

INVESTMENT FORECAST

Retail
Atlanta

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ADVISORS

2026

Market Pressures and New Growth Catalysts Define the Metro's 2026 Outlook

Suburban nodes show strength amid uneven performance. While net absorption is forecast to be negative for a second consecutive year, improving tourism in 2025 and regional inflation holding near 1 percent entering 2026 provide some support. Additionally, continued gains in the metro's labor market and another strong — though moderating — year of net in-migration may help limit further deterioration. Northeastern Atlanta near Buford and Gainesville may see another year of elevated demand following last year's near-record absorption of more than 500,000 square feet. Ongoing suburban population expansion and limited incoming supply reinforce this outlook. Similarly, the Georgia 400 submarket, encompassing Alpharetta and Cumming, may continue to post sub-4 percent vacancy in 2026, supported by higher household income levels. Conversely, the urban core recorded a triple-digit rise in vacancy last year, though a largely pre-leased supply pipeline may help improve conditions in 2026.

Broad demand drivers attract capital. Out-of-state investors pulled back last year, while the average price per unit rose approximately 2.3 percent — among the sharpest increases by any primary market. Meanwhile, transaction velocity remained stable, rising only marginally, buoyed by an increase in deals closed by local investors. Looking ahead, buyers may increasingly target listings near Hartsfield-Jackson International Airport, as several nearby nodes recorded some of the strongest multifamily vacancy declines among U.S. submarkets in 2025. In addition, the recent decision to move forward with Forge Atlanta — one of the metro's largest mixed-use projects on record — should spur capital deployment in Central Atlanta. As a result, the area may offer a more favorable risk profile over time.

2026 MARKET FORECAST

+0.5%



Employment: Following the 2025 labor market contraction, Atlanta will welcome about 17,000 new positions this year. Only six other metros are expected to record greater increases.

730,000
sq. ft.



Construction: For the first time since at least 2007, Atlanta's incoming supply pipeline will be less than 1 million square feet. Inventory will expand by only roughly 0.2 percent.

+30 bps



Vacancy: Although continued net relinquishment will raise the metrowide vacancy rate to 5.1 percent, it will remain below the 2015-2019 average by approximately 70 basis points.

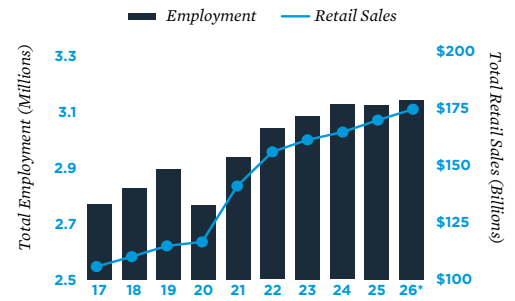
-0.2%



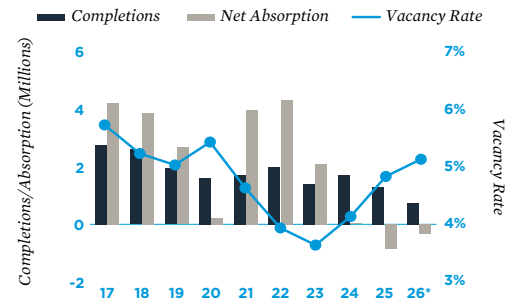
Rent: The supply-demand imbalance is projected to modestly compress the average asking rent to roughly \$20.97 per square foot, ending five years of gains.

INVESTMENT: *The west Metropolitan submarket, covering Haralson, Carroll, Heard, Paulding, and Douglas counties, has held sub-3 percent single-tenant vacancy since 2021, stability likely to draw investor focus.*

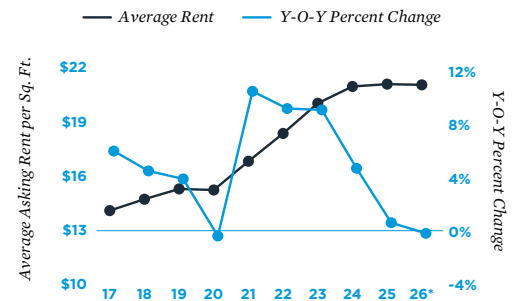
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.