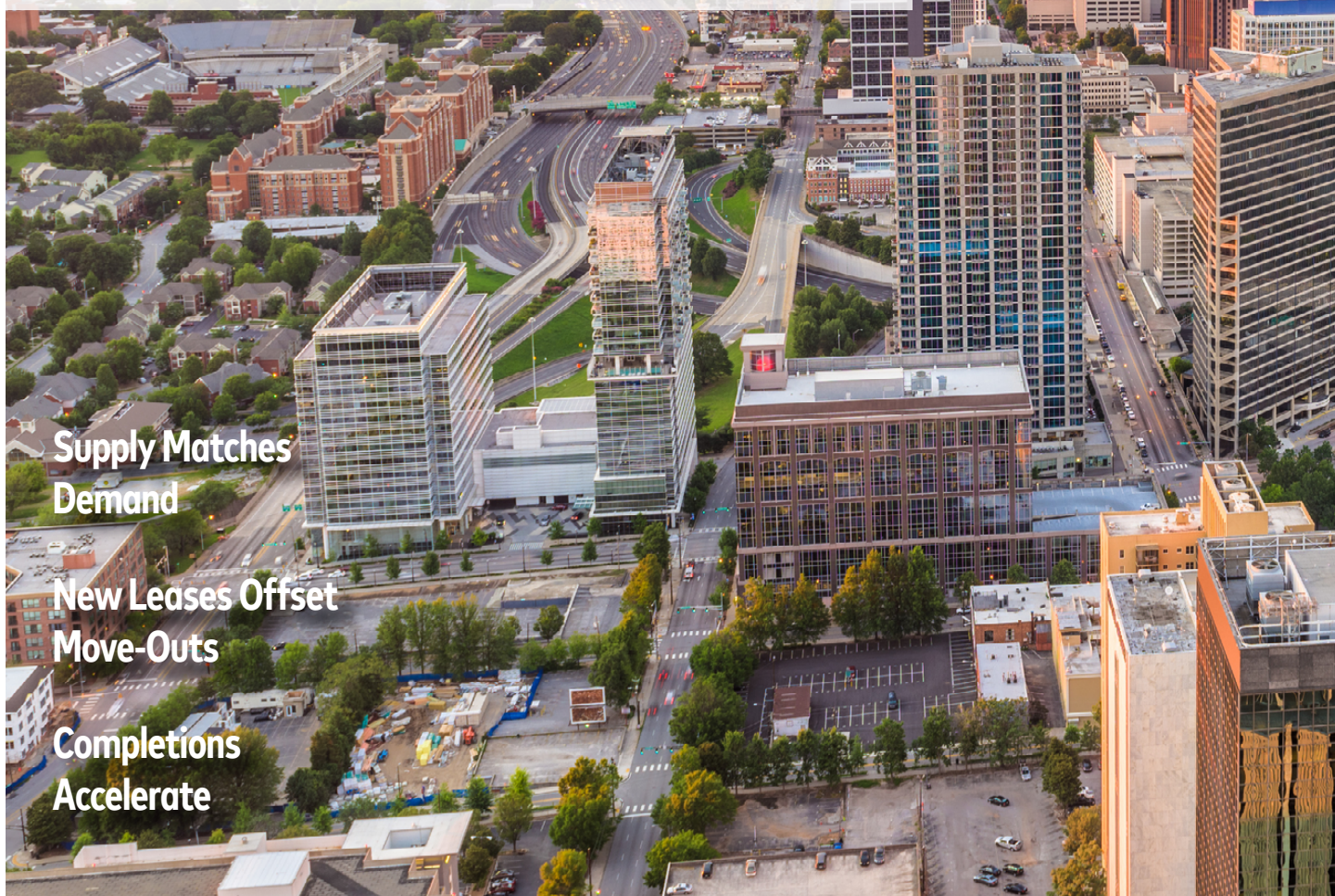# Yardi® Matrix

OFFICE MARKET REPORT

Development Boosts Rental Rates In Atlanta

Winter 2020

Supply Matches Demand

New Leases Offset Move-Outs

Completions Accelerate

ATLANTA OFFICE MARKET

Yardi® Matrix

Corporate Expansions Drive Growth

Atlanta's office sector is underpinned by consistent supply-demand fundamentals, steady job growth, a relatively low cost of doing business and a diverse economy. Companies continue to expand in the metro due to its innovation-driving ecosystem and deep talent pool. *Business Facilities'* 2019 Metro Rankings report ranked Atlanta No. 1 for growth potential. Some 200,000 people are employed in the tech sector and the metro is home to 15 Fortune 500 companies, according to the study. Atlanta gained 10,800 office-using jobs through October, with office-using employment accounting for 28.6% of the total workforce.

Sustained tenant demand was matched by a robust development pipeline. As of November, 4.4 million square feet was underway in Atlanta, equal to 2.4% of total stock. Developers completed some 2.8 million square feet of office space year-to-date through November; last year's completions exceeded 2018's total deliveries, when 1.9 million square feet reached completion.

Investor interest is solid as Atlanta continues to draw on strong market dynamics. Some 14.6 million square feet traded in the metro for a combined $2.4 billion year-to-date through November. In line with national trends, office building prices have climbed on a dollar-per-square-foot basis to $190.95. Top-rated space in Atlanta brought in acquisition yields between 5.75% and 6.75%, while yields for Class B product hovered in the 7.25% to 8.25% range.

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