

FIGURES | ATLANTA OFFICE | Q1 2026

# Key Market Fundamentals Steady Amid Absorption Headwinds

▼ 33.1%

Availability Rate

▼ (443,052)

SF Net Absorption

► 0

SF Construction Delivered

► 224,000

SF Under Construction

▼ \$33.75

FSG/YR Direct Lease Rate

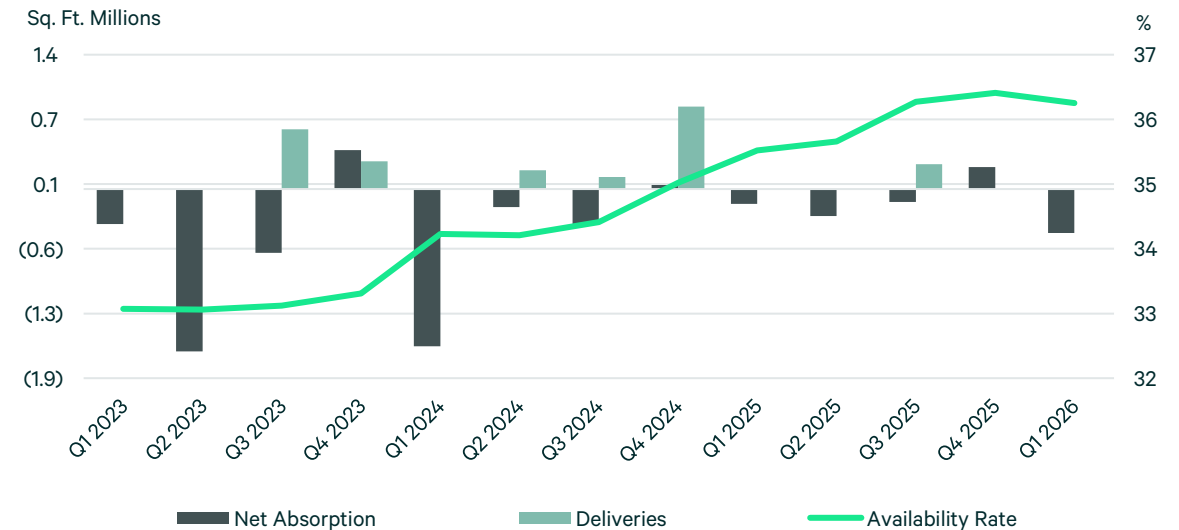
Note: Arrows indicate change from previous quarter.

## Market Overview

The Atlanta office market showed mixed but improving signals in Q1. Net absorption declined by 443,000 sq. ft., impacted by large blocks of sublease space transitioning back to direct availability. Excluding these rollovers, much of the market posted modest gains. The availability rate declined to 33.1%, down 1.8 percentage points year-over-year. Cumberland/Galleria, Midtown, and North Fulton led the improvement, underscoring where tenant demand is most active. Notably, KPMG committed to over a 100,000 sq. ft. lease in Midtown relocating from its longtime hub in Downtown. In addition, Hisense's made an 80K sq. ft. commitment in North Fulton establishing a new national headquarters in Atlanta.

Rents remained well supported, with high-quality assets anchoring elevated rates. Average asking rents reached \$33.75 per sq. ft., up 1.4% year-over-year, indicating pricing strength has held steady. Looking ahead, fundamentals are markedly stronger than two years ago, but the progression is not linear. Ongoing sublease rollover is likely to persist, constraining absorption gains over the next couple of years. As a result, market recovery remains uneven. Assets positioned to capitalize on improving conditions will continue to perform well while others will remain sidelined.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

## Availability

The Atlanta office market experienced a notable contraction in availability in Q1, with total available space declining by 1 million sq. ft. quarter-over-quarter. This contraction was driven by significant reductions in Cumberland/Galleria, Midtown, and North Fulton, where large blocks of space were removed due to major leases and internal tenant movements. Notable activity included KPMG’s 100,000 sq. ft. lease at The Proscenium, and Hisense’s 80K sq. ft. commitment at 5995 Windward Parkway.

While areas such as Downtown and Peachtree Corners saw modest increases in availability, the scale of leasing in the top three submarkets underscores demand for quality space. Notably, shifts in availability across Atlanta’s submarkets point to a pattern of selective leasing. Occupiers are prioritizing well-capitalized, quality assets. In contrast, less competitive properties may face extended periods of vacancy unless they reposition their offerings. This divergence will continue to shape the competitive landscape, reinforcing the advantage of scarce high-quality Class A space and challenging underperforming properties to risk prolonged availability.

## Asking Rent

The overall average direct asking lease rate in Q1 2026 is \$33.75 per sq. ft., edging down 0.4% from \$33.89 per sq. ft. in Q4 2025 but up 1.4% year-over-year. Class A office rents dipped from \$36.41 to \$36.25 per sq. ft. quarter-over-quarter, yet maintain 2.1% annual growth, surpassing the overall market. Class B rates are effectively flat at \$25.36 per sq. ft., down 1.0% from a year earlier, highlighting firmer pricing at the lower end of the quality spectrum. Notably, among the submarkets, Midtown West posted a Class A average of \$51.06 per sq. ft. In contrast, Downtown offers the lowest combined average at \$31.59 per sq. ft., with the North Fulton submarket also providing relatively affordable options at an average of \$26.84 per sq. ft.

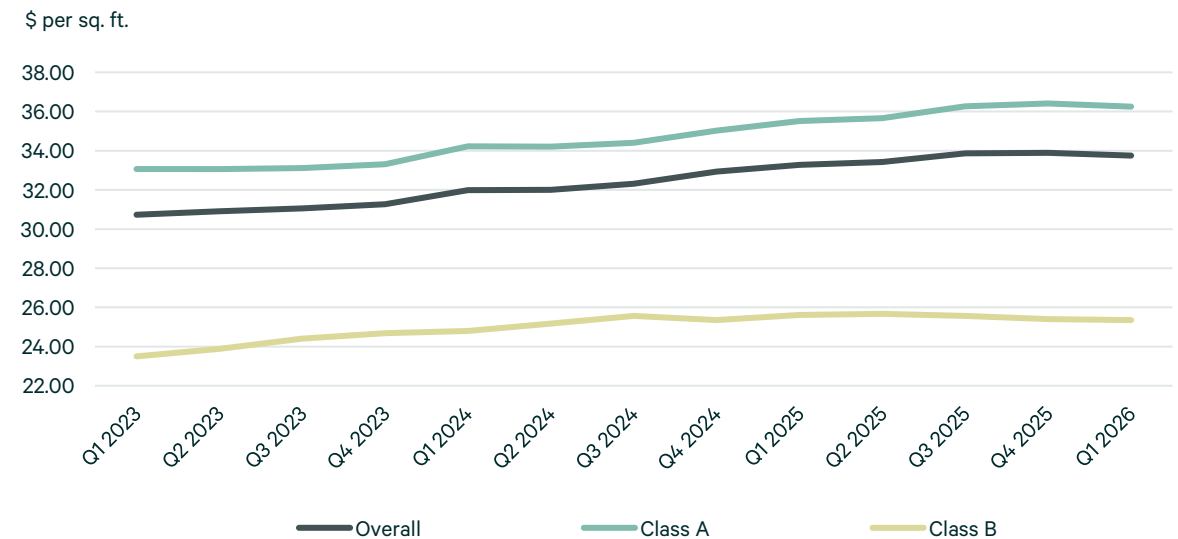
Prime office rents across Atlanta’s top-tier buildings continued their upward trajectory, reaching \$55.00 per sq. ft. in Q1. This represents a modest 0.8% increase from the previous quarter and a 1.7% rise year-over-year from Q1 2025. The sustained growth underscores the resilience of demand for trophy assets, even amid broader market headwinds.

Figure 2: Availability Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

## Net Absorption

In Q1 2026, the Atlanta office market recorded net absorption of negative 443,000 sq. ft., with much of the loss tied directly to sublease space rolling back into direct inventory. The impact was concentrated, not widespread. Less than a handful of buildings accounted for decline. Notably, 3003 Perimeter Summit in Central Perimeter contributed roughly 400,000 sq. ft. of net move-outs as Cox Communications ended their leasing commitment. As additional sublease space transitions to direct availability and new-to-market tenants remains thin, near-term momentum will be difficult to produce significant gains. With further rollover expected over the next two years, positive absorption likely to remain elusive.

Positive absorption in Q1 was narrowly concentrated, led by Cumberland/Galleria and Midtown, with modest gains spread across a handful of additional submarkets. In contrast, losses were more widespread, with Central Perimeter and Downtown driving the bulk of negative absorption, while several other submarkets also posted net declines. Overall, market movement was uneven, with growth limited to select pockets and losses concentrated in a few large locations.

## Construction Activity

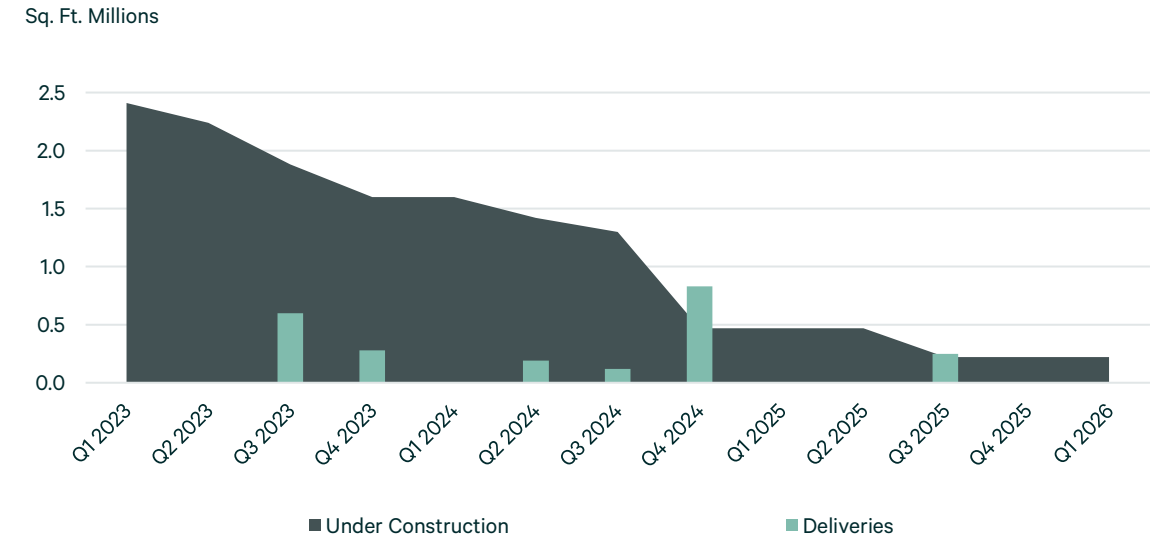
Atlanta’s office development pipeline remains constrained in Q1. The only project under construction is the 224,00 sq. ft. trophy asset, 1072 West Peachtree Street in Midtown. High construction costs, and limited tenant depth have discouraged new development. New tenants remain largely focused on absorbing existing vacant new construction rather than supporting additional starts. As a result, demand continues to center on existing high-quality buildings, delaying the need for new development.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

## Leasing Activity

Marketwide leasing totaled 1.6 million sq. ft. in Q1 2026, down 445,000 sq. ft. from Q4 2025 and 214,000 sq. ft. below Q1 2025. Over the last four quarters, leasing activity summed to 6.9 million sq. ft., a decline of 214,000 sq. ft. quarter-over-quarter and 438,000 sq. ft. year-over-year, underscoring softer demand relative to the prior year. Central Perimeter and North Fulton led the market. Central Perimeter’s performance was bolstered by Inspire Brands’ 350,000 sq. ft. headquarters extension at 3 Glenlake, while North Fulton saw a notable 55,000 sq. ft. new lease by Hisense, relocating its US headquarters. Midtown recorded 232,000 sq. ft. of leasing activity in Q1 2026, with Class A space accounting for most of that volume, driven in large part by KPMG’s 105,000 sq. ft. relocation to 1170 Peachtree, which represented nearly half of the submarket’s total leasing for the quarter.

Figure 6: Leasing Activity Trend

Sq. Ft. Millions



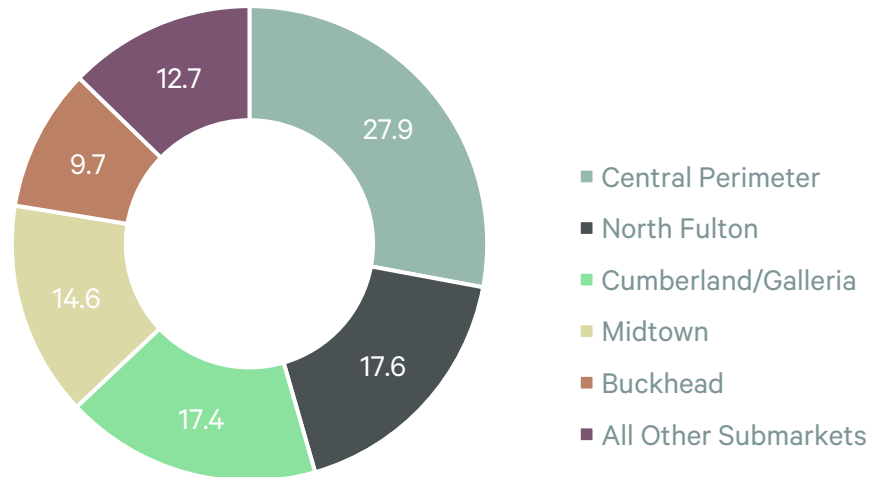
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Inspire Brands	350,000	Extension	3 Glenlake Pkwy NE	Central Perimeter
KPMG	105,000	New Lease	1170 Peachtree St NE	Midtown
Market Source	75,000	Renewal	11700 Great Oaks Way	North Fulton
Hisense USA	55,000	New Lease	5995 Windward Pkwy	North Fulton
Waystar	45,000	Renewal/Expansion	715 Peachtree St NE	Midtown
Batson-Cook	30,000	Renewal	2859 Paces Ferry Rd SE	Cumberland/Galleria
Georgia Accelerated Career Academy	30,000	New Lease	2450 Piedmont Rd NE	Buckhead

Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 2026

## Market Statistics

Figure 9: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	53.62	23.8	28.4	24.9	3.5	30.28	(429,000)	(429,000)	-	-
Prime	3.41	2.1	2.1	0.9	1.3	42.27	-	-	-	-
Other Class A	50.22	25.2	30.2	26.5	3.6	30.25	(429,000)	(429,000)	-	-
Class B	31.06	20.9	25.4	22.1	3.3	23.60	44,000	44,000	-	-
Class C	0.80	21.0	21.3	21.3	-	20.25	5,000	5,000	-	-
<b>Total</b>	<b>85.49</b>	<b>22.7</b>	<b>27.2</b>	<b>23.9</b>	<b>3.4</b>	<b>28.11</b>	<b>(380,000)</b>	<b>(380,000)</b>	<b>-</b>	<b>-</b>

Source: CBRE Research, Q1 2026

Figure 10: Urban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	51.40	31.7	38.0	34.1	4.0	41.27	(34,000)	(34,000)	-	224,000
Prime	17.21	19.9	26.4	18.7	7.7	55.12	(5,000)	(5,000)	-	-
Other Class A	34.19	37.7	43.9	41.8	2.1	37.70	(29,000)	(29,000)	-	224,000
Class B	9.33	27.9	28.3	27.4	0.9	30.40	(28,000)	(28,000)	-	-
Class C	0.74	12.7	17.8	15.0	2.8	27.83	(1,000)	(1,000)	-	-
<b>Total</b>	<b>61.46</b>	<b>30.9</b>	<b>36.3</b>	<b>32.8</b>	<b>3.5</b>	<b>39.86</b>	<b>(63,000)</b>	<b>(63,000)</b>	<b>-</b>	<b>224,000</b>

Source: CBRE Research, Q1 2026

Figure 11: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	105.02	27.7	33.1	29.4	3.7	36.25	(463,000)	(463,000)	-	224,000
Prime	20.61	17.0	22.4	15.8	6.6	55.00	(5,000)	(5,000)	-	-
Other Class A	84.41	30.3	35.8	32.7	3.0	33.88	(458,000)	(458,000)	-	224,000
Class B	40.39	22.5	26.0	23.3	2.7	25.36	16,000	16,000	-	-
Class C	1.54	17.0	19.6	18.3	1.4	26.72	4,000	4,000	-	-
<b>Total</b>	<b>146.95</b>	<b>26.1</b>	<b>31.0</b>	<b>27.6</b>	<b>3.4</b>	<b>33.75</b>	<b>(443,000)</b>	<b>(443,000)</b>	<b>-</b>	<b>224,000</b>

Source: CBRE Research, Q1 2026

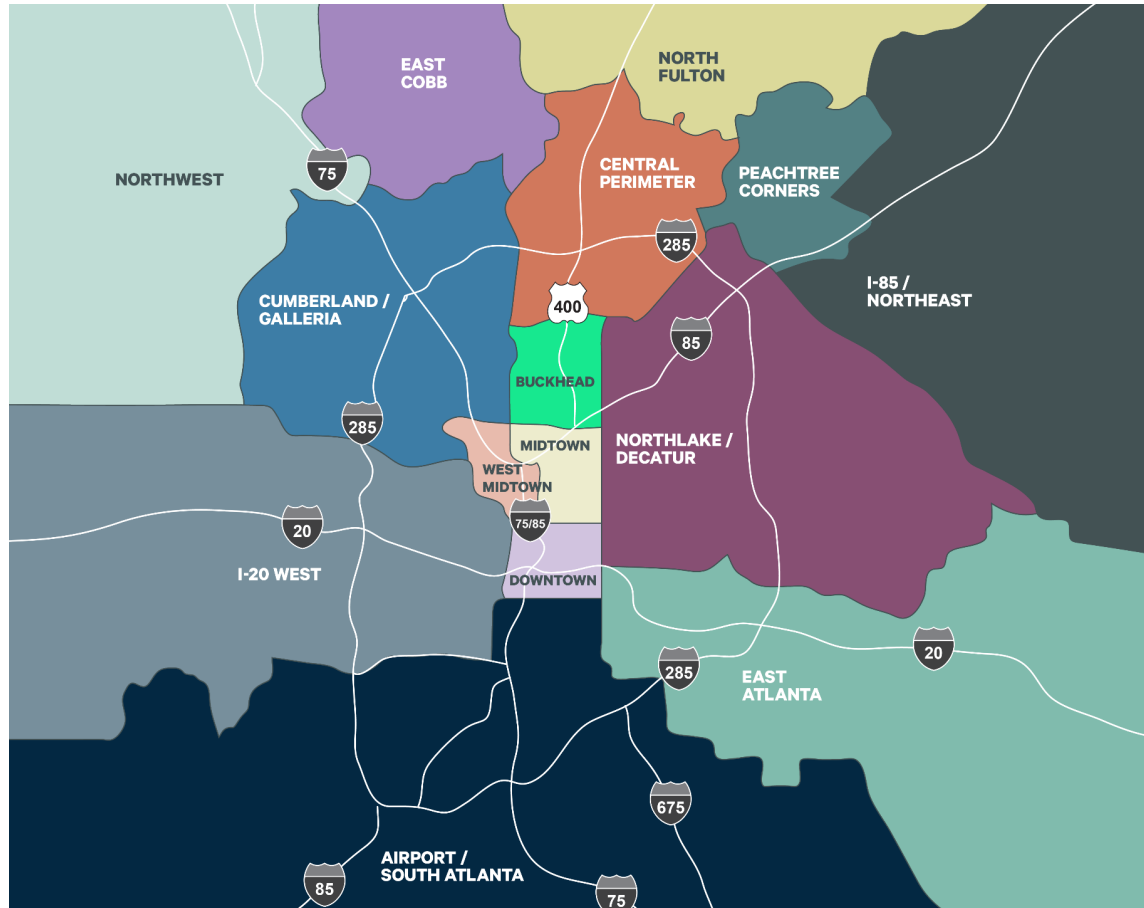
## Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport South Atlanta	2.62	15.0	18.4	17.3	1.2	21.78	31,000	31,000	-	-
Buckhead	17.82	28.7	33.9	31.9	2.0	39.17	22,000	22,000	-	-
Central Perimeter	23.13	26.4	31.9	27.9	4.0	30.49	(431,000)	(431,000)	-	-
Cumberland/Galleria	18.09	19.3	24.9	21.5	3.4	30.29	229,000	229,000	-	-
Downtown	17.19	33.1	38.4	35.7	2.7	31.59	(187,000)	(187,000)	-	-
East Atlanta	0.30	16.4	16.4	16.4	-	22.85	(6,000)	(6,000)	-	-
East Cobb/Johnson Ferry	0.19	9.4	13.6	13.6	-	19.82	2,000	2,000	-	-
Midtown	22.97	29.7	35.9	30.9	5.0	44.94	99,000	99,000	-	224,000
Midtown West	3.47	39.8	41.6	36.3	5.2	49.36	3,000	3,000	-	-
North Fulton	18.47	26.3	29.5	25.5	3.9	26.84	4,000	4,000	-	-
Northeast	6.54	15.1	20.1	18.3	1.7	22.46	(88,000)	(88,000)	-	-
Northlake	8.46	18.8	22.9	20.3	2.6	26.66	(91,000)	(91,000)	-	-
Northwest	2.50	23.7	25.7	21.6	4.1	28.58	20,000	20,000	-	-
Peachtree Corners	4.70	22.8	27.4	24.1	3.2	21.98	(48,000)	(48,000)	-	-
West Atlanta	0.47	51.5	44.8	44.8	-	28.77	-	-	-	-
<b>Total</b>	<b>146.95</b>	<b>26.1</b>	<b>31.0</b>	<b>27.6</b>	<b>3.4</b>	<b>33.75</b>	<b>(443,000)</b>	<b>(443,000)</b>	<b>-</b>	<b>224,000</b>

Source: CBRE Research, Q1 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 direct vacant available 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 single and multi-tenant, non-owner-occupied office buildings 30,000 sq. ft. and greater in Metro Atlanta. Excludes: government and medical buildings.

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