



# ATLANTA OFFICE MARKET

Yardi® Matrix

## Market Analysis

Third Quarter 2019

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
Jeff.Adler@Yardi.com  
(800) 866-1124 x2403

#### Jack Kern

Director of Research and  
Publications  
Jack.Kern@Yardi.com  
(800) 866-1124 x2444

#### Chris Nebenzahl

Senior Analyst  
Chris.Nebenzahl@Yardi.com  
(800) 866-1124 x2200

#### Veronica Grecu

Senior Real Estate Market Analyst  
Veronica.Grecu@Yardi.com  
(306) 955-1855 x7583

### Author

#### Timea-Erika Papp

Senior Associate Editor  
Timea-Erika.Papp@Yardi.com

Aggregated and anonymized  
expense and lease expiration  
data is available to Yardi Matrix  
subscribers. Please contact us  
for details!

For more information please contact:

#### Ron Brock, Jr.

Industry Principal, Matrix  
JR.Brock@Yardi.com  
(480) 663-1149 x2404

## Solid Demand Keeps Momentum Going



Atlanta's office market fundamentals continue to strengthen as the metro consolidates its status as an economic powerhouse. Driven by strong tenant demand, a robust development pipeline, a relatively low cost of doing business and a skilled workforce, Atlanta's expansion is showing no signs of slowing down. As of July, office-using employment accounted for 28.8% of the metro's labor pool, well above the national share of 21.8%, while the unemployment rate stood at 4% in August. On par with national trends, professional and business services led job growth with the addition of 20,400 positions, up 3.9% year-over-year.

Some 5.2 million square feet of space was under construction in Atlanta as of August, equating to 2.9% of total stock. With nearly 1.1 million square feet scheduled to come online by year's end, 2019 is set to exceed last year's supply of 1.8 million square feet across 13 properties. Midtown leads the metro in construction activity, with five developments underway totaling more than 1.6 million square feet.

Investor interest remains solid and 2019 is shaping up to be another strong year for investment. Office sales in Atlanta amounted to nearly \$2 billion year-to-date through August, with some 11.3 million square feet sold at an average of \$175 per square foot. Healthy transaction activity in the first eight months of 2019 indicates that investors are still keen on deploying capital in the metro. With acquisition yields for stabilized top-rated assets hovering in the 5.75% to 6.75% range, Atlanta is in line with established markets like Phoenix and booming metros such as Denver.