

Point of View

Q3 2026 | Atlanta Industrial Market Report



960.7 MSF

Distribution
INVENTORY

21.5 MSF

Distribution
ACTIVITY

133.4 MSF

Distribution
AVAILABLE

3.6 MSF

Distribution
NET ABSORPTION

Letter from the President

Atlanta Market Continues to Improve

Despite a volatile stock market, unresolved tariff policy, a 10-Year Treasury above 5.3%, mortgage rates above 7%, oil at \$89 a barrel, gas above \$4 a gallon and the looming midterm elections, the Atlanta industrial market continues to improve. We are seeing gains in activity, positive net absorption and new construction.

Activity rose from 18.3 MSF last quarter to 21.5 MSF in the third quarter of 2026. Over the past four quarters, it climbed from 57.2 MSF to 72.0 MSF, an increase of 14.8 MSF. You would have to go back three and a half years to find better numbers. Two things are driving this: the return of big box deals and smaller tenants downsizing after rents doubled and even tripled over the past five to six years.

Absorption improved as well, jumping from roughly 900,000 SF last quarter to 3.6 MSF of positive net absorption this quarter. Over the past four quarters, we went from 4.1 MSF of negative absorption to 6.8 MSF, a turnaround of 10.9 MSF. We are not out of the woods yet, though. Nine of the last fourteen quarters posted negative net absorption, and only five regions were positive this period, combining for 15.2 MSF while the rest gave back 8.4 MSF. Results here remain mixed.

New construction is making a comeback, rising from 5.0 MSF last quarter to 6.6 MSF this quarter, and from 12.7 MSF to more than 18.0 MSF over the past four quarters. About 4.0 MSF (22%) of that is build-to-suit development, with the remaining 14.1 MSF (78%) speculative.

Availability now stands at 13.9%, the highest rate in more than ten years. Available space totals 133.4 MSF, the most we have ever recorded, pushed up by new construction and companies downsizing to cut rent. About 14.6 MSF (11%) of that is sublease space, which could bring rental rates down in some areas.

Big box deals are back! Over the past year, 22 deals of 500,000 SF or more were completed: seven of 500,000 SF or more, seven of 750,000 SF or more and eight of 1 MSF or more. Compare that to just five deals of this size the year before.

Even with elevated interest rates and higher fuel costs, the job market has stayed resilient, adding 152,000 U.S. jobs in the third quarter. Atlanta's unemployment rate sits at 3.4%, well below the national rate of 4.2%. The U.S. Manufacturing Index also pointed to expansion every month of the quarter, landing at 55.9% in September (anything above 50% signals growth).

Right now, we are all waiting for the uncertainty to ease and for pent-up demand to be unleashed once the election is behind us, tariffs are resolved and the Iran conflict ends. When that happens, oil, gas and transportation costs should come down, helping ease inflation for everyone. I still expect the industrial market to boom, but being realistic, it will be 2027 before we really take off!



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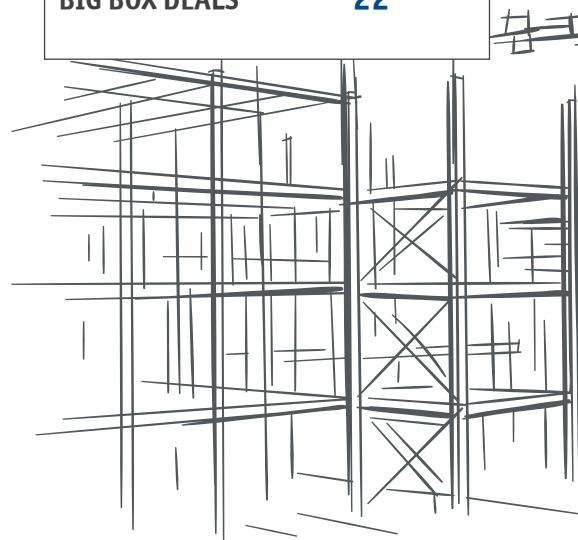
"Big Box Deals are Back! Over the past year, 22 deals... completed"



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4 ROLLING QUARTER STATS

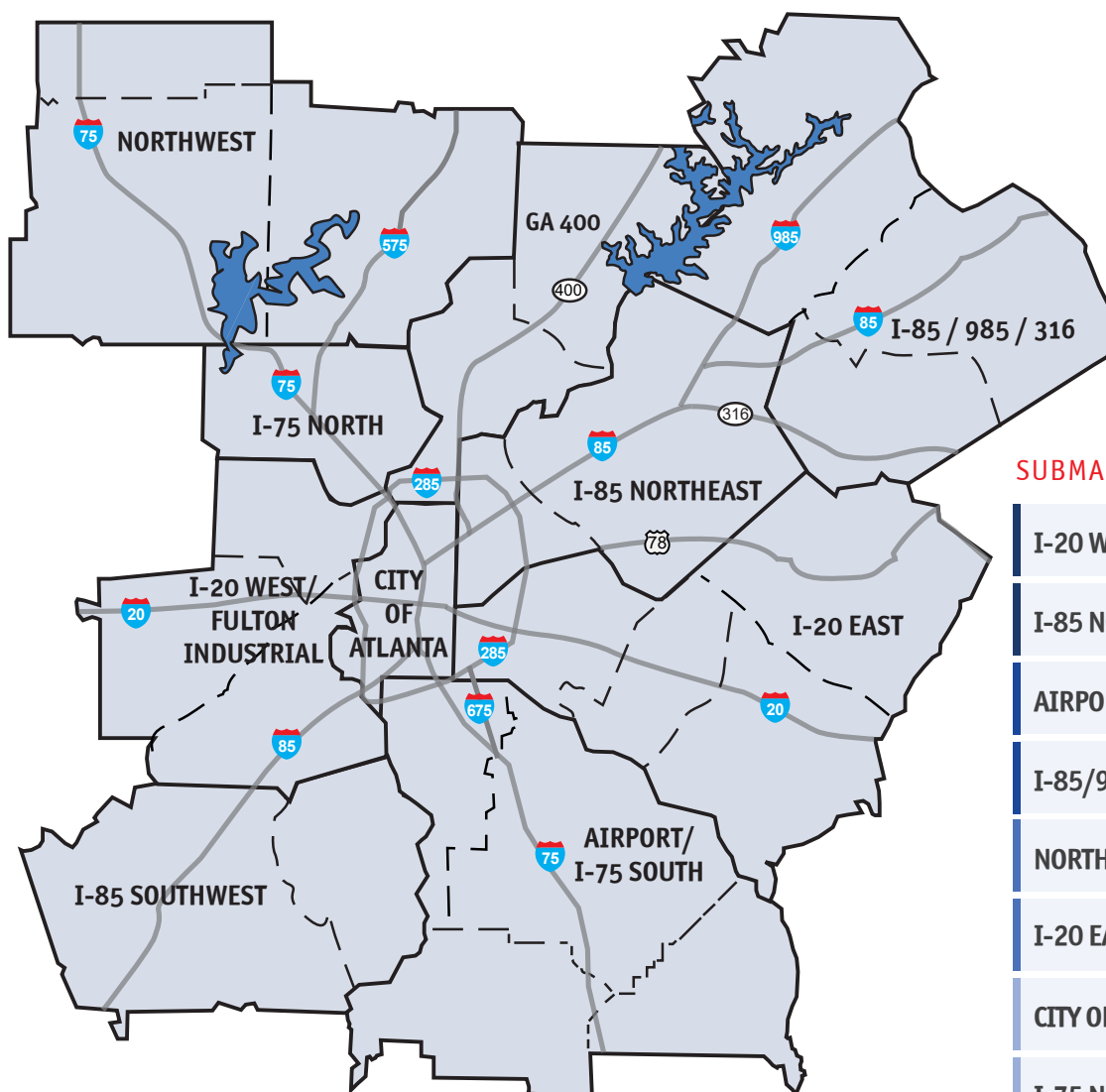
ACTIVITY	72.0 MSF
NET ABSORPTION	6.8 MSF
NEW CONSTRUCTION	18.1 MSF
BIG BOX DEALS	22



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Distribution Market Inventory

Total Inventory 960.6 Million Square Feet



SUBMARKET BREAKDOWN

I-20 WEST/FIB	196.3 MSF	20.4%
I-85 NORTHEAST	185.6 MSF	19.3%
AIRPORT/I-75 SOUTH	144.7 MSF	15.1%
I-85/985/316	120.1 MSF	12.5%
NORTHWEST	76.7 MSF	8.0%
I-20 EAST	75.4 MSF	7.8%
CITY OF ATLANTA	49.3 MSF	5.1%
I-75 NORTH	39.2 MSF	4.1%
I-85 SOUTHWEST	38.6 MSF	4.0%
GA 400	34.9 MSF	3.6%
TOTAL MARKET	960,673,812 MSF	

KNOWLEDGE THROUGH EXPERIENCE

Since 1983, King Industrial Realty has tracked the Atlanta industrial market through **PinPoint™** — our proprietary database and your competitive advantage.

New Construction

This quarter saw the groundbreaking of two new construction projects each over a million square feet (MSF). Atlanta's industrial market reported over 6.6 MSF, with only 5 small BTS totaling 108,000 SF. The Northwest region's construction erupted with 2.5 MSF, that's more than the totals recorded in their last eleven quarters. The I-85 Northeast region came in second with 12 projects totaling 1.3 MSF.

Major Construction Projects

Location	Submarket	Sq. Feet	Type
Riverview Park Road "Riverview Business Park"	Airport / I-75 South	1,073,200 SF	Spec
Logistics Parkway NE "Great Valley Commerce Center"	Northwest	1,044,964 SF	Spec
Salem Road SW "International Commerce Center II"	Northwest	1,008,000 SF	Spec
Bright Star Connector "Bright Star Logistics Center"	I-20 West / Fulton Industrial	420,000 SF	Spec
Palmetto Logistics Parkway "Palmetto Interchange Park"	I-20 West / Fulton Industrial	409,646 SF	Spec

New Construction

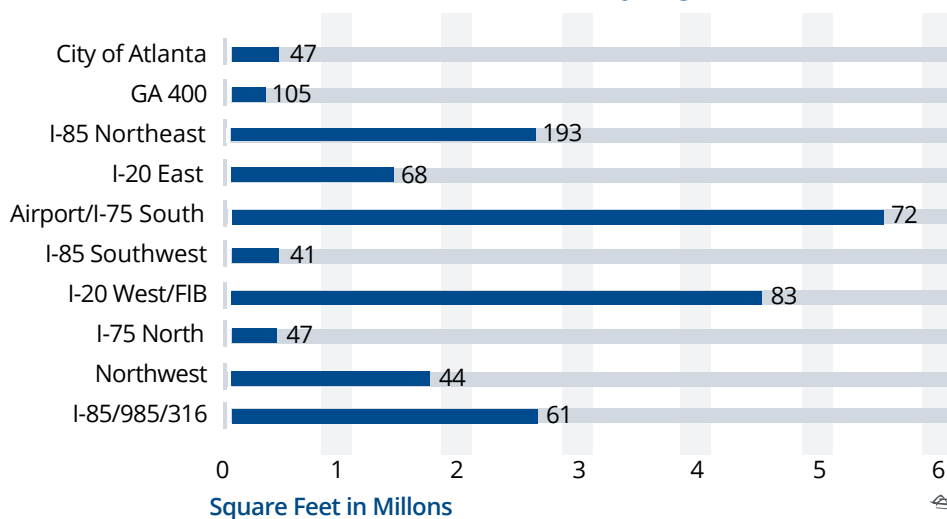
3rd Quarter 2026
6,634,673 SF



1,566,585 SF
From 2nd Quarter 2026

Distribution Activity

Number of Deals by Region



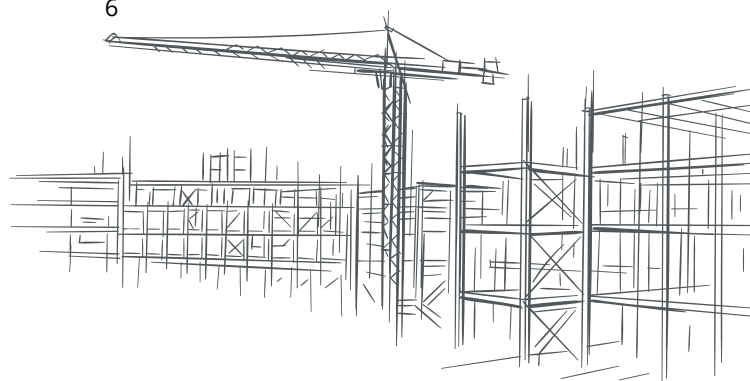
Total Activity

3rd Quarter 2026
21,470,401 SF



3,135,848 SF
From 2nd Quarter 2026

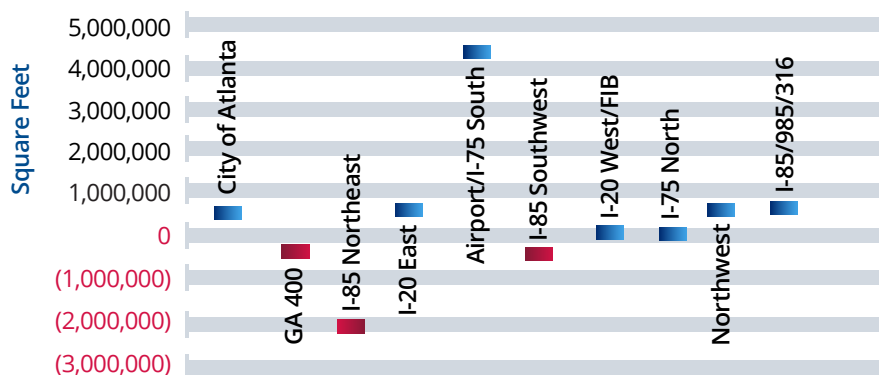
Activity hit a record high in the past four years in Atlanta's Distribution market of 21.5 MSF! The number of deals increased to 761 deals including 8 big box deals over 500,000 SF. Once again, the Airport / I-75 South came in first with 5.7 MSF, an increase of 1.3 MSF over last quarter. This was driven by the two largest deals totaling over 2.0 MSF for Highline Automotive and Google. The I-20 West / Fulton Industrial region wasn't far behind with 4.6 MSF. The GA 400 region came in last with a mere 417,414 SF.



Distribution Net Absorption

Atlanta's Distribution market's positive net absorption climbed 2.7 MSF to 3.6 MSF for the quarter. The driving factor was the 4.2 MSF posted in the Airport / I-75 region. The next closest region was the I-85 / 985 / 316, with only 632,106 SF. On the flip side, the I-85 Northeast region continued its downward spiral to almost 2 MSF of negative net absorption, despite coming in 4th in activity. The activity was overwhelmed by the 276 tenants that vacated their spaces.

Net Absorption by Region



Net Absorption

3rd Quarter 2026

3,637,400 SF

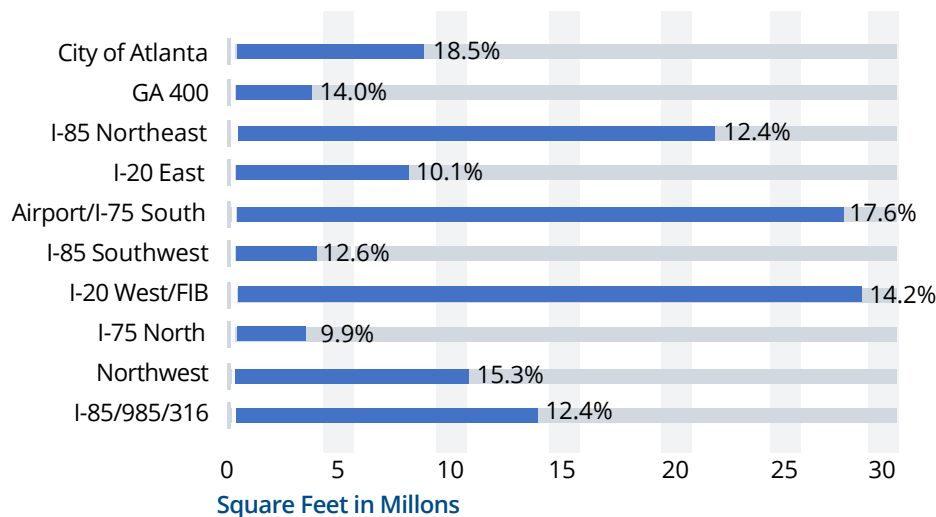


2,732,541 SF

From 2nd Quarter 2026

Distribution Availability

Percent Available by Region



Total Available SF

3rd Quarter 2026

133,376,152 SF

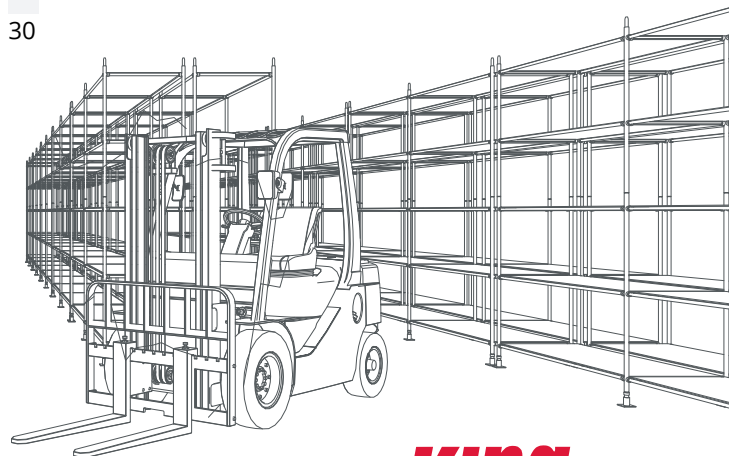
13.9%



0.1%

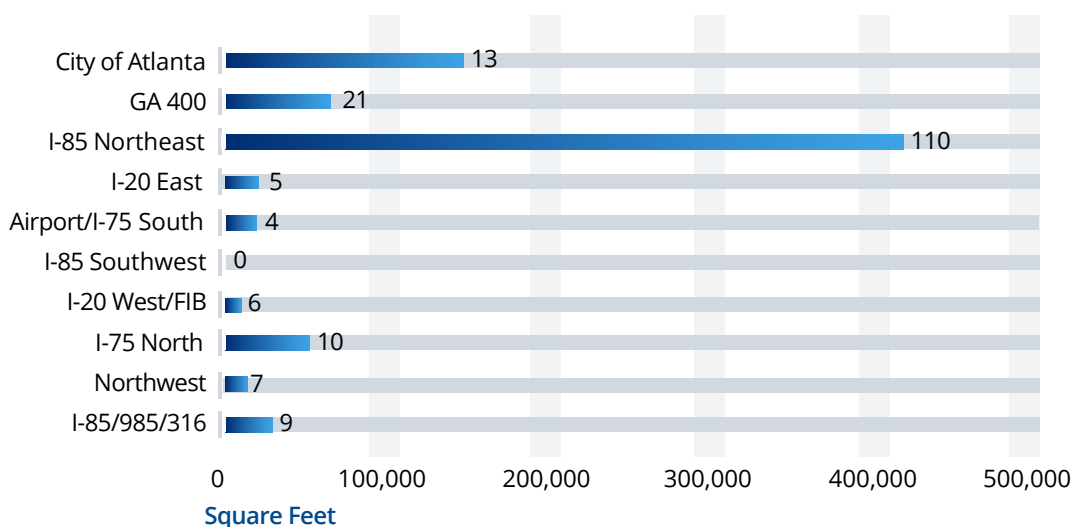
From 2nd Quarter 2026

The availability rate crept up another 0.1% this quarter, marking the highest rate seen in 11 years... now 13.9%. There were five regions below the metro average. The I-75 North region continues to have the lowest availability with 3.9 MSF with a rate of 9.9%. The Airport / I-75 South region showed a marked improvement as the rate fell 2.2% down to 17.6% but still the second highest rate. The City of Atlanta has the highest rate with 18.5%. There was a decline in sublease space, now at 14.6 MSF - 11% of all available space. New space in Atlanta stands at almost 38.0 MSF due to new construction.



Service Activity

Number of Deals by Region



Total Activity

3rd Quarter 2026

773,500 SF

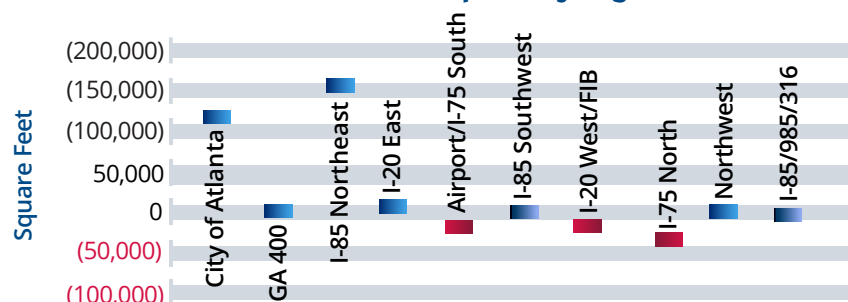


265,485 SF

From 2nd Quarter 2026

Service Net Absorption

Net Absorption by Region



Net Absorption

3rd Quarter 2026

206,548 SF

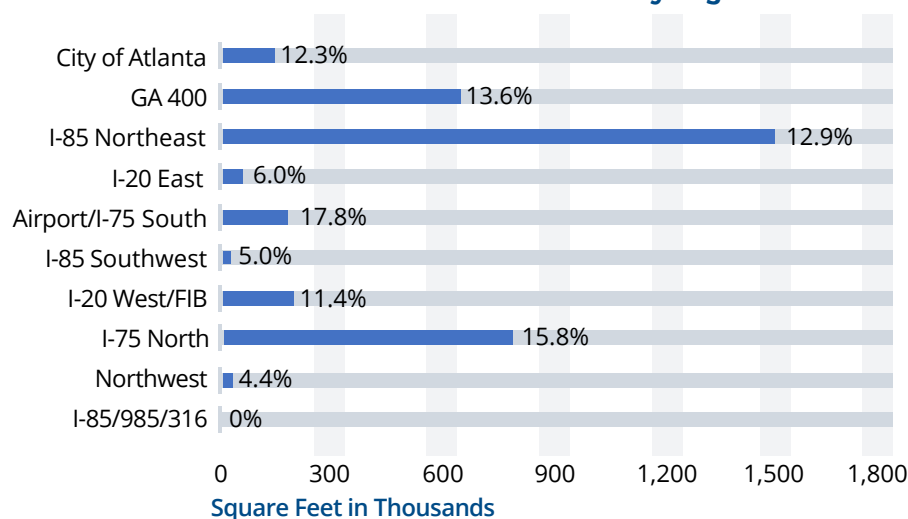


657,175 SF

From 2nd Quarter 2026

Service Availability Rate

Percent Available by Region



Total Available SF

3rd Quarter 2026

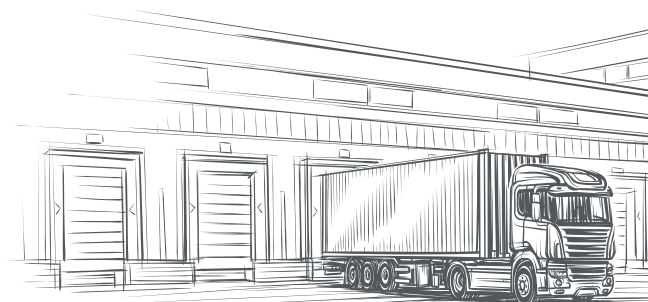
3,625,507 SF

12.7%



0.7%

From 2nd Quarter 2026



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KING Industrial
Realty, Inc.

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Metro Atlanta's #1 industrial real estate expert, serving businesses since 1980. Whether you're looking to lease, buy, sell or invest — our team knows this market better than anyone.

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