

## Economy - 2023

Healthcare providers face increased financial challenges, staffing shortages, and inflationary pressures. However, the Atlanta's medical office market has remained steady with assets remaining well leased. The continued demand has contributed to a 5% jump in rental rates versus 2022. Second Quarter had 107,000 SF of new deals with North Fulton contributing the largest percentage.

There is some rising vacancy in the short term as several new buildings are opening and more under construction.

Healthcare investment activity has remained robust in 2023 with investors attracted to strong occupier demand, and long lease terms.

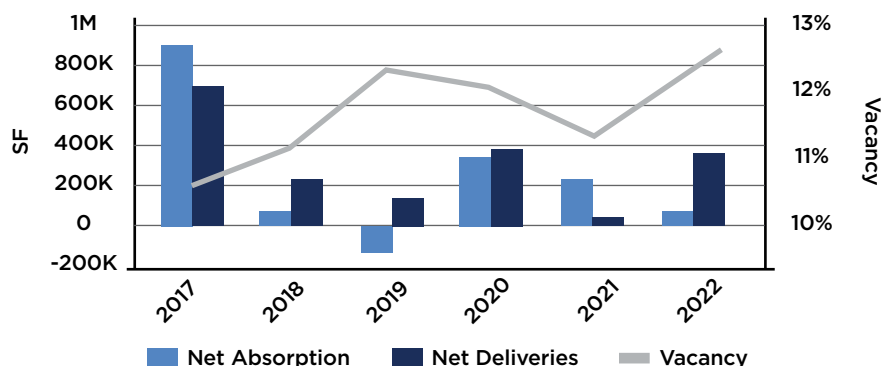
**9.7%** Vacancy Rate

**104K SF** Net Absorption

**400K SF** Vacancy Rate

**\$27.76** Avg Rent (PSF)

### ABSORPTION, DELIVERIES & VACANCY



## Key Lease Transactions (2023 - YTD)

| Property                   | SF    | Tenant                   | Type | Submarket         |
|----------------------------|-------|--------------------------|------|-------------------|
| E Paces Medical Center     | 4,200 | United Vein & Vascular   | New  | Buckhead          |
| Northside Tower            | 4,000 | Georgia Colon & Rectal   | New  | Central Perimeter |
| Janmar Professional Center | 3,000 | Aspire Pain & Spine      | New  | Snellville        |
| Dacula Doctors Building    | 3,600 | Northeast Georgia Health | New  | Gwinnett          |
| Franklin Forest            | 4,400 | Alana Recovery           | New  | Marietta          |

## Key Sales Transactions (2023 - YTD)

| Property          | SF     | Seller/Buyer    | Price/\$PSF   | Submarket     |
|-------------------|--------|-----------------|---------------|---------------|
| 5000 Research Ct  | 79,000 | Woodside Health | \$12.2M/\$154 | Johns Creek   |
| Hurricane Shoals  | 43,000 | Anchor Health   | \$11.1M/\$255 | Lawrenceville |
| 1521 Hickory Flat | 36,000 | Northside       | \$15.3M/\$426 | Cumming       |

## Market Statistics

| Submarket               | Inventory (SF)    | Total Vacant SF  | Vacancy (%)  | Net Absorption (Qtr) | Delivered (SF) | Under Construction (SF) | Quoted Rates   |
|-------------------------|-------------------|------------------|--------------|----------------------|----------------|-------------------------|----------------|
| Buckhead                | 1,061,293         | 179,641          | 16.9%        | 26,650               | --             | --                      | \$33.38        |
| Central Perimeter       | 3,920,294         | 508,433          | 13.0%        | (88,583)             | --             | --                      | \$30.42        |
| Downtown Atlanta        | 396,407           | 3,500            | 0.9%         | (1,500)              | --             | --                      | \$23.30        |
| Midtown Atlanta         | 506,591           | 4,842            | 1.0%         | 0                    | --             | --                      | \$32.67        |
| Northeast Atlanta North | 3,460,617         | 494,291          | 14.3%        | 78,494               | 145,000        | 146,138                 | \$24.92        |
| Fulton                  | 3,535,939         | 661,129          | 18.7%        | (23,371)             | --             | 175,609                 | \$32.16        |
| Northlake               | 2,257,242         | 284,280          | 12.6%        | (14,929)             | --             | --                      | \$23.92        |
| Northwest Atlanta       | 4,198,270         | 360,550          | 8.6%         | 15,926               | 60,732         | 55,000                  | \$27.35        |
| South Atlanta           | 3,404,816         | 447,282          | 13.1%        | (7,265)              | --             | --                      | \$21.23        |
| West Atlanta            | 794,408           | 28,100           | 3.5%         | 6,645                | --             | --                      | \$22.64        |
| <b>TOTAL</b>            | <b>23,535,877</b> | <b>2,972,048</b> | <b>12.6%</b> | <b>(7,933)</b>       | <b>205,732</b> | <b>376,747</b>          | <b>\$27.61</b> |

## CBD Totals

| CBD Classes  | Inventory (SF)   | Total Vacant SF | Vacancy (%)  | Net Absorption (Qtr) | Delivered (SF) | Under Construction (SF) | Quoted Rates   |
|--------------|------------------|-----------------|--------------|----------------------|----------------|-------------------------|----------------|
| Class A CBD  | 1,287,037        | 126,321         | 9.8%         | 9,130                | --             | --                      | \$33.94        |
| Class B CBD  | 1,682,339        | 199,837         | 11.9%        | 8,082                | --             | --                      | \$24.64        |
| Class C CBD  | 1,252,157        | 146,105         | 11.7%        | (6,991)              | --             | --                      | \$25.16        |
| <b>TOTAL</b> | <b>4,221,533</b> | <b>472,263</b>  | <b>11.2%</b> | <b>10,221</b>        | <b>--</b>      | <b>--</b>               | <b>\$27.60</b> |

## Suburban Totals

| Suburban Classes | Inventory (SF)    | Total Vacant SF  | Vacancy (%)  | Net Absorption (Qtr) | Delivered (SF) | Under Construction (SF) | Quoted Rates   |
|------------------|-------------------|------------------|--------------|----------------------|----------------|-------------------------|----------------|
| Class A Suburban | 10,748,749        | 1,558,253        | 14.5%        | 16,235               | 205,732        | 376,747                 | \$28.29        |
| Class B Suburban | 7,117,670         | 793,621          | 11.2%        | (17,392)             | --             | --                      | \$27.78        |
| Class C Suburban | 1,447,925         | 147,911          | 10.2%        | (16,997)             | --             | --                      | \$20.00        |
| <b>TOTAL</b>     | <b>19,314,344</b> | <b>2,499,785</b> | <b>12.9%</b> | <b>(18,154)</b>      | <b>205,732</b> | <b>376,747</b>          | <b>\$27.62</b> |

## YOUR HEALTHCARE REAL ESTATE PARTNER

Consider help from a professional to handle the sale, acquisition or leasing of your healthcare real estate and improve the financial outcome of your practice.



**Michael Ulin**  
 404.966.6698  
[mulin@rg-re.com](mailto:mulin@rg-re.com)  
[michaelulincre.com](http://michaelulincre.com)