

Submarket Report

OFFICE | SECOND QUARTER | 2009



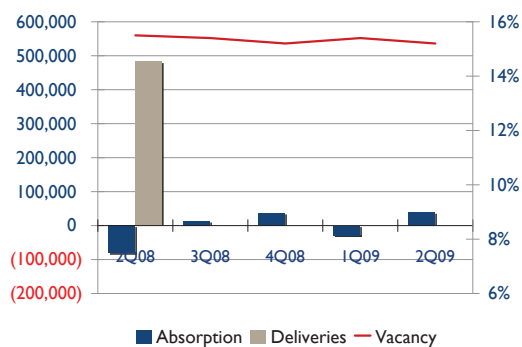
MARKET INDICATORS

	Q2 2009	NEXT QTR
VACANCY	↔	↑
NET ABSORPTION	↑	↔
CONSTRUCTION	↔	↓
RENTAL RATE	↓	↔

Buckhead

Highlights

ABSORPTION, DELIVERIES AND VACANCY RATES



Buckhead

Total SF	17,786,077
Vacancy Rate	15.2%
YTD Net Absorption	10,661
YTD Deliveries	0
Under Construction	1,980,731
Avg. Class A Rate	\$26.68

Source: CoStar Property

UPDATE

RECENT TRANSACTIONS IN THE SUBMARKET

SALES ACTIVITY

PROPERTY	SALE PRICE	SIZE SQ. FT.	SALES PRICE/SQ. FT.	BUYER
Lindbergh City Ctr. ('08)	\$275,000,000	955,000	\$287.96	Wells REIT
One Live Oak ('08)	\$34,500,000	201,488	\$170.98	Grubb & Ellis Realty Inv
2200 Lake Blvd.	\$5,600,000	35,000	\$160	Am. Coll. Rheumatology

LEASING ACTIVITY

TENANT	PROPERTY	SIZE SQ. FT.	TYPE
Marsh & McLennan	Two Alliance Ctr.	140,000	Class A Prelease
How Stuff Works, Inc.	One Capital City Plaza	23,140	Class A Renewal
470 Exchange	470 E. Paces Ferry Rd.	15,000	Class B Renewal

- Buckhead office demand still remains weak. Over the past year, net absorption in the submarket has averaged 15,000 SF per quarter. For the most part, Buckhead is holding its own, not seeing large blocks of existing space come back to the market like other submarkets have during the recession.
- The office vacancy rate in Buckhead has been flat since the delivery of 3344 Peachtree. By the end of the year, the rate will have increased beyond 20% as three of four office towers under construction deliver over the next two quarters.
- Another trend affecting Buckhead is the drop in its average rental rate in the past year. The rate is down \$1.28/sf since second quarter 2008.

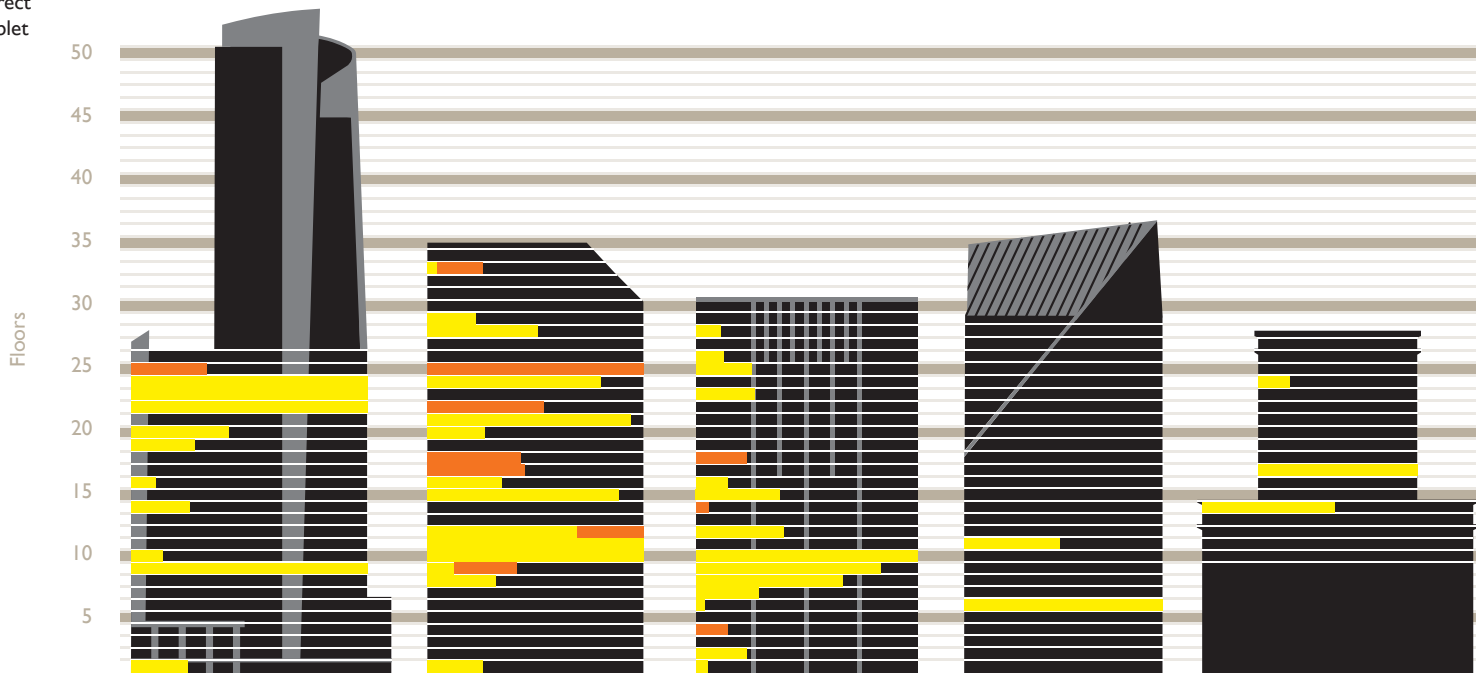
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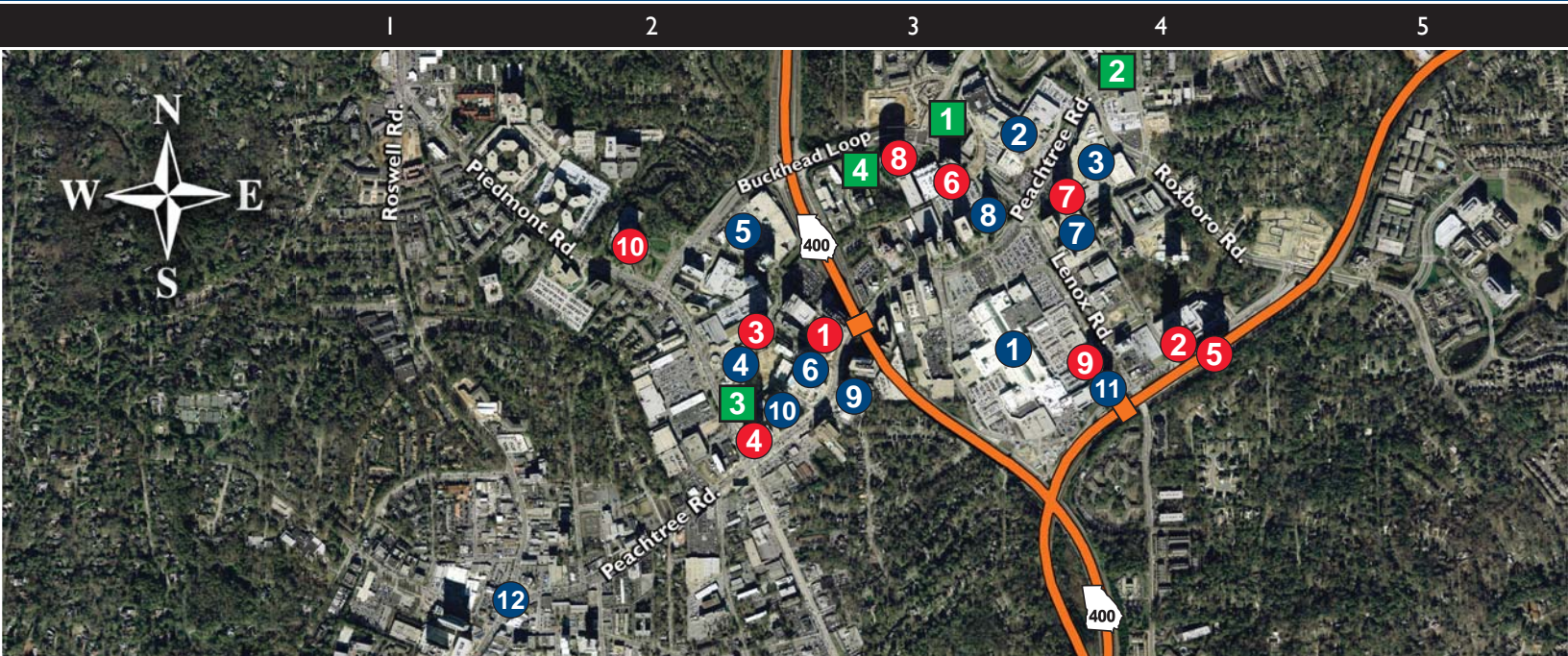
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BUCKHEAD SKYLINE REVIEW

Space Available
 Direct
 Sublet

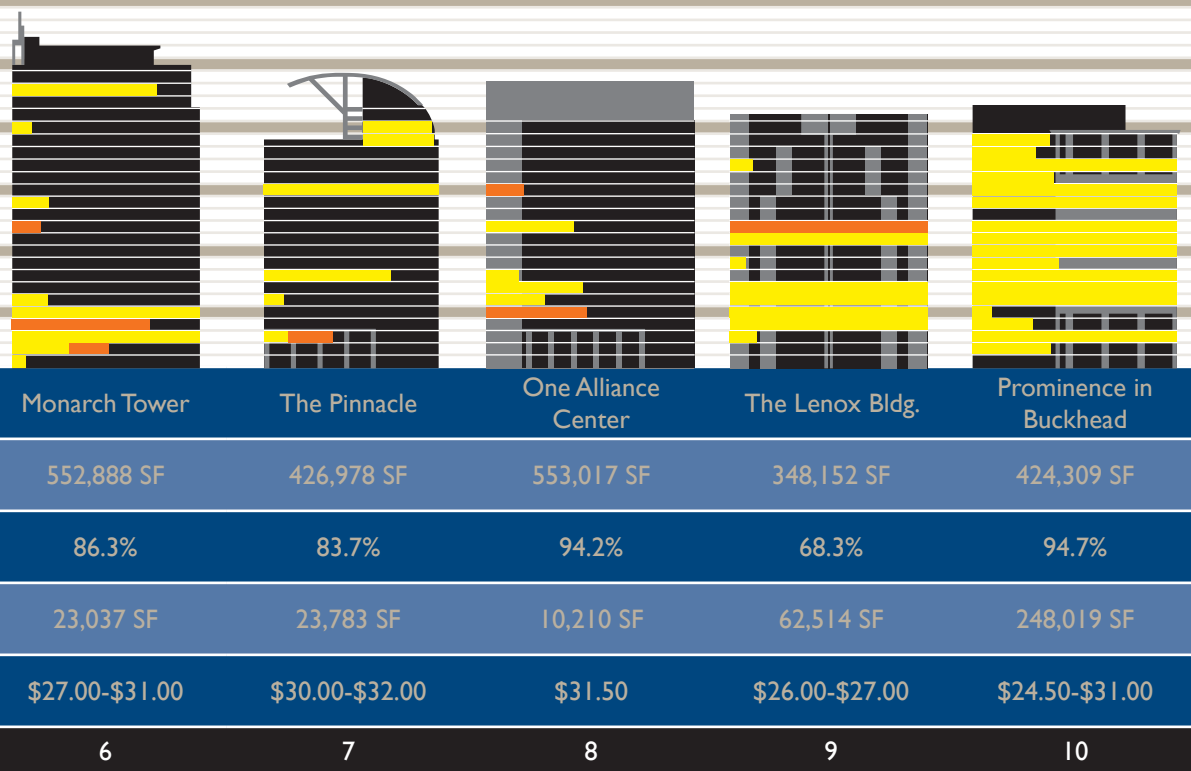


BUILDING	3344 Peachtree	Atlanta Plaza	Tower Place 100	Terminus 100	Resurgens Plaza
RBA	482,699 SF	619,130 SF	609,936 SF	581,874 SF	393,503 SF
% LEASED	70.5%	77.6%	86.8%	98.1%	88.5%
LARGEST SPACE AVAIL.	78,867 SF	64,258 SF	50,640 SF	23,684 SF	23,641 SF
RENTAL RATE PER SF (GROSS)	\$32.00-\$35.00	\$28.00	\$24.50-\$25.50	\$22.00	\$26.50-\$28.50



New Construction

Source: CoStar Property



1
PHIPPS TOWER
 486,000 SF
 Under Construction
 Delivering March 2010
 Developer: Crescent Resources



2
3630 PEACHTREE
 436,585 SF
 Under Construction
 Delivering August 2009
 Developer: Pope & Land






3
TERMINUS 200
 564,945 SF
 Under Construction
 Delivering August 2009
 Developer: Cousins Properties



4
TWO ALLIANCE CENTER
 493,201 SF
 Under Construction
 Delivering September 2009
 Developer: Tishman Speyer

Aerial Legend

-  Buildings by Number (see opposite page)
-  MARTA Rail Line
-  New Construction

Points of Interest

- 1** Lenox Mall
- 2** Phipps Plaza
- 3** Lenox Marketplace
- 4** Tower Walk
- 5** Buckhead Station
- 6** American InterContinental University
- 7** UGA Terry College of Business Campus
- 8** Ritz Carlton
- 9** Intercontinental Hotel
- 10** Grand Hyatt
- 11** JW Marriott
- 12** Buckhead Village

In the News:

- **Marsh relocating to new Buckhead tower:** As reported by the Atlanta Business Chronicle, Marsh & McLennan will be relocating from the company's current office space at Prominence to Two Alliance Center, one of the new office buildings under construction in Buckhead and set to deliver in the third quarter of 2009. The 140,000 SF deal brings the new office tower to 28% leased and is the largest office lease in Buckhead since S1 Corp.'s 180,000 SF deal at One Alliance Center back in 2001.
- **Marsh's new deal opens door for Wells Fargo:** On the heels of Marsh relocating to Two Alliance Center, Wells Fargo is reported as being interested in backfilling half of the space Marsh will be vacating at Prominence. The financial services company is seeking 70,000 SF of office space to consolidate two of its insurance operations in metro Atlanta. The move to Prominence would help increase Wells Fargo's name recognition in the city.
- **Buckhead site eyed for 250-room hotel:** A 3.5-acre parcel located on West Paces Ferry Rd. could be the future site of a mixed-used project to include a 250-room four star hotel, 50 condos and some retail space. A German land trust named 800 Corp. wants to rezone the property so it can be ready to build once demand and development activity return.

AT A GLANCE: TWO ALLIANCE CENTER



- LEED certified, 479,311 SF Class A office tower featuring 25,000 SF floor plates and a 2.5:1,000 rsf parking ratio with all spaces conveniently located underneath the building.
- Located on the Buckhead Loop with immediate access to Buckhead's key transportation arteries including Peachtree Road, Piedmont Road and Georgia 400. In addition, future plans have the project connecting to the Buckhead MARTA station.
- Will have convenient access to Buckhead's major shopping, restaurants and world-class hotels including Phipps Plaza, Lenox Mall and The Ritz-Carlton.
- Scheduled for delivery in Summer 2009.
- Tishman-Speyer is the developer on the project.

COLLIERS SPECTRUM CAUBLE BUCKHEAD LISTINGS



LENOX TOWERS

NORTH TOWER
343 - 5,163 SF Lease
SOUTH TOWER
338 - 17,214 SF Lease

Chandler Spratlin /
Jodi Selvey / Scott O'Halloran



ONE ALLIANCE CENTER

9,228 SF Sublease
Chandler Spratlin / Lee Evans /
Scott O'Halloran



TOWER PLACE 100

1,300 SF Sublease
Michael Lipton

294 OFFICES IN 61 COUNTRIES
ON 6 CONTINENTS

USA 94
Canada 22
Latin America 17
Asia Pacific 64
EMEA 97

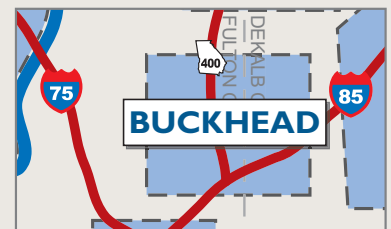
CONTACT INFORMATION

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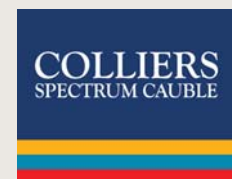
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BUCKHEAD OFFICE SUBMARKET



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