

Atlanta

Office | Q1 2024 Market Report

Quarterly Snapshot

↑ Average Rent
\$35.47

↑ Vacancy
24.62%

↓ Net Absorption
-464,121 SF

Occupier's Perspective

Over 8.3 million SF available.

The Battery and Beltline remain popular areas.

Lowest pipeline SF since 2015.

New and existing tech companies continue to move to Atlanta.

In Q1 2024, Atlanta's office market continued its transformation that characterized by a surge in tech companies relocating to what many are dubbing the "Silicon Valley of the South", effectively alleviating vacancy pressures. The Battery and Beltline retained their positions as prime hubs of commercial office activity, leveraging their strategic locations to attract new and existing tenants. However, market stability was challenged as major players like Microsoft opted to pause expansion plans amid uncertainties. Heightened attention was directed towards loans maturing on properties, especially those already dealing with high vacancy rates, raising concerns about potential financial strains.

With only 3 million SF in the pipeline—the lowest since 2015—leasing older spaces intensified and corporate downsizing is becoming more common. PrizePicks' expansion stood out as an anomaly in the market landscape. The broader trend indicated a significant 30% decrease in average lease sizes compared to 2019. Nevertheless, the market remained saturated, with over 8.3 million SF still available, underscoring the persistent challenges and evolving dynamics shaping Atlanta's office sector.

Recent Atlanta Transactions

Tenant	Size (SF)	Submarket	Type	Building
GAHBA	11,418	N Fulton/Forsyth County	Relocation	Parkview One
Rabun Architects	11,981	Downtown Atlanta	Renewal	260 Peachtree
RS&H, Inc.	10,023	Midtown/Pershing Point	New Lease	Two Midtown Plaza

Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
24.4%	0.2%	\$31.06	North Fulton/Forsyth County
25.9%	1.6%	\$31.37	Downtown
17.4%	0.6%	\$32.51	Cumberland Galleria
25.3%	0.2%	\$32.44	Central Perimeter
29.1%	0.2%	\$40.31	Upper Buckhead
25.6%	1.2%	\$45.11	Midtown/Pershing Point