

FIGURES | ATLANTA INDUSTRIAL | Q2 2026

Atlanta Industrial Market Fundamentals

Stable Heading into Back Half of Year

▲ 8.2%

Direct Vacancy Rate

▼ 2.6M

SF Net Absorption

▲ 3.9M

SF Construction Delivered

▼ 9.4M

SF Under Construction

▲ \$7.76

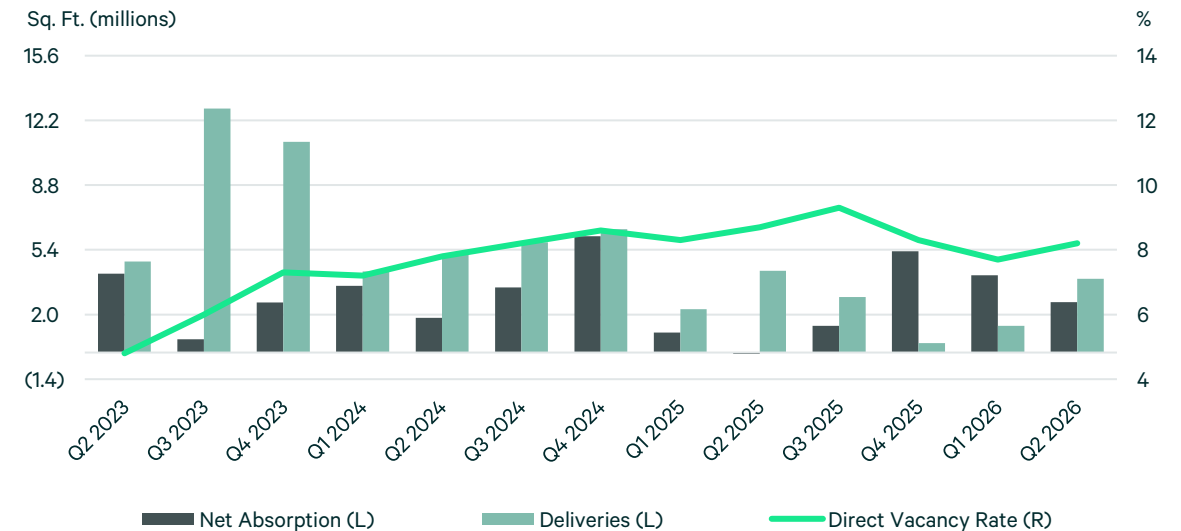
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

Atlanta’s industrial market remained steady in Q2 2026, supported by strong tenant interest and leasing activity, though deals are taking longer to convert into signed transactions. Net absorption totaled 2.6-million sq. ft. and leasing activity reached 15.1-million sq. ft., reflecting active but more selective demand. Modern bulk distribution facilities continue to capture most demand, while smaller infill and traditional distribution buildings lease more slowly, resulting in rising availability. This shift helped push the direct vacancy rate to 8.2%, with pressure concentrated in smaller-format and legacy product. At the same time, 3.9-million sq. ft. delivered during the quarter, while the pipeline declined to 9.4-million sq. ft. as new starts remained limited. Deliveries are keeping near-term availability higher, while reduced construction is limiting future supply growth. The NNN asking rental rate increased 80 bps YoY to \$7.76 per sq. ft., with landlords maintaining face rates while using concessions to complete deals as tenants focus more on total occupancy costs. Overall, demand remains intact but more concentrated. Larger, newer buildings are outperforming, while smaller and older inventory faces slower leasing and rising availability. With development constrained and bulk demand leading activity, the market is expected to continue stabilizing, though performance will continue to vary across building sizes and product types.

Figure 1: Historical Net Absorption, Deliveries, and Direct Vacancy Rate



Source: CBRE Research, Q2 2026

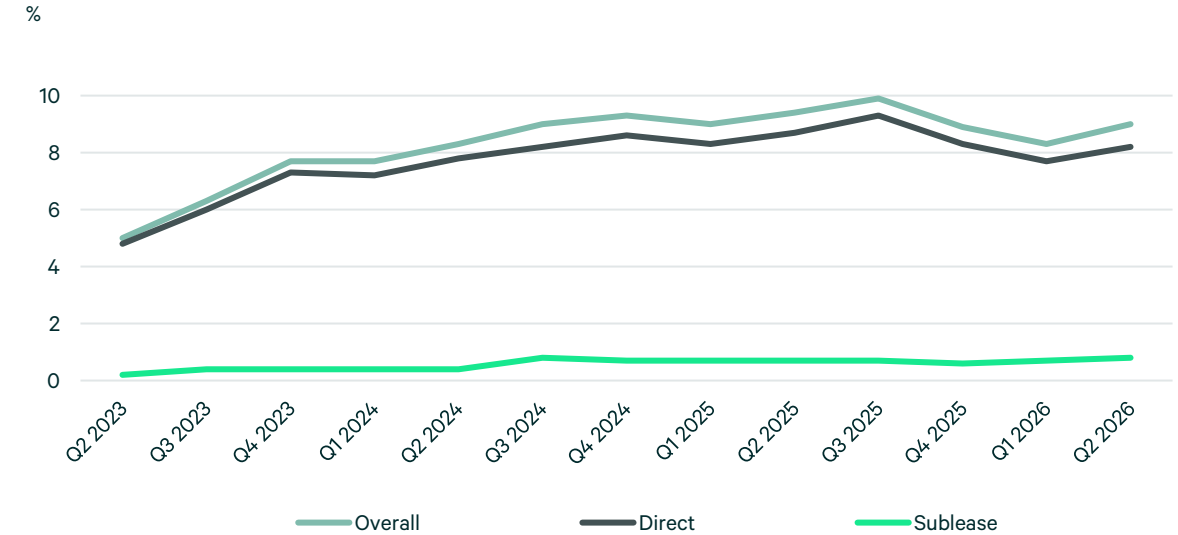
Direct Vacancy Rate

Atlanta’s industrial direct vacancy rate reached 8.2% in Q2 2026, remaining relatively stable with modest near-term fluctuation as the market deals with recently delivered space and rising availability. The increase was not uniform across the market and was driven primarily by rising vacancy in smaller-format buildings. Vacancy pressure has increased in the sub-200K sq. ft. segment, which had remained tight in recent years. This trend has been amplified by a wave of new deliveries since 2023, totaling 11.3-million sq. ft. of space under 200K sq. ft. Direct vacancy among these newer buildings has climbed to 41.8% in Q2 2026, reflecting an oversupply of recently delivered space. More broadly, direct vacancy across all buildings under 200K sq. ft. has risen from historically low levels in 2023, when rates were below 4%, to 6.3% for buildings under 100K sq. ft. and 8.7% for 100K–200K sq. ft. product. Tenant behavior has also contributed to the shift, with smaller users increasingly renewing in place on shorter-term leases, slowing leasing velocity and limiting backfill. At the same time, tenants seeking relocations are favoring newer, higher-quality space, reducing demand for older product even in historically tight infill areas. As a result, availability is rising across both new and older small-bay inventory, while modern bulk facilities continue to capture most demand, creating a more uneven distribution across the market. Near-term vacancy will remain influenced by elevated small-bay availability and slower tenant movement, with improvement dependent on broader leasing activity beyond bulk space.

Asking Rent

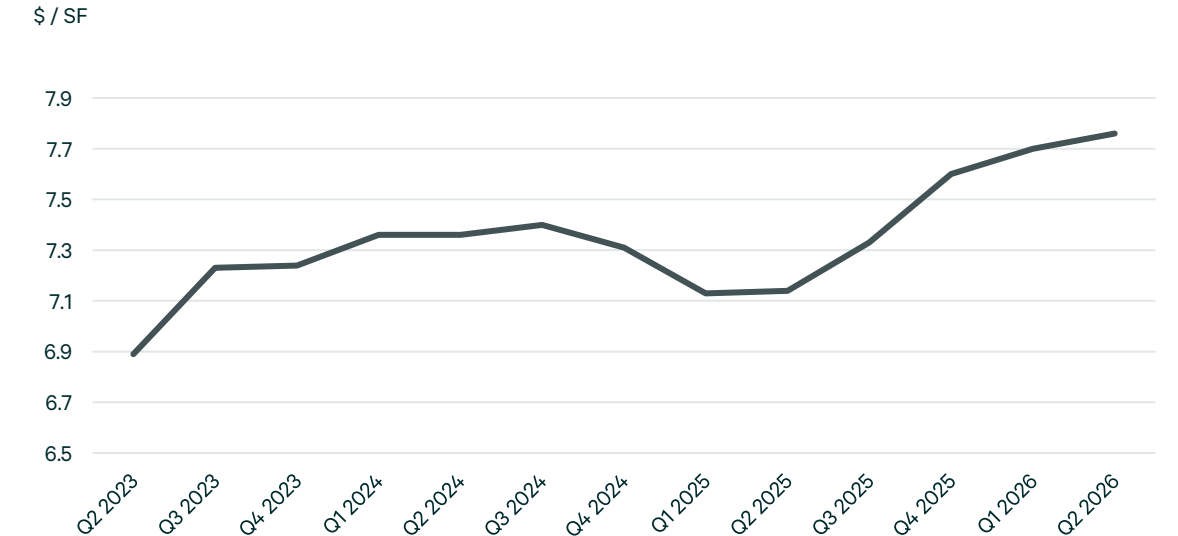
The NNN asking rental rate reached \$7.76 per sq. ft., with pricing increasing 2% since the beginning of the year. Asking rents are up approximately 8% YoY, significantly outpacing CBRE’s projected national industrial rent growth of 2.1% for 2026, highlighting continued strength in Atlanta’s modern, high-clear product. While headline rents remain firm, effective pricing continues to adjust as tenants focus more on total occupancy costs. Rising expenses, including property reassessments, taxes, CAM charges, and higher insurance costs, are increasing the total cost to occupy space, shifting negotiations beyond base rent and placing greater emphasis on overall deal economics. In response, landlords are maintaining face rates and contractual escalations while utilizing concessions, including tenant improvements and free rent, to bridge pricing gaps. This allows owners to preserve headline rents while adjusting effective pricing to remain competitive. Pricing outcomes are becoming more segmented. Modern bulk distribution facilities continue to achieve stronger rent levels, supported by sustained demand and tenant preference for more efficient space. In contrast, smaller and older buildings face greater competitive pressure, with concessions playing a larger role in securing transactions. Going forward, rent performance will continue to vary by asset quality, with stronger outcomes in bulk distribution space and increased reliance on concessions in segments with higher availability.

Figure 2: Vacancy Rate



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

Net Absorption

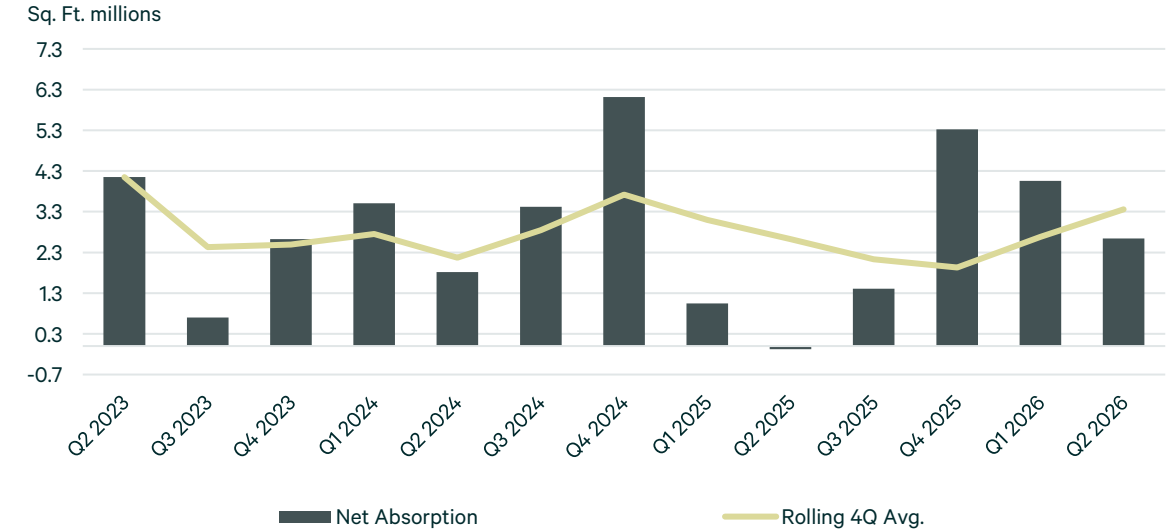
Net absorption totaled 2.6-million sq. ft. in Q2 2026, remaining positive and improving on a YoY basis, supported by continued large-block leasing activity and owner-user acquisitions. Demand is being driven by larger format transactions across the market. The 500K–750K sq. ft. segment led activity with over 3.1-million sq. ft. absorbed, the highest level in three years, reflecting sustained demand from bulk users for modern distribution space. This trend is supported by continued large-scale leasing activity, highlighted by a confidential 1.2 million sq. ft. lease at PNK Park Southern Gateway – Building A, which removed a meaningful block of available space from the market and reinforced absorption at the upper end. In contrast, smaller-format product is weighing on overall performance. The under 100K sq. ft. segment recorded negative 1.4-million sq. ft., the lowest level in three years, as space is being returned to the market faster than it is being leased. Slower leasing activity and higher renewal rates in these buildings are limiting net absorption and reducing the contribution of this segment to overall demand. As a result, absorption remains positive but increasingly concentrated. Gains are being driven by bulk transactions and ownership strategies, while smaller and older inventory continues to lag and contribute less to overall demand.

Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but continuing to grow at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment cycle remains a key driver of this expansion, and while questions around sustainability persist, business investment tied to this trend is expected to continue. For Atlanta, this supports steady tenant demand, particularly among logistics and distribution users tied to larger supply chains and corporate investment activity.

The more immediate concern has been the U.S./Iran conflict and its impact on energy prices, which recently pushed U.S. inflation to 4.2%. If the prospective peace deal announced in June materializes, inflation is expected to ease into the upper 3% range by year-end as energy prices decline. Elevated inflation has kept Treasury yields above 4%, creating a more challenging capital environment for real estate. In Atlanta, this has translated into longer deal timelines and more selective leasing activity, while a potential easing in inflation and improved global trade conditions could help restore confidence and support transaction volume in the second half of the year.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Construction Activity

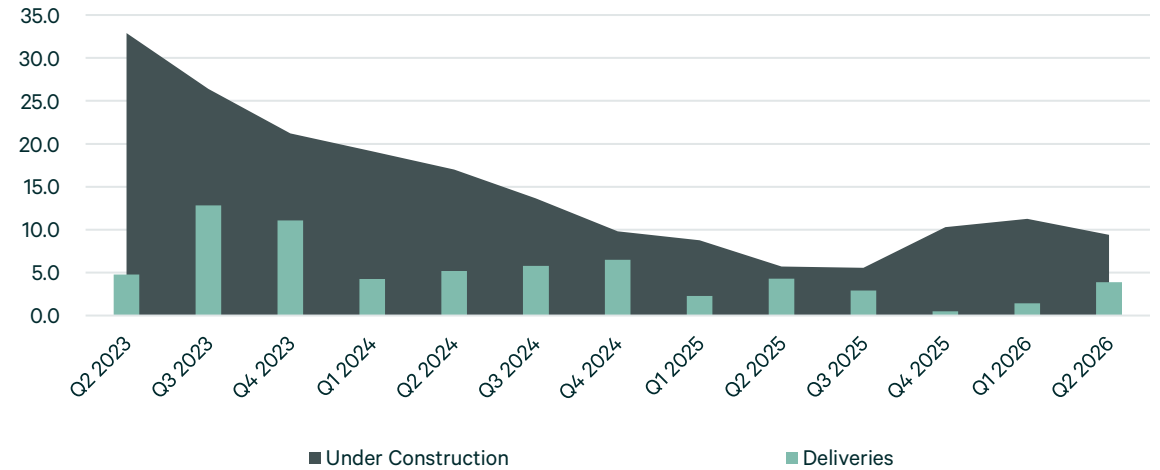
Construction activity reflects a clear transition in the development cycle, with current supply driven by projects initiated earlier in the expansion phase and limited new construction moving forward. Just under 3.9-million sq. ft. delivered in Q2 2026, as developers completed remaining projects from the prior cycle. At the same time, new construction has slowed materially. Recent starts totaled approximately 2.0-million sq. ft. in Q2 2026, well below 2023 levels when quarterly starts routinely exceeded 6.0 to 7.0-million sq. ft., reflecting a more disciplined development environment. This pullback has been influenced by capital constraints and market conditions. Equity availability has been limited, with capital providers waiting for large blocks of available space to lease before committing to new projects. Development patterns are also being shaped by site availability. Limited land within core infill areas such as the Fulton Industrial District, combined with constraints from topography and wetlands, is pushing new development further out. This has shifted where new projects can realistically move forward. As a result, the construction pipeline has declined to 9.4-million sq. ft., limiting future supply growth while the market works through recent deliveries. With fewer projects scheduled to deliver, supply pressure is expected to ease, positioning the market for gradual stabilization. As leasing activity has improved and larger blocks have begun to clear, developers are starting to evaluate new opportunities heading into the second half of the year.

Leasing Activity

Leasing activity totaled 15.1-million sq. ft. in Q2 2026, reflecting steady demand but a more selective pace of deal-making. While overall volume remains strong relative to recent quarters, activity has become more concentrated in larger transactions. Demand continues to be led by bulk users. The 500K sq. ft. and larger segment accounted for over 4.6-million sq. ft. of new leasing activity, the highest level since 2022, reinforcing the role of large-format requirements in driving the market. In contrast, leasing activity across smaller-format buildings has declined. The under 50K sq. ft. segment totaled 1.6-million sq. ft. of new leasing activity, the lowest level since 2023, reflecting reduced tenant movement in this size range. Higher renewal rates and increased cost sensitivity are limiting new transactions, keeping activity below prior levels. As a result, leasing activity remains active but more targeted. Volume is being driven by fewer, larger deals, while smaller and older inventory is experiencing slower deal flow and contributing less to overall activity. Looking ahead, leasing activity is expected to remain steady, though demand will likely continue to concentrate in larger-format buildings until conditions improve across smaller size segments.

Figure 5: Construction Activity

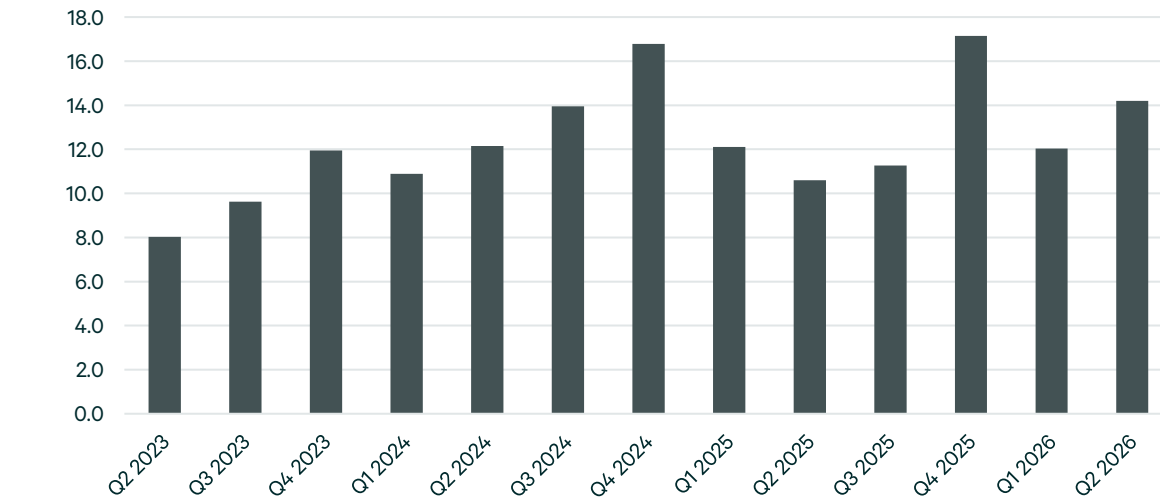
Sq. Ft. millions



Source: CBRE Research, Q2 2026

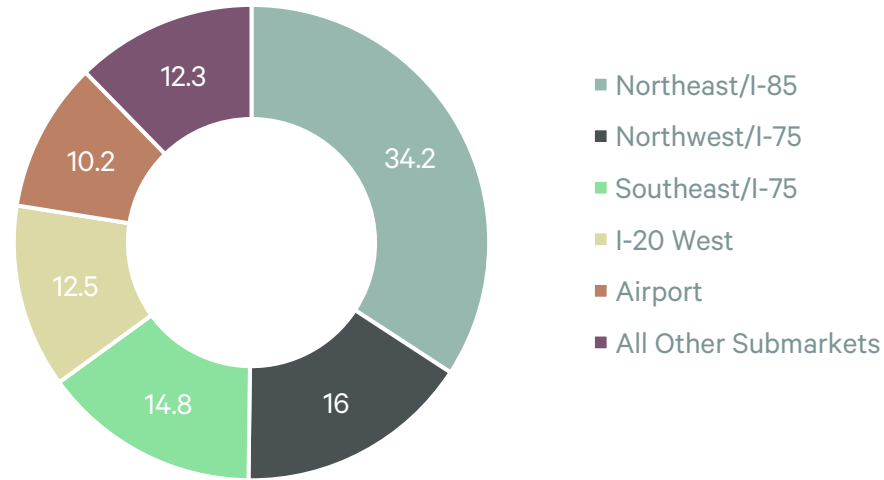
Figure 6: Leasing Activity Trend

Sq. Ft. millions



Source: CBRE Research, Q2 2026

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	1,220,000	New Lease	1325 Highway 42	Southeast/I-75
Pactra USA	692,000	New Lease	7634 GA-140	Northwest/I-75
Elogistics (GA)	572,000	New Lease	2065 Anvil Block Rd	Airport
GXO Logistics Supply Chain	557,000	New Lease	1525 Oakley Industrial Blvd	Southwest/I-85
Parts Town	538,000	New Lease	779 Parker Industrial Rd	Northeast/I-85
MEI Industrial Solutions	526,000	New Lease	981 Old Grassdale Rd NE	Northwest/I-75
U.S. Cabinet Depot	500,000	Renewal	1950 N Norcross Tucker Rd	Northeast/I-85
Worldpac	413,000	New Lease	2160 Anvil Block Rd	Airport

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 9

Product Type	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	717.56M	9.2	12.0	10.3	1.7	7.63	2.77M	6.92M	3.87M	8.89M
Manufacturing - General	5.31M	-	-	-	-	-	-	-	-	-
Manufacturing - Advanced	1.21M	-	-	-	-	-	-	-	-	500,000
R&D/Flex	38.53M	7.2	8.3	6.8	1.4	12.09	(128,000)	(227,000)	-	-
Other Industrial	425,000	-	-	-	-	-	-	-	-	-
Total	763.04M	9.0	11.7	10.1	1.7	7.76	2.64M	6.69M	3.87M	9.39M

Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	100.50M	6.0	7.6	7.0	0.7	10.53	(607,000)	(906,000)	-	-
50K-99,999 SF	107.42M	7.8	10.0	8.7	1.3	9.72	(881,000)	(1.51M)	94,000	828,000
100K-249,999 SF	187.69M	11.8	14.6	12.5	2.0	8.13	143,000	943,000	1.93M	2.61M
250K-499,999 SF	151.45M	9.9	13.0	11.4	1.7	7.17	(557,000)	167,000	908,000	3.26M
500K-749,999 SF	77.74M	9.9	8.9	8.4	0.4	6.66	3.09M	2.75M	-	500,000
750,000 SF +	138.26M	6.7	12.4	9.5	2.9	6.28	1.45M	5.25M	934,000	2.18M
Total	763.04M	9.0	11.7	10.1	1.7	7.76	2.64M	6.69M	3.87M	9.39M

Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 11

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	250.72M	12.5	17.0	14.5	2.6	7.30	4.31M	9.06M	1.60M	4.64M
Institutional	237.56M	12.7	17.2	14.6	2.6	7.17	4.21M	9.01M	1.50M	-
Other Class A	13.15M	8.7	14.6	11.2	3.4	11.18	100,000	50,000	94,000	4.64M
All Other Industrial	512.33M	7.2	9.1	7.9	1.2	8.24	(1.67M)	(2.36M)	2.27M	4.74M
Total	763.04M	9.0	11.7	10.1	1.7	7.76	2.64M	6.69M	3.87M	9.39M

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	86.42M	9.4	15.0	11.5	3.5	7.64	(26,000)	(347,000)	726,000	776,000
Central Atlanta	6.83M	8.5	10.5	10.5	-	9.99	(27,000)	62,000	-	351,000
Chattahoochee	14.49M	4.9	7.9	7.3	0.6	11.06	11,000	86,000	-	-
I-20 East	44.07M	7.8	8.5	7.4	1.1	7.37	135,000	1.37M	-	393,000
I-20 West	108.70M	8.2	11.2	9.9	1.3	7.14	(320,000)	245,000	-	2.63M
North Central/GA 400 Corridor	25.93M	7.8	9.9	9.1	0.8	11.57	(70,000)	112,000	609,000	822,000
Northeast/I-85	217.73M	8.1	9.6	8.3	1.3	8.11	(138,000)	1.82M	762,000	2.74M
Northwest/I-75	84.90M	11.4	12.7	11.1	1.6	8.37	574,000	908,000	551,000	500,000
Southeast/I-75	82.24M	12.3	19.3	15.8	3.5	6.54	2.14M	2.20M	934,000	1.01M
Southwest/I-85	64.14M	8.0	9.5	9.1	0.3	7.40	545,000	892,000	288,000	164,000
Stone Mountain	27.60M	7.7	9.9	8.5	1.3	9.59	(183,000)	(646,000)	-	-
Total	763.04M	9.0	11.7	10.1	1.7	7.76	2.64M	6.69M	3.87M	9.39M

Source: CBRE Research, Q2 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all classes of competitive industrial properties 10,000 sq. ft. and greater. Net absorption is reflected by the change in off-market occupied space, which is tracked by lease sign date rather than by occupancy date.

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