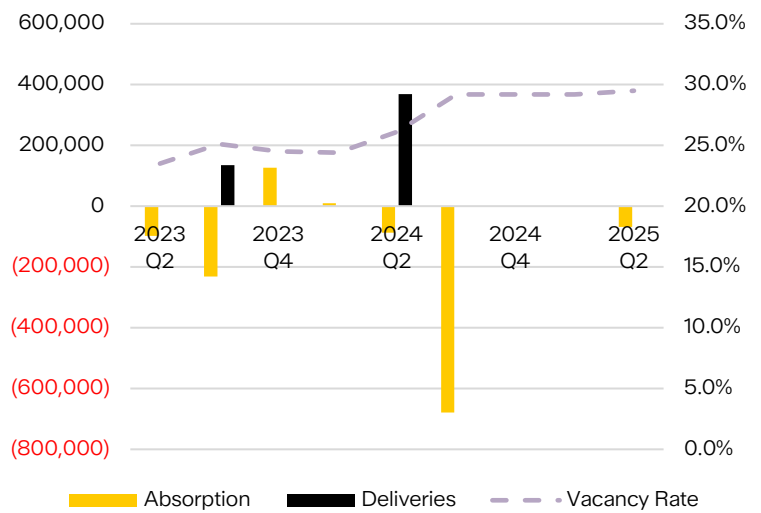


Downtown Q2 2025

Downtown Leasing Slows, But Long-Term Vision Offers Optimism

Downtown Atlanta continued to face challenges in Q2, recording 68,136 square feet of negative absorption, which pushed vacancy up 30 basis points to 29.5%. Vacancy has now risen 340 basis points year-over-year, underscoring the submarket's ongoing leasing struggles. This quarter's leasing activity totaled just 47,560 square feet—the lowest level seen in recent years. Still, a silver lining remains in the sublease market, where vacancy sits at a modest 0.4%, far below other major submarkets. Despite current headwinds, cautious optimism persists as developers and investors look to revitalize the area ahead of the 2026 World Cup.

Absorption, Deliveries, and Vacancy Rates



Submarket Stats

Class	Total Inventory SF	Direct Vacancy Rate	Sublease Vac Rate	Vac Rate Current	Vac Rate Prior	Net Absorp Current	Net Absorp YTD	Leasing Activity SF	Deliveries	Under Constr	Avg Rent (FSG)
Class A	12,800,146	30.1%	0.7%	30.8%	30.5%	(40,124)	(72,989)	36,901	-	-	\$30.77
Class B	6,755,714	32.1%	0.1%	32.2%	32.2%	1,310	42,966	10,659	-	16,195	\$28.95
Class C	2,526,526	15.4%	0.0%	15.4%	14.3%	(29,322)	(39,911)	-	-	-	\$42.26
Total	22,082,386	29.1%	0.4%	29.5%	29.2%	(68,136)	(69,934)	47,560	-	16,195	\$30.67

Top Leases

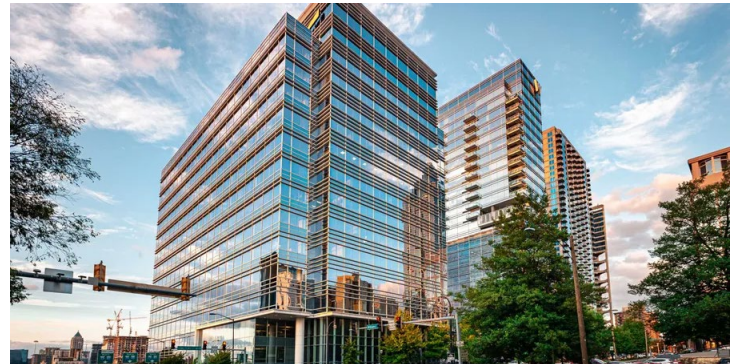
Tenant	Property	Owner	Sign Date	SF	Lease Type
Shriners Children's Research Institute	Science Square	Trammell Crow Company	Jul 2025	160,000	New
Metro Atlanta Chamber	191 Peachtree	Banyan Street Capital / Oaktree Capital	Jul 2025	25,470	Renewal
GATV	Science Square	Trammell Crow Company	Jul 2025	36,408	New

Recent Investment Sales

Property	Price	SF	\$/SF	Date	Buyer
55 Allen Plaza	\$57,843,807	348,658	\$165.90	3/3/2025	Sound Point Capital Management
15 Peachtree St	\$18,4000	85,000	\$216	5/6/2024	Invest Atl

In The Market

55 Allen Goes to Foreclosure: Lone Star Funds, a Texas private equity firm, handed over the keys to 55 Allen Plaza in Downtown Atlanta after its loan matured, avoiding foreclosure. The 350,000-square-foot office tower, anchored by accounting firm EY, was transferred to Phoenicia Real Estate Holdings XI LLC for \$57.8 million. Lone Star had bought the building for \$79 million in 2020 but struggled with the loan, which had been transferred to Sound Point Capital Management in 2021. The building is part of the Allen Plaza mixed-use project and is currently 66% occupied, though EY may relocate to Midtown.



Music Venue Set to Open Downtown: Live Nation has signed a long-term lease to operate a 5,300-seat music venue at Centennial Yards, the \$5 billion mixed-use development transforming downtown Atlanta. The new venue will join apartments, hotels, restaurants, and a virtual reality attraction by Cosm at the 50-acre site. Centennial Yards, located near major entertainment venues like Mercedes-Benz Stadium and State Farm Arena, aims to create a vibrant, walkable district. Nearby, Underground Atlanta is also experiencing a revival, with a new Ravine music venue opening under a former parking lot and drawing increased foot traffic following redevelopment efforts.



191 Peachtree To Undergo Renovations: The owners of Atlanta's 191 Peachtree tower are planning \$4.5M worth of renovations to the building's lobby and atrium in an effort to revitalize the iconic property and signal renewed confidence in downtown's office market. Banyan Street Capital and Oaktree Capital Management tapped local firm Cooper Carry to lead the redesign, which will better integrate the space with the adjoining Ritz-Carlton and include speculative office suites and new signage opportunities. While downtown Atlanta has faced persistent struggles, signs of a rebound are emerging with projects like Centennial Yards and the renovation of the former CNN Center. Renovations at 191 Peachtree are set to begin this summer and finish by spring 2026.



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