

**\$80,500**

Median HH Income

YoY  
Chg12-Mo.  
Forecast**1.1%**

Population Growth

**2.8%**

Unemployment Rate



Source: BLS

**U.S. ECONOMIC INDICATORS  
Q4 2022****\$20.1T**

Real GDP

YoY  
Chg12-Mo.  
Forecast**8.5%**Consumer Spending  
Growth**8.4%**

Retail Sales Growth



Source: BEA, BLS, Census Bureau

**SUPPLY: Record Number of Completions**

Retail deliveries in Metro Atlanta hit a five-year peak of 765,000 square feet (sf) in 2022. Q1 alone recorded more deliveries than annual totals of both 2020 and 2021. Monroe Pavilion, home to Publix and Marshall's, topped the list of key completions. The 363,200-sf project made up almost half of the delivered space for the year. Other notable completions included Phipps Plaza (90,000 sf) and Hugh Howell Marketplace (61,400 sf).

Demand for retail space accelerated in 2022 as nearly 2.8 million square feet (msf) of occupancy gains were recorded, more than double that of 2021. Neighborhood Centers (30,000-100,000 sf) and Community Centers (100,000-350,000 sf) helped drive the absorption figure to a record high. Concurrently, retail vacancy decreased for the ninth consecutive quarter in Q4, falling to its lowest point in history to 3.5%, a 60-basis-point change quarter-over-quarter.

**DEMAND: Leasing Tempered by Limited Supply**

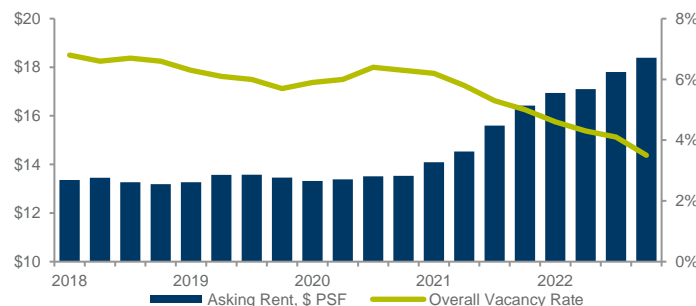
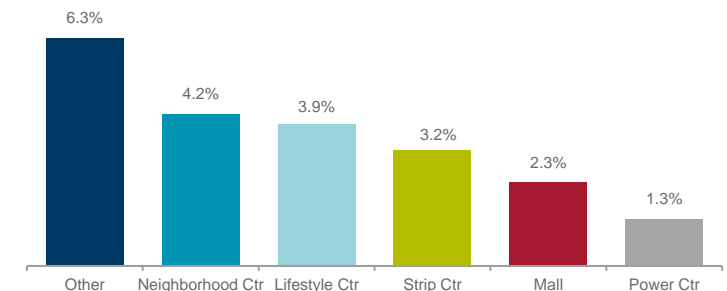
Leasing activity slowed in the second half of 2022 with 785,000 sf signed in Q4, bringing the total for the year to 4.2 million square feet, a 24.2% decrease from 2021 and the lowest annual total in five years. Though demand remained high, activity was limited by a lack of available space options. Despite the decline, Burlington, the largest lease of the year, recommitted to its 79,850-sf space in Lawrenceville and Tesla inked a new 66,324-sf deal at 1302 Highway 85 N in Fayetteville.

While the 1,201 leases signed in 2022 were from tenants in a myriad of industries, home stores were the most prominent. Of the top ten companies, five were home stores: Burlington (79,900 sf- Gwinnett), West Side Market (63,000 sf- Georgia 400), At Home (52,000 sf- Newnan), and Rooms To-Go (52,000 sf- Gwinnett).

Investment activity approached 2021's highwater mark with sales volume of more than 24.8 msf in 2022. Grocery-anchored properties drew the most interest from investors as they remained some of the strongest performers across Metro Atlanta. Demand was strong from regional, national, and international investors, driving prices up and cap rates down despite rising interest rates.

**PRICING: Asking Rents Increased Substantially**

Pricing power remained with landlords as asking rents continued to climb. Average asking rents rose precipitously over the past two years, climbing to a record high of \$18.39 per square foot (NNN) in Q4, a 35.9% increase over the same time in 2020.

**ASKING RENT & VACANCY RATE****VACANCY BY PRODUCT TYPE**

Source: CoStar, Real Capital Analytics



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF, NEW + RENEWAL)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Buckhead	8,899,213	0	121,777	1.8%	206,518	140,471	0	\$37.77
Central Atlanta	4,982,147	0	110,807	2.2%	31,858	50,374	76,133	\$31.59
Central Perimeter	7,705,350	0	316,989	4.1%	79,130	273,528	0	\$27.92
DeKalb	14,177,123	11,230	613,032	4.4%	254,930	354,226	14,000	\$16.29
Georgia 400	20,867,565	7,700	804,159	3.9%	239,641	534,797	25,500	\$18.51
Gwinnett	37,779,935	9,725	1,189,508	3.2%	745,694	924,328	148,780	\$18.10
Marietta/North Cobb	24,251,979	54,058	649,553	2.7%	351,177	642,988	0	\$18.19
South Atlanta	17,680,319	4,030	798,530	4.5%	291,638	293,941	0	\$14.39
South Cobb	11,477,148	0	332,509	2.9%	192,213	226,976	95,545	\$17.60
Coweta County	3,749,132	0	125,327	3.3%	-5,353	102,131	53,987	\$21.17
South Metropolitan	17,776,388	15,750	675,983	3.9%	412,807	417,451	0	\$14.74
West Metropolitan	12,756,625	20,809	475,324	3.9%	-472	224,158	60,000	\$13.53
<b>Metro Atlanta Total</b>	<b>182,102,924</b>	<b>123,302</b>	<b>6,213,498</b>	<b>3.5%</b>	<b>2,799,781</b>	<b>4,185,369</b>	<b>473,945</b>	<b>\$18.39</b>

\*Rental rates reflect NNN asking

## KEY LEASE TRANSACTIONS 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE	QUARTER SIGNED
Sugarloaf Mills, Lawrenceville	Gwinnett	Burlington	79,850	Renewal	Q1 2022
1302 Highway 85 N, Fayetteville	South Metropolitan	Tesla	66,324	New Lease	Q2 2022
Roswell Town Center, Roswell	Georgia 400	West Side Market	63,000	New Lease	Q1 2022
The Exchange at Gwinnett, Buford	Gwinnett	Rooms To Go	52,000	New Lease	Q1 2022
361 Newnan Crossing*, Newnan	Coweta County	At Home	52,000	New Lease	Q1 2022

## KEY SALES TRANSACTIONS 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE	\$ PSF
The Forum at Peachtree Parkway, Norcross	Gwinnett	AEW Capital   North American Properties/Nuveen	518,000	\$123.5 M	\$248
The Shoppes at Webb Gin, Snellville	Gwinnett	Olshan Properties   Continental Realty Corp.	322,352	\$97.0 M	\$301
Collections at Forsyth, Cumming	Georgia 400	Starwood Capital Group   CTO Realty Growth	560,000	\$96.0 M	\$171
Conyers Crossroads, Conyers	Gwinnett	Harbert Mgmt/Hendon Properties   Serota Properties	356,666	\$82.0 M	\$230
Plaza Fiesta, 4166 Buford Hwy NE, Atlanta	Buckhead	Sarofim Realty Advisors   Asana Partners	365,000	\$80.2 M	\$220

## KEY CONSTRUCTION COMPLETIONS 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
Monroe Pavilion, 717 N Broad St, Monroe	Gwinnett	Publix, Marshalls	363,396	MAB American Property REIT
Phipps Plaza, 3462 Peachtree, Atlanta	Buckhead	Life Time Athletic	90,000	Simon Property Group

Source: CoStar, Real Capital Analytics \*Freestanding Retail not included in market statistics

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