



ATLANTA

Real Estate Trends

Office Market

Third Quarter 2025

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ATLANTA OFFICE MARKET

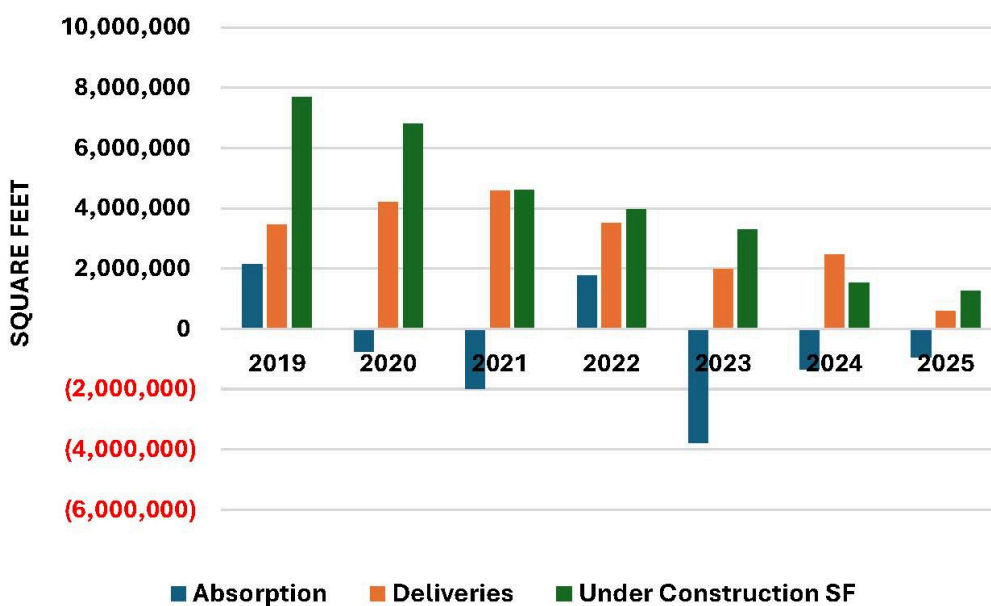
Third Quarter 2025

QUICK SUMMARY:

- 338.2 million square feet
- Market vacancy rate: 16.9%
- Avg cap rate: 8.51%
- Quoted market rent: \$29.06/sf
- Avg sales price: \$125.40/sf

Absorption, Deliveries & Under Construction

SUPPLY AND DEMAND



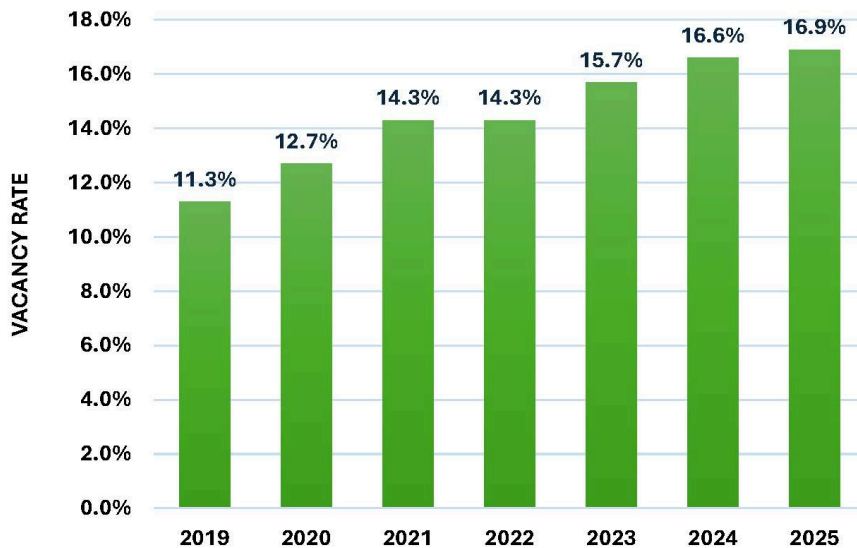
- COVID-19 shifted how companies operate, rethinking office space and moving to a more remote workforce model. The market has experienced negative net absorption 4 of the past 5 years with this trend continuing into 2025.

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Vacancy Trends

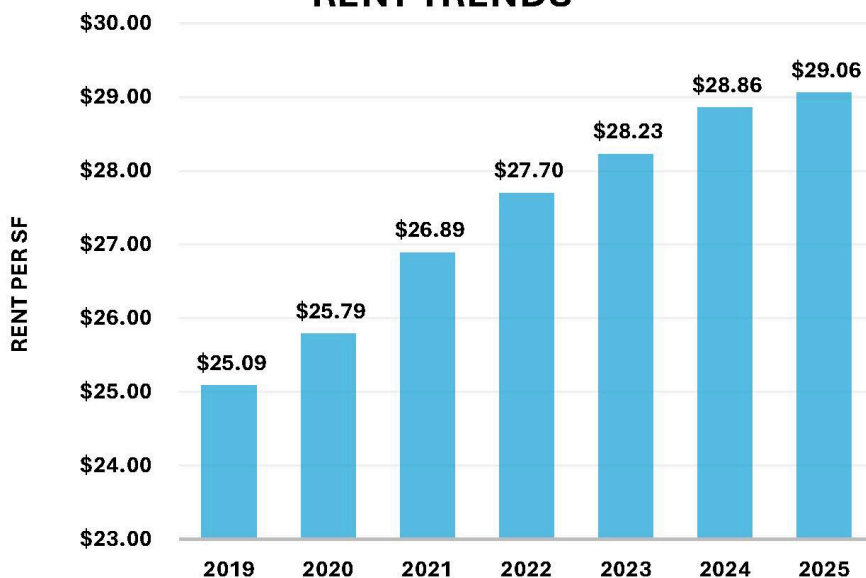
VACANCY



- Vacancy rates have been trending up since 2019.

Rent Growth

RENT TRENDS



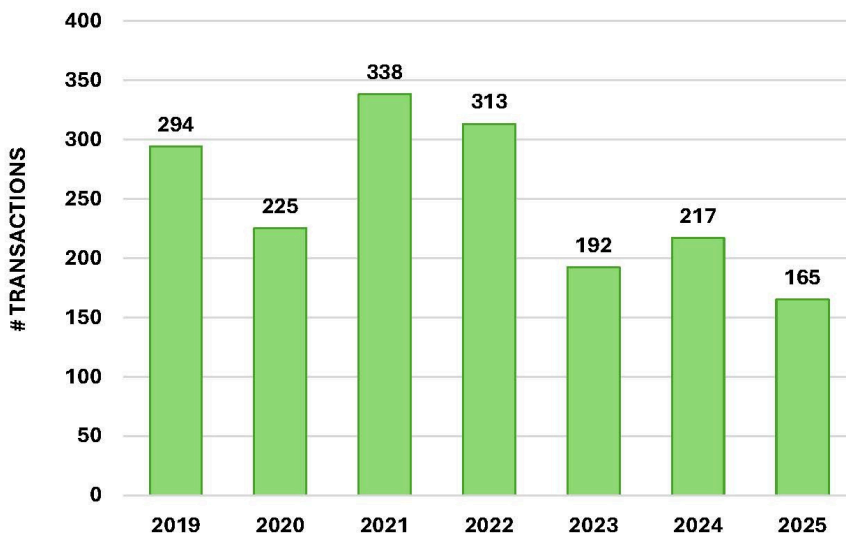
- While rents continue to trend up, the rate of growth has slowed and is being outpaced by inflation.

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Transaction Volume

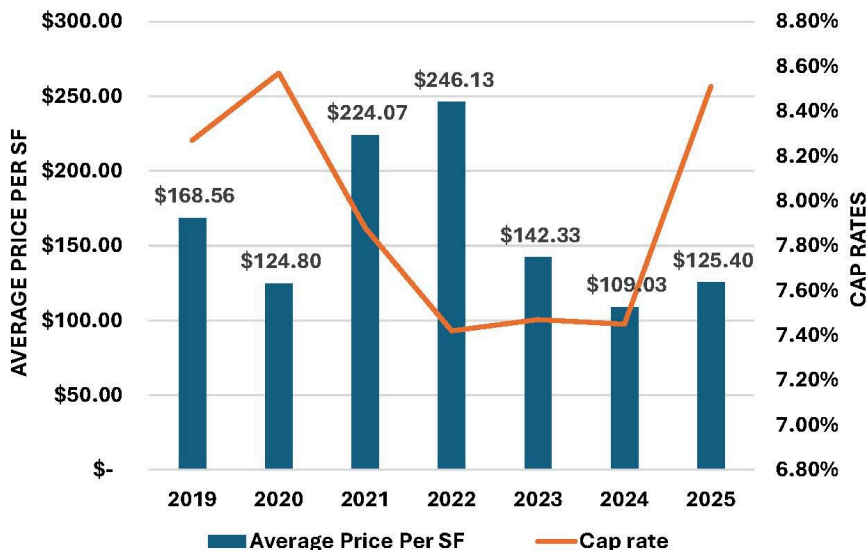
TRANSACTION HISTORY



- After two strong years of sales volume, 2023 set a seven year low with 2024 at a similar level. 2025 is on pace for 220 sales continuing the trend.

Valuation History

AVERAGE SALES PRICE & CAP RATES



- Values were trending down from 2022-2024 with a slight uptick to date in 2025.
- Cap rates were at a low point from 2022-2024 but have since risen.



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CONCLUSION:

The negative impact of COVID 19 continues to show in the office data. While 2022 recorded positive net absorption for the first time in three years, all positive momentum was lost in 2023 as rising interest rates and tightening credit markets negatively impacted the office market.

However, there might be some hope, as there are recent articles speculating that the bottom has been reached for the office market and it has reset from the Covid 19 pandemic. Overall, more data is need to confirm if this is indeed a turning or just a blip on the radar screen.

Company Profile

Crossroads Appraisal Group is a respected commercial appraisal firm specializing in the valuation of commercial, industrial, multifamily and special use properties. We serve the greater Atlanta area with offices in Lawrenceville and Vinings. Please reach out to us if we can be of service to you as we would like the chance to meet your valuation needs.



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