	0	345,000	0	0	0	345,000
Camp Creek 4505	Airport/North Clayton…	336,960	0	0	0	0	0	336,960
Perimeter East Industrial	Snapfinger Ind	320,080	0	0	320,080	0	0	320,080
Subtotal Primary Competitors		**10,460,364**	**298,050**	**759,345**	**2,886,198**	**0**	**0**	**9,686,806**
Remaining Atlanta Market		723,960,964	46,148,312	(1,027,150)	(1,545,694)	0	0	1,088,187
Total Atlanta Market		**734,421,328**	**46,446,362**	**(267,805)**	**1,340,504**	**0**	**0**	**10,774,993**

TOP INDUSTRIAL LEASES PAST 12 MONTHS

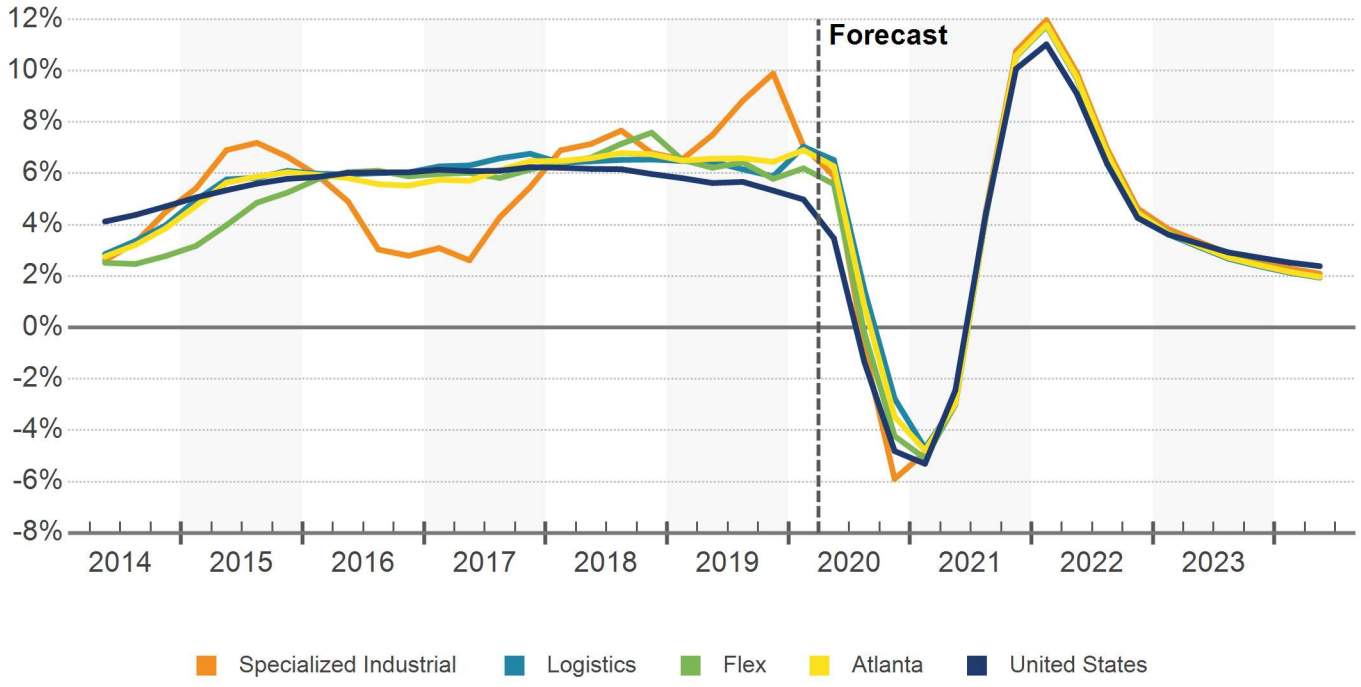
Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
2100-2200 W Park Place Blvd	Stone Mountain	2,800,000	Q3 19	Amazon	-	Seefried Properties, Inc.
139 Orchard Business Pky	Fayette/Coweta County	1,514,040	Q4 19	Goodyear Tire and Rubbe···	CBRE	Colliers International;Pr···
7055 Campbellton Rd	Fulton District	1,128,400	Q2 20	Amazon	-	Colliers International
5705 Campbellton Fairburn Rd	Airport/North Clayton	1,007,412	Q2 20	Amazon	Cushman & Wakefield	JLL
280 Bridgeport Blvd	Fayette/Coweta County	1,002,150	Q1 20	Amazon	-	JLL
801 Factory Shoals Rd	I-20 W/Douglasville	925,800	Q2 19	Stitch Fix	JLL	JLL;Prologis
2501 Rock House Rd *	I-20 W/Douglasville	744,347	Q4 19	Colgate-Palmolive	NAI Brannen Goddard	NAI Brannen Goddard
875 Highway 42 S	S Clayton/Henry Cnty	728,000	Q1 20	Ferrero USA	CBRE	Colliers International
2160 Anvil Block Rd	Airport/North Clayton	673,818	Q1 20	XPO Logistics	-	Robinson Weeks Partn···
1000 Logistics Way	Airport/North Clayton	664,000	Q4 19	Home Depot	-	Duke Realty Corporation
7875 White Rd *	I-20 W/Douglasville	604,852	Q4 19	Mars	-	Colliers International
0 South Fulton Pky At Hwy 9	Airport/North Clayton	570,988	Q1 20	Mondelez International	-	Colliers International
1265 Terminus Dr	I-20 W/Douglasville	527,000	Q3 19	Fr8Auctions	King Industrial Realt···	Exeter Property Group
1015 Collinsworth Rd	Fayette/Coweta County	517,500	Q1 20	SBS Transportation	Lee & Associates C···	CBRE
1950 N Norcross Tucker Rd	Doraville	500,000	Q4 19	US Cabinet Depot	-	Majestic Realty Co.
2000 Logistics Center Dr	Airport/North Clayton	495,625	Q1 20	Georgia Pacific Corporation	-	Stream Realty Partners···
875 Douglas Hill Rd	I-20 W/Douglasville	486,852	Q4 19	Fulfillment Strategies Inter···	-	Wilson, Hull & Neal
150 Distribution Dr	S Clayton/Henry Cnty	462,206	Q1 20	Horizon Group, USA	-	JLL
3120 Anvil Block Rd	S Clayton/Henry Cnty	447,520	Q3 19	FedEx Ground	-	Reliant Real Estate Par···
580 Horizon Dr	Duluth/Suwanee/Buford	419,313	Q1 20	Ta Chen International, Inc.	-	Taylor & Mathis, Inc.
0 Dr. Luke Glenn Garrett Me Hwy	I-20 W/Douglasville	409,865	Q2 20	-	-	Taylor & Mathis, Inc.
7060 Battle Dr *	Kennesaw/Acworth	404,512	Q4 19	Atlanta Bonded Warehouse	NAI Brannen Goddard	Prologis
7056 Goodson Rd	Airport/North Clayton	384,357	Q2 20	C.H Robinson	-	Reliant Real Estate Par···
2000 Anvil Block Rd	Airport/North Clayton	375,000	Q3 19	Kroger	-	-
4131 Southmeadow Pky W	Airport/North Clayton	355,200	Q2 20	Nouhaus	-	JLL
3120 Anvil Block Rd	S Clayton/Henry Cnty	350,060	Q1 20	FedEx Ground	-	Reliant Real Estate Par···
1595 Oakley Industrial Blvd	Airport/North Clayton	345,450	Q3 19	The Clorox Company	-	-
197 King Mill Rd *	S Clayton/Henry Cnty	314,755	Q2 20	DHL	-	Exeter Property Group
4005 Newpoint Pl *	Duluth/Suwanee/Buford	310,498	Q4 19	Masonite	Cushman & Wakefield	NAI Brannen Goddard
150 Greenwood Industrial Pky	S Clayton/Henry Cnty	306,070	Q3 19	GFA Logistics	-	Colliers International
201 Princeton Blvd	Kennesaw/Acworth	305,554	Q3 19	GreenView Floors Internat···	-	CBRE
130 Greenwood Industrial Pky	S Clayton/Henry Cnty	298,457	Q3 19	Luxottica	Colliers International	CBRE
5165 Kennedy Rd *	Airport/North Clayton	297,000	Q1 20	All South Warehouse	-	Prologis
405 King Mill Rd	S Clayton/Henry Cnty	291,600	Q2 20	-	-	Reliant Real Estate Par···
5155 Welcome All Rd SW	Airport/North Clayton	273,064	Q4 19	1-800-Flowers	-	-
5395 Oakley Industrial Blvd	Airport/North Clayton	271,438	Q3 19	XPO Logistics	-	Colliers International
580 Horizon Dr	Duluth/Suwanee/Buford	269,682	Q4 19	Thredup Inc	JLL	Taylor & Mathis, Inc.
100 Royal Way *	I-20 W/Douglasville	261,000	Q4 19	Royal Metal Products Inc	-	-
5720 Fulton Industrial Blvd	Fulton District	258,907	Q3 19	UNFI	Savills	Exeter Property Group
1791 Mount Zion Rd *	Airport/North Clayton	254,358	Q2 20	XPO Logistics	Real Estate Advisor···	Colliers International

*Renewal

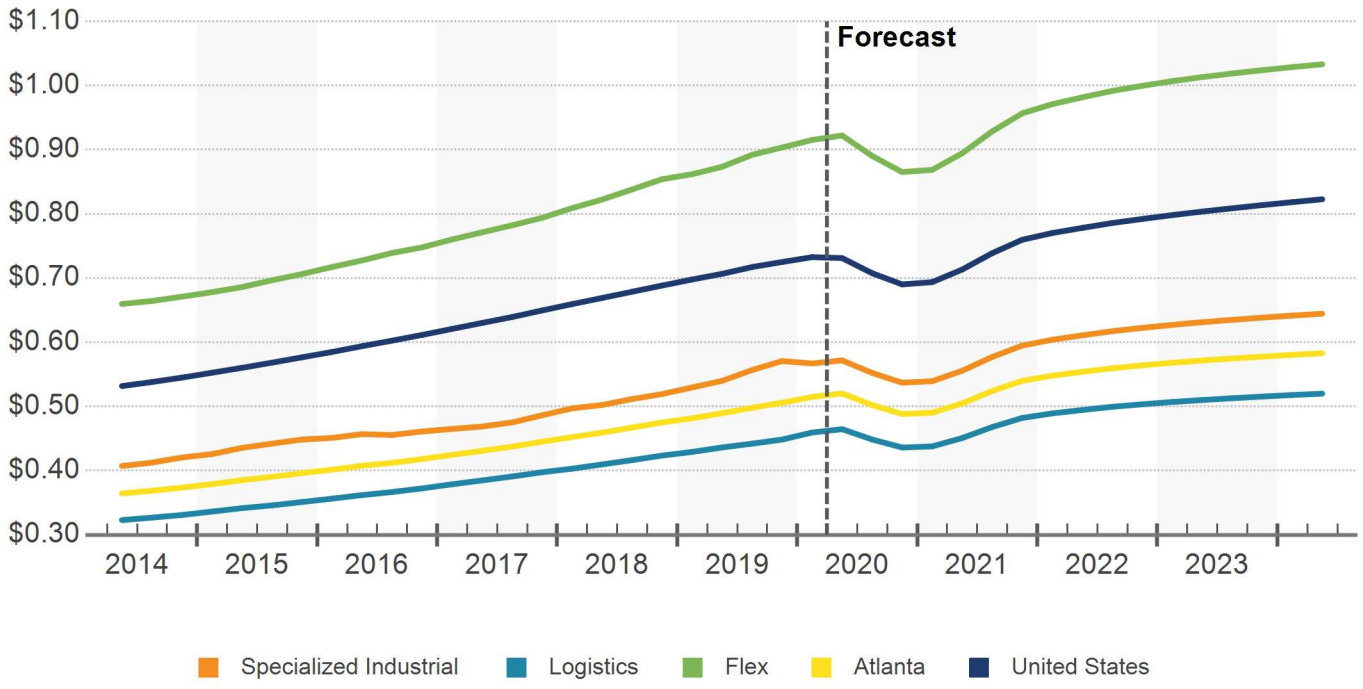
Buoyed by sustained high occupancies, rent growth in Atlanta remains well above the metro's historical average, and trailing 12-month growth is above the national benchmark. Atlanta remains one of the healthiest major markets in the country in terms of rent growth, and it is outperforming other major distribution markets like Dallas-Fort Worth, Chicago, and the Inland Empire. This strong recent performance comes after a relatively weaker early recovery, though. Atlanta rents are about 35% above where they were immediately before the Great Recession, while rents nationwide are roughly 40% above the prior peak.

Though there is still plenty of speculative supply in the pipeline, absorption has been strong enough to mitigate the risk of oversupply thus far, keeping pricing power in the favor of landlords. The coronavirus pandemic is likely to have an impact on the Atlanta industrial market in the coming months, but the built-in cushion between current vacancies and the metro's historical average gives Atlanta some breathing room in case of an economic downturn. However, if leasing velocity slows, it could become more difficult for owners to continue to push rents at an accelerated pace over the next few quarters.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



Construction

Atlanta's supply wave continues ahead full steam, and a large portion of the product underway is speculative. About 50% of the space under construction is listed as available, which is down compared to early 2019 but represents an increase from a few years ago. With roughly 18.7 million SF under construction, Atlanta ranks comfortably in the top five for industrial space underway nationally, and the metro has more under construction now than at any other point over the past decade. However, the metro is building less as a percent of inventory than other major distribution hubs like Dallas-Fort Worth and the Inland Empire.

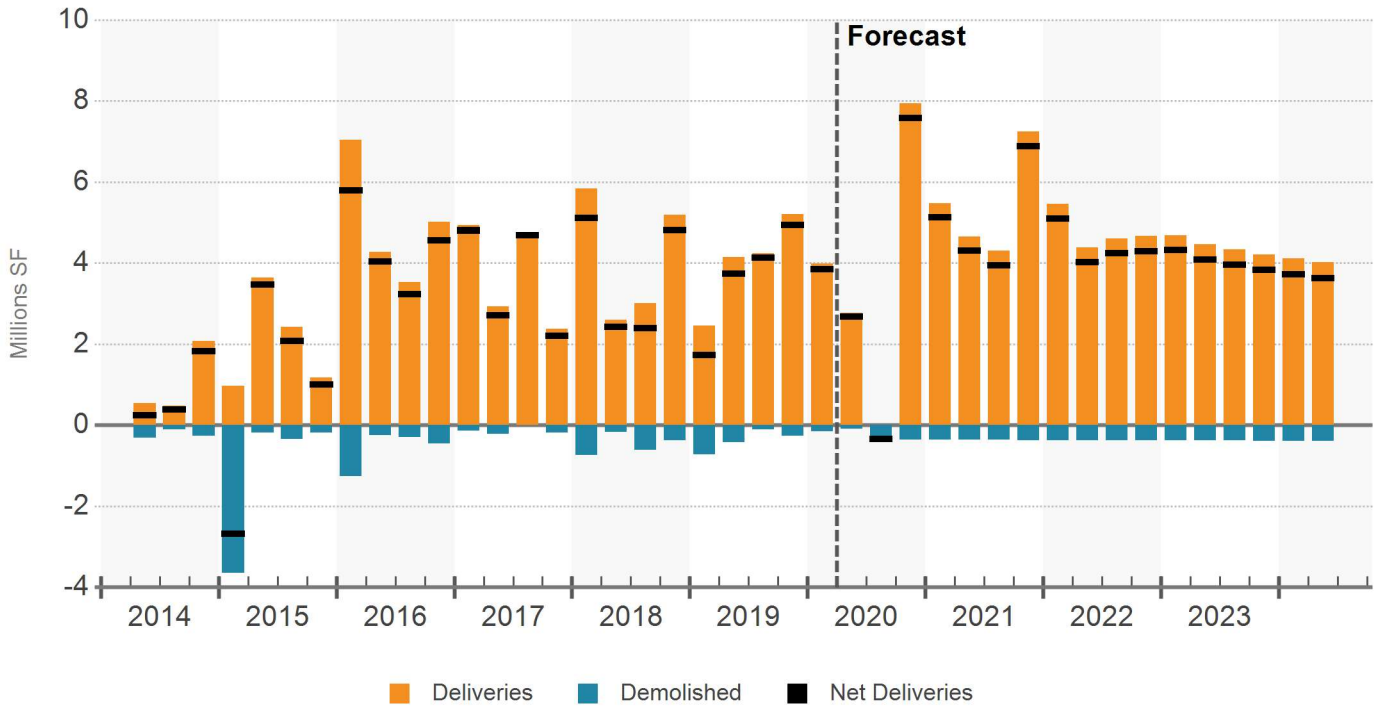
Notably, the coronavirus pandemic may lead to project delays or a slowdown in groundbreakings over the next few months, as owners, lenders, and developers come to grips with the changing economic landscape both locally and nationally.

Submarkets in the southern portion of the metro should continue to see the bulk of large-scale deliveries. Airport/North Clayton, Fayette/Coweta County, Rockdale/Newton County, and South Clayton/Henry County all have significant supply pipelines. Stone Mountain has also ranked as a leader in terms of industrial space underway, but that is almost entirely due to the 2.8-million-SF Amazon build-to-suit.

The median clear height for industrial buildings constructed in Atlanta in recent years continues to increase. The average clear height for buildings that came to market in over the past few years was nearly 36 feet, and some new or under-construction projects have clear heights of 40 feet.

Nearby markets like Jackson County (Jefferson) and Gainesville should remain competitors to metro Atlanta. Jackson County, just northeast of the Atlanta CBSA, represents an important logistics node for the region. This market has emerged in recent years, as it provides tenants direct access to I-85, allowing operators to distribute to other fast-growing Southeastern metros while bypassing metro Atlanta traffic. Jackson County has more than doubled its industrial stock since 2010 and recently landed Walmart, which signed for 1 million SF at the Valentine 85 Logistics Center in 20Q2.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

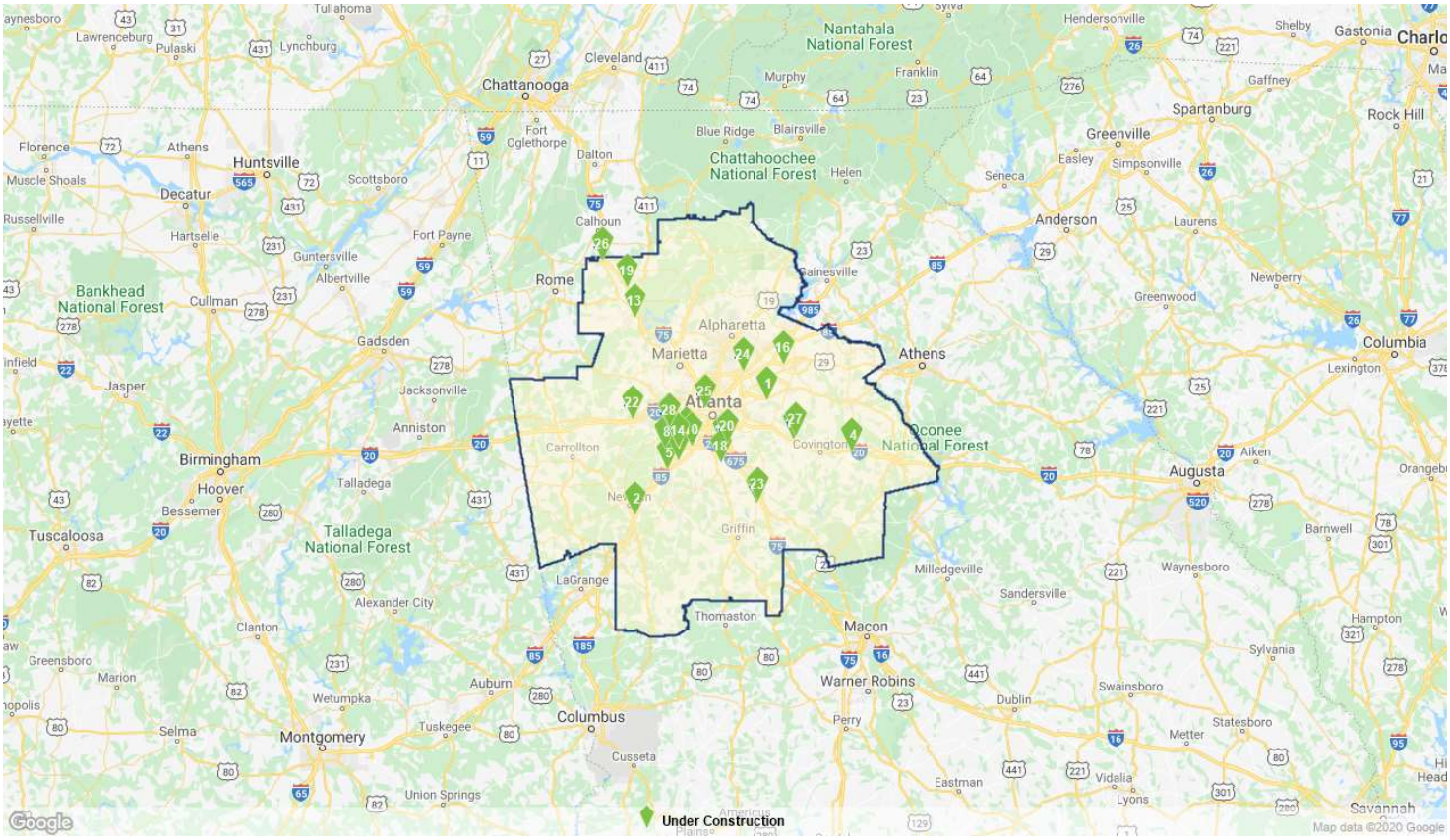
		Under Construction Inventory					Average Building Size		
No.	Submarket	Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Airport/North Clayton	12	6,214	3,495	56.2%	3	73,262	517,836	2
2	Stone Mountain	2	2,961	2,800	94.6%	1	28,968	1,480,473	1
3	Fayette/Coweta County	4	1,938	1,534	79.2%	2	43,438	484,422	3
4	Kennesaw/Acworth	11	1,754	402	22.9%	6	50,378	159,441	8
5	Rockdale/Newton Cnty	4	1,734	970	55.9%	4	35,877	433,560	4
6	S Clayton/Henry Cnty	3	1,074	0	0%	7	76,892	357,885	5
7	Fulton District	3	882	0	0%	7	83,408	294,023	6
8	GA-316/Lawrenceville	5	533	135	25.3%	5	40,659	106,510	10
9	Doraville	2	420	0	0%	7	54,835	210,057	7
10	I-20 W/Douglasville	3	373	0	0%	7	51,978	124,425	9
	All Other	14	787	384	48.7%		34,304	56,241	
Totals		**63**	**18,670**	**9,719**	**52.1%**		**45,366**	**296,346**	

Under Construction Properties

Atlanta Industrial

Properties	Square Feet	Percent of Inventory	Preleased
62	18,568,457	2.8%	51.8%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**Amazon Fulfillment Center** 2100-2200 W Park Place…	★★★★★	2,800,000	4	Oct 2019	Jun 2021	Seefried Properties, Inc. Fortress Investment Group LLC
2	**Prologis Orchard Hills Bl…** 139 Orchard Business Pky	★★★★★	1,514,040	1	Jan 2020	Jan 2021	Prologis Prologis, Inc.
3	**5705 Campbellton Fairbu…**	★★★★★	1,007,412	1	Sep 2019	Jul 2020	Core5 Industrial Partners Core5 Industrial Partners
4	**Facebook Data Center** 503 Shire Pky	★★★★★	970,000	1	Apr 2018	Jul 2020	- Facebook, Inc.
5	**Shugart Farms** 0 Oakley Industrial Blvd	★★★★★	907,610	1	Feb 2020	Oct 2020	Red Rock Developments Red Rock Developments
6	**Home Depot** 1000 Logistics Way	★★★★☆	664,000	1	Dec 2019	Mar 2021	Duke Realty Corporation Duke Realty Corporation
7	**85 South Commerce Cen…** 5220 Highway 138 Rd	★★★★☆	573,324	1	Dec 2019	Sep 2020	Hillwood Development Corporation Hillwood Development Corporation

Under Construction Properties

UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8	**Parkway West Commerc…** 0 South Fulton Pky At Hwy 9	★★★★★	570,988	1	Jan 2019	Jul 2020	Hillwood Development Corporation Hillwood Development Corporation
9	**Airport Logistics Center** 4900 Stonewall Tell Rd	★★★★★	499,500	1	Sep 2019	Jul 2020	TPA Group, LLC TPA Group, LLC
10	**Aerotropolis West III** 2929 Roosevelt Hwy	★★★★★	498,960	1	Jan 2020	Jul 2020	Duke Realty Corporation Duke Realty Corporation
11	**Greenwood Industrial Pk…** 165 Greenwood Industrial···	★★★★★	485,091	1	Nov 2019	Sep 2020	Pauls Corporation Clarion Partners
12	**1938 Gees Mill Rd**	★★★☆☆	447,440	1	Dec 2018	Jul 2020	Ashley Capital, LLC Ashley Capital, LLC
13	**Building 2** 200 Riverpoint Rd	★★★★☆	401,774	1	Mar 2020	Nov 2020	Black Creek Group Black Creek Group
14	**Mason Road Distribution…** 5195 Mason Rd	★★★★★	386,374	1	Nov 2019	Aug 2020	Lincoln Property Company Lincoln Property Company
15	**Kroger Delivery Service…** 2000 Anvil Block Rd	★★★★★	375,000	1	May 2020	Jul 2021	Robinson Weeks Partners The City of Forest Park
16	**Riverside Pky**	★★★★☆	367,060	1	Jan 2020	Mar 2021	- Raco General Contractors
17	**Building 2** 6400 Fulton Industrial Blvd	★★★★☆	364,200	1	Jan 2020	Aug 2020	Crow Holdings Industrial Crow Holdings Industrial
18	**Battle Creek Logistics C…** 1412 Battle Creek Rd	★★★★☆	352,173	1	Dec 2019	Sep 2020	Transwestern Real Estate Services AEW Capital Management
19	**Building I** 51 Busch Dr	★★★★☆	328,000	1	Jan 2020	Sep 2020	Panattoni Development Company··· PCCP, LLC
20	**Oakmont 675** 4178 E Tanners Church Rd	★★★★☆	319,623	1	Feb 2020	Aug 2020	Oakmont Industrial Group LLC Oakmont Industrial Group LLC
21	**Building 1** 6400 Fulton Industrial Blvd	★★★★☆	302,870	1	Jan 2020	Aug 2020	Crow Holdings Industrial Crow Holdings Industrial
22	**7550 Wood Rd**	★★★★☆	271,875	1	Jan 2020	Sep 2020	The Silverman Group The Silverman Group
23	**Crow Holdings Industrial…** Declaration Dr	★★★★☆	268,940	1	Apr 2020	Nov 2020	Crow Holdings Crow Holdings
24	**Peachtree Corners Logis…** 6455 Old Peachtree Rd	★★★★☆	256,469	1	Jul 2019	Aug 2020	Hardie Real Estate Group, LLC Corey Rd LLC
25	**QTS Expansion** 1025 Jefferson St NW	★★★☆☆	250,000	2	Sep 2019	Jan 2021	QTS Realty Trust, Inc. QTS Realty Trust, Inc.
26	**Building 100** 0 International Pky	★★★★★	226,040	1	Dec 2019	Aug 2020	Panattoni Development Company··· Panattoni Development Company···
27	**East Park Logistics Center** 2082 E Park Dr NE	★★★★☆	216,000	1	Mar 2020	Nov 2020	Brennan Investment Group Brennan Investment Group
28	**Building 3** 6400 Fulton Industrial Blvd	★★★★☆	215,000	1	Jan 2020	Aug 2020	Crow Holdings Industrial Crow Holdings Industrial

Atlanta industrial deal volume set a new record in 2019, eclipsing the $3 billion mark, and the metro continued that momentum into 20Q1, posting the strongest first quarter on record in terms of transaction volume. However, sales volume has slowed since the start of 20Q2 and may remain slow in the near term, as the coronavirus pandemic continues to impact the economy and capital markets.

Atlanta commonly ranks among the nation's leaders in total deal volume due to its massive inventory, wide variety of asset types, and above-average local and regional demographic growth. It also attracts buyers looking to take advantage of its robust highway and rail infrastructure, and its proximity to fast-growing ports along the East Coast. Atlanta has also added a net of roughly 75 million SF of industrial space since 2010, and that new space is often a magnet for national, institutional, and even foreign capital.

Despite the recent rise in pricing, the metro's average sale price of about $70/SF is well below the national average and is less than other national distribution markets like Chicago ($75/SF) and Dallas-Fort Worth ($80/SF). Atlanta also offers one of the highest average cap rates among major metros, averaging roughly 6.6%.

The recent increase in pricing is almost entirely due to NOI growth at this point. Rent growth in Atlanta industrial remains strong, with year-over-year growth coming in at 6.6%, and occupancies remain relatively high. If rent growth and occupancies soften due to the impact of the coronavirus pandemic, price appreciation could start to slow. Meanwhile, after compressing for years, cap rates have flattened out in recent quarters.

Atlanta's trailing 12-month price appreciation of roughly 6.5% compares favorably to other fast-growing distribution hubs such as the Inland Empire and Chicago but has underperformed fellow Southern market Dallas-Fort Worth.

Transaction activity is largely driven by national and institutional investors. Roughly 80% of the metro's buyer volume over the past 12 months can be traced to out-of-state firms, and a large portion of major deals are portfolio sales involving firms like Blackstone, IDI Logistics, and Prologis. Blackstone alone acquired nearly $900 million worth of Atlanta industrial in 2019, bringing the firm's local holdings to roughly 32 million SF, or 4% of the entire market. With about 30 million SF, Prologis is the second largest owner in the metro. The firm acquired 3.5 million SF in Atlanta in the February 2020 acquisition of Liberty Property Trust. In all, out-of-state investors were net buyers in Atlanta to the tune of $1.2 billion in 2019.

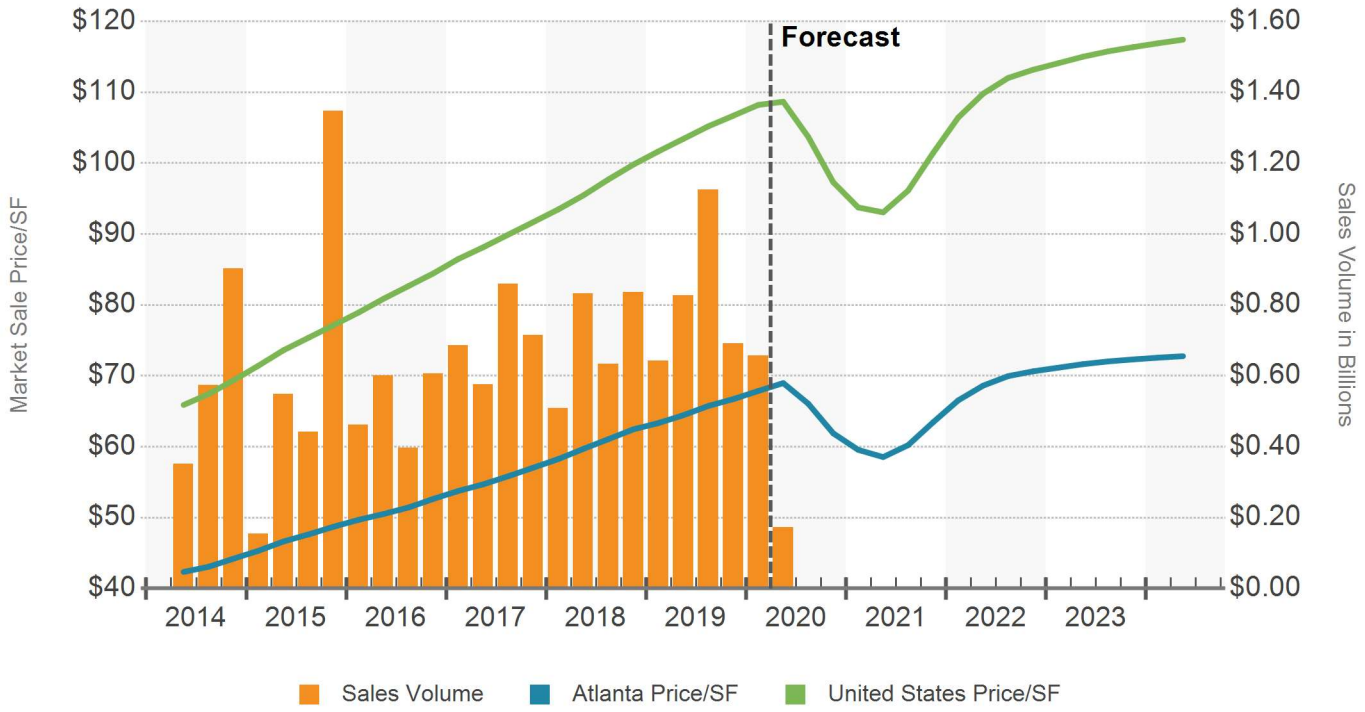
Local firms remain net sellers of Atlanta industrial, but some of that is due to Atlanta-based developers building and then subsequently selling off new facilities once they land a tenant.

In a typical big-box deal for the metro, the 605,000-SF Mars distribution center sold along with a 370,000-SF warehouse for Interface Flooring for $72.5 million ($74/SF) at a 5% cap rate in mid-2019. The properties, located in the I-20 W/Douglasville Submarket, were acquired by New York-based Lexington Realty Trust from Chicago-based LaSalle Investment Management. Both assets were newly built and were developed by Atlanta-based Oakmont Industrial.

Some new builds have changed hands right after delivering. For example, the two-building, 695,000-SF Douglas 20 West sold in December 2019 for $51.7 million ($74/SF). The assets were picked up by Denver-based Industrial Properties Trust shortly after they completed construction. The project landed third-party logistics firm Fulfillment Services Inc. to a 487,000-SF lease in late 2019 but still had slightly more than 200,000 SF of availability at the time of sale.

Sales volume in Atlanta is largely driven by national and institutional capital in major logistics submarkets such as Airport/North Clayton, I-20 W/Douglasville, and South Clayton/Henry County. However, older, well-located assets often change hands as redevelopments plays. In particular, submarkets such as Chattahoochee and Central Atlanta have seen major adaptive reuse projects sprout up on the sites of former industrial assets. In all, roughly 7 million SF of industrial space was sold and then demolished since 2010, a large portion of which was redeveloped or sold for the land value.

SALES VOLUME & MARKET SALE PRICE PER SF

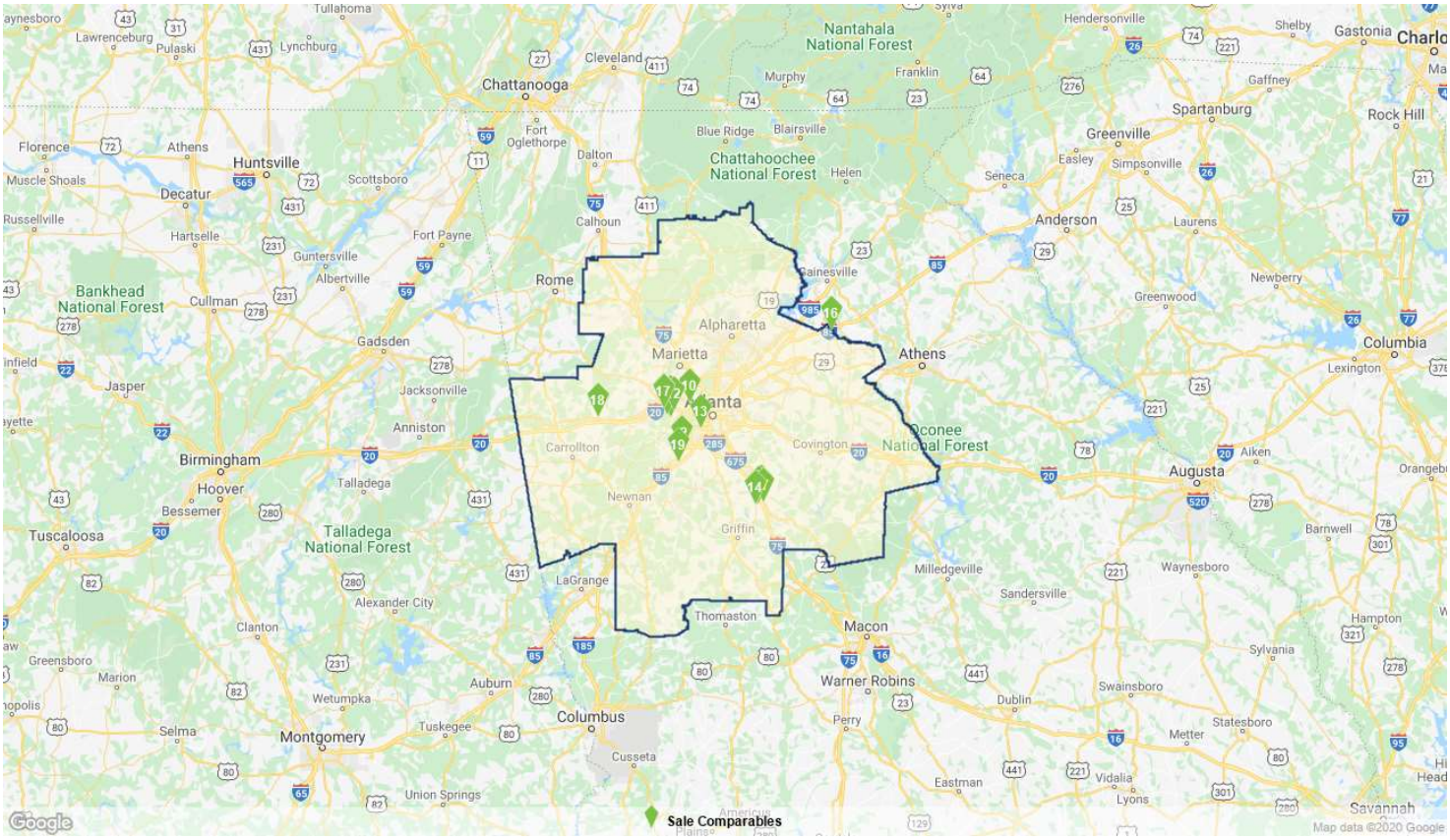


Sales Past 12 Months

Atlanta Industrial

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
1,100	7.7%	$66	11.1%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$15,000	$3,977,319	$1,518,127	$90,798,060
Price/SF	$0.36	$66	$73	$714
Cap Rate	4.6%	7.7%	7.7%	13.3%
Time Since Sale in Months	0.1	6.6	6.6	12.0
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	1,000	61,786	22,400	1,538,196
Ceiling Height	5'	20'2"	20'	60'
Docks	0	10	2	188
Vacancy Rate At Sale	0%	11.1%	0%	100%
Year Built	1900	1986	1987	2019
Star Rating	★☆☆☆☆	★★☆☆☆ 2.5	★★☆☆☆	★★★★★

Sales Past 12 Months

RECENT SIGNIFICANT SALES

	Property Name - Address	Property Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Sale Price	Price/SF	Cap Rate
1	**Whirlpool Atlanta** 195 King Mill Rd	★★★★☆	2008	1,538,196	0%	9/26/2019	$90,798,060	$59	-
2	**Kellogg** 5390 Hunter Rd	★★★★☆	2001	903,145	0%	8/1/2019	$59,750,000	$66	5.0%
3	**Logistics Center at 440 I...** 440 Interstate West Pky	★★★★★	2017	780,575	0%	10/8/2019	$57,100,000	$73	5.0%
4	**Bldg 300** 127 Liberty Industrial Pky	★★★★★	2006	851,349	0%	9/26/2019	$54,562,204	$64	-
4	**Bldg 300** 127 Liberty Industrial Pky	★★★★★	2006	851,349	0%	5/12/2020	$53,500,000	$63	4.6%
5	**Greenwood Industrial Bl...** 150 Greenwood Industrial···	★★★★★	2006	867,140	0%	9/26/2019	$51,178,080	$59	-
6	**201 Greenwood Ct**	★★★★★	1999	800,000	0%	3/20/2020	$48,128,783	$60	-
7	**King Mill Distribution Pa...** 150 Distribution Dr	★★★★★	2017	760,256	100%	3/20/2020	$45,737,745	$60	-
8	**Mars** 7875 White Rd	★★★★★	2015	604,852	0%	6/25/2019	$45,300,000	$75	-
9	**Bldg 100** 2200 Thornton Rd	★★★★★	2007	476,054	0%	7/26/2019	$36,700,000	$77	-
10	**Empire Distributors** 3755 Atlanta Industrial Pky N	★★★★☆	1985	403,285	0%	3/20/2020	$35,775,709	$89	-
11	**Building B- Front Load** 875 Douglas Hill Rd	★★★★☆	2019	486,852	100%	12/20/2019	$35,750,755	$73	-
12	**Hartman I** 675 Hartman Rd	★★★★★	2003	353,983	0%	9/26/2019	$35,617,635	$101	-
13	**Creekside Distribution C...** 2110-2135 Lawrence Ave	★★★★★	2016	538,500	41.6%	5/7/2020	$33,500,000	$62	-
14	**220-230 Greenwood Ct**	★★★★★	2000	504,000	0%	11/14/2019	$31,800,000	$63	-
15	**Bldg A-5** 750 Maxham Rd	★★★★★	2001	315,095	0%	9/26/2019	$31,704,739	$101	-
16	**Braselton Distribution C...** 900 Highway 124	★★★★★	2008	440,165	0%	6/13/2019	$31,000,000	$70	-
17	**C4** 850 Maxham Rd	★★★★☆	1999	292,281	0%	9/26/2019	$29,409,203	$101	-
18	**580 W Industrial Ct**	★★★★☆	1985	607,183	0%	9/23/2019	$28,825,000	$47	-
19	**Interface** 7225 Goodson Rd	★★★★★	2016	370,000	0%	6/25/2019	$27,200,000	$74	-

Atlanta will continue to feel the impact of the coronavirus pandemic on its economy. The effects of the outbreak will cause substantial economic hardship over the next few months, particularly in the vulnerable leisure and hospitality and retail trade sectors. The preliminary April 2020 job numbers from the BLS show that metro Atlanta employment fell by more than 300,000 jobs compared to February, with the unemployment rate rising to a post-World War II record of nearly 13%.

Atlanta benefited from strong white-collar job growth in recent years, especially the professional and business services sector. The metro has seen an influx of corporations setting up their IT operations locally, including BlackRock, Google, and Honeywell. Relationship management software firm Salesforce added another 600 jobs at its Buckhead location in 2019, and Microsoft and Facebook are setting up major tech hubs in Midtown. There is additional chatter that other technology-focused companies such as Tesla are shopping for large blocks of space in Midtown.

While the coronavirus pandemic may not impact these office-using jobs initially, a larger economic slowdown caused by the outbreak could lead to additional job losses, even in white-collar sectors. Cox Automotive, which has a major office presence in Central Perimeter, announced it was furloughing a substantial portion of its U.S. workforce. The furloughs will affect close to 1,000 of the firm's Atlanta-based employees. And after agreeing to open a 600-employee technology hub in Midtown, Macy's announced it is backing out of that investment due to the effects of the coronavirus pandemic on its business.

While Atlanta has a lower concentration of education and health services employment than the national average, that sector has seen substantial job growth over the past few years. Multiple healthcare systems are constructing new facilities, and the sector is poised to grow in order to adequately service the metro's surging population. Emory University Hospital Midtown is underway on its $500 million Winship Cancer Institute tower, while Piedmont Hospital opened phase one of the $450 million Piedmont Heart Institute tower in Buckhead early in order to treat coronavirus patients.

Growth in the warehouse and distribution industry could serve as a partial counterbalance to extensive retail job losses caused by the coronavirus pandemic, and the trade, transportation and utilities sector has fared relatively well, according to the preliminary April BLS figures. Hiring by firms like Amazon (which is moving into roughly 6 million SF of distribution space over the next few quarters), Kroger, Lidl, and Stitch Fix, among others, should continue to boost blue-collar job growth over the next few years. Long term, Atlanta will continue to benefit from its standing as a major regional and national distribution hub.

Low living and business costs should continue to boost job and population growth in Atlanta. In recent decades, Atlanta has drawn some of the strongest in-migration in the country. Many employers have openly stated that moving all or a portion of their operations to Atlanta saved them millions, without having to sacrifice access to high-quality labor.

The presence of the well-connected Hartsfield-Jackson International Airport helps seal the deal for potential residents and companies, including Mercedes-Benz and State Farm, which have recently relocated major operations to the metro. Atlanta's status as a transportation and logistics hub also helped attract Norfolk Southern, which is relocating its corporate headquarters to Midtown when its build-to-suit facility completes in 2021. The firm will add roughly 850 new jobs at an average salary north of $100,000. However, the coronavirus pandemic is strongly affecting travel-related industries, and airlines in particular, and will likely continue to put a strain on economic activity directly related to Hartsfield-Jackson over the next few months.

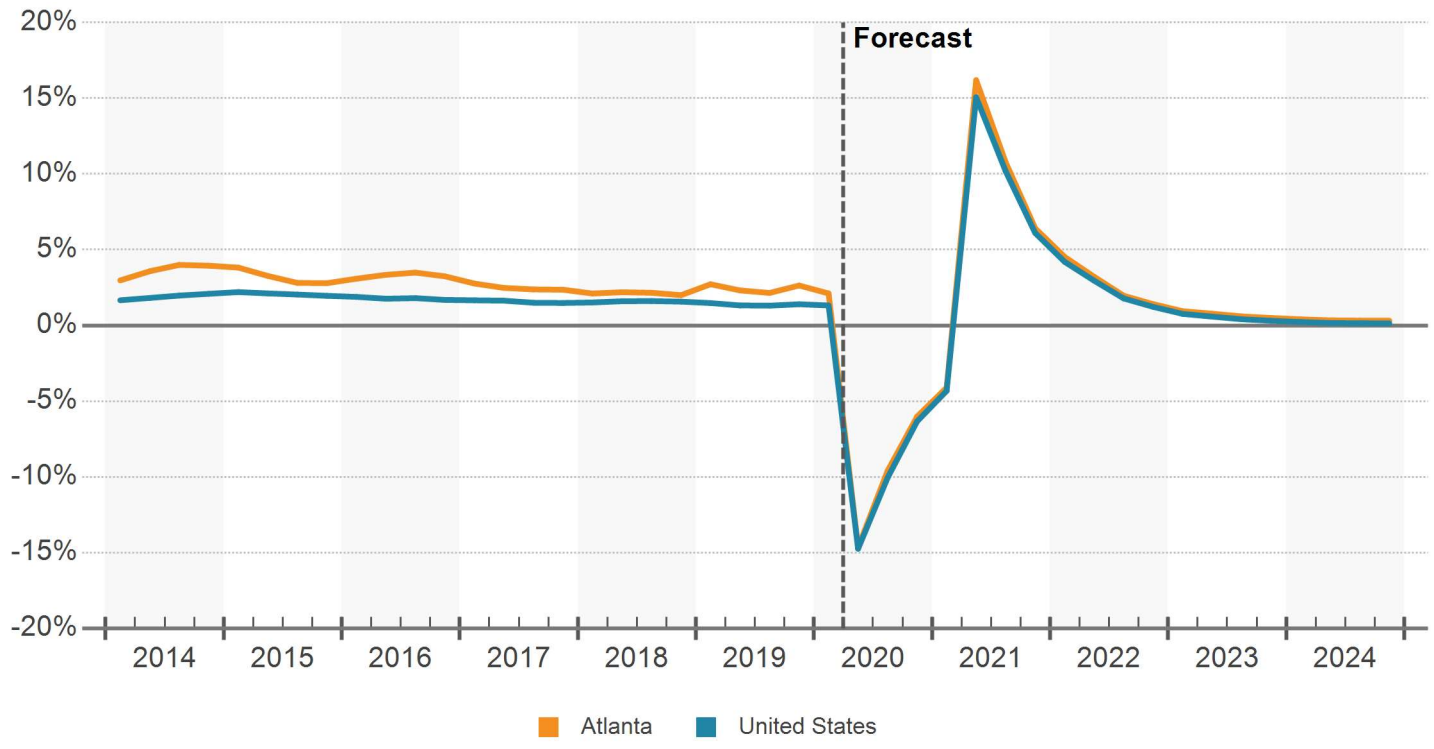
While not unique to Atlanta, highway and commuter rail infrastructure could be a limiting factor for Atlanta's growth prospects in the mid- to long term. The renewed focus on in-town density, combined with still expanding suburbs, has contributed to worsening traffic throughout the metro. Even with MARTA rail as an effective mode of transit, it is limited in its scope, lessening its potential impact. However, the future expansion of MARTA is on the horizon, and pedestrian infrastructure improvements throughout the metro could help provide those in Atlanta with alternative modes of transportation.

ATLANTA EMPLOYMENT BY INDUSTRY IN THOUSANDS

	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
NAICS Industry	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	148	0.7	-14.13%	-16.13%	0.53%	-0.66%	2.75%	2.97%
Trade, Transportation and Utilities	495	1.2	-17.50%	-18.22%	-0.12%	-0.80%	4.09%	3.92%
Retail Trade	242	1.0	-16.90%	-17.89%	-0.30%	-1.16%	3.94%	3.78%
Financial Activities	163	1.1	-8.54%	-9.17%	0.82%	0.27%	2.60%	2.43%
Government	335	0.8	1.95%	1.68%	0.03%	0.10%	0.56%	0.42%
Natural Resources, Mining and Construction	118	0.8	-10.69%	-10.15%	2.28%	1.72%	2.50%	2.52%
Education and Health Services	380	0.8	3.24%	0.67%	3.80%	1.97%	1.75%	1.13%
Professional and Business Services	506	1.4	-7.76%	-7.73%	2.41%	1.62%	2.61%	2.42%
Information	96	1.9	-5.07%	-4.45%	2.27%	0.04%	1.74%	1.63%
Leisure and Hospitality	276	1.0	-9.28%	-10.59%	2.30%	1.29%	2.98%	2.76%
Other Services	93	1.0	-11.19%	-12.49%	-0.27%	-0.34%	2.40%	2.47%
Total Employment	**2,549**	**1.0**	**-10.20%**	**-10.47%**	**1.15%**	**0.34%**	**2.96%**	**2.64%**

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



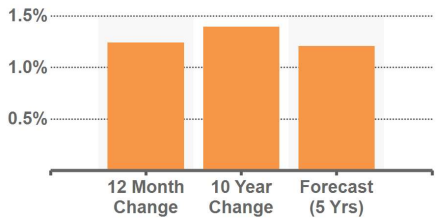
Source: Oxford Economics

DEMOGRAPHIC TRENDS

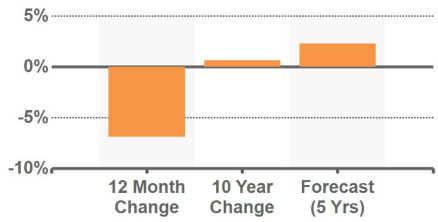
	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
Demographic Category	**Metro**	**U.S.**	**Metro**	**U.S.**	**Metro**	**U.S.**	**Metro**	**U.S.**
Population	6,073,943	329,507,125	1.2%	0.5%	1.4%	0.7%	1.2%	0.5%
Households	2,180,186	122,360,258	1.1%	0.4%	1.3%	0.7%	1.1%	0.4%
Median Household Income	$70,784	$63,426	-0.3%	0.6%	2.7%	2.4%	2.8%	3.1%
Labor Force	2,867,224	156,938,875	-6.9%	-3.6%	0.6%	0.2%	2.3%	1.2%
Unemployment	3.4%	3.8%	-0.2%	0.1%	-0.7%	-0.6%	-	-

Source: Oxford Economics

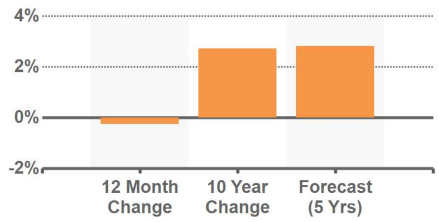
POPULATION GROWTH



LABOR FORCE GROWTH

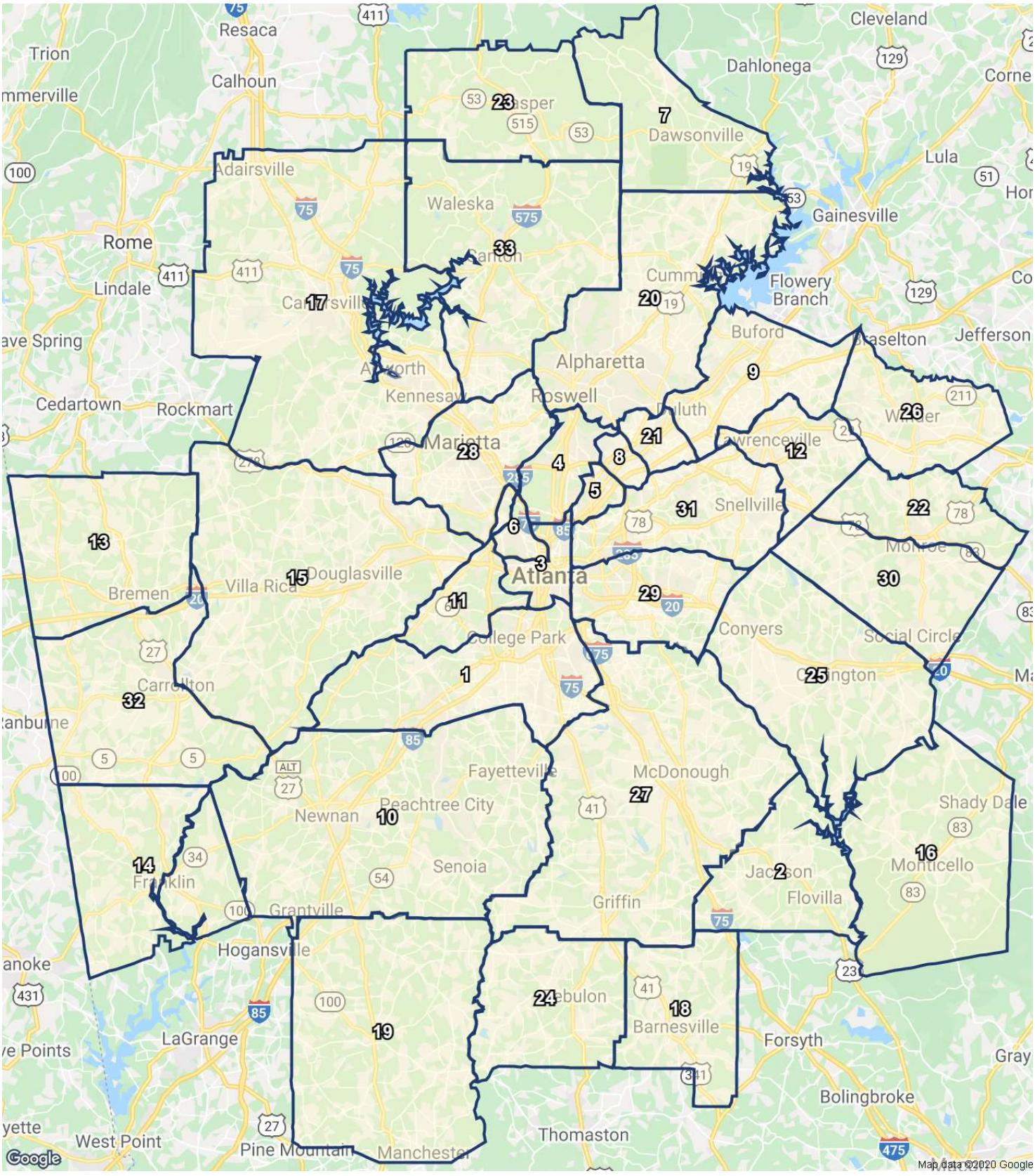


INCOME GROWTH



Source: Oxford Economics

ATLANTA SUBMARKETS



Submarkets

SUBMARKET INVENTORY

		Inventory				Deliveries				Under Construction			
No.	Submarket	Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Airport/North Clayton	1,545	113,190	15.4%	1	17	6,147	5.4%	1	12	6,214	5.5%	1
2	Butts County	32	3,037	0.4%	23	1	231	7.6%	11	0	-	-	-
3	Central Atlanta	637	15,301	2.1%	17	0	0	0%	-	0	-	-	-
4	Central Perimeter	29	480	0.1%	31	0	0	0%	-	0	-	-	-
5	Chamblee	385	8,567	1.2%	21	0	0	0%	-	0	-	-	-
6	Chattahoochee	651	21,549	2.9%	14	1	16	0.1%	18	1	250	1.2%	11
7	Dawson County	43	1,022	0.1%	28	3	35	3.4%	17	0	-	-	-
8	Doraville	611	33,504	4.6%	7	1	9	0%	19	2	420	1.3%	9
9	Duluth/Suwanee/Buford	833	54,880	7.5%	4	6	1,412	2.6%	4	3	159	0.3%	13
10	Fayette/Coweta County	616	26,758	3.7%	13	4	1,072	4.0%	7	4	1,938	7.2%	3
11	Fulton District	635	52,964	7.2%	5	1	1,128	2.1%	6	3	882	1.7%	7
12	GA-316/Lawrenceville	519	21,102	2.9%	15	1	35	0.2%	16	5	533	2.5%	8
13	Haralson County	68	2,039	0.3%	25	0	0	0%	-	0	-	-	-
14	Heard County	5	57	0%	33	0	0	0%	-	0	-	-	-
15	I-20 W/Douglasville	1,099	57,124	7.8%	3	8	1,956	3.4%	3	3	373	0.7%	10
16	Jasper County	9	169	0%	32	0	0	0%	-	0	-	-	-
17	Kennesaw/Acworth	881	44,383	6.1%	6	7	1,161	2.6%	5	11	1,754	4.0%	4
18	Lamar County	30	1,602	0.2%	27	0	0	0%	-	0	-	-	-
19	Meriwether County	22	967	0.1%	29	0	0	0%	-	0	-	-	-
20	N Fulton/Forsyth Cnty	1,176	32,285	4.4%	9	7	497	1.5%	9	4	231	0.7%	12
21	Norcross	785	33,211	4.5%	8	3	148	0.4%	12	0	-	-	-
22	North Walton County	54	2,234	0.3%	24	0	0	0%	-	0	-	-	-
23	Pickens County	118	1,771	0.2%	26	1	4	0.2%	20	2	12	0.7%	16
24	Pike County	13	483	0.1%	30	0	0	0%	-	0	-	-	-
25	Rockdale/Newton Cnty	769	27,589	3.8%	12	2	276	1.0%	10	4	1,734	6.3%	5
26	S Barrow	303	9,049	1.2%	20	4	53	0.6%	14	0	-	-	-
27	S Clayton/Henry Cnty	860	66,127	9.0%	2	5	2,590	3.9%	2	3	1,074	1.6%	6
28	SE Cobb Cnty/Marietta	1,044	28,866	3.9%	11	4	47	0.2%	15	3	76	0.3%	14
29	Snapfinger	423	16,649	2.3%	16	0	0	0%	-	0	-	-	-
30	South Walton County	133	10,817	1.5%	18	0	0	0%	-	0	-	-	-
31	Stone Mountain	1,036	30,011	4.1%	10	2	516	1.7%	8	2	2,961	9.9%	2
32	W Carroll County	150	4,488	0.6%	22	1	2	0%	21	0	-	-	-
33	Woodstock/Canton	644	10,736	1.5%	19	1	62	0.6%	13	1	60	0.6%	15

Submarkets

SUBMARKET RENT

		Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
No.	Submarket	Per SF	Rank	Growth	Rank	Growth	Rank
1	Airport/North Clayton	$0.44	27	6.9%	2	5.7%	2
2	Butts County	$0.36	32	6.1%	32	1.8%	33
3	Central Atlanta	$0.71	4	6.3%	27	4.6%	22
4	Central Perimeter	$1.04	1	6.2%	30	4.1%	26
5	Chamblee	$0.73	3	6.2%	29	4.2%	24
6	Chattahoochee	$0.69	6	6.3%	26	4.7%	17
7	Dawson County	$0.65	7	6.2%	31	3.9%	29
8	Doraville	$0.56	13	6.7%	12	5.1%	11
9	Duluth/Suwanee/Buford	$0.56	16	6.7%	5	5.4%	4
10	Fayette/Coweta County	$0.48	22	6.7%	10	5.1%	9
11	Fulton District	$0.36	33	7.0%	1	5.6%	3
12	GA-316/Lawrenceville	$0.57	12	6.7%	6	5.1%	10
13	Haralson County	$0.37	31	6.7%	13	4.5%	23
14	Heard County	$0.64	9	6.4%	23	3.7%	30
15	I-20 W/Douglasville	$0.45	24	6.5%	19	5.2%	7
16	Jasper County	$0.61	11	6.5%	20	4.1%	27
17	Kennesaw/Acworth	$0.56	15	6.6%	16	5.2%	8
18	Lamar County	$0.44	25	6.7%	7	4.9%	13
19	Meriwether County	$0.40	30	5.7%	33	3.7%	31
20	N Fulton/Forsyth Cnty	$0.81	2	6.5%	22	4.7%	21
21	Norcross	$0.63	10	6.5%	17	4.7%	20
22	North Walton County	$0.55	17	6.8%	3	5.2%	6
23	Pickens County	$0.56	14	6.2%	28	3.3%	32
24	Pike County	$0.54	19	6.5%	18	4.0%	28
25	Rockdale/Newton Cnty	$0.50	20	6.7%	8	4.7%	18
26	S Barrow	$0.49	21	6.6%	14	4.9%	15
27	S Clayton/Henry Cnty	$0.40	29	6.6%	15	5.7%	1
28	SE Cobb Cnty/Marietta	$0.70	5	6.4%	25	4.7%	19
29	Snapfinger	$0.47	23	6.7%	11	4.9%	14
30	South Walton County	$0.42	28	6.4%	24	5.0%	12
31	Stone Mountain	$0.55	18	6.7%	9	4.8%	16
32	W Carroll County	$0.44	26	6.8%	4	5.3%	5
33	Woodstock/Canton	$0.65	8	6.5%	21	4.1%	25

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Submarkets

SUBMARKET VACANCY & NET ABSORPTION

		Vacancy			12 Month Absorption			
No.	Submarket	SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Airport/North Clayton	11,062,964	9.8%	26	2,543,077	2.2%	2	2.4
2	Butts County	885,400	29.2%	31	(45,400)	-1.5%	27	-
3	Central Atlanta	1,138,779	7.4%	24	(271,561)	-1.8%	32	-
4	Central Perimeter	16,618	3.5%	11	(25,309)	-5.3%	25	-
5	Chamblee	380,975	4.4%	15	(130,402)	-1.5%	28	-
6	Chattahoochee	1,334,693	6.2%	23	(187,600)	-0.9%	31	-
7	Dawson County	105,725	10.3%	28	47,526	4.6%	12	0.7
8	Doraville	1,468,091	4.4%	14	41,984	0.1%	13	0.2
9	Duluth/Suwanee/Buford	3,246,733	5.9%	21	160,106	0.3%	10	8.4
10	Fayette/Coweta County	2,765,134	10.3%	27	221,921	0.8%	9	4.6
11	Fulton District	929,526	1.8%	7	1,509,096	2.8%	4	0.7
12	GA-316/Lawrenceville	540,870	2.6%	8	288,860	1.4%	7	-
13	Haralson County	21,000	1.0%	3	(10,121)	-0.5%	22	-
14	Heard County	5,000	8.7%	25	(5,000)	-8.7%	20	-
15	I-20 W/Douglasville	3,428,810	6.0%	22	3,752,406	6.6%	1	0.5
16	Jasper County	1	0%	1	548	0.3%	18	-
17	Kennesaw/Acworth	2,207,396	5.0%	19	587,597	1.3%	5	1.7
18	Lamar County	-	-	-	1,071	0.1%	17	-
19	Meriwether County	392,000	40.5%	32	4,600	0.5%	16	-
20	N Fulton/Forsyth Cnty	1,441,034	4.5%	16	24,115	0.1%	14	20.6
21	Norcross	1,672,981	5.0%	20	136,372	0.4%	11	1.0
22	North Walton County	12,200	0.5%	2	(9,022)	-0.4%	21	-
23	Pickens County	47,786	2.7%	9	(23,923)	-1.4%	24	-
24	Pike County	51,970	10.8%	29	(10,370)	-2.1%	23	-
25	Rockdale/Newton Cnty	1,118,282	4.1%	12	(148,216)	-0.5%	30	-
26	S Barrow	150,417	1.7%	6	(1,098)	0%	19	-
27	S Clayton/Henry Cnty	8,097,216	12.2%	30	2,037,832	3.1%	3	1.1
28	SE Cobb Cnty/Marietta	1,344,380	4.7%	17	(355,147)	-1.2%	33	-
29	Snapfinger	267,191	1.6%	5	570,264	3.4%	6	-
30	South Walton County	458,950	4.2%	13	6,398	0.1%	15	-
31	Stone Mountain	1,485,940	5.0%	18	244,976	0.8%	8	2.1
32	W Carroll County	64,517	1.4%	4	(37,561)	-0.8%	26	-
33	Woodstock/Canton	292,808	2.7%	10	(133,585)	-1.2%	29	-

Supply & Demand Trends

Atlanta Industrial

OVERALL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	810,110,405	14,384,099	1.8%	12,182,992	1.5%	1.2
2023	795,726,306	16,202,981	2.1%	13,046,248	1.6%	1.2
2022	779,523,325	17,655,554	2.3%	14,090,943	1.8%	1.3
2021	761,867,771	20,253,747	2.7%	9,822,285	1.3%	2.1
2020	741,614,024	13,766,284	1.9%	378,982	0.1%	36.3
YTD	734,421,328	6,573,588	0.9%	1,072,699	0.1%	6.1
2019	727,847,740	14,550,822	2.0%	12,236,685	1.7%	1.2
2018	713,296,918	14,749,223	2.1%	17,456,893	2.4%	0.8
2017	698,547,695	14,394,757	2.1%	21,581,687	3.1%	0.7
2016	684,152,938	17,616,777	2.6%	15,649,107	2.3%	1.1
2015	666,536,161	3,862,042	0.6%	13,714,826	2.1%	0.3
2014	662,674,119	2,199,862	0.3%	20,625,229	3.1%	0.1
2013	660,474,257	2,351,391	0.4%	10,122,778	1.5%	0.2
2012	658,122,866	333,716	0.1%	4,744,013	0.7%	0.1
2011	657,789,150	(932,467)	-0.1%	7,370,838	1.1%	-
2010	658,721,617	2,151,289	0.3%	(3,337,673)	-0.5%	-
2009	656,570,328	(619,841)	-0.1%	(7,433,101)	-1.1%	-
2008	657,190,169	7,529,807	1.2%	(6,636,155)	-1.0%	-

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	102,707,141	694,360	0.7%	187,102	0.2%	3.7
2023	102,012,781	867,942	0.9%	315,745	0.3%	2.7
2022	101,144,839	784,042	0.8%	219,586	0.2%	3.6
2021	100,360,797	461,388	0.5%	(246,365)	-0.2%	-
2020	99,899,409	841,696	0.8%	(1,472,746)	-1.5%	-
YTD	99,266,326	208,613	0.2%	179,809	0.2%	1.2
2019	99,057,713	293,241	0.3%	726,811	0.7%	0.4
2018	98,764,472	825,708	0.8%	1,287,460	1.3%	0.6
2017	97,938,764	1,320,737	1.4%	1,519,439	1.6%	0.9
2016	96,618,027	1,454,543	1.5%	2,306,921	2.4%	0.6
2015	95,163,484	(3,243,971)	-3.3%	77,613	0.1%	-
2014	98,407,455	95,437	0.1%	3,343,120	3.4%	0
2013	98,312,018	276,178	0.3%	(21,334)	0%	-
2012	98,035,840	(390,640)	-0.4%	316,856	0.3%	-
2011	98,426,480	(794,449)	-0.8%	(259,174)	-0.3%	-
2010	99,220,929	396,862	0.4%	(428,231)	-0.4%	-
2009	98,824,067	(2,203,133)	-2.2%	(932,848)	-0.9%	-
2008	101,027,200	670,123	0.7%	(4,215,992)	-4.2%	-

Supply & Demand Trends

LOGISTICS SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	637,584,532	13,231,939	2.1%	11,859,497	1.9%	1.1
2023	624,352,593	14,822,245	2.4%	12,530,402	2.0%	1.2
2022	609,530,348	16,355,023	2.8%	13,596,662	2.2%	1.2
2021	593,175,325	19,179,353	3.3%	9,869,541	1.7%	1.9
2020	573,995,972	11,786,853	2.1%	3,339,609	0.6%	3.5
YTD	568,446,596	6,237,477	1.1%	1,483,898	0.3%	4.2
2019	562,209,119	14,420,916	2.6%	11,587,861	2.1%	1.2
2018	547,788,203	13,974,685	2.6%	15,534,213	2.8%	0.9
2017	533,813,518	13,120,250	2.5%	19,881,396	3.7%	0.7
2016	520,693,268	16,335,078	3.2%	12,632,449	2.4%	1.3
2015	504,358,190	7,199,299	1.4%	11,808,648	2.3%	0.6
2014	497,158,891	2,163,449	0.4%	16,102,684	3.2%	0.1
2013	494,995,442	2,300,635	0.5%	9,027,421	1.8%	0.3
2012	492,694,807	747,004	0.2%	4,819,368	1.0%	0.2
2011	491,947,803	159,427	0%	8,818,947	1.8%	0
2010	491,788,376	1,837,958	0.4%	(3,078,210)	-0.6%	-
2009	489,950,418	1,583,334	0.3%	(5,414,599)	-1.1%	-
2008	488,367,084	6,582,280	1.4%	(1,579,910)	-0.3%	-

FLEX SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	69,818,732	457,800	0.7%	136,393	0.2%	3.4
2023	69,360,932	512,794	0.7%	200,101	0.3%	2.6
2022	68,848,138	516,489	0.8%	274,695	0.4%	1.9
2021	68,331,649	613,006	0.9%	199,109	0.3%	3.1
2020	67,718,643	1,137,735	1.7%	(1,487,881)	-2.2%	-
YTD	66,708,406	127,498	0.2%	(591,008)	-0.9%	-
2019	66,580,908	(163,335)	-0.2%	(77,987)	-0.1%	-
2018	66,744,243	(51,170)	-0.1%	635,220	1.0%	-
2017	66,795,413	(46,230)	-0.1%	180,852	0.3%	-
2016	66,841,643	(172,844)	-0.3%	709,737	1.1%	-
2015	67,014,487	(93,286)	-0.1%	1,828,565	2.7%	-
2014	67,107,773	(59,024)	-0.1%	1,179,425	1.8%	-
2013	67,166,797	(225,422)	-0.3%	1,116,691	1.7%	-
2012	67,392,219	(22,648)	0%	(392,211)	-0.6%	-
2011	67,414,867	(297,445)	-0.4%	(1,188,935)	-1.8%	-
2010	67,712,312	(83,531)	-0.1%	168,768	0.2%	-
2009	67,795,843	(42)	0%	(1,085,654)	-1.6%	-
2008	67,795,885	277,404	0.4%	(840,253)	-1.2%	-

Rent & Vacancy

OVERALL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	$0.59	152	1.7%	16.1%	73,710,107	9.1%	0.1%
2023	$0.58	150	2.4%	14.2%	71,515,691	9.0%	0.2%
2022	$0.56	146	4.5%	11.5%	68,352,719	8.8%	0.3%
2021	$0.54	140	10.6%	6.7%	64,771,534	8.5%	1.2%
2020	$0.49	126	-3.5%	-3.5%	54,324,998	7.3%	1.7%
YTD	$0.52	135	2.7%	2.7%	46,446,362	6.3%	0.7%
2019	$0.51	131	6.4%	0%	40,850,721	5.6%	0.2%
2018	$0.48	123	6.7%	-6.1%	38,581,844	5.4%	-0.5%
2017	$0.45	115	6.5%	-12.0%	41,065,514	5.9%	-1.2%
2016	$0.42	108	5.5%	-17.3%	48,257,494	7.1%	0.1%
2015	$0.40	103	6.0%	-21.7%	46,276,568	6.9%	-1.5%
2014	$0.37	97	3.9%	-26.1%	56,129,352	8.5%	-2.8%
2013	$0.36	93	2.5%	-28.9%	74,554,719	11.3%	-1.2%
2012	$0.35	91	-0.2%	-30.6%	82,326,106	12.5%	-0.6%
2011	$0.35	91	-1.8%	-30.5%	86,366,403	13.1%	-1.2%
2010	$0.36	93	-3.5%	-29.2%	94,669,708	14.4%	0.8%
2009	$0.37	96	-3.8%	-26.6%	89,188,843	13.6%	1.0%
2008	$0.39	100	-0.7%	-23.7%	82,375,583	12.5%	2.0%

SPECIALIZED INDUSTRIAL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	$0.65	149	1.8%	13.9%	7,846,508	7.6%	0.4%
2023	$0.64	146	2.6%	11.9%	7,340,135	7.2%	0.5%
2022	$0.62	143	4.6%	9.1%	6,787,264	6.7%	0.5%
2021	$0.59	136	10.8%	4.2%	6,221,417	6.2%	0.7%
2020	$0.54	123	-5.9%	-5.9%	5,512,397	5.5%	2.3%
YTD	$0.57	131	0.1%	0.1%	3,226,243	3.3%	0%
2019	$0.57	131	9.9%	0%	3,197,439	3.2%	-0.5%
2018	$0.52	119	6.8%	-9.0%	3,649,009	3.7%	-0.5%
2017	$0.49	111	5.5%	-14.8%	4,110,761	4.2%	-0.3%
2016	$0.46	106	2.8%	-19.2%	4,309,463	4.5%	-1.0%
2015	$0.45	103	6.7%	-21.4%	5,161,841	5.4%	-3.2%
2014	$0.42	96	4.5%	-26.3%	8,483,425	8.6%	-3.3%
2013	$0.40	92	3.5%	-29.5%	11,731,108	11.9%	0.3%
2012	$0.39	89	-1.0%	-31.8%	11,433,596	11.7%	-0.3%
2011	$0.39	90	-2.2%	-31.1%	11,771,092	12.0%	-0.4%
2010	$0.40	92	-4.3%	-29.6%	12,306,367	12.4%	0.8%
2009	$0.42	96	-3.7%	-26.4%	11,481,274	11.6%	-1.0%
2008	$0.44	100	-1.1%	-23.6%	12,751,559	12.6%	4.8%

Rent & Vacancy

LOGISTICS RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	$0.52	154	1.7%	16.8%	58,590,392	9.2%	0%
2023	$0.52	151	2.4%	14.9%	57,220,399	9.2%	0.2%
2022	$0.50	148	4.4%	12.2%	54,921,389	9.0%	0.2%
2021	$0.48	142	10.6%	7.5%	52,149,151	8.8%	1.3%
2020	$0.44	128	-2.8%	-2.8%	42,828,809	7.5%	1.4%
YTD	$0.46	136	3.5%	3.5%	39,144,699	6.9%	0.8%
2019	$0.45	132	5.9%	0%	34,296,368	6.1%	0.4%
2018	$0.42	124	6.5%	-5.6%	31,479,573	5.7%	-0.4%
2017	$0.40	117	6.8%	-11.4%	32,815,101	6.1%	-1.4%
2016	$0.37	109	6.0%	-17.0%	39,557,047	7.6%	0.5%
2015	$0.35	103	6.1%	-21.7%	35,841,162	7.1%	-1.0%
2014	$0.33	97	4.0%	-26.2%	40,450,511	8.1%	-2.9%
2013	$0.32	93	2.5%	-29.0%	54,389,746	11.0%	-1.4%
2012	$0.31	91	0%	-30.8%	61,116,532	12.4%	-0.8%
2011	$0.31	91	-1.7%	-30.7%	65,188,896	13.3%	-1.8%
2010	$0.32	93	-3.3%	-29.5%	73,848,416	15.0%	0.9%
2009	$0.33	96	-4.0%	-27.1%	68,954,248	14.1%	1.4%
2008	$0.34	100	-0.7%	-24.1%	61,956,315	12.7%	1.5%

FLEX RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	$1.04	148	1.7%	15.2%	7,273,207	10.4%	0.4%
2023	$1.02	146	2.4%	13.3%	6,955,157	10.0%	0.4%
2022	$1.00	142	4.5%	10.6%	6,644,066	9.7%	0.3%
2021	$0.96	136	10.6%	5.9%	6,400,966	9.4%	0.5%
2020	$0.87	123	-4.2%	-4.2%	5,983,792	8.8%	3.8%
YTD	$0.92	131	2.0%	2.0%	4,075,420	6.1%	1.1%
2019	$0.90	129	5.8%	0%	3,356,914	5.0%	-0.1%
2018	$0.85	122	7.6%	-5.5%	3,453,262	5.2%	-1.0%
2017	$0.79	113	6.1%	-12.1%	4,139,652	6.2%	-0.4%
2016	$0.75	106	5.9%	-17.2%	4,390,984	6.6%	-1.3%
2015	$0.71	100	5.2%	-21.8%	5,273,565	7.9%	-2.9%
2014	$0.67	95	2.8%	-25.7%	7,195,416	10.7%	-1.8%
2013	$0.65	93	1.8%	-27.7%	8,433,865	12.6%	-1.9%
2012	$0.64	91	-0.4%	-29.0%	9,775,978	14.5%	0.6%
2011	$0.64	92	-1.7%	-28.7%	9,406,415	14.0%	1.4%
2010	$0.66	93	-3.8%	-27.4%	8,514,925	12.6%	-0.3%
2009	$0.68	97	-3.1%	-24.6%	8,753,321	12.9%	1.6%
2008	$0.70	100	0%	-22.2%	7,667,709	11.3%	1.6%

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Sale Trends

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2024	-	-	-	-	-	-	$73.13	187	6.9%
2023	-	-	-	-	-	-	$72.31	184	6.9%
2022	-	-	-	-	-	-	$70.63	180	6.8%
2021	-	-	-	-	-	-	$63.45	162	7.1%
2020	-	-	-	-	-	-	$61.89	158	7.0%
YTD	369	$829.4M	3.0%	$3,526,161	$66.81	7.8%	$68.63	175	6.6%
2019	1,204	$3.3B	9.6%	$3,851,990	$62.01	7.7%	$66.72	170	6.6%
2018	1,157	$2.8B	9.6%	$3,442,654	$60.23	7.6%	$62.45	159	6.7%
2017	983	$2.8B	8.5%	$3,864,175	$50.73	7.9%	$57.05	146	6.8%
2016	889	$2.1B	6.6%	$2,767,280	$46.82	8.1%	$52.65	134	6.9%
2015	1,036	$2.5B	10.2%	$2,755,133	$42.78	8.3%	$48.72	124	7.1%
2014	930	$2.2B	8.1%	$2,629,466	$41.63	8.4%	$44.21	113	7.5%
2013	783	$1.1B	6.0%	$1,820,384	$35.52	8.9%	$40.84	104	7.7%
2012	616	$1.2B	5.8%	$2,326,702	$35.10	8.7%	$38.91	99	7.9%
2011	448	$837.2M	3.9%	$2,186,030	$34.12	9.3%	$37.24	95	8.1%
2010	405	$616.5M	3.6%	$1,826,164	$35.09	9.5%	$36.20	92	8.3%
2009	304	$359.1M	1.7%	$1,411,425	$35.21	10.8%	$35.24	90	8.6%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

SPECIALIZED INDUSTRIAL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2024	-	-	-	-	-	-	$67.54	191	6.9%
2023	-	-	-	-	-	-	$66.78	189	6.8%
2022	-	-	-	-	-	-	$65.16	184	6.8%
2021	-	-	-	-	-	-	$58.40	165	7.0%
2020	-	-	-	-	-	-	$56.89	161	7.0%
YTD	23	$54.8M	0.7%	$3,044,016	$86.07	-	$63.18	179	6.6%
2019	93	$189.7M	3.8%	$2,630,072	$64.71	7.3%	$61.50	174	6.6%
2018	103	$218.2M	5.8%	$2,947,509	$51.43	7.2%	$57.48	162	6.6%
2017	77	$183.4M	4.7%	$3,007,052	$43.21	9.0%	$51.71	146	6.8%
2016	88	$146.8M	4.9%	$1,834,973	$31.65	8.1%	$47.77	135	7.0%
2015	78	$180.8M	4.9%	$2,698,297	$41.84	10.5%	$44.37	125	7.1%
2014	67	$134.7M	5.2%	$2,281,875	$26.92	9.0%	$40.12	113	7.5%
2013	66	$126.6M	3.8%	$2,261,530	$34.17	9.0%	$36.95	104	7.7%
2012	58	$55.6M	2.2%	$1,423,259	$32.40	9.3%	$35.12	99	7.9%
2011	33	$46.1M	1.5%	$1,439,191	$30.63	-	$33.77	95	8.1%
2010	29	$35.6M	1.6%	$1,424,706	$32.84	9.0%	$32.91	93	8.4%
2009	30	$25.9M	0.7%	$895,840	$36.65	-	$31.92	90	8.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

Sale Trends

LOGISTICS SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2024	-	-	-	-	-	-	$69.41	186	6.9%
2023	-	-	-	-	-	-	$68.64	184	6.8%
2022	-	-	-	-	-	-	$67.06	179	6.8%
2021	-	-	-	-	-	-	$60.26	161	7.0%
2020	-	-	-	-	-	-	$58.79	157	7.0%
YTD	268	$657.8M	3.4%	$3,960,536	$62.85	7.6%	$65.19	174	6.6%
2019	870	$2.8B	10.9%	$4,491,030	$60.29	7.7%	$63.36	169	6.6%
2018	751	$2B	10.2%	$3,920,066	$56.63	7.7%	$59.33	159	6.7%
2017	702	$2.4B	9.5%	$4,439,859	$49.98	7.5%	$54.33	145	6.8%
2016	559	$1.7B	6.9%	$3,340,395	$47.18	7.9%	$50.22	134	6.9%
2015	713	$2B	11.4%	$3,238,866	$42.17	7.6%	$46.53	124	7.1%
2014	626	$1.8B	8.8%	$3,050,470	$41.27	7.9%	$42.28	113	7.4%
2013	520	$908.1M	6.6%	$2,085,397	$34.91	8.6%	$39.05	104	7.7%
2012	435	$971.1M	6.8%	$2,645,997	$33.62	8.6%	$37.21	99	7.9%
2011	314	$745.3M	4.6%	$2,638,257	$34.07	9.1%	$35.55	95	8.1%
2010	293	$538.8M	4.3%	$2,099,693	$34.56	9.3%	$34.53	92	8.3%
2009	214	$292.4M	2.0%	$1,596,824	$33.06	12.4%	$33.60	90	8.6%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

FLEX SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2024	-	-	-	-	-	-	$113.05	188	7.1%
2023	-	-	-	-	-	-	$111.83	186	7.1%
2022	-	-	-	-	-	-	$109.19	181	7.0%
2021	-	-	-	-	-	-	$98.15	163	7.3%
2020	-	-	-	-	-	-	$95.71	159	7.2%
YTD	78	$116.8M	2.8%	$2,257,609	$89.11	8.5%	$106.07	176	6.8%
2019	241	$303.4M	7.1%	$1,897,144	$81.26	7.9%	$103.10	171	6.9%
2018	303	$557.6M	11.1%	$2,493,741	$85.86	7.1%	$96.44	160	6.9%
2017	204	$245.8M	5.9%	$1,855,179	$70.30	8.6%	$88.17	146	7.0%
2016	242	$262.7M	7.4%	$1,529,957	$59.93	8.4%	$80.60	134	7.2%
2015	245	$275.5M	8.8%	$1,308,306	$48.73	9.6%	$73.80	122	7.4%
2014	237	$247M	6.7%	$1,361,042	$65.20	9.9%	$66.76	111	7.8%
2013	197	$111.6M	4.5%	$791,084	$43.67	10.8%	$61.88	103	8.0%
2012	123	$130.1M	3.9%	$1,416,177	$55.28	9.3%	$58.99	98	8.2%
2011	101	$45.8M	2.2%	$639,325	$39.81	12.0%	$56.77	94	8.4%
2010	83	$42.1M	1.5%	$715,297	$47.01	10.1%	$55.29	92	8.6%
2009	60	$40.8M	1.1%	$928,769	$62.90	6.8%	$54.16	90	8.9%

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