

THE REBALANCING OF ATLANTA'S BIG-BOX MARKET

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01

Introduction

02

Market
Fundamentals

03

Rebalancing
in Action

04

Outlook

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01

Introduction

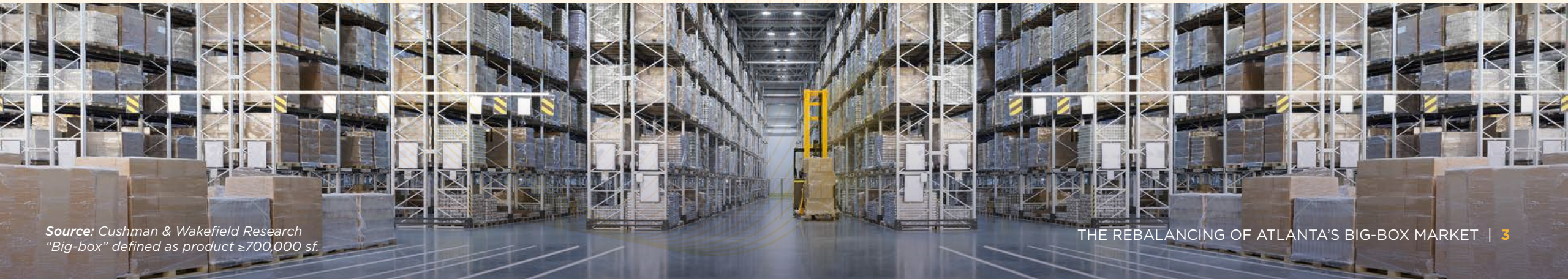
THE REBALANCING OF ATLANTA'S BIG-BOX MARKET

Atlanta's big-box industrial market—defined as buildings 700,000 square feet (sf) or greater—has undergone a transformative shift over the past few years. During the COVID-19 pandemic, developers responded to unprecedented demand with a wave of new big-box construction. As transaction volume normalized and absorption slowed in the following years, the influx of new inventory pushed vacancy higher.



Today, the big-box market has reached an inflection point. Tenants and owner-users have absorbed excess big-box supply, tightening the segment. Narrowed availability and a diminishing pipeline, coupled with expanding large-format requirements, position the segment for continued rebalance.

The big-box segment is comprised of **160.5 million square feet** (msf)—representing **20.5% of the total Atlanta industrial inventory**.



Source: Cushman & Wakefield Research
"Big-box" defined as product $\geq 700,000$ sf.

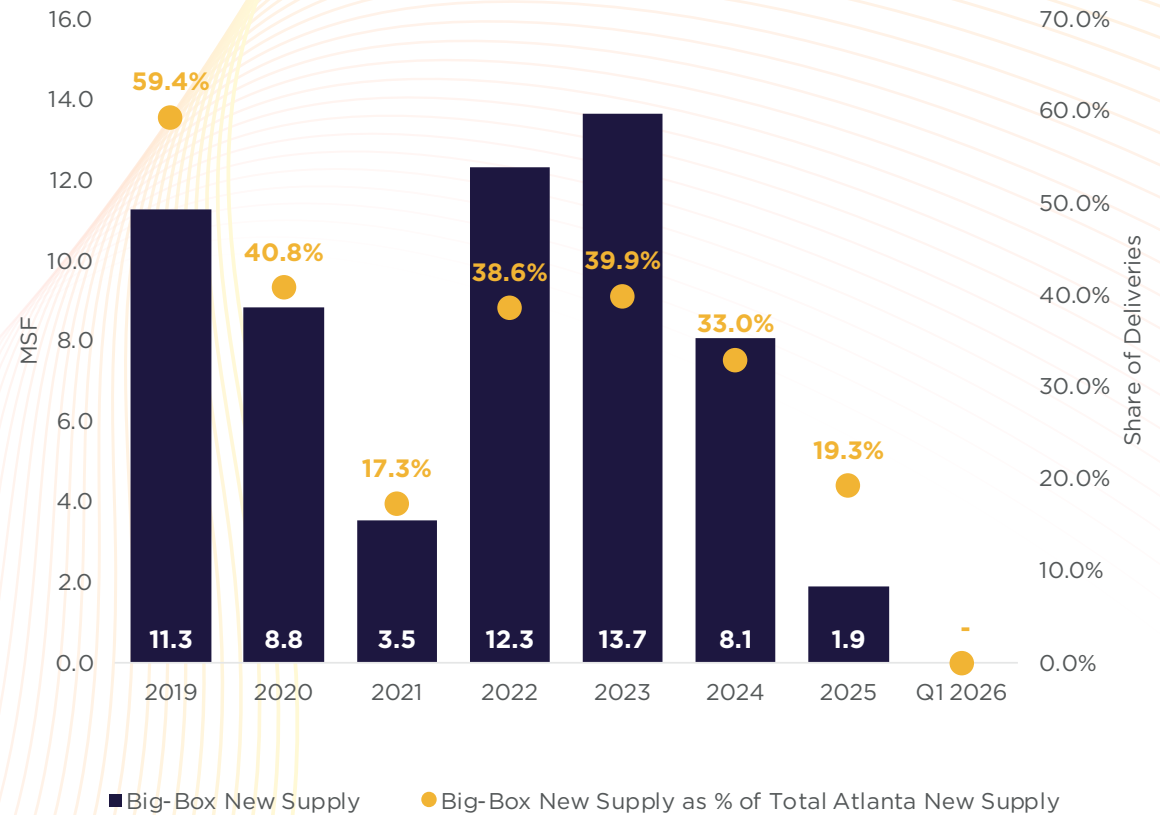


Market Fundamentals **NEW SUPPLY**

Atlanta's big-box **inventory expanded by 59.6% since 2019**, amid years of rapid development. The wave of new construction, averaging 8.5 msf annually*, reshaped the metro's industrial landscape, as **big-box facilities accounted for more than one-third (36.9%)** of all new development delivered across Atlanta.

Development momentum has slowed considerably, with no new big-box deliveries recorded since mid-2025.

**Average new supply delivered between 2019-2025.*



Developers responded to several years of elevated demand with a wave of construction activity. As the new supply was introduced, leasing velocity shifted, creating a temporary imbalance.

02

Market Fundamentals DEMAND



Pandemic Expansion

Strong occupier demand from 2020-2022, driven by growth in e-commerce and supply chains, supported rapid big-box development across Atlanta.



Supply Surge

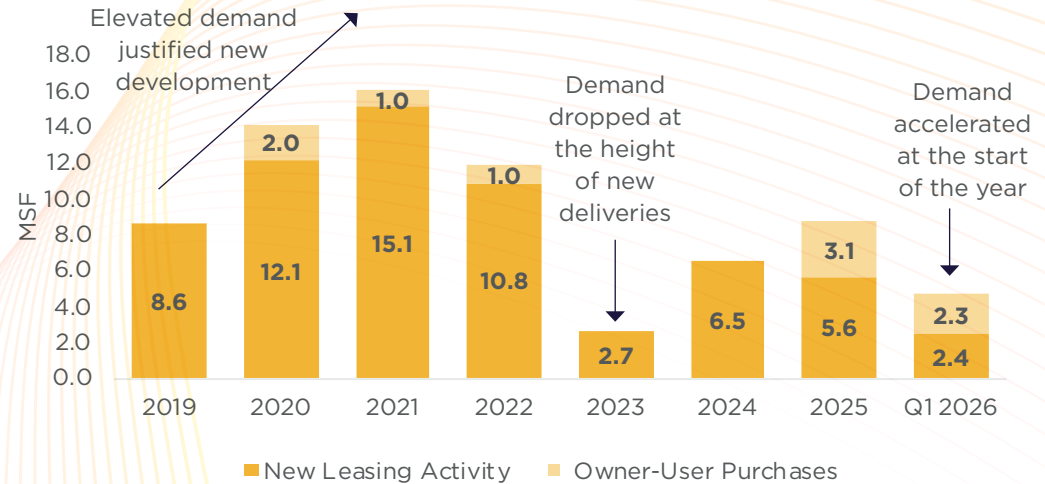
Deliveries peaked in 2023 as leasing activity moderated and absorption slowed, contributing to higher vacancy amid the oversupply.



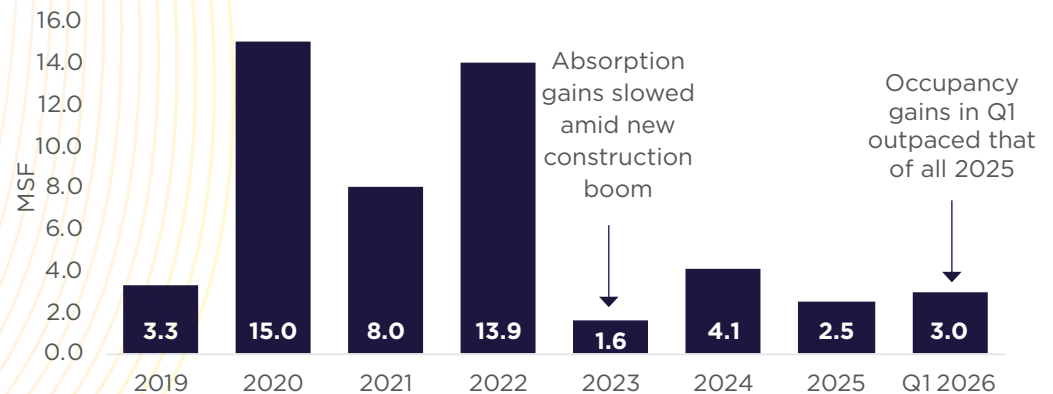
Rebalancing

Big-box leasing reached a four-quarter high at the start of 2026 and combined with an acceleration of owner-user acquisitions, put downward pressure on vacancy. Three big-box blocks were removed from the market during Q1, driving significant absorption gains. Momentum continues into Q2 2026 quarter-to-date as a 1.2 msf facility has been fully leased.

Big-Box Leasing and Owner-User Purchases



Big-Box Absorption



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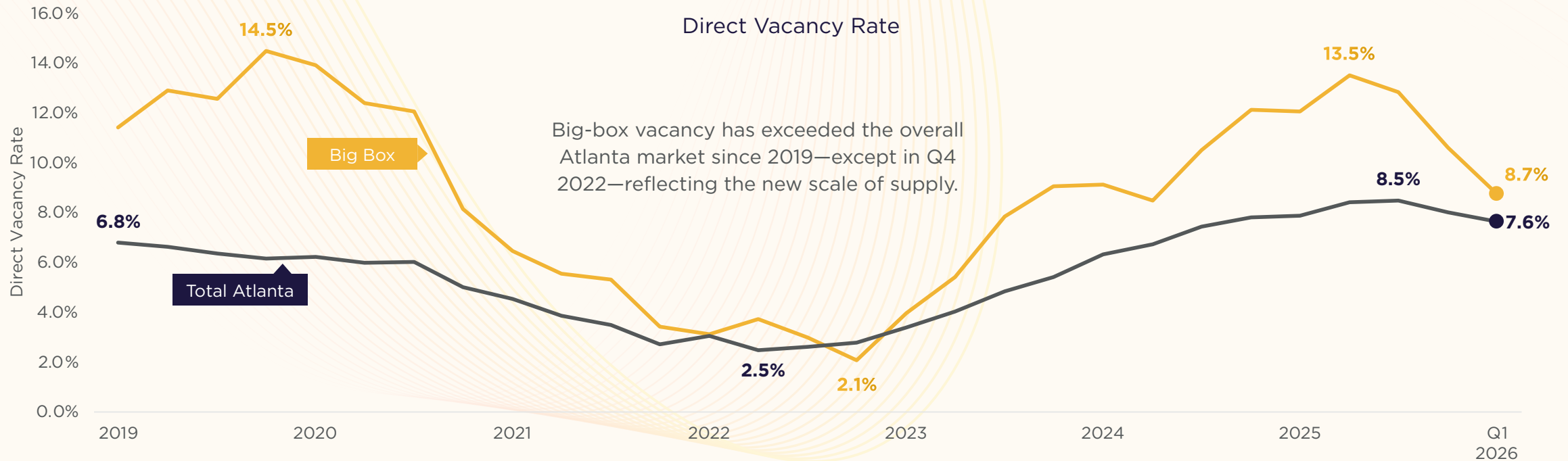
Market Fundamentals

DIRECT VACANCY

Vacancy fell due to strong tenant demand from late 2019 to 2022, but the pandemic-driven supply surge pushed the direct rate up to a five-year high of 13.5% in the second quarter of 2025.

Since then, big-box fundamentals have begun to rebalance. The direct vacancy rate improved for three consecutive quarters, compressing 190 basis points (bps) quarter-over-quarter to 8.7% at the start of the year—outpacing that of the total market, where direct vacancy has declined for two quarters, down only 40 bps since Q4 2025.

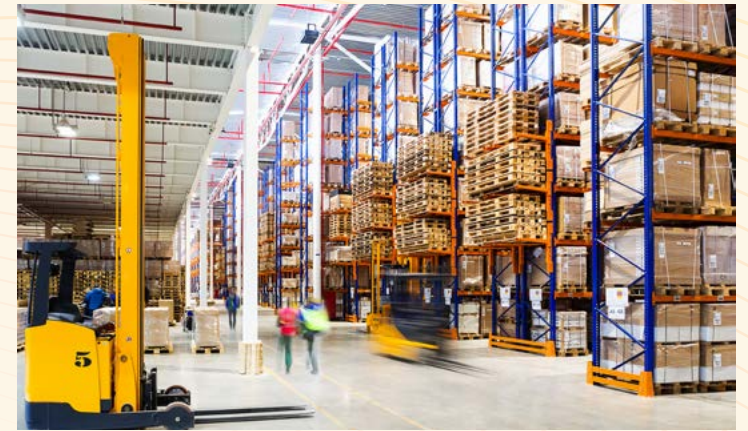
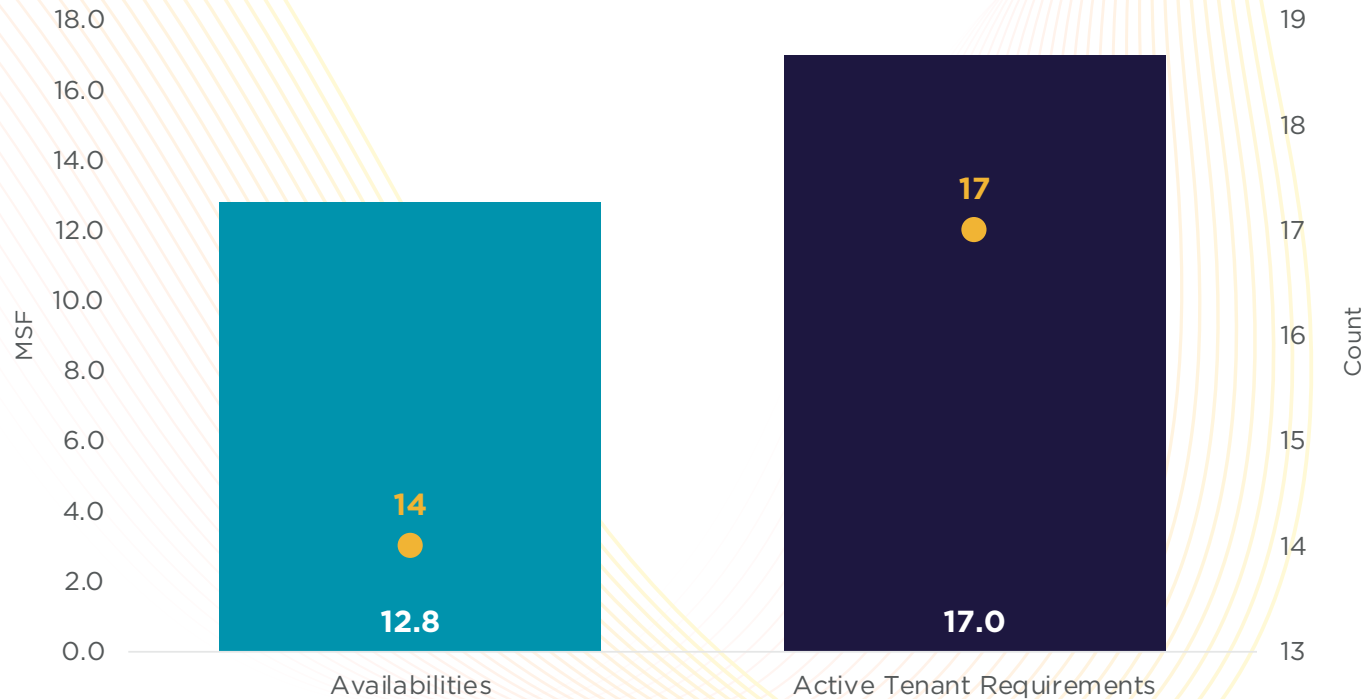
The steady decline signals that the segment is reaching an inflection point. As big-box space stabilizes, the recovery will begin to ripple through the entire industrial landscape, supporting balanced fundamentals.



03

Rebalancing in Action

EXISTING SUPPLY VS. DEMAND



As big-box vacancy declines across Atlanta, available options for occupiers are becoming more limited. Following the recent big-box transaction in May, **14 existing spaces of 700,000 sf or larger remain available across the metro**, totaling 12.8 msf. Three additional big-box buildings are under construction, two of which are build-to-suits already claimed by Southwire and Amazon, offering minimal future relief to the market.

Throughout the metro, active requirements surpass available space. Currently, **17 tenants are seeking more than 700,000 sf**, representing a total of 17.0 msf of demand—exceeding available space by both square footage and count. The imbalance between available space and active tenant demand highlights tightening fundamentals within the big-box segment of the market.

04

Outlook

Atlanta's big box market is at a turning point after several years of a supply-driven environment. As large blocks are absorbed and vacancy continues to tighten, users will be faced with a narrow pool of options—marking a fundamental rebalancing of the market.

The everchanging fundamentals position Atlanta's industrial market for continued stabilization throughout the remainder of 2026.

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About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of \$10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.