

Submarket Report

OFFICE | SECOND QUARTER | 2009



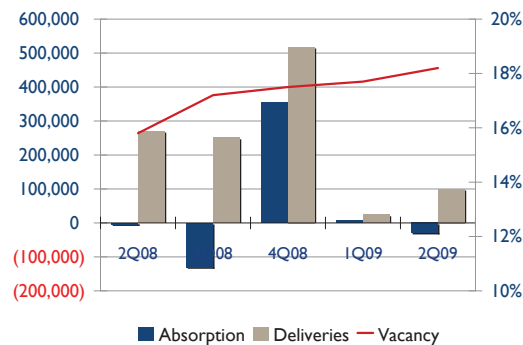
MARKET INDICATORS

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

North Fulton

Highlights

ABSORPTION, DELIVERIES AND VACANCY RATES



North Fulton

Total SF	24,757,503
Vacancy Rate	18.2%
YTD Net Absorption	(21,649)
YTD Deliveries	124,000
Under Construction	35,350
Avg. Class A Rate	\$19.92

Source: CoStar Property

UPDATE

RECENT TRANSACTIONS IN THE SUBMARKET

SALES ACTIVITY

PROPERTY	SALE PRICE	SIZE SQ. FT.	SALES PRICE/SQ. FT.	BUYER
4300 Northpoint Pky ('08)	\$8,000,000	60,795	\$131.59	Hanjin Shipping Co.
120 Bluegrass Valley Pky.	\$5,150,000	57,354	\$89.79	Bluegrass Valley LLC
Parkside Crossing A ('08)	\$1,500,000	14,726	\$101.86	Staff Tech Investments

LEASING ACTIVITY

TENANT	PROPERTY	SIZE SQ. FT.	TYPE
Philips Electronics	One Deerfield Centre	109,697	Class A Lease
Kaplan Education	1015 Windward Ridge Pky.	96,900	Class B Lease
AdvancED	Westside Pky./Maxwell Rd.	60,000	Class A Build-To-Suit

- Although North Fulton office absorption was negative in the second quarter, leasing activity in the submarket picked up over the past three months. The largest lease transaction occurring was Philips Electronics signing for 109,697 SF at One Deerfield Centre.
- Available subleases increased yet again in North Fulton. Since the beginning of the year, just over 100,000 SF of sublease space has been added to the submarket. Central Perimeter is the only other submarket to add more during this time.
- North Fulton is expected to finish the second half of 2009 better than the first half. Office absorption should end the year positive with the submarket being one of the stronger office markets of 2009.

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In the News:

- **Royal Philips moving from Central Perimeter to North Fulton:** Philips Electronics recently announced plans to vacate its current office space of 184,000 SF in the Central Perimeter submarket, relocating to 116,000 SF in the North Fulton submarket at One Deerfield Centre. The company had been scouting potential deals for months but ultimately decided the North Fulton office was a better suited location for mixing product sales with technical support. Philips will be occupying its new office space in October 2009.
- **BlackBerry developer expands in Atlanta:** A 40-acre site in North Fulton near North Point Mall has been chosen by BlackBerry developer, Research In Motion (RIM), as the location for a new data center which sources report as being one of the largest and most reliable facilities in the region. The anticipated building will be a Tier 3 or Tier 4 facility which is considered to be a high level data center. Estimates say the building will be approximately 200,000 SF with possibly 60,000 SF of “raised space” for servers and computer equipment. The announcement comes as part of RIM’s growth strategy to expand into markets close to customers - AT&T Mobility is a major customer of RIM and is headquartered in the Atlanta area. The North Fulton location was chosen because it is considered to be the technology corridor of Atlanta and home to one of the best fiber-optic infrastructures in the state. Approximately 200 high-tech jobs will be created by RIM’s expansion into the Atlanta market.

AT A GLANCE:
PROSPECT PARK



- \$745 million luxury, mixed-use development on 85 acres in Alpharetta.
- Project to include 156-room boutique hotel with 82 residences, 750,000 SF of retail space, two mid-rise office buildings totaling 250,000 SF and other amenities including a 75,000 SF multiplex cinema.
- Slated to open May 2010.
- Developer Thomas Enterprises will lease and manage the project.

COLLIERS SPECTRUM CAUBLE NORTH FULTON LISTINGS



ROYAL CENTRE

1,723-30,000 SF Lease
Chandler Spratlin /
Lee Evans / Scott O’Halloran



100 WINDWARD FORREST

4,289-44,105 SF Lease
Patrick Braswell /
Chandler Spratlin



JOHNS CREEK MEDICAL PLAZA

90,000 SF Lease
Chandler Spratlin



LAKE @ NORTHPOINT

2,949-15,623 SF Lease
Chandler Spratlin /
Lee Evans / Scott O’Halloran



SWAN BLDG.

2,232-9,862 SF Lease
Brett Kingman / Jeff Kelley



PARKSIDE TERRACE W.

16,541 SF Sublease
Patrick Braswell /
Andrew Walker

294 OFFICES IN 61 COUNTRIES
ON 6 CONTINENTS

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

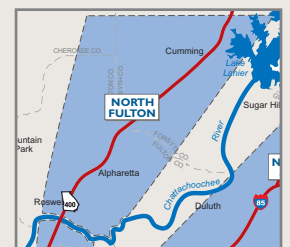
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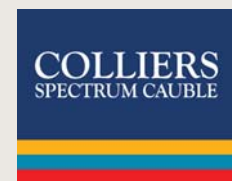
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NORTH FULTON OFFICE SUBMARKET



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