

# Submarket Report

OFFICE | SECOND QUARTER | 2009



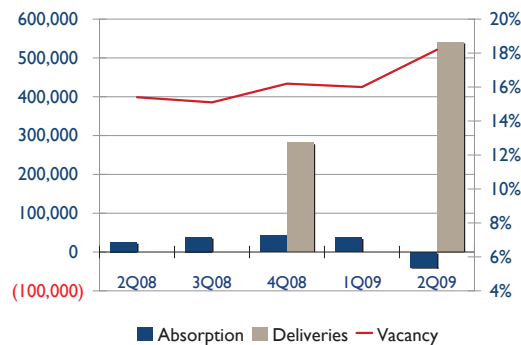
## MARKET INDICATORS

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

## Midtown

## Highlights

## ABSORPTION, DELIVERIES AND VACANCY RATES



## Midtown

Total SF	18,747,882
Vacancy Rate	18.6%
YTD Net Absorption	(1,640)
YTD Deliveries	541,318
Under Construction	719,003
Avg. Class A Rate	\$23.41

Source: CoStar Property

## UPDATE

## RECENT TRANSACTIONS IN THE SUBMARKET

## SALES ACTIVITY

PROPERTY	SALE PRICE	SIZE SQ. FT.	SALES PRICE/SQ. FT.	BUYER
675 Peachtree ('08)	\$345,000,000	1,800,000	\$192	Icahn Enterprises
Pershing Park Plaza	\$32,650,000	159,103	\$205	ELV Associates
22 7th St.	\$1,060,000	3,500	\$303	22 7th Street Prop.

## LEASING ACTIVITY

TENANT	PROPERTY	SIZE SQ. FT.	TYPE
Sutherland Asbil & Brennan	999 Peachtree	240,906	Class A Renewal
Aecom	One Midtown Plaza	51,337	Class A Lease
NPI	The Proscenium	12,968	Class A Sublease

- For the past year, absorption averaged only 20,000 SF per quarter in Midtown. Regardless, this amount is positive. On top of this, leasing activity in the submarket has remained steady despite an overall office market with little demand.
- Second quarter's delivery of 271 17th Street increased the overall vacancy rate in Midtown to 18.2%. The 541,318 SF office building delivered 39% leased, however the lead tenant, BB&T, will not be moving into its 86,000 SF of space until the second half of 2009.
- The short-term and long-term outlook for Midtown remain positive. Leasing activity and demand for office space in the submarket should continue as-is and return quickly once the economy turns around.

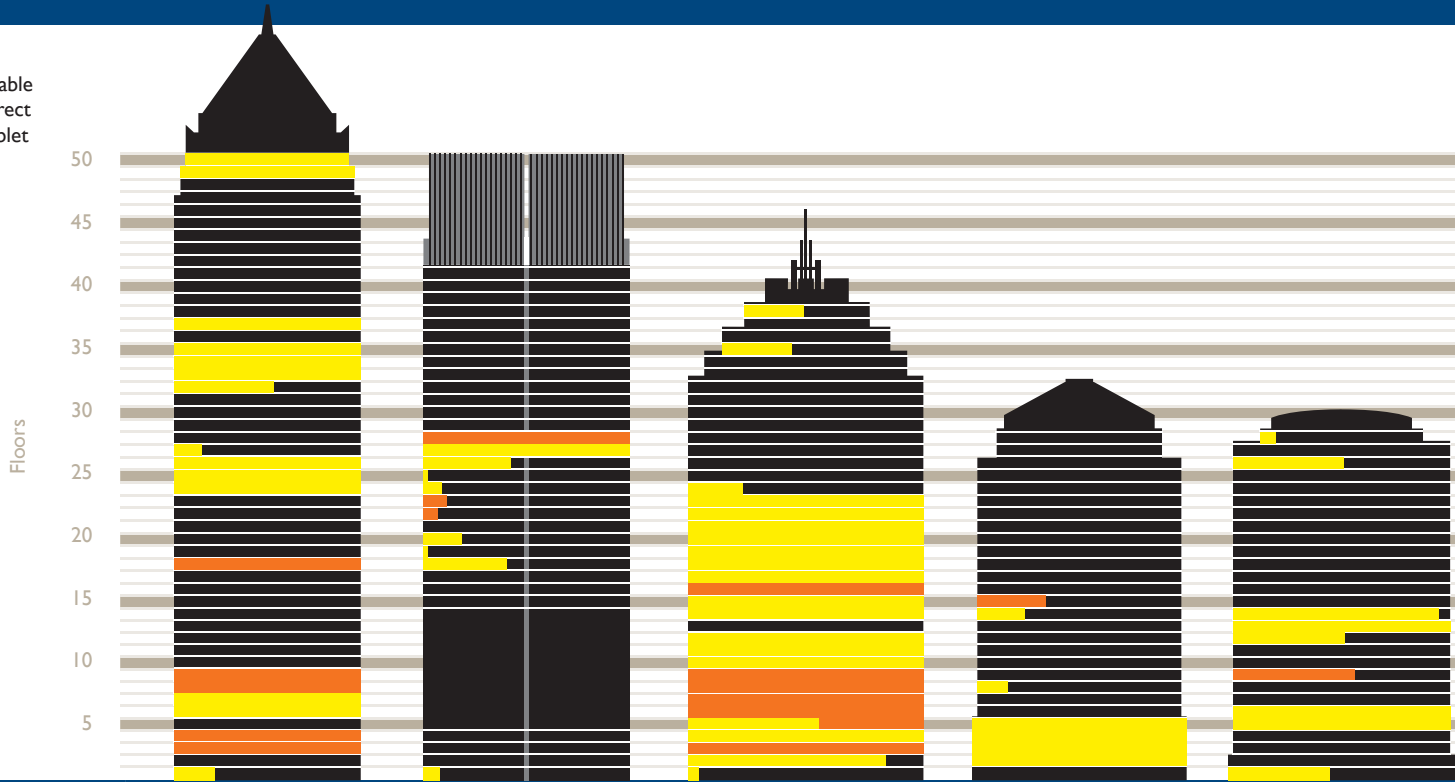
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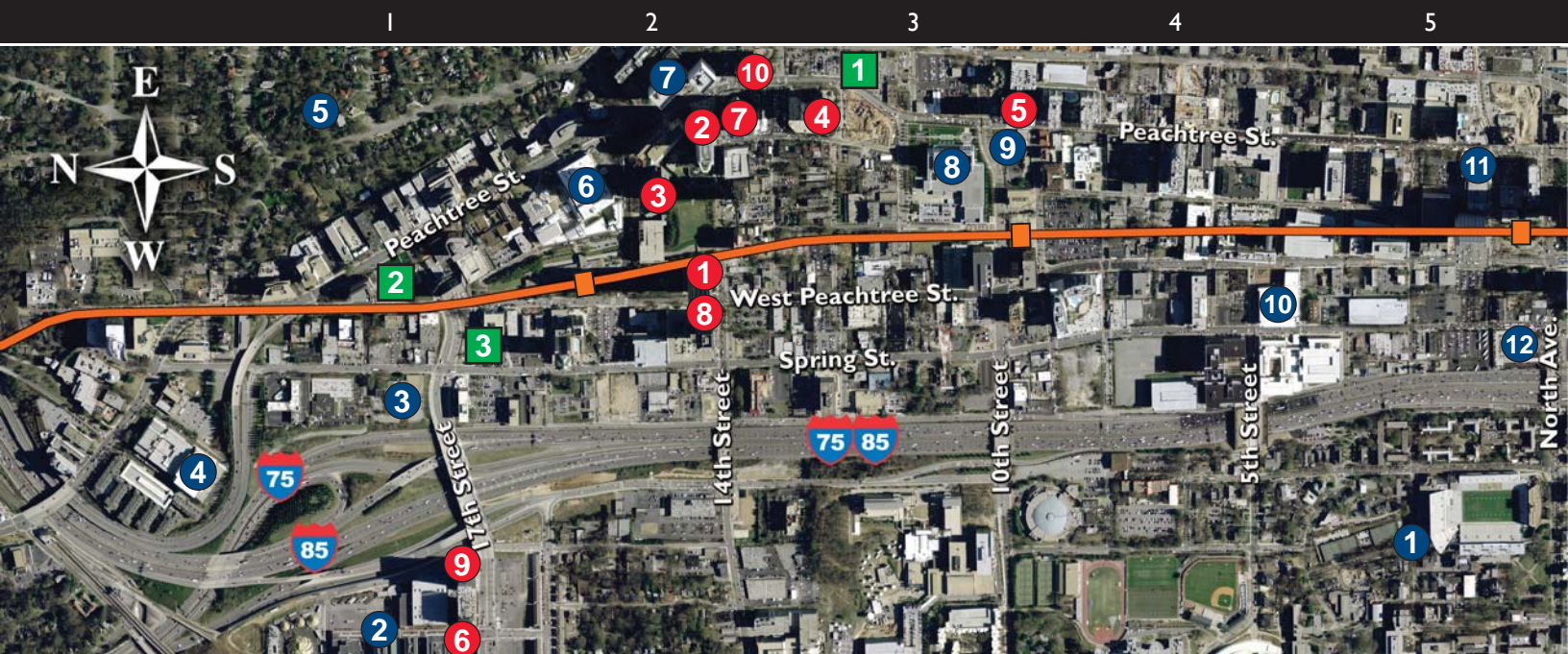
Colliers Spectrum Cauble  
Two Midtown Plaza, Ste 1100  
1349 W Peachtree Street  
Atlanta, GA 30309  
Tel: 404.888.9000  
Fax: 404.870.2845

# MIDTOWN SKYLINE REVIEW

Space Available  
 Direct  
 Sublet



BUILDING	One Atlantic Center	1180 Peachtree	Promenade II	1100 Peachtree	999 Peachtree
RBA	1,100,312 SF	670,700 SF	774,344 SF	581,833 SF	623,144 SF
% LEASED	75.8%	93%	98.3%	84.2%	80.2%
LARGEST SPACE AVAIL.	80,335 SF	21,904 SF	449,000 SF	83,020 SF	52,998 SF
RENTAL RATE PER SF (Gross)	\$30.50-\$36.50	\$39.00-\$40.00	\$27.50	\$29.50-\$31.00	\$27.00-\$29.50



## NEW CONSTRUCTION

Source: CoStar Property



**1**  
**1075 PEACHTREE ST.**  
 725,000 SF  
 Under Construction  
 Delivering 1st Qtr. 2010  
 Developer: Selig/Daniel JV



**6**  
**271 17<sup>TH</sup> STREET**  
 534,120 SF  
 Delivered April 2009  
 Developer: AIG Global/Carter

## PLANNED CONSTR.

**2**  
**1400 PEACHTREE**  
 400,000-500,00 SF Office Tower  
 Mixed-Use Development  
 Developer: Shailendra Group/  
 Jamestown Properties



**3**  
**METROPOLITAN CENTER**  
 570,000 SF Office Tower  
 Mixed-Use Development  
 Developer: Daniel Corp/MetLife/  
 Selig Company

## AERIAL LEGEND

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

## POINTS OF INTEREST

- 1** Georgia Tech
- 2** Atlantic Station
- 3** Center for Puppetry Arts
- 4** Savannah College of Art & Design
- 5** Ansley Park
- 6** Woodruff Arts Center
- 7** Colony Square
- 8** Federal Reserve
- 9** Margaret Mitchell House & Museum
- 10** Technology Square
- 11** The Fox Theater
- 12** The Varsity

## In the News:

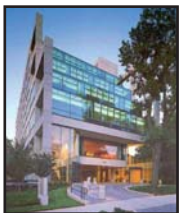
- **Wieland to sell site for proposed Midtown luxury condo, gallery:** Local developer John Wieland has decided to offer a nearly 2 acre parcel of land he purchased in 2006 & 2007 for sale to interested parties. The site sits across from the High Museum and is being marketed for \$19.8 million. It is zoned for multiple uses including office, hotel, residential and retail. Original plans called for a 23-story building with 96 condos and a 15,000 SF art gallery, but Wieland put those plans on hold as the economy worsened. He is now in the process of reconfiguring plans for the site, but has also stated selling the land as being an option.
- **Economy slows big plans for Peachtree Street shopping district:** Plans along Peachtree Street's "Midtown Mile" are still on track, but current times have slowed progress. With the exception of the 12th & Midtown project, much of the development along the soon-to-be infamous corridor is on hold thanks to the recession and over-supply of retail. Because of these factors, the "official" completion of the "Midtown Mile" shopping district is years away. Only half of the anticipated 1-million square feet of retail is complete.
- **Atlantic Station's third office building delivers:** 271 17th Street delivered in second quarter adding 541,318 SF to the Midtown office market. The third office tower in the Atlantic Station development is currently 39% leased with BB&T as the lead anchor in the building.

### AT A GLANCE: 12TH & MIDTOWN



- 2.5 million square foot mixed-use development being developed by Daniel Corporation and Selig Enterprises.
- Phase 1 to be a 35-story high-rise with 443 residences and up to 50,000 SF of flagship retail and dining space. Currently under construction.
- Phase 2 will include a 725,000 SF Class A office tower, up to 60,000 SF of flagship retail and a 414-room luxury hotel topped with 60 signature condos. Currently under construction.
- Phase 3 to feature an additional 500,000 SF Class A office tower, 40,000 SF of flagship retail and a boutique, five-star hotel.

### COLLIERS SPECTRUM CAUBLE MIDTOWN LISTINGS



#### 1315 PEACHTREE

55,000 SF For Sale  
Jeff Kelley / Bob Ward /  
Pete Shelton



#### NORTHSIDE CENTER

53,100 SF Lease  
Jodi Selvey



#### 400 TRABERT AVE.

10,428 SF Lease;  
10,428 SF Sale  
Jeff Kelley / Bob Ward /  
Pete Shelton



#### THE PROSCENIUM

2,930 SF Sublease  
Pete Shelton / Bob Allen



#### 909 W. PEACHTREE

12,000 SF Lease  
Russ Jobson / Bob Allen



#### 1736 DEFOOR PL.

7,000 SF Lease  
Michael Lipton

294 OFFICES IN 61 COUNTRIES  
ON 6 CONTINENTS

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

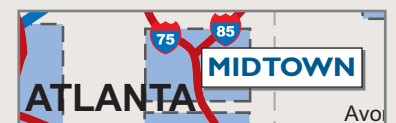
### CONTACT INFORMATION

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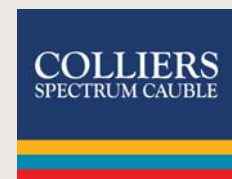
### COLLIERS SPECTRUM CAUBLE OFFICE SPECIALISTS

Bob Allen	Scott O'Halloran
Patrick Braswell	Hugh Pafford
Lee Evans	Jodi Selvey
Russ Jobson	Fred Sheats
Nicole Kamen	Pete Shelton
Jeff Kelley	Chandler Spratlin
Brett Kingman	John Thornton
Michael Lipton	Andrew Walker
Bob Mathews	Bob Ward

### MIDTOWN OFFICE SUBMARKET



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