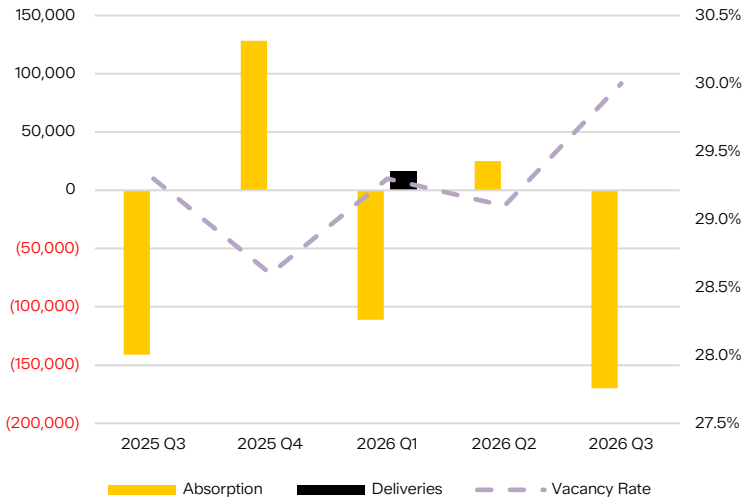
Downtown Q3 2026

Downtown Vacancy Hits 30% Amid Redevelopment

Downtown posted negative net absorption of 169,826 square feet in Q3 2026, bringing year to date absorption to negative 255,906 square feet. **Total vacancy climbed 90 basis points quarter over quarter to 30.0%, up 70 basis points from a year ago.** EY's 88,166 square foot move out at 55 Allen Plaza was the largest driver of the decline, while Duracell's 56,505 square foot move into Science Square Labs provided the quarter's biggest boost and points to growing interest in Downtown's lab and innovation space. Class A absorbed negative 120,456 square feet and Class B negative 48,308. Leasing slowed to just 13,674 square feet, though direct gross rents held steady at $32.07, up 1.1% year over year. Looking ahead, momentum around Centennial Yards, The CTR and South Downtown continues to build, positioning the core for stronger demand as those projects deliver.

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	12,212,124	32.4%	0.6%	33.0%	32.0%	(120,456)	(191,417)	4,713	-	-	$32.70
Class B	4,587,114	31.7%	0.2%	31.9%	30.8%	(48,308)	(62,882)	8,961	-	-	$27.76
Class C	1,973,053	7.7%	0.0%	7.7%	7.6%	(1,062)	(1,607)	-	-	-	$31.00
Total	**18,772,291**	**29.6%**	**0.4%**	**30.0%**	**29.1%**	**(169,826)**	**(255,906)**	**13,674**	**-**	**-**	**$32.07**

Recent Leases

Tenant	Property	Owner	Sign Date	SF	Lease Type
Undisclosed Tenant	State Bar of Georgia	State Bar of Georgia	Aug-26	3,846	New
Alfred Benesch & Company	Bank of America Plaza	CP Group/HPS Investment Partners LLC	Jul-26	3,739	New
Undisclosed Tenant	414 Bill Kennedy Way SE	Historical Concepts	Sep-26	2,761	New

Recent Investment Sales

Property	Price	SF	$/SF	Date	Buyer
101 Marietta	$49,500,000	673,819	$73.46	6/24/2026	Real Capital Solutions
55 Allen Plaza	$57,843,807	348,658	$165.90	3/3/2025	Sound Point Capital Management
15 Peachtree St	$18,400,000	85,000	$216.47	5/6/2024	Invest Atl

In The Market

Parkway Buys Downtown Parking Site: Philadelphia based Parkway Corp. paid $14.2 million for a 1.16 acre, 113 space surface parking lot at 289 Marietta Street. The site sits within a half mile of Mercedes-Benz Stadium, State Farm Arena and the Georgia World Congress Center, and just blocks from Centennial Yards. The lot will keep operating as parking for now, with Parkway planning to eventually develop it for residential or hospitality use once construction costs, interest rates and lending conditions ease. The deal reflects continued investor interest in well located Downtown land near the district's major venues.

Downtown Revival Gains Momentum: CIM Group's $5 billion Centennial Yards is leading Downtown's comeback, with a first phase set to complete in Q3 2027 that includes a 5,300 seat Live Nation venue, a Cosm theater and Hotel Phoenix, plus 1.2 million square feet of office planned over the long term. Nearby, The CTR, formerly CNN Center, is opening a new food hall, and the $140 million South Downtown project is adding refurbished office suites for startups. With rents well below Midtown, Downtown is expected to draw new government and public sector tenants in the coming years.

Georgia-Pacific Scraps Tower Conversion: Georgia-Pacific has dropped its plan to convert part of its 51 story headquarters at 133 Peachtree Street into roughly 400 apartments, along with retail, entertainment space and a public plaza. The company cited higher construction costs and broader market headwinds that changed the project's economics at that scale. Instead, Georgia-Pacific will keep the 1.3 million square foot tower as office space and invest in building systems, dining, outdoor workspace and workplace technology. The decision keeps one of Downtown's largest corporate anchors firmly in place as other redevelopments move ahead.

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