Industrial Market Report

Atlanta - GA

PREPARED BY

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CoStar™

INDUSTRIAL MARKET REPORT

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Overview

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
20.3M	27.7M	4.7%	6.4%

Atlanta's industrial market continues to show signs of strength despite the economic impact of the coronavirus pandemic. After a slowdown in leasing activity immediately following the onset of the pandemic in mid-March, leasing volume has surged over the past few quarters, particularly in the big-box distribution cohort. Developers have responded to the metro's resilience, and after a slowdown in construction starts in the months after the pandemic hit, groundbreakings have increased in recent 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, even as the metro's spec pipeline continues to ramp up, vacancies should remain well below Atlanta's long-term historical average of nearly 10% over the next few quarters due to the uptick in leasing activity.

A consistently low vacancy rate has helped keep pricing power in the favor of landlords in recent years, and rent growth continues to outperform the national benchmark. Even with the considerable increase in rents over the past several years, Atlanta remains one of the least expensive industrial markets in the country, with space renting at a steep discount to major West and East Coast distribution markets. The metro benefits from its role as a regional and national distribution hub, the growing Port of Savannah, and strong local demographic growth. While shipping volume at the Port of Savannah took an initial hit due to the effects of the pandemic, port traffic has boomed over the past few months, with the port routinely setting new records for monthly TEU volume of late.

Transaction activity slowed in the months immediately following the start of the pandemic, but sales volume picked up in the second half of 2020. Even with an unusually weak 20Q2, Atlanta posted its third highest transaction volume figure on record in 2020. National and institutional firms have returned in droves in recent quarters, and few if any deals are trading at a discount. According to CoStar's same-store value series, pricing continues to rise, and average Atlanta pricing is rising at a faster pace than the National Index.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	590,696,217	5.0%	$0.49	8.5%	1,750,246	1,590,561	19,923,403
Specialized Industrial	100,024,602	3.1%	$0.61	3.9%	240,527	328,000	290,000
Flex	67,551,530	5.0%	$0.96	6.7%	116,798	0	3,140,100
Market	**758,272,349**	**4.7%**	**$0.55**	**7.7%**	**2,107,571**	**1,918,561**	**23,353,503**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.3%	9.5%	5.0%	14.3%	2010 Q4	4.7%	2021 Q2
Net Absorption SF	27.7M	11,679,459	17,906,264	27,739,492	1999 Q3	(11,038,608)	2009 Q2
Deliveries SF	20.3M	12,648,694	20,438,881	24,535,173	1999 Q4	481,605	2010 Q1
Rent Growth	6.4%	2.1%	4.7%	6.8%	2018 Q3	-5.5%	1991 Q1
Sales Volume	$3.5B	$1.2B	N/A	$4.1B	2020 Q1	$0	1994 Q4

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Atlanta's low business costs, abundance of labor, robust infrastructure, and port access have made it an important national distribution hub. While there is plenty of speculative supply underway, the demand-side outlook remains strong in Atlanta. The metro posted about 16 million SF of net absorption in 2020, which is roughly in line with its prior five-year average. And absorption surged in 21Q1, coming in at roughly 10 million SF for the quarter. Strong leasing velocity since the onset of the pandemic will continue to translate to robust net absorption over the next few quarters, and despite heavy supply additions, the metro's vacancy rate should remain relatively flat through 2021.

Similar to other national and super regional distribution hubs, industrial demand in Atlanta is driven by multinational firms taking large blocks of space. For example, Amazon built a massive four-story, 2.8 million-SF build-to-suit in the Stone Mountain Submarket, Goodyear leased a 1.5 million-SF facility in Fayette/Coweta County, and Home Depot opened three new distribution centers across the metro, totaling nearly 2 million SF.

Third-party logistics firms continue to account for a significant portion of new deals, and these firms are gravitating to new, efficient properties. In recent quarters, SBS Transportation signed for 1 million SF in Fayette/Coweta County, Radial leased 760,000 SF in South Clayton/Henry County, XPO Logistics signed for 674,000 SF in Airport/North Clayton, and Fulfillment Services Inc. took 487,000 SF in I-20 W/Douglasville. All of those deals involved properties built since 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 quarters. Construction starts have ramped up in recent quarters, and developers continued to break ground on speculative projects following the onset of the coronavirus pandemic. About 60% of the 23.4 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 markets also typically maintain large construction pipelines, and new facilities in those areas often compete directly with Atlanta assets.

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 would eventually weigh on Atlanta industrial demand. The Georgia Ports Authority reported nearly continuous increases in TEU over the past few years at the Port of Savannah. The pandemic contributed to a roughly 20% year-over-year drop in shipping volume in March 2020, and port traffic remained below 2019 levels from April through July. However, port traffic surged through the end of 2020, and the port has continued to post record numbers in early 2021. Longer term, Savannah will benefit from major infrastructure improvements, including its ongoing channel deepening, which will allow the port to accommodate most of the new post-Panamax ships. The dredging is expected to complete in late 2021 or early 2022. 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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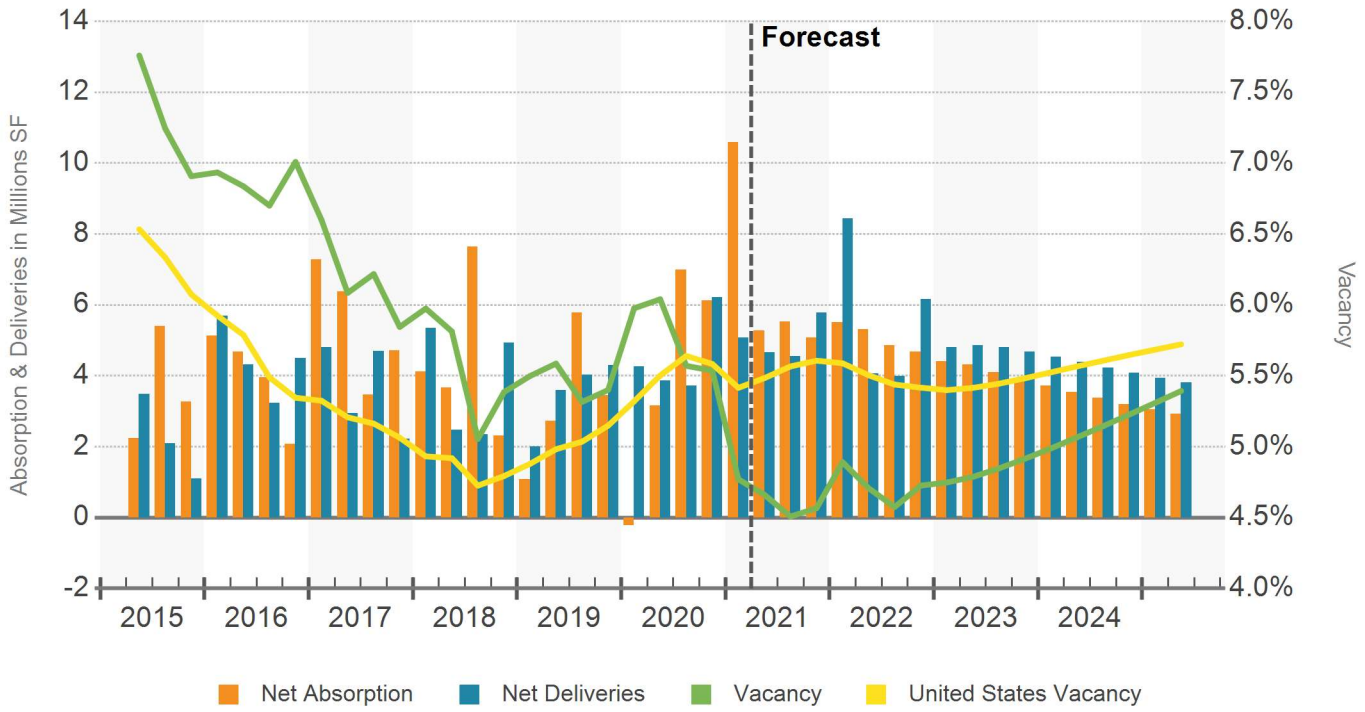
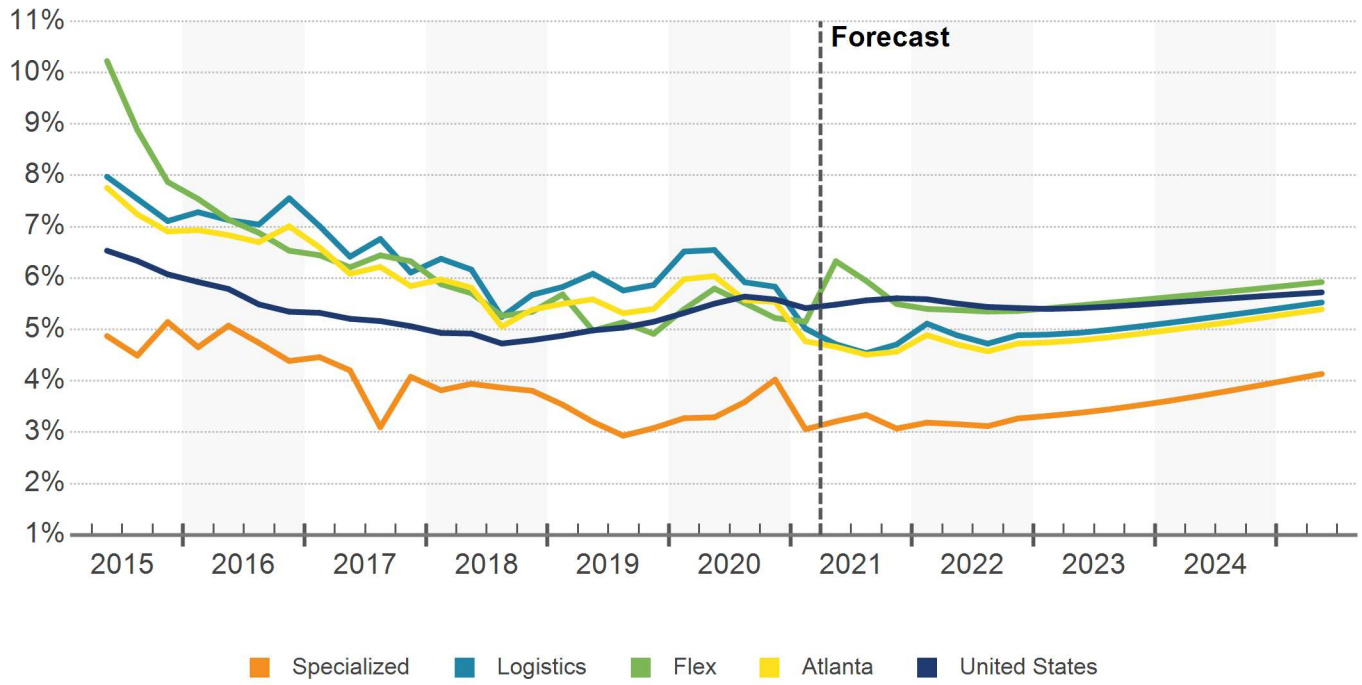
NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



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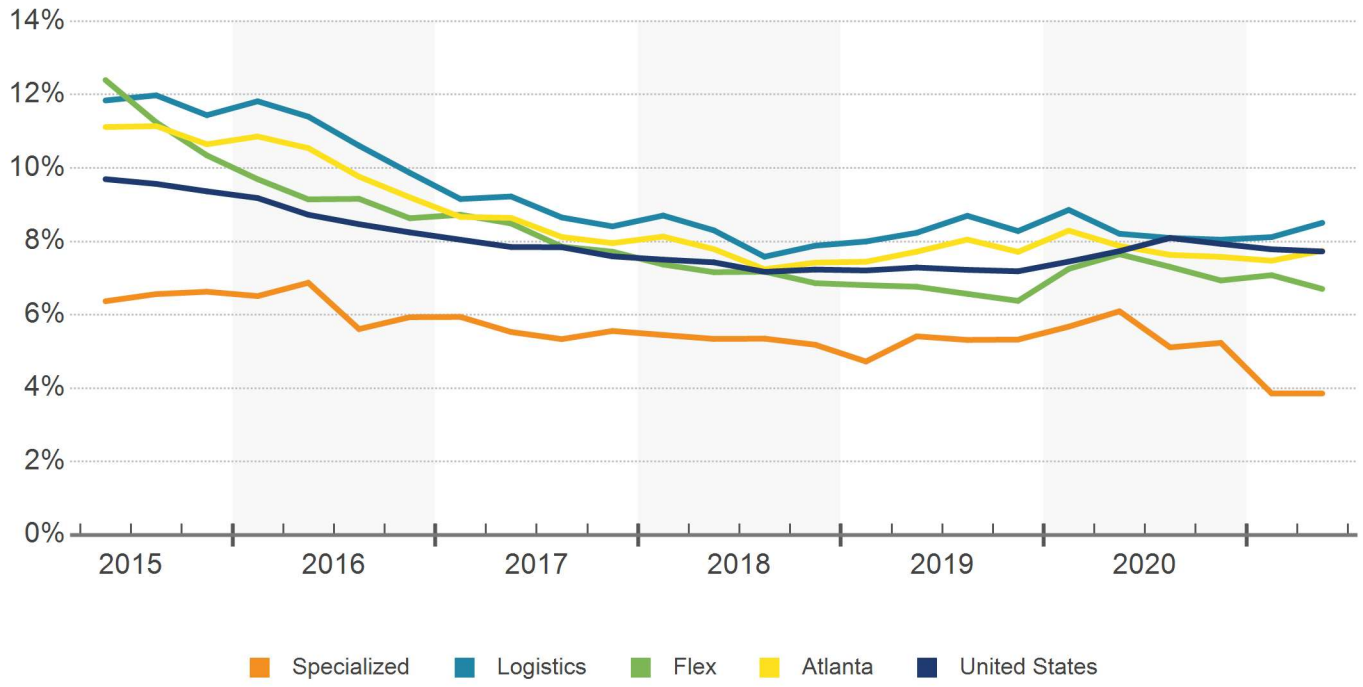
AVAILABILITY RATE



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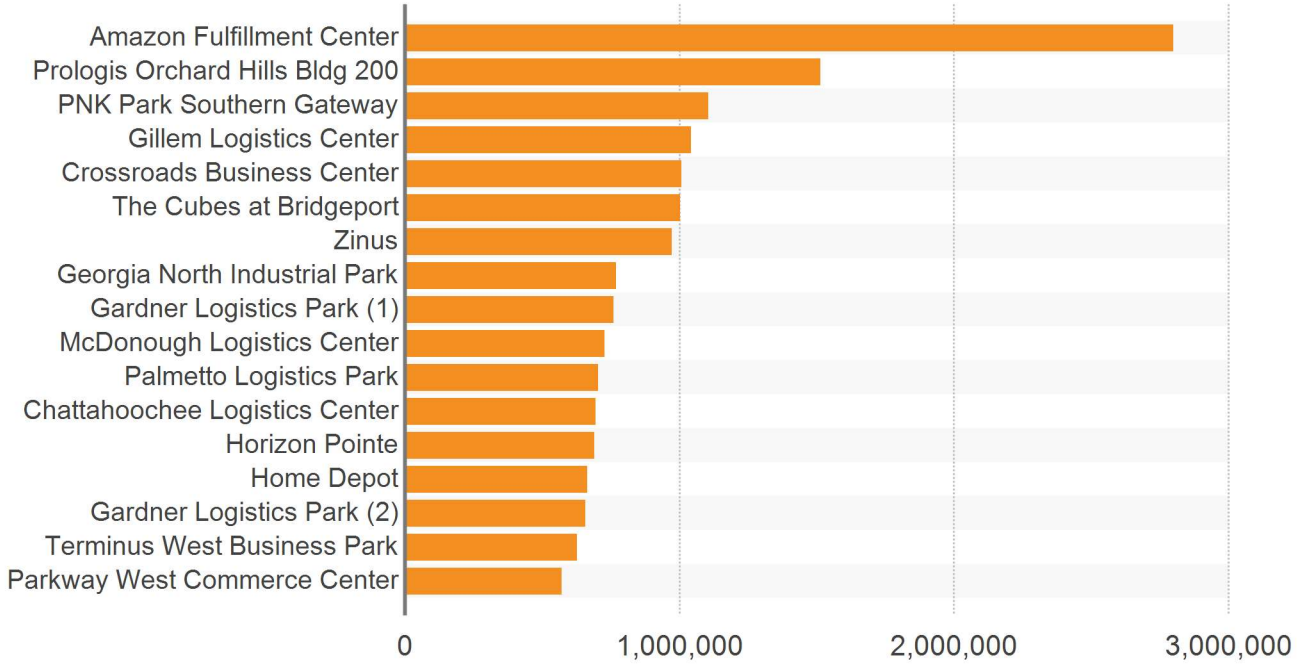
12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Amazon Fulfillment Center	Stone Mountain Ind	2,800,000	0	0	0	0	0	2,800,000
Prologis Orchard Hills Bldg 200	Fayette/Coweta Cou···	1,514,040	0	1,514,040	0	0	0	1,514,040
PNK Park Southern Gateway	S Clayton/Henry Cnt···	1,104,320	0	1,104,320	0	0	0	1,104,320
Gillem Logistics Center	Airport/North Clayton···	1,043,418	0	0	369,600	0	0	1,043,418
Crossroads Business Center	Airport/North Clayton···	1,007,412	0	0	0	0	0	1,007,412
The Cubes at Bridgeport	Fayette/Coweta Cou···	1,002,150	0	0	0	0	0	1,002,150
Zinus	S Clayton/Henry Cnt···	972,350	0	972,350	0	0	0	972,350
Georgia North Industrial Park	Kennesaw/Acworth Ind	769,356	0	544,278	0	0	0	769,356
Gardner Logistics Park (1)	S Clayton/Henry Cnt···	1,011,907	251,299	760,608	0	0	0	760,608
McDonough Logistics Center	S Clayton/Henry Cnt···	728,000	0	0	0	0	0	728,000
Palmetto Logistics Park	Airport/North Clayton···	1,041,600	336,600	705,000	0	0	0	705,000
Chattahoochee Logistics Center	Fulton District Ind	1,128,400	0	0	0	0	0	694,399
Horizon Pointe	Duluth/Suwanee/Buf···	688,813	0	0	0	0	0	688,813
Home Depot	Airport/North Clayton···	663,520	0	663,520	0	0	0	663,520
Gardner Logistics Park (2)	S Clayton/Henry Cnt···	657,600	0	0	0	0	0	657,600
Terminus West Business Park	I-20 W/Douglasville Ind	644,040	0	644,040	0	0	0	627,996
Parkway West Commerce Center	Airport/North Clayton···	570,988	0	0	0	0	0	570,988
Subtotal Primary Competitors		**17,347,914**	**587,899**	**6,908,156**	**369,600**	**0**	**0**	**16,309,970**
Remaining Atlanta Market		740,924,435	35,299,384	3,675,548	1,737,971	0	0	11,432,356
Total Atlanta Market		**758,272,349**	**35,887,283**	**10,583,704**	**2,107,571**	**0**	**0**	**27,742,326**

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TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
340 Westridge Pky *	S Clayton/Henry Cnty	1,600,000	Q3 20	Kimberly Clark	-	Colliers International
139 Orchard Business Pky	Fayette/Coweta County	1,192,440	Q1 21	Kellogg's	-	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
1325 Hwy 42 S	S Clayton/Henry Cnty	844,480	Q3 20	Purple Innovation	JLL	Cushman & Wakefield
1 Nestle Ct *	S Clayton/Henry Cnty	784,000	Q4 20	Nestlé USA	Colliers International	-
3090 Highway 42	S Clayton/Henry Cnty	760,608	Q3 20	Radial	CBRE	Cushman & Wakefield
2505 Mill Center Pky *	Duluth/Suwanee/Buford	647,219	Q3 20	Global Industrial	-	-
6855 Shannon Pky *	Airport/North Clayton	630,540	Q2 20	Amazon Distribution Center	-	Colliers International
100 Stonecrest Industrial Way	Snapfinger	614,676	Q3 20	The Home Depot	CBRE	Trammell Crow Company
5220 Highway 138 Rd	Airport/North Clayton	573,324	Q2 21	-	-	Colliers International
1015 Collinsworth Rd *	Fayette/Coweta County	517,500	Q1 21	SBS Transportation	Lee & Associates C…	CBRE
200 International Pky	Kennesaw/Acworth	512,000	Q4 20	LG Hausys America	CBRE	Ashley Capital, LLC
120 Midway Rd	Butts County	503,984	Q4 20	Masterbrand Cabinets	Mohr Partners, Inc.	JLL;Prologis, Inc.
4905 Derrick Rd	Airport/North Clayton	500,000	Q3 20	Amazon	-	Majestic Realty Co.
4900 Stonewall Tell Rd	Airport/North Clayton	499,500	Q1 21	PAC Worldwide	-	CBRE
1015 Collinsworth Rd	Fayette/Coweta County	482,700	Q1 21	SBS Transportation	Lee & Associates C…	CBRE
1938 Gees Mill Rd	Rockdale/Newton Cnty	447,440	Q4 20	TJX	-	Lavista Associates, Inc.
1720 Peachtree Industrial Blvd	Duluth/Suwanee/Buford	442,000	Q4 20	Walcut Inc	KW Commercial Atla…	Seefried Properties, Inc.
210 Interstate South Dr	S Clayton/Henry Cnty	428,160	Q2 20	Ken's Foods Inc	-	Dermody Properties, Inc.
5300 Kennedy Rd	Airport/North Clayton	425,300	Q3 20	Broadrange Logistics	Strategic Real Estat…	-
0 Dr. Luke Glenn Garrett Me Hwy	I-20 W/Douglasville	409,865	Q2 20	Pratt Industries	-	Taylor & Mathis, Inc.
200 Riverpoint Rd	Kennesaw/Acworth	401,774	Q1 21	PFLUG Packaging	-	NAI Brannen Goddard
2160 Anvil Block Rd	Airport/North Clayton	369,600	Q1 21	Cope Services	JLL	Robinson Weeks Partn…
300 Horizon Dr	Duluth/Suwanee/Buford	356,000	Q3 20	Veritiv	-	CBRE
1100 Laval Blvd *	GA-316/Lawrenceville	346,614	Q1 21	DSV	-	Stream Realty Partners…
7800 Third Flag Pky	I-20 W/Douglasville	344,932	Q4 20	ASP Global	-	NAI Brannen Goddard
767 Douglas Hill Rd	I-20 W/Douglasville	342,217	Q4 20	LD Global Logistics	King Industrial Realt…	Prologis, Inc.
4505 N Commerce Dr	Airport/North Clayton	336,960	Q4 20	Ashley HomeStore	-	Duke Realty Corporation
3020 Gravel Springs Rd	Duluth/Suwanee/Buford	333,235	Q1 21	Wheel Pros, LLC	-	NAI Brannen Goddard
51 Busch Dr	Kennesaw/Acworth	328,000	Q2 20	Wellmade Flooring	CBRE	NAI Brannen Goddard
4125 GA Hwy 316	GA-316/Lawrenceville	326,019	Q4 20	The Goodwin Company In…	-	-
2430 Dogwood Dr	Rockdale/Newton Cnty	325,000	Q3 20	-	-	Ackerman & Co.
4575 Lake Mirror Pl *	Airport/North Clayton	322,268	Q1 21	U.S. Post Office	JLL	Lee & Associates Com…
4178 E Tanners Church Rd	S Clayton/Henry Cnty	319,620	Q1 21	Aosom LLC	-	JLL
6200 Mimms Ct	Airport/North Clayton	317,520	Q1 21	-	-	Duke Realty Corporation
6400 Fulton Industrial Blvd	Fulton District	302,870	Q1 21	-	-	Colliers International
266 Mary Johnson Dr	Heard County	302,425	Q1 21	JAC Products	-	Industry Real Estate Pa…
2200 Thornton Rd *	I-20 W/Douglasville	302,012	Q2 20	Essendant Inc	-	Seefried Properties, Inc.
4091 Southmeadow Pky W	Airport/North Clayton	301,900	Q4 20	Fr8Auctions	King Industrial Realt…	Stream Realty Partners…

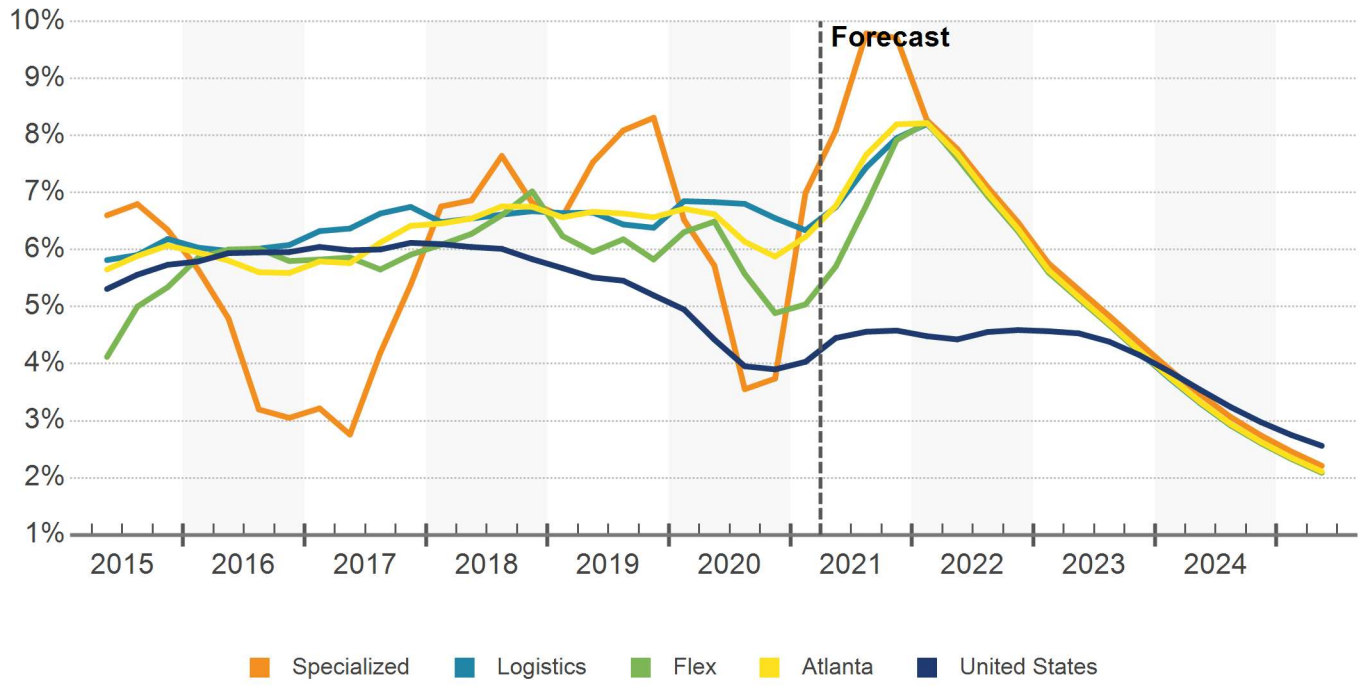
*Renewal

Buoyed by sustained high occupancies, rent growth in Atlanta remains well above the metro's historical average, and trailing 12-month growth of 6.4% is above the national benchmark of 4.3%. Atlanta remains one of the healthiest major metros 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.

While uncertainty regarding the current economic recovery may lead to less-aggressive rent gains in the coming quarters, the built-in cushion between current vacancies and the metro's historical average gives Atlanta some breathing room in case of a broader economic slowdown. 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. Furthermore, leasing activity has increased since the onset of the pandemic, and these new leases will help boost net absorption over the next few quarters. However, if leasing velocity slows, it could become more difficult for owners to continue to push rents at an accelerated pace if the spec supply pipeline remains robust.

Atlanta rents come at a significant discount to major West and East Coast distribution markets. Average asking rents of roughly $6.60/SF are well below the national average of about $9/SF, and big-box distribution facilities often rent for less than $4/SF. Relatively inexpensive land and labor costs help give Atlanta a competitive pricing advantage compared to most large markets nationwide. Furthermore, due to the metro's robust infrastructure network and strong demographic growth, industrial users don't have to sacrifice transportation access or quality of labor, underlining Atlanta's increasing appeal to manufacturers and distributors looking to expand in the region.

MARKET RENT GROWTH (YOY)



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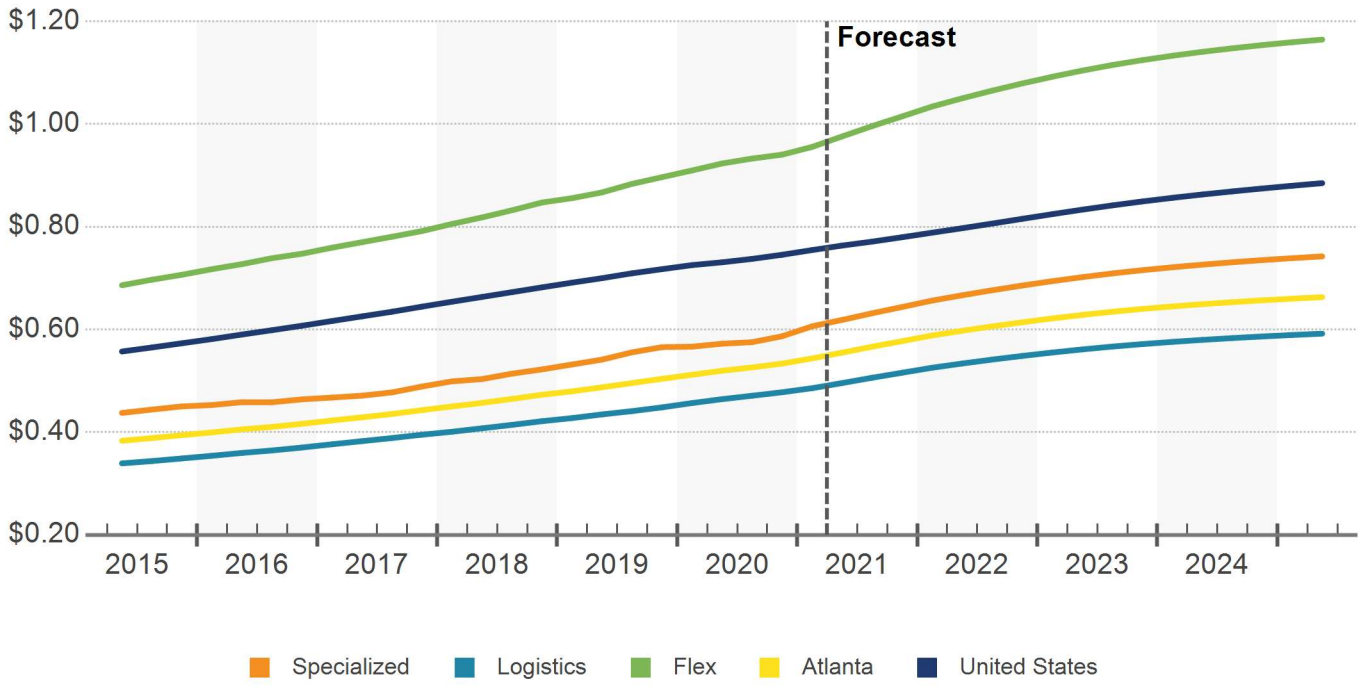
MARKET RENT PER SQUARE FEET



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Atlanta's supply wave continues ahead full steam, and a large portion of the product underway is speculative. With roughly 23.4 million SF under construction, Atlanta ranks comfortably in the top five for industrial space underway nationally. Under-construction projects account for about 3.1% of the metro's current inventory, which is above the national benchmark of 2.2%.

After a lull in construction starts in the months immediately following the onset of the pandemic, speculative groundbreakings have picked back up in recent quarters, signaling that developers remain confident in Atlanta's ability to attract major tenants looking to open large-scale distribution facilities. Developers have started construction on roughly 20 million SF of industrial space in Atlanta since mid-year 2020, with about 9 million SF of that breaking ground in 21Q1. Most projects are breaking ground on a speculative basis. About 60% of Atlanta's under construction stock is available, which is roughly in line with recent norms for the metro.

Submarkets in the southern portion of the metro should continue to see the bulk of large-scale deliveries. Airport/North Clayton, I-20 W/Douglasville, Fayette/Coweta County, Rockdale/Newton County, and South Clayton/Henry County all have significant supply pipelines. The most active submarket north of Atlanta is Kennesaw/Acworth, which boasts strong access to Atlanta and Midwestern markets via I-75, proximity to the Appalachian Regional Port in Northwest Georgia, and more developable land than other northside locales.

The median clear height for new industrial buildings in Atlanta continues to increase. The average clear height for buildings that came to market over the past few years was nearly 36 feet, and some new or under-construction projects have clear heights of 40 feet. In comparison, facilities built before 2010 rarely have clear heights that exceed 32 feet. The average size of new buildings has increased as well. The average industrial property built since 2010 is larger than 200,000 SF, while the average asset built in the 2000s is around 50,000 SF.

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. The market provides tenants direct access to I-85, allowing operators to distribute to other fast-growing Southeastern metros while bypassing metro Atlanta traffic. The area also has few land constraints, and is able to draw labor from Atlanta's eastern exurbs as well as rural northeast Georgia. Jackson County has more than doubled its industrial stock since 2010 and recently landed big deals from Walmart (1 million SF), Amazon (1 million SF), Comptree (590,000 SF), Williams-Sonoma (462,000 SF), and Factory Direct Wholesale (459,000 SF). Furthermore, the new SK Innovation plants in Commerce will eventually serve as one of the largest hubs of electric vehicle battery manufacturing in the world and could lead to spillover demand for parts suppliers and other manufacturers in the area in the coming years.

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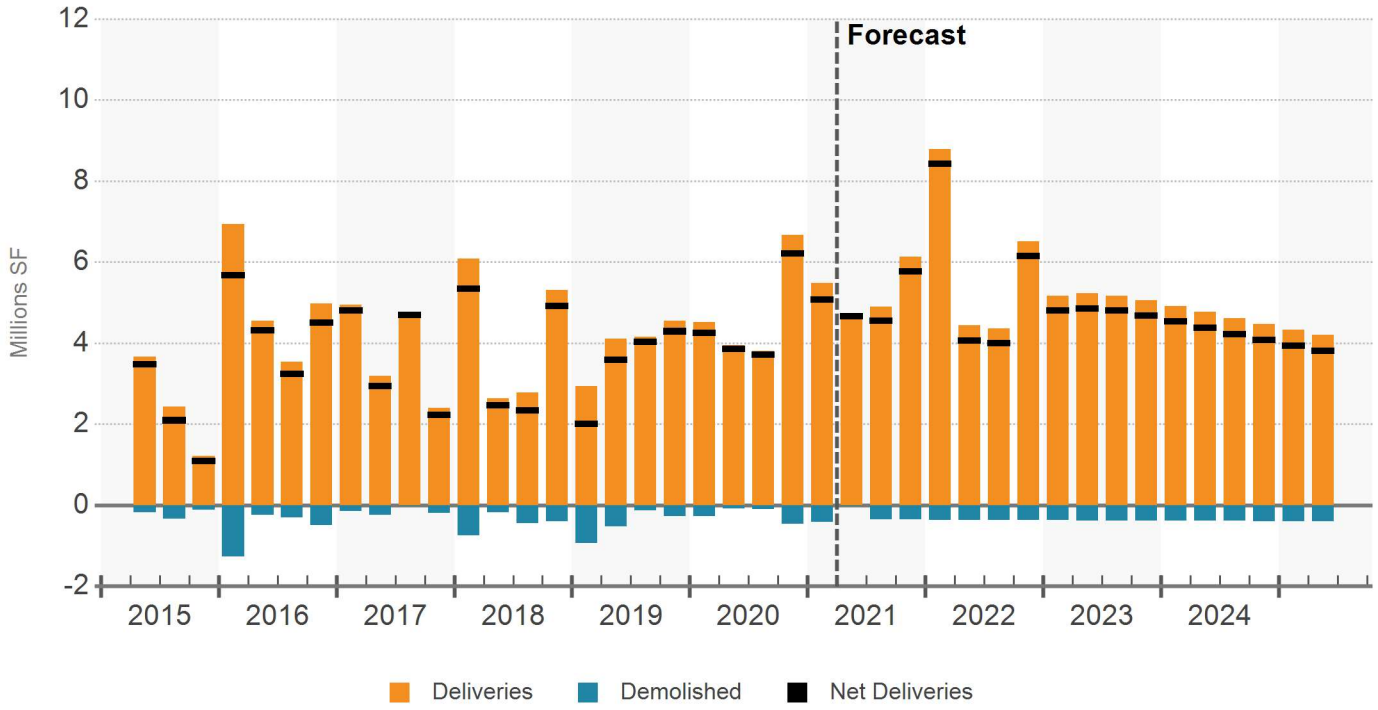
DELIVERIES & DEMOLITIONS



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	Kennesaw/Acworth	22	6,095	760	12.5%	8	52,314	277,049	6
2	Airport/North Clayton	11	4,701	1,431	30.4%	4	76,482	427,403	3
3	Rockdale/Newton Cnty	3	2,795	2,507	89.7%	1	36,826	931,667	1
4	Duluth/Suwanee/Buford	9	2,091	453	21.7%	6	65,994	232,304	8
5	I-20 W/Douglasville	8	1,863	554	29.8%	5	52,934	232,841	7
6	S Clayton/Henry Cnty	3	1,633	631	38.6%	3	78,409	544,187	2
7	Snapfinger	3	893	615	68.8%	2	39,389	297,762	5
8	Fulton District	4	873	162	18.5%	7	84,441	218,357	9
9	Fayette/Coweta County	2	778	0	0%	9	46,092	388,825	4
10	GA-316/Lawrenceville	3	599	0	0%	9	40,650	199,687	10
	All Other	15	1,033	868	84.1%		31,984	68,837	
Totals		**83**	**23,354**	**7,981**	**34.2%**		**46,294**	**281,368**	

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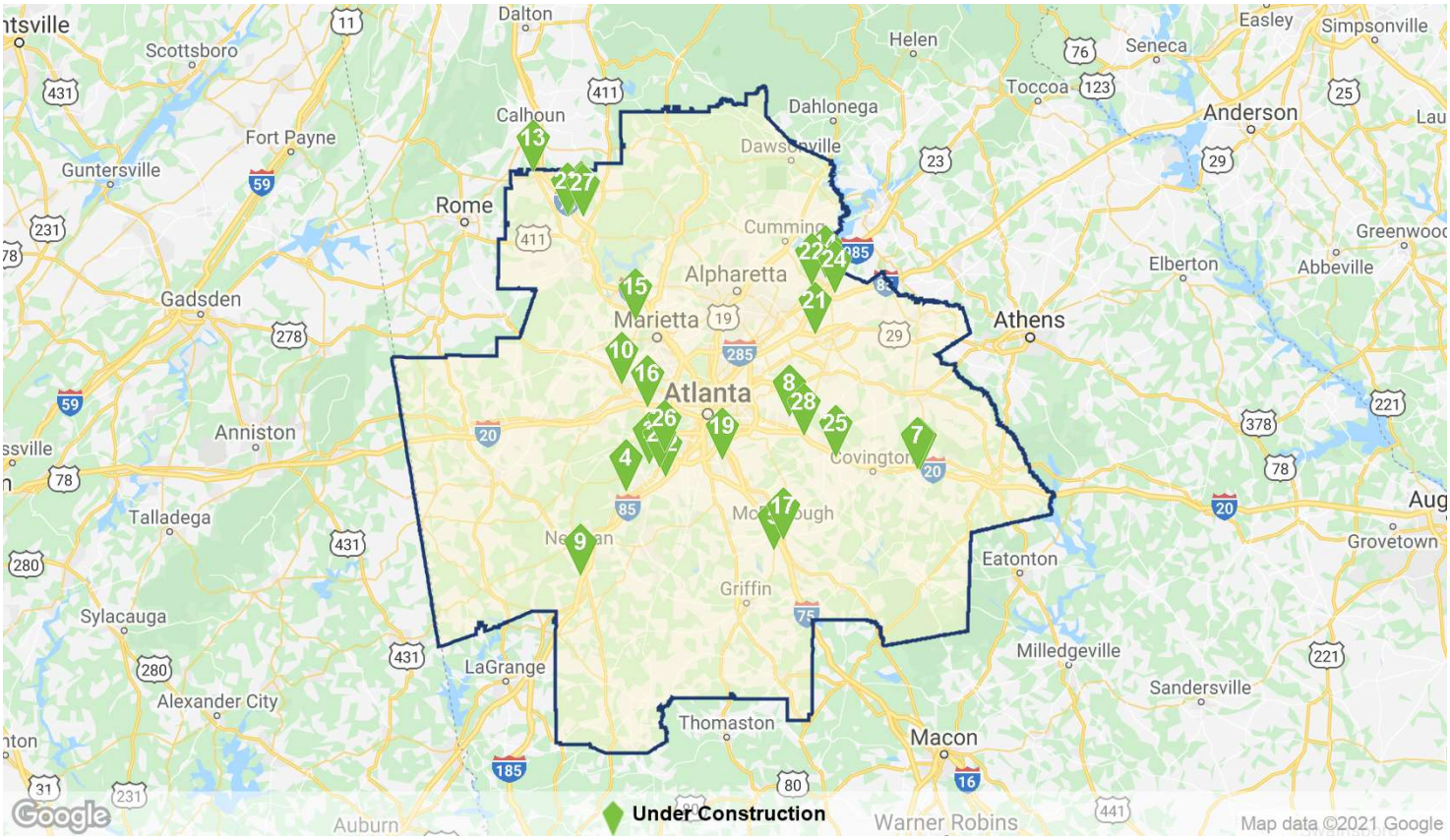
Under Construction Properties

Atlanta Industrial

Properties	Square Feet	Percent of Inventory	Preleased
84	23,641,980	3.4%	35.0%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	**Facebook Data Center -...** 503 Shire Pky	★★★★★	1,500,000	1	Sep 2020	Nov 2022	- Facebook
2	**Majestic Airport Center V** 5115 Stonewall Tell Rd	★★★★★	1,150,000	1	Sep 2020	Jun 2021	Majestic Realty Co. Majestic Realty Co.
3	**Building B** 1250 Cassville White Rd	★★★★★	1,108,990	1	Jul 2020	Sep 2021	IDI Logistics IDI Logistics
4	**Building 3** 700 Palmetto Logistics Pky	★★★★★	1,008,474	1	Apr 2021	Jan 2022	Hardie Real Estate Group, LLC Hardie Real Estate Group, LLC
5	**Greenwood 75** Greenwood Industrial Park	★★★★★	1,001,700	1	Feb 2021	Dec 2021	Ridgeline Property Group, LLC USAA Real Estate
6	**Great Valley Commerce...** 200 NE Logistics Pky	★★★★★	973,218	1	Jan 2021	Nov 2021	Core5 Industrial Partners Core5 Industrial Partners
7	**Facebook Data Center** 503 Shire Pky	★★★★★	970,000	1	Apr 2018	Jun 2021	- Facebook

Under Construction Properties

UNDER CONSTRUCTION

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8	**Home Depot** 100 Stonecrest Industrial···	★★★★★	614,676	1	Oct 2020	Oct 2021	Trammell Crow Company Trammell Crow Company
9	**Building A** Bridgeport Blvd	★★★★☆	562,650	1	Jan 2021	Jun 2021	CRG Clayco Inc
10	**Intermodal Logistics Ce…** 0 Dr. Luke Glenn Garrett···	★★★★☆	529,761	1	Jul 2020	Jun 2021	Taylor & Mathis, Inc. -
11	**Busch Logistics Park Bu…** Cassville White Rd	★★★★★	523,541	1	Jan 2021	Aug 2021	Hines Hines
12	**3650 Flat Shoals Rd**	★★★★★	517,200	1	Apr 2021	Dec 2021	Majestic Realty Co. Majestic Realty Co.
13	**400 International Pky**	★★★★☆	498,144	1	Jan 2021	Feb 2022	Ashley Capital, LLC Ashley Capital, LLC
14	**Downtown Buford Logist…** 2045 Buford Hwy	★★★★★	495,442	1	Apr 2021	Mar 2022	IDI Logistics -
15	**7575 Cobb International…**	★★★☆☆	484,323	1	Feb 2021	Dec 2021	- -
16	**Oakmont 20 West** 545 Lake Careco Rd	★★★★★	468,827	1	Feb 2021	Feb 2022	Oakmont Industrial Group LLC Oakmont Industrial Group LLC
17	**Building C** 1345 HWY 42 South	★★★★★	425,660	1	Feb 2021	Dec 2021	PNK Group PNK Group
18	**CORE5 Commerce Cent…** 800 Cassville White Rd SE	★★★☆☆	376,980	1	Feb 2021	Dec 2021	- -
19	**Kroger Delivery Service…** 2000 Anvil Block Rd	★★★★★	375,000	1	May 2020	Jul 2021	Robinson Weeks Partners The City of Forest Park
20	**South Fulton Commerce…** 4380 Stacks Rd	★★★☆☆	369,120	1	Apr 2021	Oct 2021	- -
21	**Riverside Distribution C…** Riverside Pky	★★★★☆	367,060	1	Aug 2020	Jun 2021	High Street Logistics Properties,··· Raco Construction
22	**655 Peachtree Industrial…**	★★★★☆	350,200	1	Jan 2021	Dec 2021	Taylor & Mathis, Inc. Taylor & Mathis, Inc.
23	**Commerce 75** 86 Carson Loop NW	★★★★☆	340,284	1	Jan 2021	Sep 2021	- Hillwood
24	**Oakmont 85 North** 3020 Gravel Springs Rd	★★★★☆	333,235	1	Oct 2020	Jul 2021	Oakmont Industrial Group LLC Oakmont Industrial Group LLC
25	**Rockdale Technology Ce…** 2430 Dogwood Dr	★★★★★	325,000	1	Nov 2020	Jan 2022	Ackerman & Co. Ackerman & Co.
26	**6200 Mimms Ct**	★★★★☆	317,520	1	Mar 2021	Sep 2021	Duke Realty Corporation Duke Realty Corporation
27	**Building A** 1250 Cassville White Rd	★★★★★	311,660	1	Jul 2020	Sep 2021	IDI Logistics IDI Logistics
28	**2420 Old Covington Hwy…**	★★★★☆	288,477	1	May 2021	Dec 2021	Lincoln Property Company Lincoln Property Company

Atlanta industrial transaction activity took a hit in the months immediately following the onset of the coronavirus pandemic, but sales volume has picked up since the midway point of 2020. Deal volume totaled roughly $400 million in 20Q2, one of the metro's lowest figures over the past five years, but transaction volume reached roughly $850 million in 20Q3 and came in at around $1 billion in both 20Q4 and 21Q1, signifying a return to normal for the local industrial investment scene.

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 90 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 $76/SF is well below the national average and is comparable with other national distribution markets like Chicago ($75/SF) and Dallas-Fort Worth ($80/SF). Cap rates have steadily compressed over the past decade, though Atlanta still offers one of the highest average cap rates among major metros, averaging roughly 6.4%.

Transaction activity is largely driven by national and institutional investors. Roughly 75% 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, Prologis, and Clarion Partners. Blackstone alone owns roughly 34 million SF, or 4.5% of the entire market. Prologis has a similarly sized portfolio, with about 30 million SF owned in the metro. The firm acquired 3.5 million SF of Atlanta industrial properties in the February 2020 acquisition of Liberty Property Trust. Local firms remain net sellers of Atlanta industrial, but some of that is due to Atlanta-based developers building and subsequently selling off new facilities once they land a tenant.

National and institutional investors continue to gravitate to big-box assets with credit tenants secured to long-term leases. In December 2020, Clarion Partners paid $61.5 million ($89/SF) for the 689,000-SF Horizon Pointe Building 400 in Suwanee. The property, which was built by local developer Taylor & Mathis, delivered completely vacant in December 2019 but was fully leased by the time of the sale. Also in December 2020, Monmouth Real Estate acquired a 658,000-SF building at the Gardner Logistics Park in Henry County for $96.7 million. The facility delivered in December 2020 and is fully leased to Home Depot. Notably, the deal included 130 acres of land in total, boosting the overall sale price and giving Monmouth the opportunity to build additional properties at the industrial park going forward.

Some new builds have changed hands soon after delivering, with a handful selling before reaching full occupancy. In South Clayton/Henry County, the 798,000-SF Clayton Commerce Center sold for $60.7 million ($76/SF) in June 2020. The property, which was built in 2018, previously sold for $40.8 million ($51/SF) shortly after it delivered completely vacant. The asset landed FedEx Ground in the time between the two sales, significantly boosting its market value. In March 2021, Toronto-based Granite REIT acquired a 1 million-square-foot facility at the Gardner Logistics Park in Henry County for $68.9 million ($69/SF). The 2020-built asset was about 75% leased to Radial at the time of the sale. Due to the still-available space in the building, the in-place cap rate for the sale was 3.8%, but the new owner reported a pro-forma cap rate of 5%.

Sales volume in Atlanta is largely driven by national and institutional capital investing 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 redevelopment 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.

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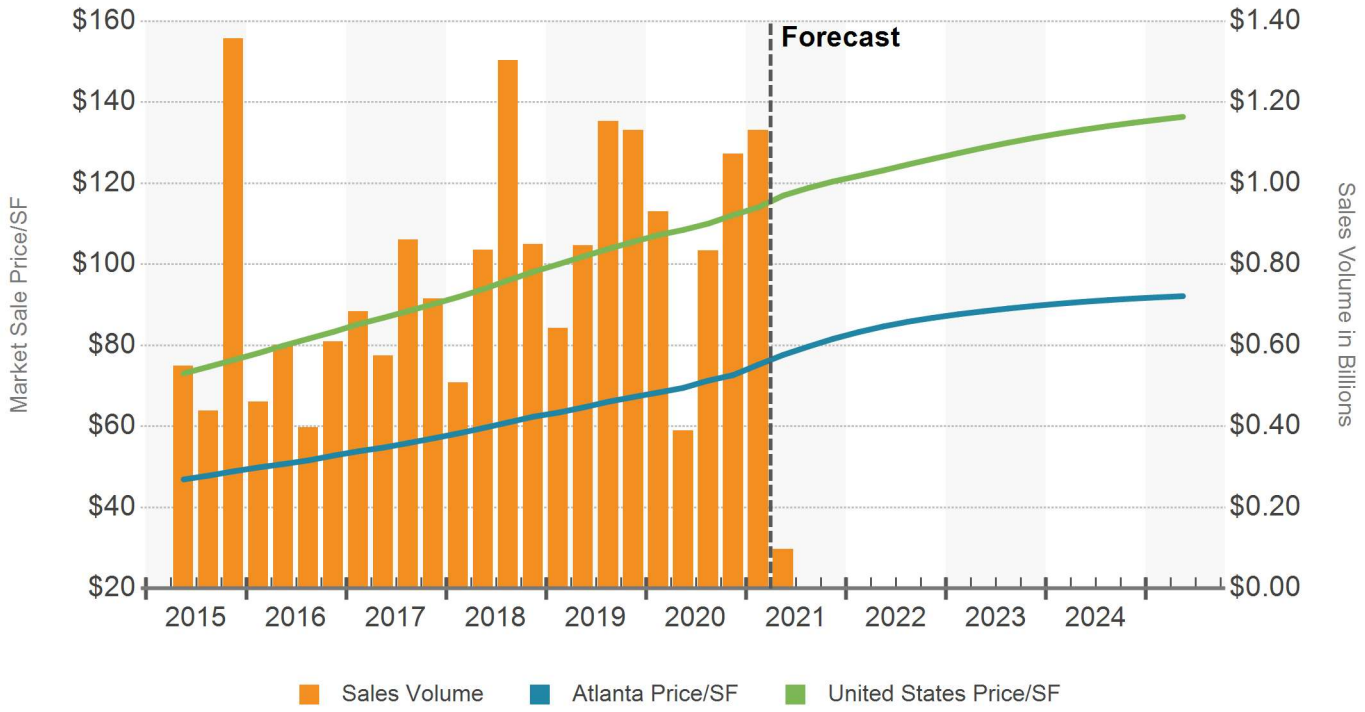
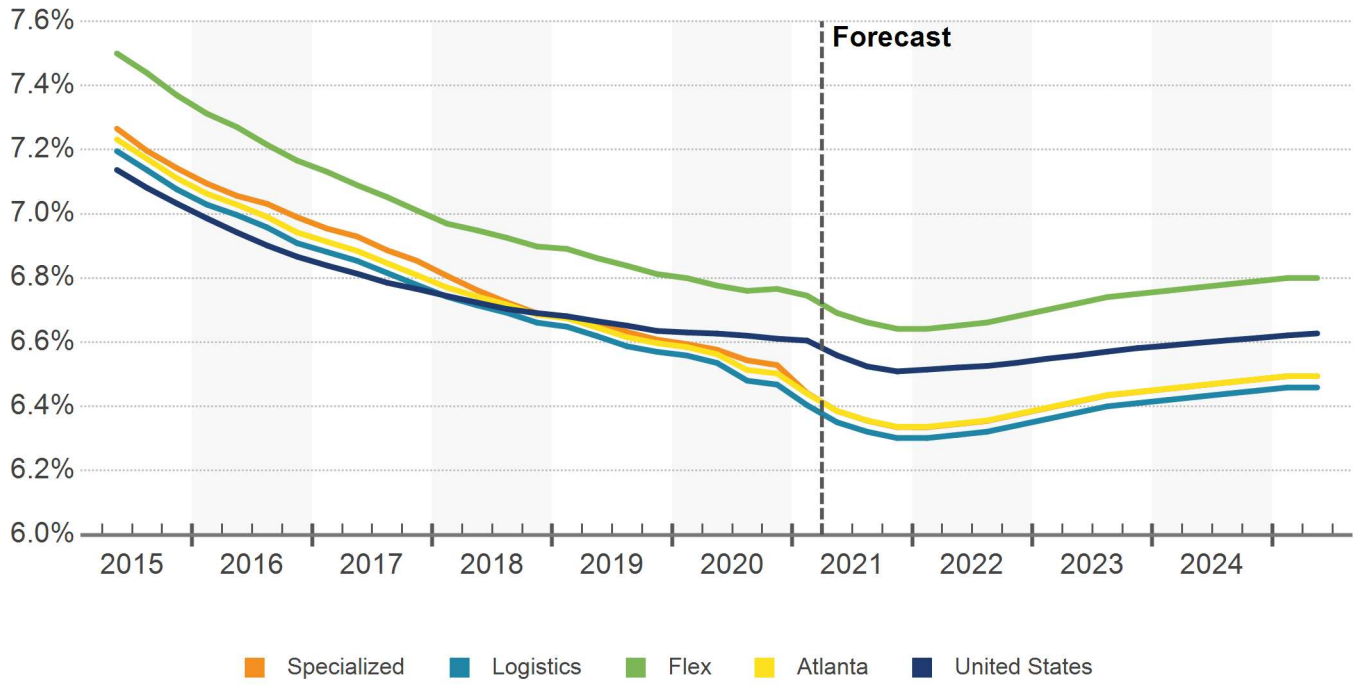
SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE

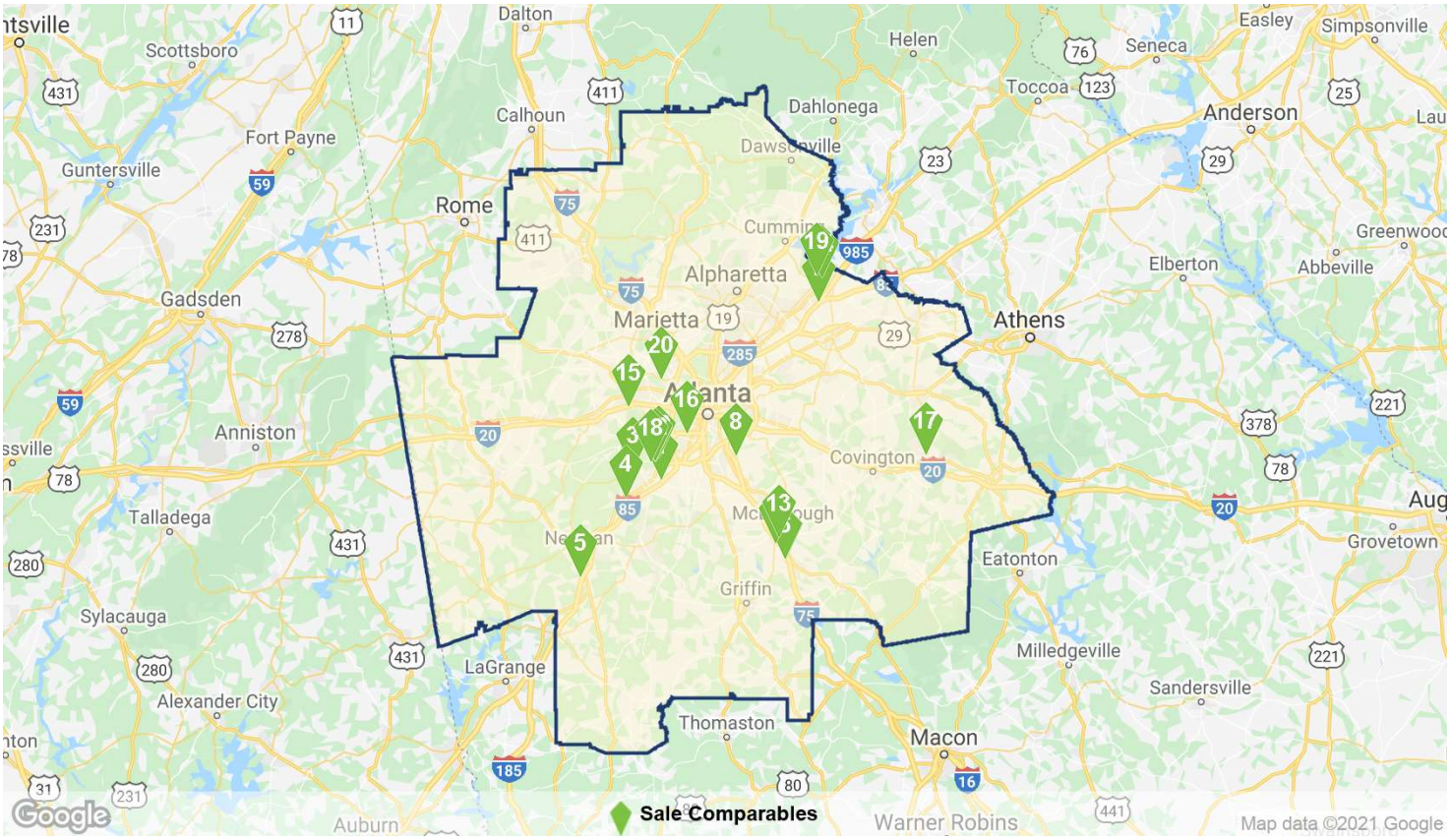


Sales Past 12 Months

Atlanta Industrial

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
1,002	7.3%	$73	12.8%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$85,000	$4,704,884	$1,475,000	$109,800,000
Price/SF	$1.20	$73	$73	$1,358
Cap Rate	3.8%	7.3%	7.4%	10.5%
Time Since Sale in Months	0.0	6.1	6.2	12.0
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	803	58,333	16,300	1,512,552
Ceiling Height	5'	19'9"	18'6"	49'
Docks	0	9	2	218
Vacancy Rate At Sale	0%	12.8%	0%	100%
Year Built	1900	1986	1987	2021
Star Rating	★☆☆☆☆	★★☆☆☆ 2.3	★★☆☆☆	★★★★★

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	**Bldg 5** 6710 Oakley Industrial Blvd	★★★★★	2010	977,608	0%	3/17/2021	$109,800,000	$112	-
2	**Gardner Logistics Park** 3150 Highway 42	★★★★★	2020	657,600	0%	12/28/2020	$96,700,000	$147	-
3	**5705 Campbellton Fairbu…**	★★★★★	2020	1,007,412	0%	2/8/2021	$92,915,519	$92	-
4	**Shugart Farms - Building 2** 8500 Tatum Rd	★★★★★	2018	982,777	0%	11/12/2020	$80,300,000	$82	4.4%
5	**Building B** 280 Bridgeport Blvd	★★★★★	2019	1,002,150	0%	9/25/2020	$73,100,000	$73	-
6	**Gardner Logistics Park** 3090 Highway 42	★★★★★	2020	1,011,907	24.8%	3/12/2021	$68,900,000	$68	3.8%
7	**Horizon Pointe Building…** 580 Horizon Dr	★★★★☆	2019	688,813	0%	12/31/2020	$61,500,000	$89	-
8	**Clayton Commerce Center** 3120 Anvil Block Rd	★★★★★	2018	797,580	0%	6/29/2020	$59,289,000	$74	-
9	**Bldg 300** 127 Liberty Industrial Pky	★★★★★	2006	851,349	0%	5/12/2020	$53,500,000	$63	4.6%
10	**Bldg 6** 4475 S Fulton Pky	★★★★★	2007	635,000	0%	3/17/2021	$48,300,000	$76	-
11	**Bldg 2** 4955 Mason Rd	★★★★★	2000	660,674	0%	3/17/2021	$46,400,000	$70	-
12	**Bldg 3** 4950 Mason Rd	★★★★★	2005	547,550	0%	3/17/2021	$43,200,000	$79	-
13	**Zinus** 830 GA-42	★★★☆☆	1998	972,350	100%	8/20/2020	$42,338,700	$44	-
14	**Buford Logistics Center I** 1595 Heraeus Blvd	★★★★★	2015	414,960	0%	1/23/2021	$42,000,000	$101	-
15	**Lithia Springs Distributi…** 7705 Staples Dr	★★★★★	2007	644,040	100%	9/16/2020	$41,000,000	$64	-
16	**Creekside Distribution C…** 2110-2135 Lawrence Ave	★★★★★	2016	538,500	41.6%	5/7/2020	$33,500,000	$62	-
17	**General Mills Distributio…** 1871 Willow Springs Chur…	★★★★★	2010	1,512,552	0%	3/31/2021	$32,174,555	$47	-
18	**Airport Logistics Center** 4900 Stonewall Tell Rd	★★★★★	2021	499,500	100%	1/21/2021	$31,500,000	$63	-
19	**PIB Logistics Center** 1720 Peachtree Industrial…	★★★★☆	2019	442,000	100%	7/29/2020	$30,500,000	$69	-
20	**5600 United Dr**	★★★★☆	1999	134,800	0%	8/28/2020	$29,771,779	$221	8.2%

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Atlanta continues to show signs of a steady economic recovery from the effects of the coronavirus pandemic. Atlanta employment fell by about 380,000 jobs from February to April 2020, causing the unemployment rate to rise to nearly 13%. However, the metro added roughly 240,000 jobs back from May 2020 through March 2021, and total employment is now about 5% below Atlanta's pre-pandemic peak. While the rebound in employment is a positive sign for the metro and the public health situation continues to improve, the pandemic should serve as an obstacle for the local economic recovery until the coronavirus vaccine is widely distributed.

Atlanta benefited from strong white-collar job growth in the years preceding the pandemic, especially the professional and business services sector. Though office-using sectors took a hit due to the coronavirus pandemic, a handful of large corporations are set to add thousands of high-paying office jobs over the next few years. For example, Microsoft, Google, and Norfolk Southern are opening major offices in Midtown, and Thyssenkrupp moved its North American headquarters to The Battery in Cumberland/Galleria. In other sizable moves, FinTech firm Deluxe Corporation is adding 700 new jobs at an innovation center in Central Perimeter, Papa John's is bringing 200 corporate positions to Cumberland/Galleria in a headquarters relocation, Boston Consulting Group is hiring more than 300 new employees as it expands its footprint downtown, Mailchimp is expanding its local presence on the Eastside, and Airbnb is establishing an East Coast hub in Atlanta. These moves follow a number of Fortune 500 firms setting up technology-related operations locally, including BlackRock, Facebook, Anthem, and Honeywell.

While white-collar employment will receive a boost from corporate relocations and expansions over the next few quarters, the metro was not immune to office-using job losses in the months following the onset of the pandemic. Cox Automotive, which has a major office presence in Central Perimeter, furloughed a substantial portion of its U.S. workforce, including nearly 1,000 of its Atlanta-based employees. After agreeing to open a 600-employee technology hub in Midtown in early 2020, Macy's backed out of that investment due to the effects of the coronavirus pandemic on its business. And Coca-Cola cut 500 Atlanta-based jobs as part of its global restructuring in 2020, though the beverage giant's decision to move its Minute Maid operation from Houston to Atlanta will help offset some of those losses.

Atlanta has a lower concentration of education and health services employment than the national average, but 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 growing population. Piedmont Hospital opened phase one of the $450 million Piedmont Heart Institute tower in Buckhead early in order to treat coronavirus patients, Emory University Hospital Midtown is underway on its $500 million Winship Cancer Institute tower, and Children's Healthcare of Atlanta is building a $1.5 billion hospital and campus expansion that will open in 2025.

Growth in the warehouse and distribution industry has helped serve as a partial counterbalance to weakness in the leisure and hospitality sector caused by the pandemic. Hiring by firms like Amazon, Home Depot, HelloFresh, Purple Mattress, and Goodyear, among others, will augment 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 and its proximity to the fast-growing Port of Savannah.

The presence of the well-connected Hartsfield-Jackson Atlanta International Airport helps seal the deal for potential residents and companies, including Mercedes-Benz and State Farm, which have relocated major operations to the metro. Atlanta's status as a transportation and logistics hub also helped attract Norfolk Southern, which is moving its corporate headquarters to Midtown when its build-to-suit facility completes in 2021. The firm will add roughly 850 new jobs with an average salary north of $100,000. The airport, along with generous tax incentives, has also helped the region's growing film and entertainment industry, which is responsible for $3 billion in annual direct spending in the state.

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 until the public health situation fully normalizes. Delta, which is headquartered at Hartsfield-Jackson, announced that 20% of its workforce, or roughly 17,000 employees, agreed to voluntarily retire amid the pandemic.

Comparatively low living and business costs should continue to boost population and job growth in Atlanta. Atlanta has drawn some of the strongest in-migration in the country over the past few decades, and many

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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.

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. 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 JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
NAICS Industry	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	166	0.7	-0.79%	-0.50%	1.48%	0.51%	0.38%	0.31%
Trade, Transportation and Utilities	590	1.1	0.50%	1.39%	1.48%	0.89%	0.80%	0.51%
Retail Trade	285	1.0	1.91%	2.61%	1.17%	0.45%	0.66%	0.41%
Financial Activities	187	1.1	2.15%	0.19%	2.12%	1.34%	0.96%	0.59%
Government	320	0.8	-2.92%	-3.59%	0.02%	-0.32%	0.77%	0.98%
Natural Resources, Mining and Construction	131	0.9	-0.94%	0.04%	3.59%	2.52%	0.57%	1.00%
Education and Health Services	361	0.8	-0.11%	-0.53%	2.95%	1.50%	1.98%	1.73%
Professional and Business Services	537	1.4	0.53%	0.84%	2.63%	1.88%	1.46%	1.41%
Information	98	1.9	-0.90%	-2.76%	2.15%	0.14%	1.71%	2.17%
Leisure and Hospitality	259	1.0	-3.62%	-3.20%	1.44%	0.36%	4.29%	4.21%
Other Services	99	0.9	-1.57%	0.61%	0.40%	0.33%	1.11%	1.12%
Total Employment	**2,746**	**1.0**	**-0.55%**	**-0.64%**	**1.80%**	**0.92%**	**1.45%**	**1.35%**

Source: Oxford Economics

LQ = Location Quotient

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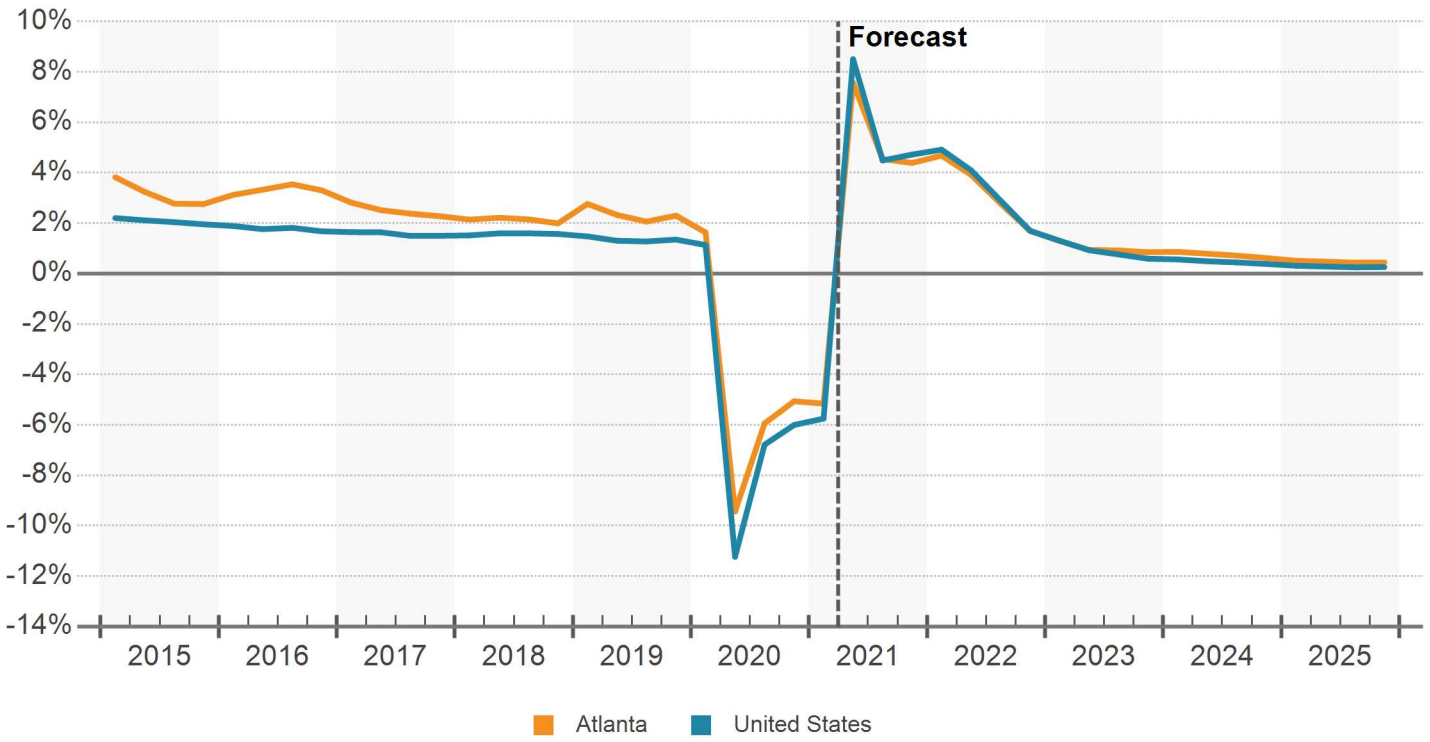
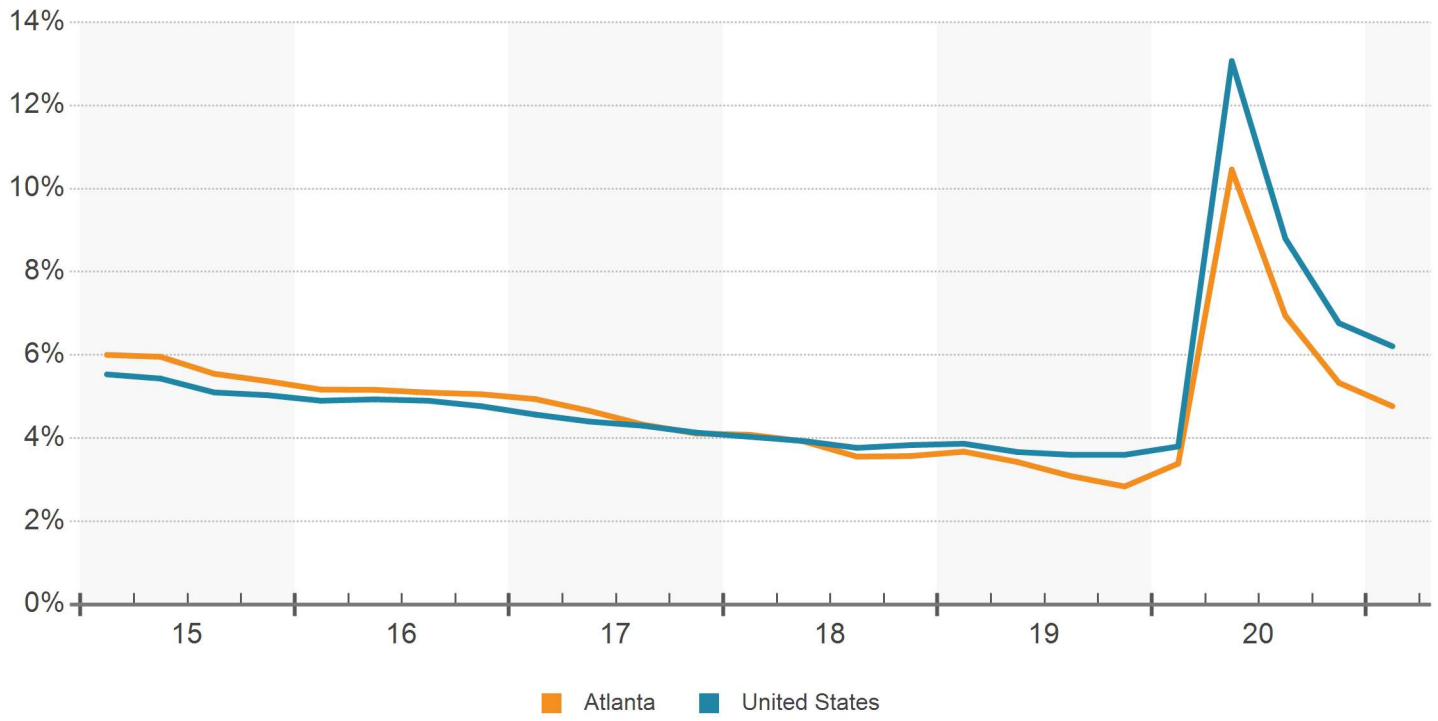
YEAR OVER YEAR JOB GROWTH

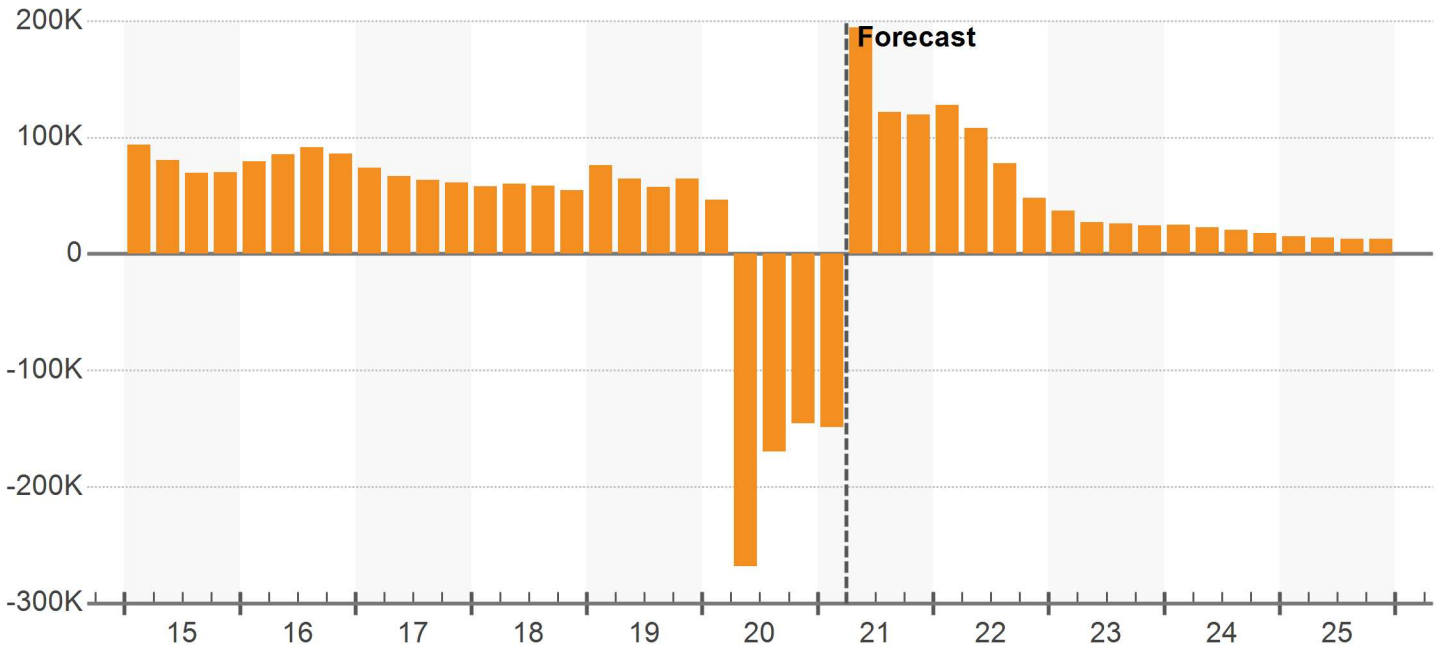


Source: Oxford Economics

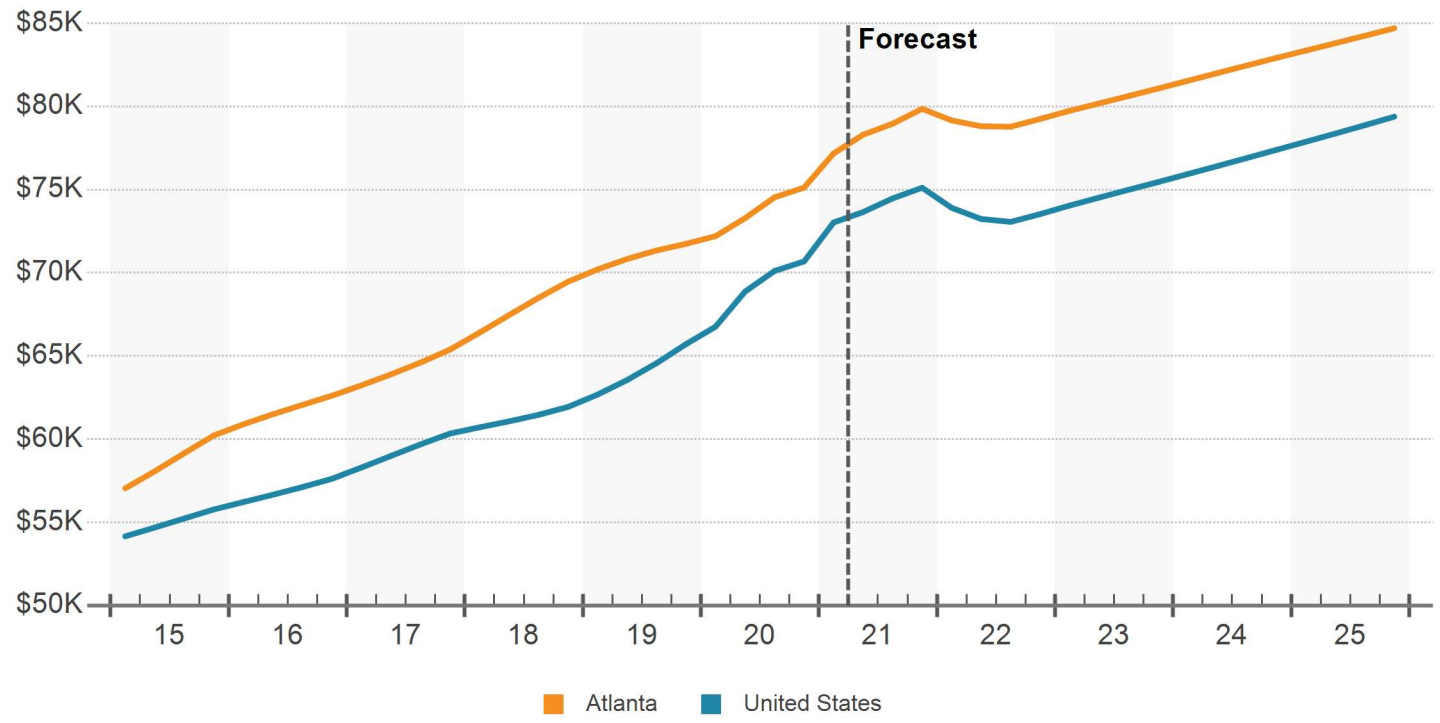
UNEMPLOYMENT RATE (%)



NET EMPLOYMENT CHANGE (YOY)



MEDIAN HOUSEHOLD INCOME



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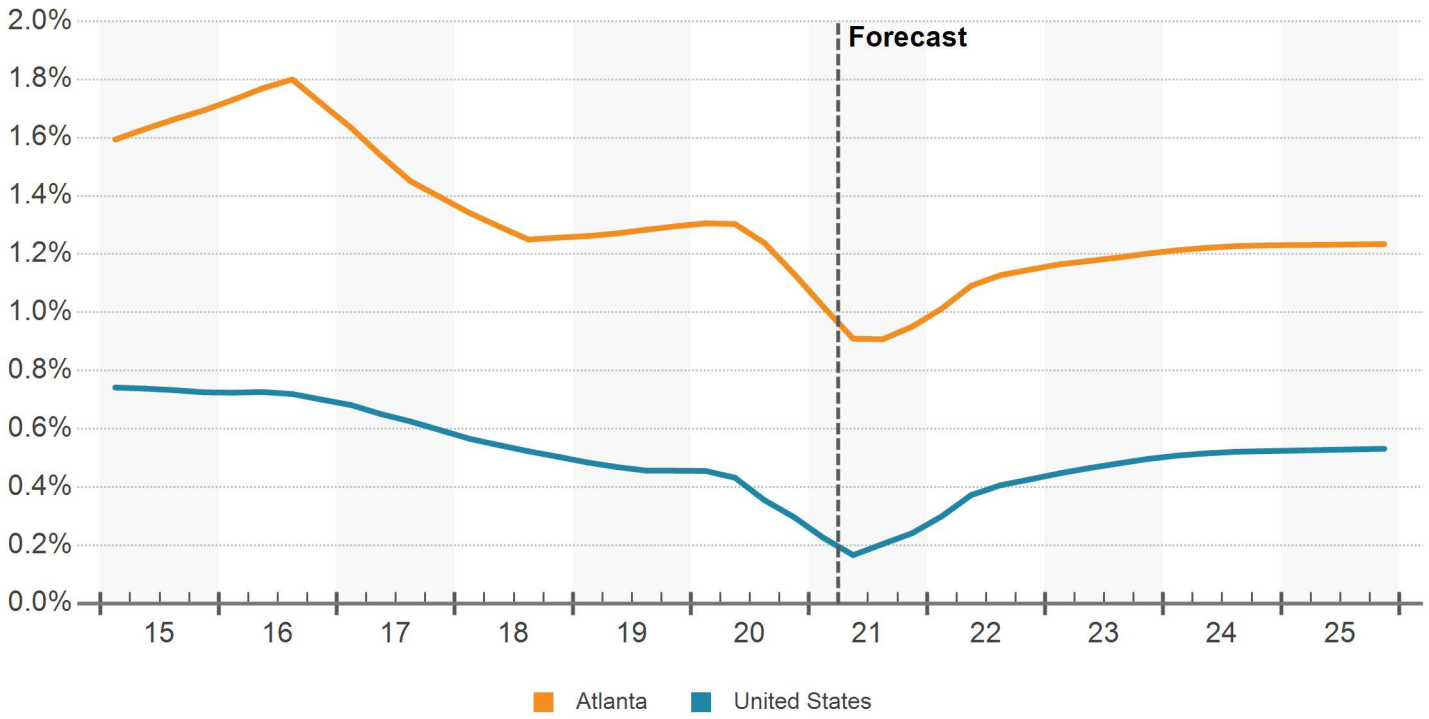
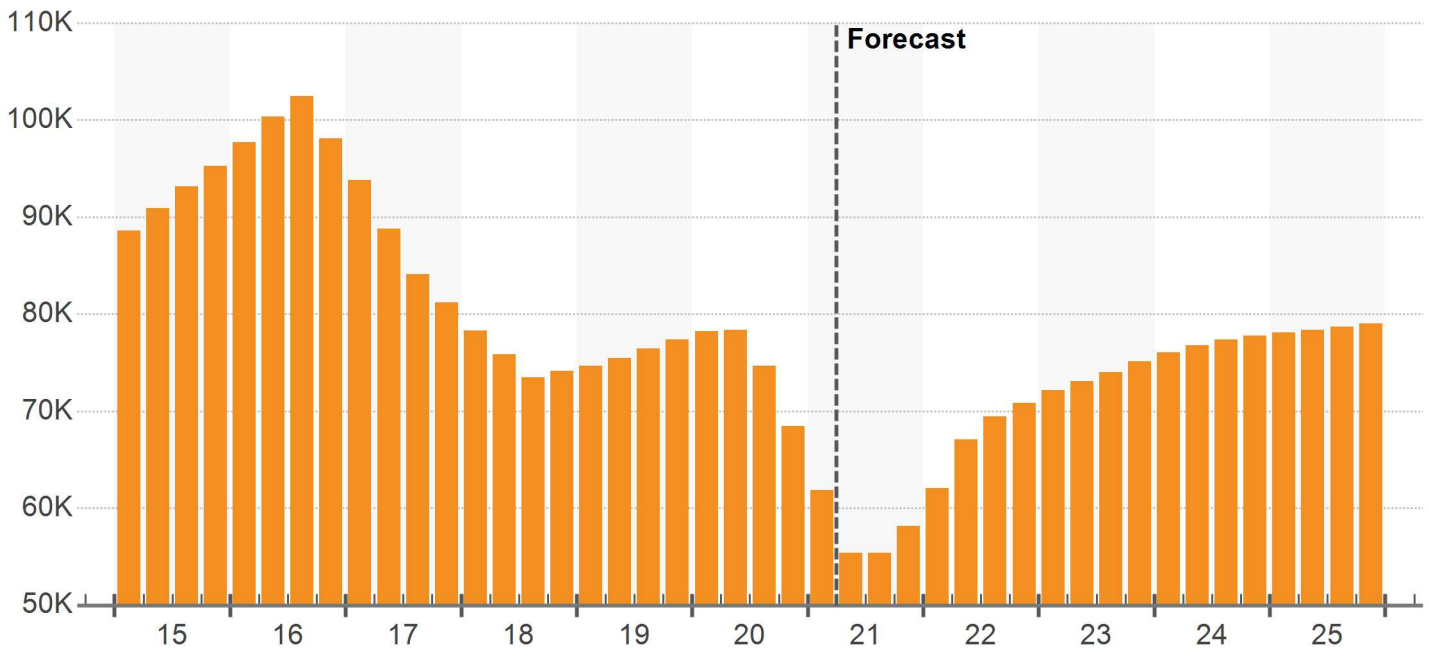
POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



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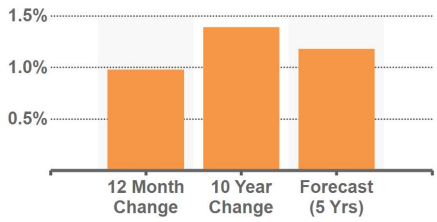
DEMOGRAPHIC TRENDS

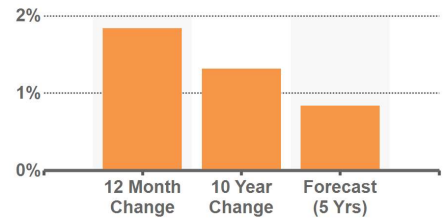
	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
Demographic Category	**Metro**	**US**	**Metro**	**US**	**Metro**	**US**	**Metro**	**US**
Population	6,136,284	330,026,406	1.0%	0.2%	1.4%	0.6%	1.2%	0.5%
Households	2,229,311	123,300,672	0.9%	0.1%	1.5%	0.7%	1.1%	0.4%
Median Household Income	$77,613	$73,268	6.9%	8.4%	3.9%	3.9%	1.9%	1.8%
Labor Force	3,107,153	160,557,859	1.8%	-0.7%	1.3%	0.5%	0.8%	0.7%
Unemployment	4.8%	6.2%	-1.4%	-1.2%	-0.5%	-0.3%	-	-

Source: Oxford Economics

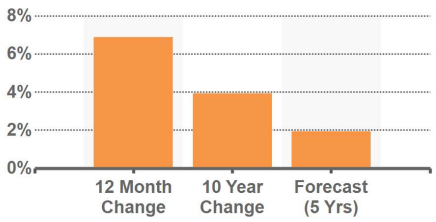
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

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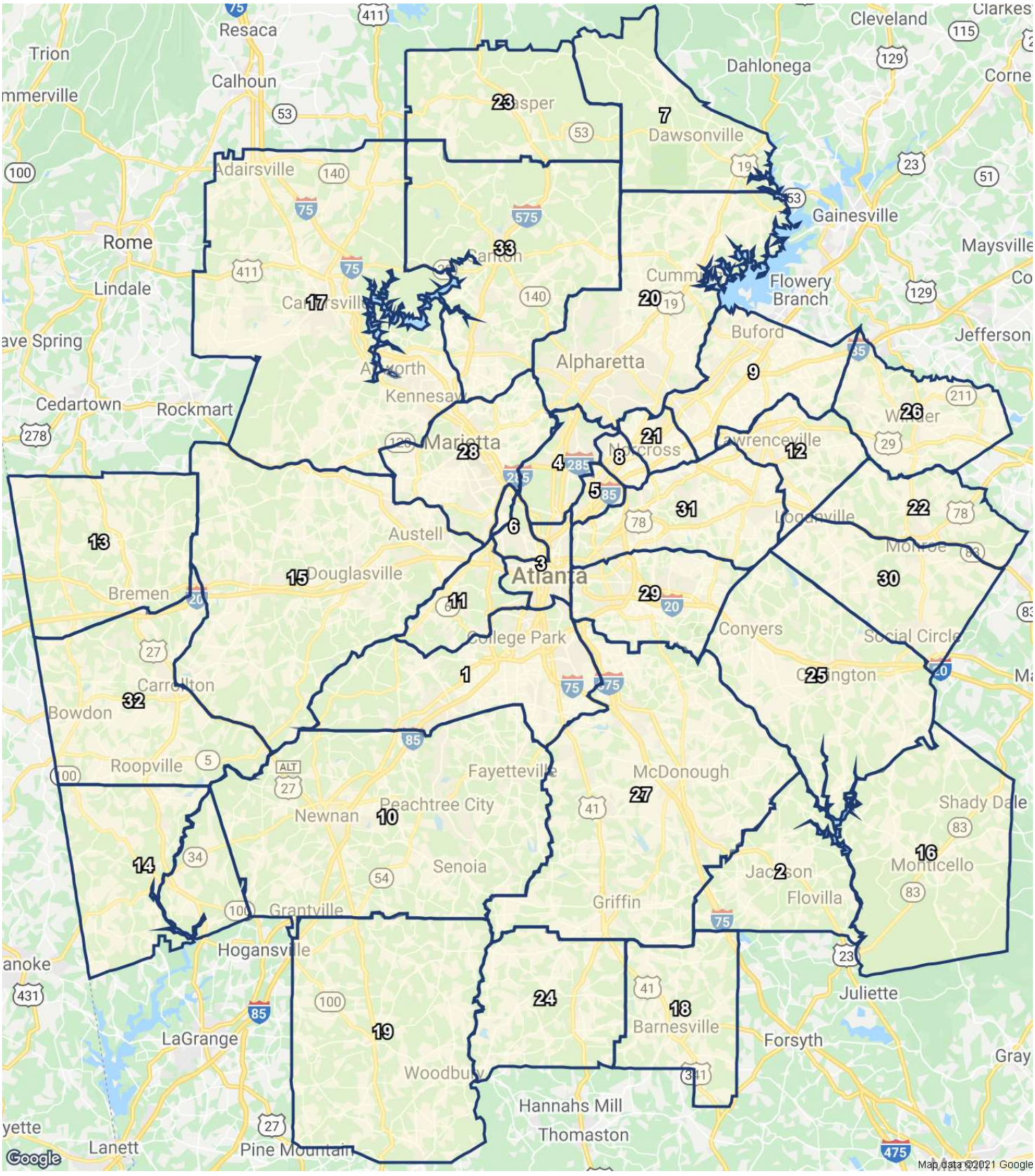
Submarkets

ATLANTA SUBMARKETS



Submarkets

SUBMARKET INVENTORY

		Inventory				12 Month Deliveries				Under Construction			
No.	Submarket	Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Airport/North Clayton	1,559	119,235	15.8%	1	11	5,695	4.8%	1	11	4,701	3.9%	2
2	Butts County	34	3,066	0.4%	23	0	0	0%	-	0	-	-	-
3	Central Atlanta	631	14,841	2.0%	17	0	0	0%	-	0	-	-	-
4	Central Perimeter	30	485	0.1%	31	0	0	0%	-	0	-	-	-
5	Chamblee	384	8,522	1.1%	21	0	0	0%	-	0	-	-	-
6	Chattahoochee	650	21,192	2.8%	15	0	0	0%	-	1	250	1.2%	12
7	Dawson County	69	1,518	0.2%	28	1	14	0.9%	15	0	-	-	-
8	Doraville	611	33,651	4.4%	7	2	420	1.2%	10	0	-	-	-
9	Duluth/Suwanee/Buford	838	55,303	7.3%	4	6	228	0.4%	11	9	2,091	3.8%	4
10	Fayette/Coweta County	625	28,808	3.8%	12	4	1,938	6.7%	5	2	778	2.7%	9
11	Fulton District	637	53,789	7.1%	5	4	1,576	2.9%	6	4	873	1.6%	8
12	GA-316/Lawrenceville	523	21,260	2.8%	14	3	98	0.5%	12	3	599	2.8%	10
13	Haralson County	68	2,093	0.3%	25	0	0	0%	-	0	-	-	-
14	Heard County	6	360	0%	33	0	0	0%	-	0	-	-	-
15	I-20 W/Douglasville	1,120	59,286	7.8%	3	9	1,042	1.8%	7	8	1,863	3.1%	5
16	Jasper County	12	635	0.1%	30	0	0	0%	-	0	-	-	-
17	Kennesaw/Acworth	903	47,240	6.2%	6	12	2,072	4.4%	4	22	6,095	12.9%	1
18	Lamar County	32	1,730	0.2%	27	0	0	0%	-	0	-	-	-
19	Meriwether County	24	1,246	0.2%	29	0	0	0%	-	0	-	-	-
20	N Fulton/Forsyth Cnty	1,197	33,231	4.4%	9	9	539	1.6%	9	7	490	1.5%	11
21	Norcross	783	33,362	4.4%	8	0	0	0%	-	0	-	-	-
22	North Walton County	54	2,234	0.3%	24	0	0	0%	-	1	50	2.2%	15
23	Pickens County	131	1,859	0.2%	26	7	38	2.1%	14	3	19	1.0%	16
24	Pike County	13	483	0.1%	32	0	0	0%	-	0	-	-	-
25	Rockdale/Newton Cnty	773	28,467	3.8%	13	3	764	2.7%	8	3	2,795	9.8%	3
26	S Barrow	306	9,147	1.2%	20	1	5	0.1%	16	0	-	-	-
27	S Clayton/Henry Cnty	875	68,608	9.1%	2	7	2,735	4.0%	3	3	1,633	2.4%	6
28	SE Cobb Cnty/Marietta	1,048	29,019	3.8%	11	0	0	0%	-	1	122	0.4%	13
29	Snapfinger	423	16,661	2.2%	16	0	0	0%	-	3	893	5.4%	7
30	South Walton County	138	10,854	1.4%	19	0	0	0%	-	1	6	0.1%	17
31	Stone Mountain	1,040	33,100	4.4%	10	3	3,062	9.3%	2	1	96	0.3%	14
32	W Carroll County	152	4,646	0.6%	22	0	0	0%	-	0	-	-	-
33	Woodstock/Canton	660	10,936	1.4%	18	3	78	0.7%	13	0	-	-	-

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	$0.46	27	6.3%	23	7.7%	15
2	Butts County	$0.38	32	5.8%	30	7.6%	23
3	Central Atlanta	$0.78	3	6.0%	29	7.6%	21
4	Central Perimeter	$1.10	1	5.7%	31	6.5%	32
5	Chamblee	$0.78	4	6.2%	26	7.8%	11
6	Chattahoochee	$0.75	6	6.5%	18	7.2%	31
7	Dawson County	$0.76	5	7.0%	4	7.7%	16
8	Doraville	$0.60	10	6.4%	21	7.6%	20
9	Duluth/Suwanee/Buford	$0.58	15	6.4%	20	7.8%	13
10	Fayette/Coweta County	$0.51	21	6.6%	11	7.7%	19
11	Fulton District	$0.38	33	6.5%	14	8.0%	7
12	GA-316/Lawrenceville	$0.59	11	6.5%	15	7.8%	14
13	Haralson County	$0.40	31	6.9%	5	7.9%	9
14	Heard County	$0.59	12	7.2%	3	7.5%	29
15	I-20 W/Douglasville	$0.48	24	6.5%	16	7.8%	12
16	Jasper County	$0.48	23	6.6%	12	7.6%	25
17	Kennesaw/Acworth	$0.58	17	6.5%	17	7.7%	17
18	Lamar County	$0.47	25	7.2%	2	7.5%	26
19	Meriwether County	$0.42	29	5.7%	32	6.2%	33
20	N Fulton/Forsyth Cnty	$0.85	2	6.0%	28	8.0%	3
21	Norcross	$0.67	9	6.1%	27	7.7%	18
22	North Walton County	$0.59	13	6.8%	8	8.0%	5
23	Pickens County	$0.58	14	6.9%	7	9.8%	1
24	Pike County	$0.58	18	7.4%	1	7.4%	30
25	Rockdale/Newton Cnty	$0.54	19	6.5%	19	8.1%	2
26	S Barrow	$0.51	20	6.7%	9	7.6%	22
27	S Clayton/Henry Cnty	$0.41	30	6.4%	22	7.5%	28
28	SE Cobb Cnty/Marietta	$0.74	7	6.3%	24	7.8%	10
29	Snapfinger	$0.49	22	6.7%	10	8.0%	4
30	South Walton County	$0.43	28	5.6%	33	7.9%	8
31	Stone Mountain	$0.58	16	6.3%	25	7.5%	27
32	W Carroll County	$0.47	26	6.9%	6	8.0%	6
33	Woodstock/Canton	$0.69	8	6.5%	13	7.6%	24

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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	7,167,571	6.0%	25	8,165,430	6.8%	1	0.6
2	Butts County	348,016	11.4%	29	545,146	17.8%	10	-
3	Central Atlanta	1,099,755	7.4%	27	(482,699)	-3.3%	33	-
4	Central Perimeter	35,413	7.3%	26	(10,695)	-2.2%	25	-
5	Chamblee	302,813	3.6%	13	(300)	0%	24	-
6	Chattahoochee	1,234,637	5.8%	24	(289,894)	-1.4%	32	-
7	Dawson County	41,375	2.7%	7	62,365	4.1%	16	0.2
8	Doraville	1,621,229	4.8%	20	109,042	0.3%	15	2.4
9	Duluth/Suwanee/Buford	1,265,710	2.3%	6	1,933,491	3.5%	6	0.1
10	Fayette/Coweta County	1,152,328	4.0%	17	2,798,680	9.7%	5	0.7
11	Fulton District	1,767,572	3.3%	10	1,041,407	1.9%	8	0.8
12	GA-316/Lawrenceville	395,442	1.9%	3	240,718	1.1%	11	0.1
13	Haralson County	70,000	3.3%	11	(63,308)	-3.0%	27	-
14	Heard County	2,500	0.7%	2	2,500	0.7%	21	-
15	I-20 W/Douglasville	1,798,202	3.0%	8	2,961,573	5.0%	4	0.4
16	Jasper County	72,244	11.4%	30	(72,243)	-11.4%	28	-
17	Kennesaw/Acworth	2,696,222	5.7%	23	1,521,341	3.2%	7	1.3
18	Lamar County	-	-	-	0	0%	-	-
19	Meriwether County	691,347	55.5%	31	(30,247)	-2.4%	26	-
20	N Fulton/Forsyth Cnty	1,516,020	4.6%	19	194,812	0.6%	13	1.8
21	Norcross	1,804,582	5.4%	22	(220,945)	-0.7%	30	-
22	North Walton County	-	-	-	6,662	0.3%	20	-
23	Pickens County	57,813	3.1%	9	42,701	2.3%	17	0.6
24	Pike County	10,370	2.1%	5	0	0%	-	-
25	Rockdale/Newton Cnty	1,043,526	3.7%	14	718,504	2.5%	9	1.1
26	S Barrow	493,157	5.4%	21	(251,540)	-2.8%	31	-
27	S Clayton/Henry Cnty	5,410,416	7.9%	28	5,501,882	8.0%	2	0.4
28	SE Cobb Cnty/Marietta	1,080,270	3.7%	15	217,570	0.7%	12	-
29	Snapfinger	585,228	3.5%	12	(153,140)	-0.9%	29	-
30	South Walton County	430,010	4.0%	16	15,502	0.1%	19	-
31	Stone Mountain	1,480,283	4.5%	18	3,014,898	9.1%	3	1.0
32	W Carroll County	5,822	0.1%	1	30,761	0.7%	18	-
33	Woodstock/Canton	205,875	1.9%	4	182,914	1.7%	14	0.4

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Supply & Demand Trends

OVERALL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	845,397,194	15,055,019	1.8%	11,438,317	1.4%	1.3
2024	830,342,175	17,219,827	2.1%	13,813,562	1.7%	1.2
2023	813,122,348	19,137,929	2.4%	16,715,953	2.1%	1.1
2022	793,984,419	22,638,075	2.9%	20,355,664	2.6%	1.1
2021	771,346,344	20,057,637	2.7%	26,447,212	3.4%	0.8
YTD	758,272,349	6,983,642	0.9%	12,691,275	1.7%	0.6
2020	751,288,707	18,053,083	2.5%	16,036,540	2.1%	1.1
2019	733,235,624	13,911,801	1.9%	13,017,587	1.8%	1.1
2018	719,323,823	15,065,991	2.1%	17,723,241	2.5%	0.9
2017	704,257,832	14,661,433	2.1%	21,819,074	3.1%	0.7
2016	689,596,399	17,719,457	2.6%	15,811,602	2.3%	1.1
2015	671,876,942	3,988,847	0.6%	13,808,113	2.1%	0.3
2014	667,888,095	2,209,872	0.3%	20,708,115	3.1%	0.1
2013	665,678,223	2,351,391	0.4%	10,202,200	1.5%	0.2
2012	663,326,832	435,892	0.1%	4,644,619	0.7%	0.1
2011	662,890,940	(932,467)	-0.1%	7,388,589	1.1%	-
2010	663,823,407	2,151,289	0.3%	(3,467,780)	-0.5%	-
2009	661,672,118	(621,591)	-0.1%	(7,275,784)	-1.1%	-

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	100,877,848	136,031	0.1%	(306,863)	-0.3%	-
2024	100,741,817	185,384	0.2%	(212,210)	-0.2%	-
2023	100,556,433	230,498	0.2%	(33,727)	0%	-
2022	100,325,935	342,509	0.3%	137,358	0.1%	2.5
2021	99,983,426	265,227	0.3%	1,208,424	1.2%	0.2
YTD	100,024,602	306,403	0.3%	1,184,271	1.2%	0.3
2020	99,718,199	210,633	0.2%	(736,782)	-0.7%	-
2019	99,507,566	57,060	0.1%	773,602	0.8%	0.1
2018	99,450,506	932,628	0.9%	1,163,675	1.2%	0.8
2017	98,517,878	1,455,913	1.5%	1,696,601	1.7%	0.9
2016	97,061,965	1,456,543	1.5%	2,116,547	2.2%	0.7
2015	95,605,422	(3,206,090)	-3.2%	(118,084)	-0.1%	-
2014	98,811,512	95,437	0.1%	3,305,840	3.3%	0
2013	98,716,075	276,178	0.3%	18,546	0%	14.9
2012	98,439,897	(388,640)	-0.4%	72,506	0.1%	-
2011	98,828,537	(794,449)	-0.8%	(264,324)	-0.3%	-
2010	99,622,986	396,862	0.4%	(170,731)	-0.2%	-
2009	99,226,124	(2,203,133)	-2.2%	(1,122,232)	-1.1%	-

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Supply & Demand Trends

LOGISTICS SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	670,511,824	14,132,210	2.2%	11,185,532	1.7%	1.3
2024	656,379,614	16,126,388	2.5%	13,328,769	2.0%	1.2
2023	640,253,226	17,891,955	2.9%	15,937,050	2.5%	1.1
2022	622,361,271	20,024,639	3.3%	17,969,301	2.9%	1.1
2021	602,336,632	18,113,154	3.1%	23,832,463	4.0%	0.8
YTD	590,696,217	6,472,739	1.1%	11,148,519	1.9%	0.6
2020	584,223,478	17,697,958	3.1%	16,855,141	2.9%	1.1
2019	566,525,520	14,035,633	2.5%	12,137,748	2.1%	1.2
2018	552,489,887	14,202,333	2.6%	15,953,290	2.9%	0.9
2017	538,287,554	13,190,765	2.5%	20,001,671	3.7%	0.7
2016	525,096,789	16,425,758	3.2%	12,943,400	2.5%	1.3
2015	508,671,031	7,213,223	1.4%	11,775,273	2.3%	0.6
2014	501,457,808	2,173,459	0.4%	16,237,218	3.2%	0.1
2013	499,284,349	2,300,635	0.5%	9,090,580	1.8%	0.3
2012	496,983,714	847,180	0.2%	4,936,903	1.0%	0.2
2011	496,136,534	159,427	0%	8,800,225	1.8%	0
2010	495,977,107	1,837,958	0.4%	(3,128,550)	-0.6%	-
2009	494,139,149	1,581,584	0.3%	(5,108,137)	-1.0%	-

FLEX SUPPLY & DEMAND

	Inventory			Net Absorption		
Year	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	74,007,522	786,778	1.1%	559,648	0.8%	1.4
2024	73,220,744	908,055	1.3%	697,003	1.0%	1.3
2023	72,312,689	1,015,476	1.4%	812,630	1.1%	1.2
2022	71,297,213	2,270,927	3.3%	2,249,005	3.2%	1.0
2021	69,026,286	1,679,256	2.5%	1,406,325	2.0%	1.2
YTD	67,551,530	204,500	0.3%	358,485	0.5%	0.6
2020	67,347,030	144,492	0.2%	(81,819)	-0.1%	-
2019	67,202,538	(180,892)	-0.3%	106,237	0.2%	-
2018	67,383,430	(68,970)	-0.1%	606,276	0.9%	-
2017	67,452,400	14,755	0%	120,802	0.2%	0.1
2016	67,437,645	(162,844)	-0.2%	751,655	1.1%	-
2015	67,600,489	(18,286)	0%	2,150,924	3.2%	-
2014	67,618,775	(59,024)	-0.1%	1,165,057	1.7%	-
2013	67,677,799	(225,422)	-0.3%	1,093,074	1.6%	-
2012	67,903,221	(22,648)	0%	(364,790)	-0.5%	-
2011	67,925,869	(297,445)	-0.4%	(1,147,312)	-1.7%	-
2010	68,223,314	(83,531)	-0.1%	(168,499)	-0.2%	-
2009	68,306,845	(42)	0%	(1,045,415)	-1.5%	-

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Rent & Vacancy

OVERALL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	$0.67	175	1.7%	25.2%	47,038,335	5.6%	0.3%
2024	$0.66	172	2.6%	23.1%	43,396,370	5.2%	0.3%
2023	$0.64	167	4.2%	19.9%	39,967,841	4.9%	0.2%
2022	$0.61	161	6.4%	15.1%	37,522,580	4.7%	0.2%
2021	$0.58	151	8.2%	8.2%	35,219,032	4.6%	-1.0%
YTD	$0.55	143	2.6%	2.6%	35,887,283	4.7%	-0.8%
2020	$0.53	140	5.9%	0%	41,594,916	5.5%	0.1%
2019	$0.50	132	6.6%	-5.6%	39,596,835	5.4%	0%
2018	$0.47	124	6.7%	-11.4%	38,734,796	5.4%	-0.5%
2017	$0.44	116	6.4%	-17.0%	41,160,046	5.8%	-1.2%
2016	$0.42	109	5.6%	-22.0%	48,330,737	7.0%	0.1%
2015	$0.39	103	6.1%	-26.1%	46,409,626	6.9%	-1.5%
2014	$0.37	97	3.9%	-30.3%	56,228,892	8.4%	-2.8%
2013	$0.36	94	2.6%	-33.0%	74,727,135	11.2%	-1.2%
2012	$0.35	91	-0.1%	-34.7%	82,577,944	12.4%	-0.6%
2011	$0.35	91	-1.8%	-34.6%	86,786,671	13.1%	-1.2%
2010	$0.36	93	-3.4%	-33.4%	95,107,727	14.3%	0.8%
2009	$0.37	96	-3.8%	-31.1%	89,496,755	13.5%	1.0%

SPECIALIZED INDUSTRIAL RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	$0.75	171	1.8%	27.5%	4,391,546	4.4%	0.4%
2024	$0.74	168	2.7%	25.3%	3,945,675	3.9%	0.4%
2023	$0.72	163	4.4%	21.9%	3,545,161	3.5%	0.3%
2022	$0.69	157	6.5%	16.8%	3,277,954	3.3%	0.2%
2021	$0.64	147	9.7%	9.7%	3,070,132	3.1%	-1.0%
YTD	$0.61	139	4.0%	4.0%	3,134,268	3.1%	-0.9%
2020	$0.59	134	3.7%	0%	4,012,136	4.0%	0.9%
2019	$0.57	129	8.3%	-3.6%	3,064,721	3.1%	-0.7%
2018	$0.52	119	6.8%	-11.0%	3,786,178	3.8%	-0.3%
2017	$0.49	112	5.4%	-16.7%	4,017,225	4.1%	-0.3%
2016	$0.46	106	3.1%	-20.9%	4,257,913	4.4%	-0.8%
2015	$0.45	103	6.3%	-23.3%	4,917,917	5.1%	-3.0%
2014	$0.42	97	4.6%	-27.9%	8,005,923	8.1%	-3.3%
2013	$0.40	92	3.3%	-31.0%	11,216,326	11.4%	0.2%
2012	$0.39	89	-1.1%	-33.2%	10,958,694	11.1%	-0.4%
2011	$0.40	90	-2.2%	-32.5%	11,419,840	11.6%	-0.4%
2010	$0.40	92	-4.0%	-31.0%	11,949,965	12.0%	0.5%
2009	$0.42	96	-3.7%	-28.1%	11,382,372	11.5%	-0.8%

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LOGISTICS RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	$0.60	177	1.7%	24.8%	38,167,395	5.7%	0.3%
2024	$0.59	174	2.6%	22.7%	35,203,924	5.4%	0.3%
2023	$0.57	170	4.2%	19.6%	32,392,148	5.1%	0.2%
2022	$0.55	163	6.3%	14.8%	30,422,820	4.9%	0.2%
2021	$0.52	153	8.0%	8.0%	28,355,531	4.7%	-1.1%
YTD	$0.49	145	2.4%	2.4%	29,390,000	5.0%	-0.9%
2020	$0.48	142	6.6%	0%	34,065,780	5.8%	0%
2019	$0.45	133	6.4%	-6.1%	33,229,548	5.9%	0.2%
2018	$0.42	125	6.7%	-11.8%	31,347,923	5.7%	-0.4%
2017	$0.40	117	6.7%	-17.3%	32,874,880	6.1%	-1.4%
2016	$0.37	110	6.1%	-22.5%	39,666,586	7.6%	0.4%
2015	$0.35	104	6.2%	-27.0%	36,170,972	7.1%	-1.0%
2014	$0.33	98	4.0%	-31.2%	40,733,022	8.1%	-2.9%
2013	$0.32	94	2.6%	-33.9%	54,796,781	11.0%	-1.4%
2012	$0.31	91	0.1%	-35.6%	61,586,726	12.4%	-0.8%
2011	$0.31	91	-1.7%	-35.6%	65,676,449	13.2%	-1.7%
2010	$0.31	93	-3.2%	-34.5%	74,317,247	15.0%	0.9%
2009	$0.32	96	-4.0%	-32.4%	69,372,739	14.0%	1.3%

FLEX RENT & VACANCY

	Market Rent				Vacancy		
Year	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	$1.17	168	1.7%	24.8%	4,479,394	6.1%	0.3%
2024	$1.15	165	2.6%	22.7%	4,246,771	5.8%	0.2%
2023	$1.12	161	4.2%	19.6%	4,030,532	5.6%	0.2%
2022	$1.08	154	6.3%	14.7%	3,821,806	5.4%	-0.1%
2021	$1.01	145	7.9%	7.9%	3,793,369	5.5%	0.3%
YTD	$0.96	138	2.4%	2.4%	3,363,015	5.0%	-0.2%
2020	$0.94	135	4.9%	0%	3,517,000	5.2%	0.3%
2019	$0.90	128	5.8%	-4.7%	3,302,566	4.9%	-0.4%
2018	$0.85	121	7.0%	-9.9%	3,600,695	5.3%	-1.0%
2017	$0.79	113	5.9%	-15.8%	4,267,941	6.3%	-0.2%
2016	$0.75	107	5.8%	-20.5%	4,406,238	6.5%	-1.3%
2015	$0.71	101	5.3%	-24.9%	5,320,737	7.9%	-3.2%
2014	$0.67	96	2.9%	-28.7%	7,489,947	11.1%	-1.8%
2013	$0.65	93	2.0%	-30.7%	8,714,028	12.9%	-1.9%
2012	$0.64	91	-0.3%	-32.1%	10,032,524	14.8%	0.5%
2011	$0.64	92	-1.7%	-31.8%	9,690,382	14.3%	1.3%
2010	$0.65	93	-3.7%	-30.7%	8,840,515	13.0%	0.2%
2009	$0.68	97	-3.1%	-28.0%	8,741,644	12.8%	1.5%

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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
2025	-	-	-	-	-	-	$92.63	237	6.5%
2024	-	-	-	-	-	-	$91.56	234	6.5%
2023	-	-	-	-	-	-	$89.72	229	6.4%
2022	-	-	-	-	-	-	$86.83	222	6.4%
2021	-	-	-	-	-	-	$81.63	209	6.3%
YTD	285	$1.2B	2.6%	$5,758,918	$73.20	7.2%	$76.04	194	6.4%
2020	1,055	$3.2B	7.2%	$4,142,295	$71.22	7.5%	$72.69	186	6.5%
2019	1,207	$3.8B	9.6%	$4,220,410	$64.03	7.7%	$67.27	172	6.6%
2018	1,158	$3.5B	9.6%	$4,101,672	$63.10	7.6%	$62.42	160	6.7%
2017	982	$2.8B	8.5%	$3,879,836	$50.72	7.9%	$57.08	146	6.8%
2016	890	$2.1B	6.6%	$2,767,521	$46.87	8.1%	$52.81	135	6.9%
2015	1,035	$2.5B	10.2%	$2,765,909	$42.85	8.3%	$48.93	125	7.1%
2014	929	$2.2B	8.0%	$2,610,679	$41.25	8.4%	$44.41	114	7.5%
2013	784	$1.2B	5.9%	$1,824,529	$35.55	8.9%	$40.95	105	7.7%
2012	616	$1.2B	5.8%	$2,326,826	$35.08	8.7%	$38.99	100	7.9%
2011	445	$835.1M	3.8%	$2,186,254	$34	9.3%	$37.27	95	8.1%
2010	405	$614.8M	3.6%	$1,821,056	$35.05	9.5%	$36.19	93	8.3%

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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
2025	-	-	-	-	-	-	$85.44	242	6.5%
2024	-	-	-	-	-	-	$84.39	239	6.5%
2023	-	-	-	-	-	-	$82.63	234	6.4%
2022	-	-	-	-	-	-	$79.87	226	6.4%
2021	-	-	-	-	-	-	$75.01	212	6.3%
YTD	27	$113.9M	1.9%	$4,745,408	$60.98	5.6%	$69.71	197	6.5%
2020	101	$200.9M	3.3%	$3,043,797	$71.58	8.2%	$66.17	187	6.5%
2019	96	$189M	3.9%	$2,584,091	$64.76	7.3%	$61.57	174	6.6%
2018	103	$219.8M	5.4%	$2,929,026	$51.55	7.2%	$57.16	162	6.7%
2017	78	$186M	4.7%	$3,000,212	$43.78	9.1%	$51.50	146	6.9%
2016	88	$146.8M	4.9%	$1,834,973	$31.74	8.1%	$47.67	135	7.0%
2015	76	$164.8M	4.1%	$2,535,764	$45.66	10.5%	$44.40	126	7.1%
2014	67	$134.7M	5.2%	$2,281,684	$26.96	9.0%	$40.13	114	7.5%
2013	67	$132.3M	3.8%	$2,321,499	$35.38	9.0%	$36.94	105	7.7%
2012	59	$55.6M	2.3%	$1,423,259	$32.39	9.3%	$35.11	99	7.9%
2011	33	$46.1M	1.5%	$1,439,191	$30.63	-	$33.76	96	8.1%
2010	29	$35.6M	1.6%	$1,424,706	$32.84	9.0%	$32.86	93	8.4%

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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
2025	-	-	-	-	-	-	$88.80	237	6.5%
2024	-	-	-	-	-	-	$87.78	235	6.4%
2023	-	-	-	-	-	-	$86.04	230	6.4%
2022	-	-	-	-	-	-	$83.28	223	6.3%
2021	-	-	-	-	-	-	$78.31	209	6.3%
YTD	179	$972.1M	2.7%	$7,144,231	$71.47	7.4%	$72.96	195	6.4%
2020	735	$2.7B	8.0%	$4,703,679	$67.72	7.4%	$69.69	186	6.5%
2019	864	$3.2B	10.8%	$4,926,249	$62.38	7.7%	$64.29	172	6.6%
2018	753	$2.7B	10.2%	$4,896,955	$60.90	7.7%	$59.63	159	6.7%
2017	703	$2.4B	9.5%	$4,483,336	$50.13	7.6%	$54.63	146	6.8%
2016	560	$1.7B	6.8%	$3,334,195	$47.22	7.9%	$50.62	135	6.9%
2015	712	$2.1B	11.4%	$3,280,997	$42.35	7.6%	$46.94	125	7.1%
2014	626	$1.8B	8.8%	$3,021,010	$40.80	7.9%	$42.63	114	7.4%
2013	518	$904.1M	6.5%	$2,085,662	$34.81	8.6%	$39.28	105	7.7%
2012	434	$970.2M	6.7%	$2,643,629	$33.58	8.6%	$37.42	100	7.8%
2011	316	$744.4M	4.5%	$2,616,519	$33.94	9.1%	$35.68	95	8.1%
2010	292	$535.5M	4.2%	$2,094,864	$34.48	9.3%	$34.62	93	8.3%

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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
2025	-	-	-	-	-	-	$135.79	229	6.8%
2024	-	-	-	-	-	-	$134.21	227	6.8%
2023	-	-	-	-	-	-	$131.51	222	6.8%
2022	-	-	-	-	-	-	$127.22	215	6.7%
2021	-	-	-	-	-	-	$119.62	202	6.6%
YTD	79	$142.5M	2.9%	$2,663,102	$108.44	7.8%	$111.54	188	6.7%
2020	219	$375.4M	5.8%	$2,496,634	$111.59	7.9%	$107.80	182	6.8%
2019	247	$342.3M	7.5%	$2,090,838	$84.65	7.9%	$101	171	6.8%
2018	302	$581.5M	11.3%	$2,555,403	$84.34	7.1%	$93.85	159	6.9%
2017	201	$224M	5.5%	$1,726,238	$68.50	8.4%	$86.01	145	7.0%
2016	242	$265.3M	7.4%	$1,545,823	$59.89	8.4%	$78.93	133	7.2%
2015	247	$275.2M	9.4%	$1,294,687	$45.16	9.6%	$72.55	123	7.4%
2014	236	$249.2M	6.5%	$1,373,475	$64.90	9.9%	$65.77	111	7.7%
2013	199	$116.2M	4.7%	$807,279	$42.84	10.8%	$60.94	103	7.9%
2012	123	$131M	3.9%	$1,426,516	$55.33	9.3%	$58.06	98	8.1%
2011	96	$44.6M	2.0%	$650,484	$39.71	12.0%	$55.86	94	8.3%
2010	84	$43.7M	1.5%	$731,746	$47.29	10.1%	$54.36	92	8.6%

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