



# Atlanta

- The Atlanta office market saw positive net absorption in Q3 2025 and a 30-basis point quarterly decline in vacancy, reflecting a shift in market dynamics compared to previous quarters.
- Leasing activity featured notable demand for premium office space and increased interest from manufacturing sector tenants.
- Supply fundamentals were influenced by one new delivery and several inventory removals. The diminishing construction pipeline should increase competition among tenants for quality office space and inventory removals should suppress vacancy.

Atlanta's office market in Q3 2025 registered several indicators of positive momentum and improving fundamentals. Net absorption was 348k s.f., marking the second consecutive quarter of positive absorption and a reversal from the negative absorption seen throughout the last five years. Though YTD absorption is still negative, it represents a significant improvement from this time last year. As a factor of both positive absorption and inventory removals, direct vacancy decreased to 24.7%, down from 25.0% in Q2 2025 and 26.1% in Q1 2025.

Leasing activity in the third quarter was characterized by a mix of new commitments and renewals, with several tenants opting to adjust their office footprints. Notable transactions included Ernst & Young's new 102k s.f. lease, representing a flight-to-quality relocation within Atlanta, as well as Rivian's 45k s.f. lease and Heidelberg's 80k s.f. lease, both a nod to the growing demand from the manufacturing industry. The recent uptick of Trophy leasing activity contributed to a 130-basis point dip in Trophy availability quarter-over-quarter, underscoring the tenant demand for premium spaces and distinct market bifurcation.

Supply side fundamentals this quarter were shaped by the delivery of Truist's 250k s.f. build-to-suit at The Battery and 770k s.f. of office inventory removals, resulting in a -0.3% net change in office supply. This delivery leaves just two projects in the under development pipeline: 1072 W Peachtree in Midtown, which is under construction, and Medley in North Fulton, which is under renovation.

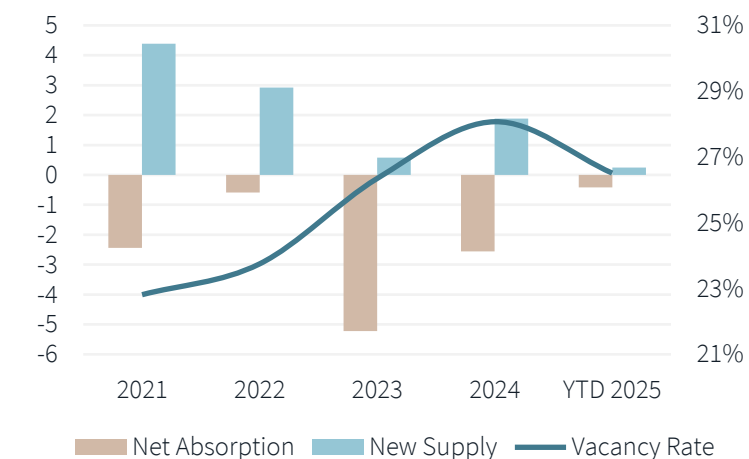
## Outlook

Looking ahead, the market is expected to see a continued decrease in vacancy rates with large known occupancy gains and inventory removals on the horizon. Direct asking rents are projected to continue their upward movement, supported by stable to declining concessions and increased demand for quality space. Overall, the Atlanta office market is positioned for gradual improvement in occupancy rates and increased tenant demand, as the metro continues to attract corporate headquarters with its diverse business ecosystem and reputation as the largest talent hub in the Southeast.

| Fundamentals                      | Forecast       |   |
|-----------------------------------|----------------|---|
| <b>YTD net absorption</b>         | -418,770 s.f.  | ↑ |
| <b>Total vacancy</b>              | 26.5%          | ↓ |
| <b>Class A direct asking rent</b> | \$36.54 p.s.f. | ↑ |
| <b>Overall direct asking rent</b> | \$33.88 p.s.f. | ↑ |
| <b>Concessions</b>                | Stable         | ↓ |
| <b>Under development</b>          | 334,000 s.f.   | ↓ |
| <b>Preleased</b>                  | 21.0%          | ↑ |

## Historical supply and demand trends

s.f. (millions)





# Totals & Class A statistics

|                   | Class         | Inventory (s.f.)   | Total net absorption (s.f.) | YTD total net absorption (s.f.) | YTD total net absorption (% of stock) | Direct vacancy (%) | Total vacancy (%) | Average direct asking rent (\$ p.s.f.) | YTD Completions (s.f.) | Under construction / renovation (s.f.) |
|-------------------|---------------|--------------------|-----------------------------|---------------------------------|---------------------------------------|--------------------|-------------------|----------------------------------------|------------------------|----------------------------------------|
| Buckhead          | Totals        | 20,067,053         | 145,233                     | 119,648                         | 0.6%                                  | 28.1%              | 28.9%             | \$38.72                                | 0                      | 0                                      |
| Downtown          | Totals        | 17,391,331         | -93,098                     | -239,341                        | -1.4%                                 | 30.3%              | 31.2%             | \$31.37                                | 0                      | 0                                      |
| Midtown           | Totals        | 28,898,835         | 4,093                       | 328,408                         | 1.1%                                  | 28.8%              | 30.4%             | \$47.26                                | 0                      | 224,000                                |
| <b>CBD</b>        | <b>Totals</b> | <b>66,357,219</b>  | <b>56,228</b>               | <b>208,715</b>                  | <b>0.3%</b>                           | <b>29.0%</b>       | <b>30.1%</b>      | <b>\$40.59</b>                         | <b>0</b>               | <b>224,000</b>                         |
| North Fulton      | Totals        | 22,628,951         | 132,136                     | -37,628                         | -0.2%                                 | 26.2%              | 27.9%             | \$27.38                                | 0                      | 110,000                                |
| Northlake         | Totals        | 9,365,738          | -9,479                      | -122,843                        | -1.3%                                 | 16.9%              | 17.3%             | \$26.12                                | 0                      | 0                                      |
| South Atlanta     | Totals        | 5,956,543          | 14,404                      | -7,118                          | -0.1%                                 | 22.4%              | 22.8%             | \$23.77                                | 0                      | 0                                      |
| Central Perimeter | Totals        | 26,602,403         | -12,491                     | -125,672                        | -0.5%                                 | 22.0%              | 26.3%             | \$30.81                                | 0                      | 0                                      |
| Northeast         | Totals        | 13,344,102         | 40,187                      | -77,081                         | -0.6%                                 | 21.6%              | 22.7%             | \$23.08                                | 0                      | 0                                      |
| Northwest         | Totals        | 26,465,767         | 144,481                     | -249,473                        | -0.9%                                 | 20.5%              | 22.8%             | \$28.98                                | 250,000                | 0                                      |
| West Atlanta      | Totals        | 397,590            | -17,833                     | -7,670                          | -1.9%                                 | 10.1%              | 10.1%             | \$33.37                                | 0                      | 0                                      |
| <b>Suburbs</b>    | <b>Totals</b> | <b>104,761,094</b> | <b>291,405</b>              | <b>-627,485</b>                 | <b>-0.6%</b>                          | <b>22.0%</b>       | <b>24.2%</b>      | <b>\$27.84</b>                         | <b>250,000</b>         | <b>110,000</b>                         |
| <b>Atlanta</b>    | <b>Totals</b> | <b>171,118,313</b> | <b>347,633</b>              | <b>-418,770</b>                 | <b>-0.2%</b>                          | <b>24.7%</b>       | <b>26.5%</b>      | <b>\$33.88</b>                         | <b>250,000</b>         | <b>334,000</b>                         |
| Buckhead          | A             | 17,908,630         | 137,207                     | 166,860                         | 0.9%                                  | 27.8%              | 28.6%             | \$39.99                                | 0                      | 0                                      |
| Downtown          | A             | 13,756,889         | -91,244                     | -202,322                        | -1.5%                                 | 32.0%              | 33.1%             | \$31.52                                | 0                      | 0                                      |
| Midtown           | A             | 24,400,055         | 18,918                      | 344,140                         | 1.4%                                  | 26.8%              | 28.5%             | \$50.57                                | 0                      | 224,000                                |
| <b>CBD</b>        | <b>A</b>      | <b>56,065,574</b>  | <b>64,881</b>               | <b>308,678</b>                  | <b>0.6%</b>                           | <b>28.4%</b>       | <b>29.7%</b>      | <b>\$41.93</b>                         | <b>0</b>               | <b>224,000</b>                         |
| North Fulton      | A             | 16,748,802         | 168,687                     | 54,938                          | 0.3%                                  | 24.6%              | 26.1%             | \$28.35                                | 0                      | 110,000                                |
| Northlake         | A             | 3,575,084          | 17,933                      | 45,787                          | 1.3%                                  | 12.3%              | 12.7%             | \$28.96                                | 0                      | 0                                      |
| South Atlanta     | A             | 1,255,994          | 14,029                      | -17,568                         | -1.4%                                 | 10.2%              | 11.5%             | \$26.46                                | 0                      | 0                                      |
| Central Perimeter | A             | 22,378,116         | 14,007                      | 110,016                         | 0.5%                                  | 21.3%              | 26.3%             | \$32.33                                | 0                      | 0                                      |
| Northeast         | A             | 6,135,302          | -2,833                      | -91,732                         | -1.5%                                 | 21.2%              | 21.8%             | \$25.02                                | 0                      | 0                                      |
| Northwest         | A             | 18,228,830         | 148,935                     | 34,141                          | 0.2%                                  | 20.4%              | 21.1%             | \$31.27                                | 250,000                | 0                                      |
| West Atlanta      | A             | 129,201            | -5,400                      | 5,783                           | 4.5%                                  | 20.6%              | 20.6%             | \$37.82                                | 0                      | 0                                      |
| <b>Suburbs</b>    | <b>A</b>      | <b>68,451,329</b>  | <b>355,358</b>              | <b>141,365</b>                  | <b>0.2%</b>                           | <b>21.2%</b>       | <b>23.5%</b>      | <b>\$30.08</b>                         | <b>250,000</b>         | <b>110,000</b>                         |
| <b>Atlanta</b>    | <b>A</b>      | <b>124,516,903</b> | <b>420,239</b>              | <b>450,043</b>                  | <b>0.4%</b>                           | <b>24.4%</b>       | <b>26.3%</b>      | <b>\$36.54</b>                         | <b>250,000</b>         | <b>334,000</b>                         |



# Totals & Class B statistics

|                   | Class         | Inventory (s.f.)   | Total net<br>absorption (s.f.) | YTD total net<br>absorption (s.f.) | YTD total net<br>absorption<br>(% of stock) | Direct<br>vacancy (%) | Total<br>vacancy (%) | Average direct<br>asking rent (\$ p.s.f.) | YTD<br>Completions (s.f.) | Under<br>construction /<br>renovation (s.f.) |
|-------------------|---------------|--------------------|--------------------------------|------------------------------------|---------------------------------------------|-----------------------|----------------------|-------------------------------------------|---------------------------|----------------------------------------------|
| Buckhead          | Totals        | 20,067,053         | 145,233                        | 119,648                            | 0.6%                                        | 28.1%                 | 28.9%                | \$38.72                                   | 0                         | 0                                            |
| Downtown          | Totals        | 17,391,331         | -93,098                        | -239,341                           | -1.4%                                       | 30.3%                 | 31.2%                | \$31.37                                   | 0                         | 0                                            |
| Midtown           | Totals        | 28,898,835         | 4,093                          | 328,408                            | 1.1%                                        | 28.8%                 | 30.4%                | \$47.26                                   | 0                         | 224,000                                      |
| <b>CBD</b>        | <b>Totals</b> | <b>66,357,219</b>  | <b>56,228</b>                  | <b>208,715</b>                     | <b>0.3%</b>                                 | <b>29.0%</b>          | <b>30.1%</b>         | <b>\$40.59</b>                            | <b>0</b>                  | <b>224,000</b>                               |
| North Fulton      | Totals        | 22,628,951         | 132,136                        | -37,628                            | -0.2%                                       | 26.2%                 | 27.9%                | \$27.38                                   | 0                         | 110,000                                      |
| Northlake         | Totals        | 9,365,738          | -9,479                         | -122,843                           | -1.3%                                       | 16.9%                 | 17.3%                | \$26.12                                   | 0                         | 0                                            |
| South Atlanta     | Totals        | 5,956,543          | 14,404                         | -7,118                             | -0.1%                                       | 22.4%                 | 22.8%                | \$23.77                                   | 0                         | 0                                            |
| Central Perimeter | Totals        | 26,602,403         | -12,491                        | -125,672                           | -0.5%                                       | 22.0%                 | 26.3%                | \$30.81                                   | 0                         | 0                                            |
| Northeast         | Totals        | 13,344,102         | 40,187                         | -77,081                            | -0.6%                                       | 21.6%                 | 22.7%                | \$23.08                                   | 0                         | 0                                            |
| Northwest         | Totals        | 26,465,767         | 144,481                        | -249,473                           | -0.9%                                       | 20.5%                 | 22.8%                | \$28.98                                   | 250,000                   | 0                                            |
| West Atlanta      | Totals        | 397,590            | -17,833                        | -7,670                             | -1.9%                                       | 10.1%                 | 10.1%                | \$33.37                                   | 0                         | 0                                            |
| <b>Suburbs</b>    | <b>Totals</b> | <b>104,761,094</b> | <b>291,405</b>                 | <b>-627,485</b>                    | <b>-0.6%</b>                                | <b>22.0%</b>          | <b>24.2%</b>         | <b>\$27.84</b>                            | <b>250,000</b>            | <b>110,000</b>                               |
| <b>Atlanta</b>    | <b>Totals</b> | <b>171,118,313</b> | <b>347,633</b>                 | <b>-418,770</b>                    | <b>-0.2%</b>                                | <b>24.7%</b>          | <b>26.5%</b>         | <b>\$33.88</b>                            | <b>250,000</b>            | <b>334,000</b>                               |
| Buckhead          | B             | 2,158,423          | 8,026                          | -47,212                            | -2.2%                                       | 30.7%                 | 31.6%                | \$29.01                                   | 0                         | 0                                            |
| Downtown          | B             | 3,634,442          | -1,854                         | -37,019                            | -1.0%                                       | 23.9%                 | 23.9%                | \$28.29                                   | 0                         | 0                                            |
| Midtown           | B             | 4,498,780          | -14,825                        | -15,732                            | -0.4%                                       | 39.9%                 | 40.4%                | \$33.55                                   | 0                         | 0                                            |
| <b>CBD</b>        | <b>B</b>      | <b>10,291,645</b>  | <b>-8,653</b>                  | <b>-99,963</b>                     | <b>-1.0%</b>                                | <b>32.3%</b>          | <b>32.7%</b>         | <b>\$31.85</b>                            | <b>0</b>                  | <b>0</b>                                     |
| North Fulton      | B             | 5,880,149          | -36,551                        | -92,566                            | -1.6%                                       | 30.7%                 | 33.0%                | \$24.40                                   | 0                         | 0                                            |
| Northlake         | B             | 5,790,654          | -27,412                        | -168,630                           | -2.9%                                       | 19.7%                 | 20.0%                | \$24.84                                   | 0                         | 0                                            |
| South Atlanta     | B             | 4,700,549          | 375                            | 10,450                             | 0.2%                                        | 25.7%                 | 25.9%                | \$23.43                                   | 0                         | 0                                            |
| Central Perimeter | B             | 4,224,287          | -26,498                        | -235,688                           | -5.6%                                       | 25.3%                 | 26.1%                | \$24.58                                   | 0                         | 0                                            |
| Northeast         | B             | 7,208,800          | 43,020                         | 14,651                             | 0.2%                                        | 22.0%                 | 23.4%                | \$21.23                                   | 0                         | 0                                            |
| Northwest         | B             | 8,236,937          | -4,454                         | -283,614                           | -3.4%                                       | 20.5%                 | 26.5%                | \$23.94                                   | 0                         | 0                                            |
| West Atlanta      | B             | 268,389            | -12,433                        | -13,453                            | -5.0%                                       | 5.0%                  | 5.0%                 | \$19.08                                   | 0                         | 0                                            |
| <b>Suburbs</b>    | <b>B</b>      | <b>36,309,765</b>  | <b>-63,953</b>                 | <b>-768,850</b>                    | <b>-2.1%</b>                                | <b>23.5%</b>          | <b>25.6%</b>         | <b>\$23.65</b>                            | <b>0</b>                  | <b>0</b>                                     |
| <b>Atlanta</b>    | <b>B</b>      | <b>46,601,410</b>  | <b>-72,606</b>                 | <b>-868,813</b>                    | <b>-1.9%</b>                                | <b>25.4%</b>          | <b>27.2%</b>         | <b>\$25.74</b>                            | <b>0</b>                  | <b>0</b>                                     |

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