



ATLANTA MARKET REPORT



Excerpts from CoStar's 3rd Quarter 2010 Atlanta Retail Market Report

Atlanta's retail market experienced its worst quarter of the year so far in third quarter. Retail absorption was negative (602,189) square feet, pushing the year-to-date total into negative territory of (407,984) square feet. As a result of the drop in occupancy, the overall retail vacancy rate increased to 10.6%. The total amount of vacant space in the Atlanta retail market now stands at 34,082,241 square feet. Despite the rough quarter, Atlanta's retail market is starting to show signs of stabilizing. The total amount of retail occupancy loss is slowing, as seen when comparing this year's net absorption to 2009's total loss of negative (2,045,796) square feet. The following are excerpts from CoStar's 3rd Quarter 2010 analysis of the Atlanta retail market breaking out the important components which factor into overall market conditions.

Net Absorption

"Retail net absorption was moderately negative in Atlanta third quarter 2010, with negative (602,189) square feet absorbed in the quarter." For the year, retail absorption now amounts to negative (407,984) square feet. Tenants moving into large blocks of space in 2010 include: Costco moving into 148,000 square feet at Town Brookhaven and The Dump moving into 140,469 square feet at Lindbergh Plaza."

Vacancy

"Atlanta's retail vacancy rate increased in the third quarter 2010, ending the quarter at 10.6%. Over the past four quarters, the market has seen an overall increase in the vacancy rate, with the rate going from 10.4% in the fourth quarter 2009, to 10.6% in the current quarter."

Rental Rates

"Average quoted asking rental rates in the Atlanta retail market are down over previous quarter levels, and down from their levels a year ago. Quoted rents ended the third quarter 2010 at \$13.77 per square foot," [down \$0.37 per square foot from second quarter 2010 and down \$0.99 per square foot from a year ago].

Inventory & Construction

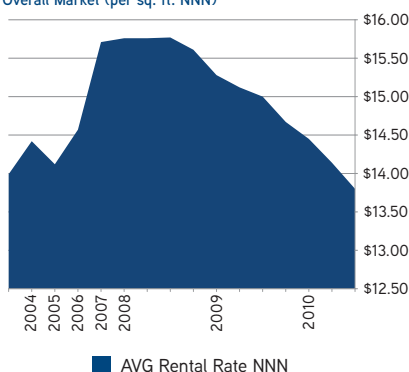
"During the third quarter 2010, four buildings totaling 30,580 square feet were completed in the Atlanta retail market. Over the past four quarters, a total of 399,391 square feet of retail space has been built in Atlanta. There were 592,598 square feet of retail space under construction at the end of third quarter 2010. Total retail inventory in the Atlanta market area amounted to 321,906,822 square feet in 18,964 buildings and 3031 centers as of the end of the third quarter 2010."

MARKET INDICATORS

	FALL 2010	SPRING '11 Proj.
VACANCY	↑	—
NET ABSORPTION	↓	↑
CONSTRUCTION	↑	↓
RENTAL RATE	↓	↓
CAP RATES	↓	↓

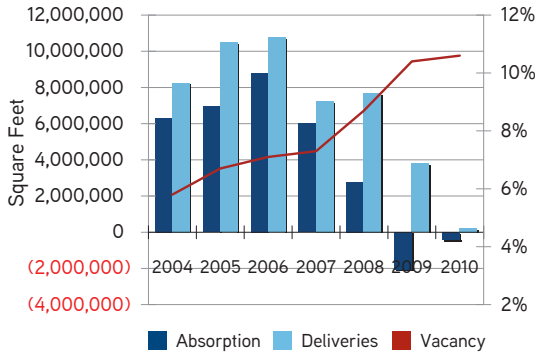
UPDATE

Atlanta Retail Rental Rates
Overall Market (per sq. ft. NNN)



SOURCE: CoSTAR PROPERTY

NEW SUPPLY, ABSORPTION AND VACANCY RATES



NOTE: 2010 DATA IS YEAR TO DATE

SOURCE: CoSTAR PROPERTY

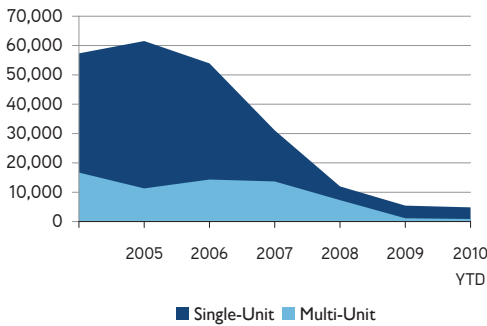
Total SF 321,906,822
 Vacancy Rate 10.6%
 2010 Absorption (407,984)
 2010 Deliveries 221,076
 Under Construction 592,598
 Avg. Rental Rate NNN \$13.77/sf

480 offices in
 61 countries on
 6 continents

United States: 135
 Canada: 39
 Latin America: 17
 Asia Pacific: 194
 EMEA: 95

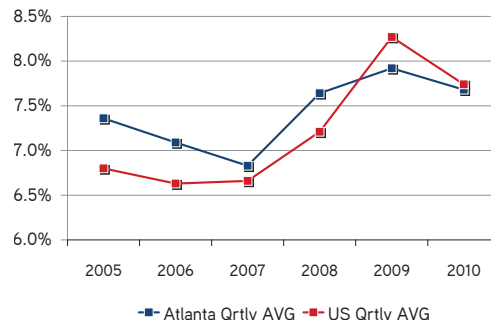
- \$2 billion in annual revenue
- Over 2 billion square feet under management
- Over 15,000 professionals

ATLANTA-MSA | Annual Housing Permits



SOURCE: U.S. CENSUS BUREAU

ATLANTA RETAIL | Investment Cap Rates



SOURCE: REAL CAPITAL ANALYTICS

UPDATE Recent Transactions in the Market

SALES ACTIVITY

PROPERTY	SALES DATE	SALE PRICE	SIZE SF	PRICE/SF	BUYER
Midtown Place	4/12/2010	\$34,350,000	270,690	\$126.90	Coro Realty Advisors
2789,2799 Piedmont Rd.	5/19/2010	\$30,364,500	149,012	\$203.77	The Baran Company
Duluth Station	7/30/2010	\$8,275,000	94,986	\$87.12	Forge Capital Prtnrs.
McDonough Marketplace	9/30/2010	\$7,700,000	53,297	\$144.47	Rivercrest Realty
Orchard Square	9/8/2010	\$7,450,000	93,222	\$79.92	Westwood Financial
The Paragon at Satellite	6/30/2010	\$6,500,000	175,000	\$37.14	NDI Mgmt. & Dev.

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