

# Large Vacancies Impact Atlanta's Office Market in Q3

## Key Takeaways

- › Atlanta's office market experienced its second consecutive quarter of negative absorption in Q3 following a number of large vacancies taking place; and also Q2 revisions reversing positive results.
- › Most of the positive gains this quarter occurred in the Downtown submarket which saw over 230,000 square feet of office absorbed. North Fulton had its worst quarter since statistics have been consistently tracked, losing almost 360,000 square feet of tenants.
- › Despite Q3's negative outcome, Atlanta's overall office vacancy rate showed no significant change from last quarter, up only 10 basis points (0.1%). Average rents increased yet again as well.
- › Construction activity picked up this quarter with eight buildings breaking ground. The largest of these was the 330,000 sq. ft. office building at The Battery which will be anchored by Thyssenkrupp's North American headquarters.
- › As mentioned in the previous quarter, large anticipated vacancies are having their affect on Atlanta's overall office performance. Because of this, 2018 absorption is not expected to change much from its current year-to-date level.

### Atlanta Office Market

The Atlanta office market finished the third quarter with its second consecutive period of negative absorption following large vacancies in Q3 and stats adjustments from last quarter. For third quarter, large move-outs, most of which were anticipated, led to Atlanta seeing just over 117,000 square feet of negative absorption. The largest contributor to the negative activity over the past six months is AT&T which has so far vacated over a half a million square feet in the Atlanta market as part of the company's consolidation of office space announced earlier this year. Elsewhere, North Fulton took a big hit this quarter posting its worst three months of negative absorption ever. Contributing to the 360,000 square feet of move-outs were Comcast,

### Market Indicators

Relative to prior period

	ATL Q3 2018	ATL Q4 2018*
VACANCY	-	-
NET ABSORPTION	■	+
CONSTRUCTION	↑	↓
RENTAL RATE	↑	↑
CAP RATES	-	-

\*Projected

### Summary Statistics

Atlanta Office Market

	ATL Market	ATL Class A	ATL Class B
Vacancy Rate	13.8%	14.8%	13.8%
Change From Q2 2018	0.1%	0.1%	0.1%
Year-Over-Year Change	0.4%	0.7%	0.1%
Absorption YTD (Thousands Square Feet)	427	307	63
Construction Deliveries YTD (Millions Square Feet)	1.6	1.5	0.1
Under Construction (Millions Square Feet)	4.5	4.3	0.2

### Asking Rents

Per Square Foot Per Year

Average Quoted	\$25.75	\$29.75	\$19.45
Change From Q2 2018	3.1%	2.1%	0.8%
Year-Over-Year Change	8.6%	5.3%	6.4%

## Atlanta Office Market (continued)

State Farm, and General Motors. Comcast vacated its 109,000 square foot office at 4700 North Point as it focuses on a new customer service model that favors more full-time positions than part-time. Some of the jobs lost here have been relocated to other offices the company occupies in the city. For State Farm, the office closure in North Fulton is due to consolidation to its new campus in Dunwoody. General Motors consolidated from its Windward location to another office in the submarket. On the whole, Downtown was essentially the only submarket in Atlanta's office market to see strong positive growth this quarter, leading the metro area in occupancy gains. A net total of 230,000 square feet was absorbed here bringing the year-to-date total for the submarket to its highest level in ten years. Most of the activity in Q3 can be attributed to a number of full floor occupancies; and no large move-outs taking place.

Although the increase in vacancy levels over the past six months appears to be detrimental to overall market conditions, Atlanta's office vacancy rate is up only 40 basis points (0.4%) from the start of the year. In addition, absorption remains in positive territory year-to-date. Office leasing activity in Q3 was steady and fluid throughout the quarter with demand for regional and national headquarter expansions dominating the headlines. At the top of the list is Thyssenkrupp announcing it would anchor a new 330,000 square foot office tower adjacent to SunTrust Park for its North American headquarters. The German conglomerate also announced it would be leasing 67,000 square feet at Pennant Park (formerly Interstate North) for its business headquarters. Lastly, a new 420-foot innovation center and elevator-testing tower will also be a part of the new Battery office complex, making it the highest building in the Cumberland/Galleria area. Demand of this type continues to drive Atlanta's overall asking rental rates to record levels.

## UPDATE - Recent Transactions in the Market

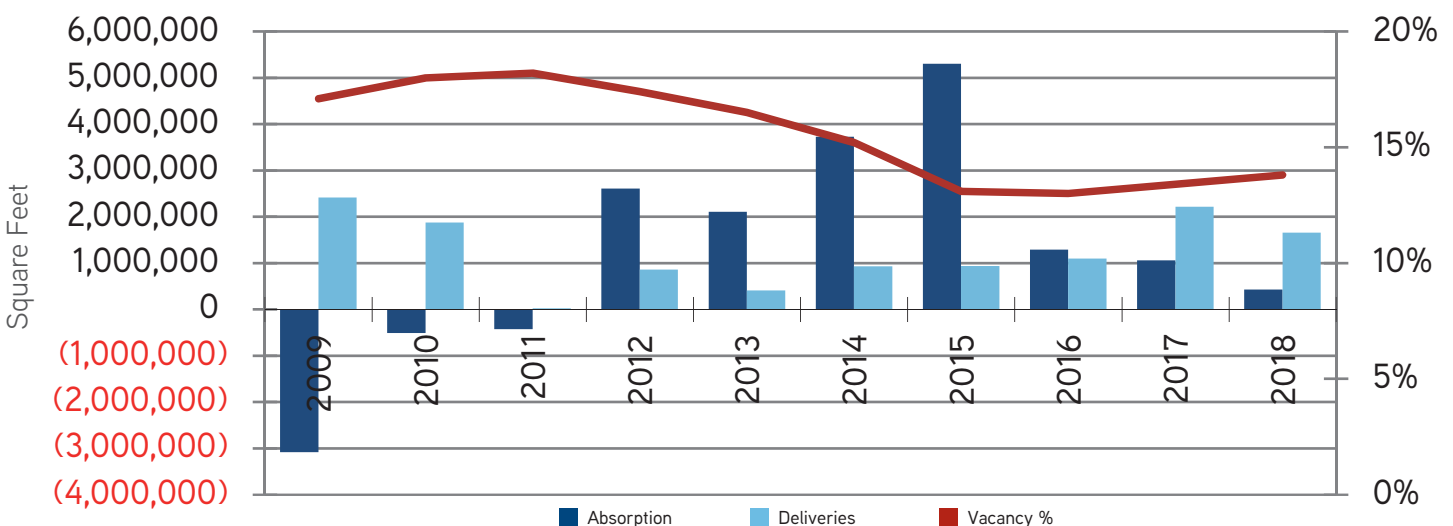
### Notable Leasing Activity

TENANT	PROPERTY	SUBMARKET	LANDLORD	SIZE (SF)	TYPE
Thyssenkrupp	The Battery Office	Northwest Atlanta	Atlanta Braves	210,000	Class A Prelease
Hi-Rez Studios	3750 Brookside Pkwy.	North Fulton	OA Development	75,748	Class B Renewal & Expansion
Axis Capital	10000 Avalon	North Fulton	Hines/Cousins	75,000	Class A Prelease
OneTrust	600 Northpark	Central Perimeter	Cousins Properties	72,866	Class A Lease
Thyssenkrupp	3100 Interstate North	Northwest Atlanta	Rubenstein Partners	67,002	Class A Lease

### Notable Sales Activity

PROPERTY	SUBMARKET	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
Lenox Park	Buckhead	8/9/2018	\$251,500,000	1,040,327	\$241.75	Bridge Commercial RE
The Palisades Office Park	Central Perimeter	7/31/2018	\$121,000,000	638,915	\$189.38	Oaktree Capital Mgmt.
7000 Central Park	Central Perimeter	7/2/2018	\$104,800,000	415,324	\$252.33	Starwood Capital Group
Buckhead Tower @ Lenox Sq.	Buckhead	8/15/2018	\$96,500,000	348,152	\$277.18	TPA Group, LLC
Town Park Commons	Northwest Atlanta	8/3/2018	\$73,250,000	349,247	\$209.74	Adventus Realty Services

## Historical Absorption, Deliveries and Vacancy Rates



## Vacancy & Availability

- > The office vacancy rate in Atlanta remained relatively level this quarter, increasing only slightly from Q2 due to negative absorption.
- > Large, anticipated move-outs were plentiful this quarter which tempered positive occupancy gains in the market. AT&T's consolidation continues to be the largest of these. To date, the company has put up to 500,000 square feet of space back on the market with even more expected in Q4.
- > Successful preleasing efforts have led to the start of four large office projects. In total, over 635,000 square feet of new Class A product is currently available in these buildings.
- > Stronger occupancy gains are expected next quarter; however, large vacancies will continue to put upwards pressure on the office vacancy rate. All in all, the rate is projected to end the year close to where it is now.

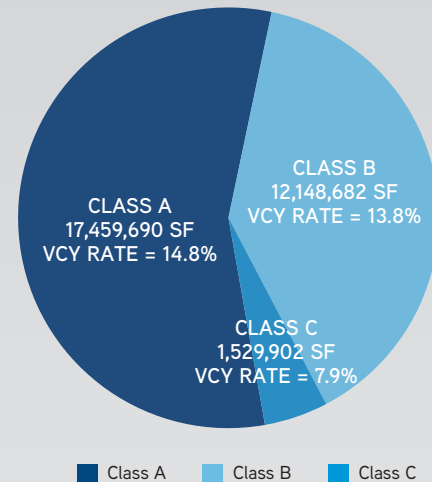
## Absorption & Leasing Activity

- > With its second consecutive quarter of negative absorption, the year-to-date total for Atlanta's office market now drops to just under 430,000 square feet.
- > Downtown led the market in Q3, and was practically the only submarket to see strong occupancy gains. North Fulton experienced its worst quarter ever as large vacancies piled up in the suburban submarket.
- > Despite the quarter's negative outcome, overall leasing activity was strong. Preleases at 10000 Avalon and The Battery developments helped kick off these projects. Additionally, Pandora's lease and Starbucks' impending lease in Midtown were big wins for the submarket.
- > As mentioned, tenant move-in activity in the final quarter of the year should be stronger. Anticipated move-outs, however, will lessen the net absorption total. Because of this, office absorption for all of 2018 will likely remain below earlier projections of 1 million square feet.

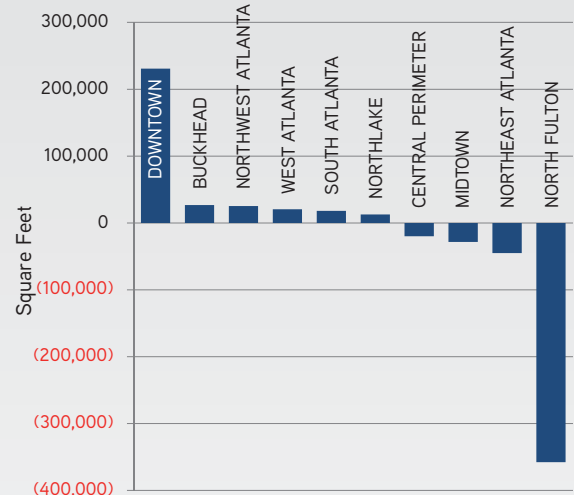
## Rental Rates

- > Atlanta saw its overall quoted rental rate average for office increase 3.1% from last quarter. This represents the 18th consecutive period rents have increased in the market. Over this time the average has increased 31.5%.
- > Continued leasing demand, in conjunction with new office product beginning construction have raised the Class A average rent to new record levels. First generation space in these new office buildings is being quoted at rates upwards of \$50 per square foot.
- > Even with two quarters of occupancy losses, there does not appear to be any slowing yet of rental rate increases in the Atlanta market.

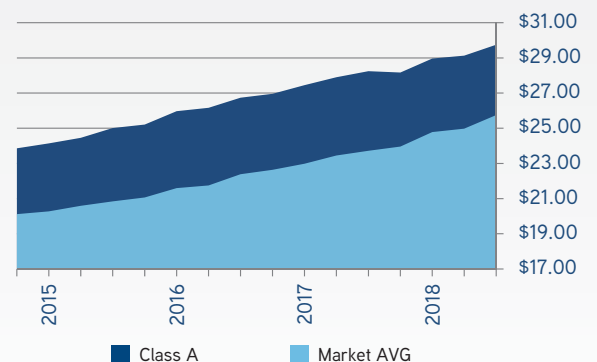
### Q3 2018 | Vacant Space By Type



### Q3 2018 | Net Absorption By Submarket



### Q3 2018 | Atlanta Rental Rates Overall Market & Class A (per sq. ft.)



Sources: CoStar Property, Colliers Research

## Construction

- > Anchor leases by Insight Global, Thyssenkrupp, and Axis Capital kicked off the start of three major office buildings this quarter totaling almost 1 million square feet.
- > With six 'for lease' buildings breaking ground in the third quarter, this type of office construction activity is at its highest level since 2009.
- > Construction levels could rise even further by year's end should certain market prospects sign anchor leases.

## Investment Activity

- > Office investments picked up in the third quarter with just over \$1 billion trading hands. Assets in Buckhead and Central Perimeter topped the list of the highest priced transactions.
- > So far office investment activity in Atlanta is ahead of the volume transacted this time last year. The final quarter of 2017, however, saw almost \$1.5 billion sold. Given the limited amount of high-quality offerings on market, it is unlikely 4Q18 will see this same amount.

## DEFINITIONS

**Absorption (Net)**-The net change in occupied space over a given period of time, calculated by summing all the positive changes in occupancy and subtracting all the negative changes in occupancy.

**Vacancy Rate**-A percentage of the total amount of physically vacant space divided by the total amount of existing inventory.

**Vacant Space**-Space that is not currently occupied by a tenant, regardless of any lease obligation on the space.

**Sublease Space**-Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation.

**Deliveries**-Buildings that complete construction during a specified period of time. A certificate of occupancy must have been issued for the property for it to be considered delivered.

**Leasing Activity**-The volume of square footage that is committed to and signed for under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity for buildings under construction or planned.

**Build-to-Suit**-A term describing property that was developed specifically for a certain tenant to occupy. Can be either leased or owned by the tenant.

**Class A Office**-A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sales prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality floor plans.

**Class B Office**-A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sales prices compared to Class A properties. Such properties have ordinary design, lack prestige and generally must depend on a lower rent/sales price to attract tenants/investors.

### Construction Activity (100,000 SF+)

PROPERTY	SUBMARKET	SIZE (SF)	DELIVERY DATE
Coda - 771 Spring Street	Midtown	760,000	First Quarter 2019
State Farm Phase II	Central Perimeter	670,000	Fourth Quarter 2019
725 Ponce de Leon Ave.	Midtown	370,931	Second Quarter 2019
Anthem Technology Center	Midtown	352,000	Second Quarter 2020
Twelve24	Central Perimeter	335,000	Fourth Quarter 2019
The Battery Office	Northwest Atlanta	330,000	First Quarter 2021
NCR Headquarters - Phase II	Midtown	277,000	Fourth Quarter 2018
Jackson Healthcare Expansion	North Fulton	267,000	First Quarter 2019
10000 Avalon	North Fulton	246,000	Second Quarter 2019
T3 West Midtown	Midtown	230,000	Second Quarter 2019
1 Edison	North Fulton	107,991	Second Quarter 2019
Halcyon Office - Bldg. 1200	North Fulton	100,000	Second Quarter 2019

## Outlook

The outlook for Atlanta's office market remains solid in spite of the negative outcomes over the past couple of quarters. Taking away Q3's large move-outs, the market actually absorbed almost 715,000 square feet of office space. Even in good economic times, companies are constantly evaluating their real estate strategies, seeking cost savings when and where needed via space consolidation, restructuring, and/or closing business units. Each of these has been the case in Atlanta recently. Overall, what is most important is the steady performance of positive economic indicators in the metro area. Year-over-year job numbers have averaged +50,000 in 2018. While industrial jobs have seen the bulk of the additions, growth in office-using employment has remained stable. Furthermore, office leasing demand persists, as noted by the recent announcements of new headquarters expansions in Atlanta including Pandora Media, Thyssenkrupp, and Starbucks. Nevertheless, the final quarter of the year will see further sizeable vacancies hit the market limiting the positive expansions taking place. Because of this, it is unlikely Atlanta's net office absorption will reach the positive level of 1 million square foot projected earlier in the year. On the flipside, a number of the leasing transactions that have taken place will provide a significant boost to occupancy levels in the coming year.



# Atlanta Office Market Update

Existing Properties				Vacancy			Absorption		Deliveries		U/C	Rent			
CLASS	BIDGOS	EXISTING INVENTORY (SF)	DIRECT VACANCY (SF)	DIRECT VCY %	SUBLET VACANCY (SF)	SUBLET VCY %	TOTAL VACANCY (SF)	VCY CURR QTR %	VCY PRIOR QTR %	NET ABSORP CURR (SF)	NET ABSORP YTD (SF)	NEW SUPPLY CURR (SF)	NEW SUPPLY YTD (SF)	UNDER CONSTR (SF)	AVG RENT RATE

URBAN															
DOWNTOWN															
A	24	13,641,732	2,268,237	16.6%	103,790	0.8%	2,372,027	17.4%	18.6%	167,828	237,195	-	-	-	\$27.20
B	85	10,011,325	691,339	6.9%	-	-	691,339	6.9%	7.0%	64,207	207,915	61,000	61,000	63,000	\$23.35
C	71	3,842,822	352,121	9.2%	1,050	0.0%	353,171	9.2%	9.2%	(1,183)	16,911	-	-	-	\$18.76
<b>Total</b>	<b>180</b>	<b>27,495,879</b>	<b>3,311,697</b>	<b>12.0%</b>	<b>104,840</b>	<b>0.4%</b>	<b>3,416,537</b>	<b>12.4%</b>	<b>13.1%</b>	<b>230,852</b>	<b>462,021</b>	<b>61,000</b>	<b>61,000</b>	<b>63,000</b>	<b>\$25.93</b>

MIDTOWN															
A	49	17,726,332	1,758,990	9.9%	170,840	1.0%	1,929,830	10.9%	10.4%	(94,725)	261,524	-	485,000	1,989,931	\$37.19
B	101	4,858,683	186,901	3.8%	4,895	0.1%	191,796	3.9%	5.1%	57,748	2,519	-	20,149	13,687	\$26.71
C	39	929,499	41,016	4.4%	-	-	41,016	4.4%	5.3%	8,607	12,478	-	-	-	\$26.47
<b>Total</b>	<b>189</b>	<b>23,514,514</b>	<b>1,986,907</b>	<b>8.4%</b>	<b>175,735</b>	<b>0.7%</b>	<b>2,162,642</b>	<b>9.2%</b>	<b>9.1%</b>	<b>(28,370)</b>	<b>276,521</b>	<b>-</b>	<b>505,149</b>	<b>2,003,618</b>	<b>\$35.97</b>

BUCKHEAD															
A	55	17,101,169	2,500,287	14.6%	132,116	0.8%	2,632,403	15.4%	15.5%	26,364	78,047	-	-	-	\$35.56
B	55	3,810,531	230,998	6.1%	7,665	0.2%	238,663	6.3%	6.1%	(7,510)	(11,320)	-	-	49,200	\$25.30
C	38	868,610	13,776	1.6%	-	-	13,776	1.6%	2.5%	7,880	18,177	-	-	-	\$23.01
<b>Total</b>	<b>148</b>	<b>21,780,310</b>	<b>2,745,061</b>	<b>12.6%</b>	<b>139,781</b>	<b>0.6%</b>	<b>2,884,842</b>	<b>13.2%</b>	<b>13.4%</b>	<b>26,734</b>	<b>84,904</b>	<b>-</b>	<b>-</b>	<b>49,200</b>	<b>\$34.63</b>

URBAN TOTAL															
A	128	48,469,233	6,527,514	13.5%	406,746	0.8%	6,934,260	14.3%	14.5%	99,467	576,766	-	485,000	1,989,931	\$33.32
B	241	18,680,539	1,109,238	5.9%	12,560	0.1%	1,121,798	6.0%	6.3%	114,445	199,114	61,000	81,149	125,887	\$25.12
C	148	5,640,931	406,913	7.2%	1,050	0.0%	407,963	7.2%	7.5%	15,304	47,566	-	-	-	\$22.75
<b>Total</b>	<b>517</b>	<b>72,790,703</b>	<b>8,043,665</b>	<b>11.1%</b>	<b>420,356</b>	<b>0.6%</b>	<b>8,464,021</b>	<b>11.6%</b>	<b>11.9%</b>	<b>229,216</b>	<b>823,446</b>	<b>61,000</b>	<b>566,149</b>	<b>2,115,818</b>	<b>\$32.18</b>

SUBURBAN															
CENTRAL PERIMETER															
A	78	22,090,149	3,060,444	13.9%	285,513	1.3%	3,345,957	15.1%	14.5%	(138,023)	52,033	-	580,250	1,005,000	\$30.19
B	135	6,455,009	993,545	15.4%	9,002	0.1%	1,002,547	15.5%	17.3%	114,276	159,511	-	-	-	\$21.55
C	68	1,201,111	71,933	6.0%	-	-	71,933	6.0%	6.3%	3,783	22,509	-	-	-	\$15.37
<b>Total</b>	<b>281</b>	<b>29,746,269</b>	<b>4,125,922</b>	<b>13.9%</b>	<b>294,515</b>	<b>1.0%</b>	<b>4,420,437</b>	<b>14.9%</b>	<b>14.8%</b>	<b>(19,964)</b>	<b>234,053</b>	<b>-</b>	<b>580,250</b>	<b>1,005,000</b>	<b>\$28.01</b>

NORTH FULTON															
A	104	15,831,079	1,971,234	12.5%	188,426	1.2%	2,159,660	13.6%	13.4%	(41,879)	(33,512)	-	149,033	764,932	\$26.48
B	319	11,587,364	1,309,633	11.3%	189,319	1.6%	1,498,952	12.9%	10.1%	(320,417)	(249,647)	12,000	28,341	38,500	\$20.11
C	66	1,049,124	29,853	2.8%	-	-	29,853	2.8%	3.3%	4,439	48,122	-	-	-	\$16.19
<b>Total</b>	<b>489</b>	<b>28,467,567</b>	<b>3,310,720</b>	<b>11.6%</b>	<b>377,745</b>	<b>1.3%</b>	<b>3,688,465</b>	<b>13.0%</b>	<b>11.7%</b>	<b>(357,857)</b>	<b>(235,037)</b>	<b>12,000</b>	<b>177,374</b>	<b>803,432</b>	<b>\$23.94</b>

NORTHEAST ATLANTA															
A	61	8,116,362	1,407,582	17.3%	123,856	1.5%	1,531,438	18.9%	17.9%	(51,648)	(253,362)	27,944	27,944	20,000	\$21.34
B	402	13,926,539	3,077,848	22.1%	12,583	0.1%	3,090,431	22.2%	22.3%	9,268	(130,686)	-	-	10,000	\$16.54
C	119	2,054,048	268,056	13.1%	2,574	0.1%	270,630	13.2%	13.0%	(2,665)	(10,531)	-	-	-	\$13.03
<b>Total</b>	<b>582</b>	<b>24,096,949</b>	<b>4,753,486</b>	<b>19.7%</b>	<b>139,013</b>	<b>0.6%</b>	<b>4,892,499</b>	<b>20.3%</b>	<b>20.0%</b>	<b>(45,045)</b>	<b>(394,579)</b>	<b>27,944</b>	<b>27,944</b>	<b>30,000</b>	<b>\$18.39</b>

NORTHLAKE															
A	27	3,729,668	422,124	11.3%	15,113	0.4%	437,237	11.7%	12.5%	30,463	107,600	-	80,000	48,000	\$25.40
B	295	10,486,844	1,510,922	14.4%	2,804	0.0%	1,513,726	14.4%	14.7%	26,293	8,298	-	-	13,500	\$19.33
C	145	3,604,340	313,630	8.7%	2,900	0.1%	316,530	8.8%	7.6%	(44,058)	(101,073)	-	-	-	\$15.43
<b>Total</b>	<b>467</b>	<b>17,820,852</b>	<b>2,246,676</b>	<b>12.6%</b>	<b>20,817</b>	<b>0.1%</b>	<b>2,267,493</b>	<b>12.7%</b>	<b>12.8%</b>	<b>12,698</b>	<b>14,825</b>	<b>-</b>	<b>80,000</b>	<b>61,500</b>	<b>\$20.00</b>

NORTHWEST ATLANTA															
A	77	18,245,331	2,462,744	13.5%	441,753	2.4%	2,904,497	15.9%	16.0%	23,497	(153,329)	-	222,000	369,000	\$28.05
B	422	15,562,289	2,209,988	14.2%	61,419	0.4%	2,271,407	14.6%	14.6%	1,797	41,168	-	-	-	\$20.00
C	148	2,684,727	123,283	4.6%	1,088	0.0%	124,371	4.6%	4.6%	(5)	78,417	-	-	-	\$12.61
<b>Total</b>	<b>647</b>	<b>36,492,347</b>	<b>4,796,015</b>	<b>13.1%</b>	<b>504,260</b>	<b>1.4%</b>	<b>5,300,275</b>	<b>14.5%</b>	<b>14.6%</b>	<b>25,289</b>	<b>(33,744)</b>	<b>-</b>	<b>222,000</b>	<b>369,000</b>	<b>\$24.60</b>

SOUTH ATLANTA															
A	15	1,192,482	61,029	5.1%	-	-	61,029	5.1%	4.6%	(6,228)	7,201	-	-	51,272	\$25.87
B	240	9,340,329	1,104,143	11.8%	71,349	0.8%	1,175,492	12.6%	13.0%	38,672	43,781	-	-	-	\$17.67
C	135	2,519,323	239,054	9.5%	-	-	239,054	9.5%	8.9%	(14,287)	(32,032)	-	-	-	\$14.60
<b>Total</b>	<b>390</b>	<b>13,052,134</b>	<b>1,404,226</b>	<b>10.8%</b>	<b>71,349</b>	<b>0.5%</b>	<b>1,475,575</b>	<b>11.3%</b>	<b>11.4%</b>	<b>18,157</b>	<b>18,950</b>	<b>-</b>	<b>-</b>	<b>51,272</b>	<b>\$18.03</b>

WEST ATLANTA															
A	1	89,600	85,612	95.5%	-	-	85,612	95.5%	100.0%	3,988	3,988	-	-	-	24.48
B	74	2,054,024	474,329	23.1%	-	-	474,329	23.1%	23.0%	(2,484)	(8,881)	-	-	37,610	\$15.77
C	31	530,004	69,568	13.1%	-	-	69,568	13.1%	16.7%	18,975	3,937	-	-	-	\$16.47
<b>Total</b>	<b>106</b>	<b>2,673,628</b>	<b>629,509</b>	<b>23.5%</b>	<b>-</b>	<b>-</b>	<b>629,509</b>	<b>23.5%</b>	<b>24.3%</b>	<b>20,479</b>	<b>(956)</b>	<b>-</b>	<b>-</b>	<b>37,610</b>	<b>\$16.06</b>

SUBURBAN TOTAL															
A	363	69,294,671	9,470,769	13.7%	1,054,661	1.5%	10,525,430	15.2%	14.9%	(179,830)	(269,381)	27,944	1,059,227	2,258,204	\$26.22
B	1,887	69,412,398	10,680,408	15.4%	346,476	15.9%	11,026,884	15.9%	15.7%	(132,595)	(136,456)	12,000	28,341	99,610	\$18.71
C	712	13,642,677	1,115,377	8.2%	6,562	8.2%	1,121,939	8.2%	8.0%	(33,818)	9,349	-	-	-	\$14.81
<b>Total</b>	<b>2,962</b>	<b>152,349,746</b>	<b>21,266,554</b>	<b>14.0%</b>	<b>1,407,699</b>	<b>0.9%</b>	<b>22,674,253</b>	<b>14.9%</b>	<b>14.6%</b>	<b>(346,243)</b>	<b>(396,488)</b>	<b>39,944</b>	<b>1,087,568</b>	<b>2,357,814</b>	<b>\$21.29</b>

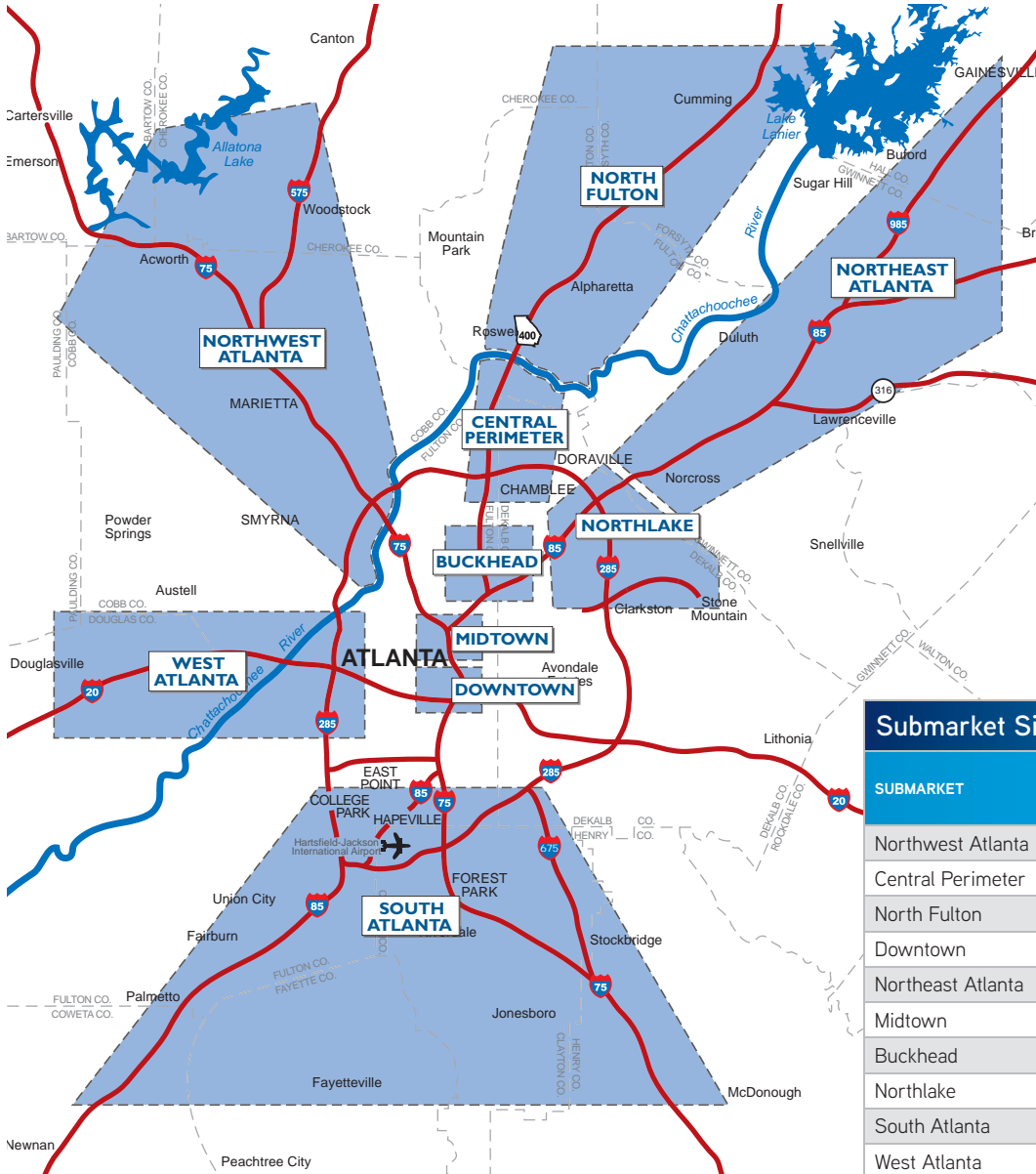
ATLANTA MARKET GRAND TOTAL															
A	491	117,763,904	15,998,283	13.6%	1,461,407	1.2%	17,459,690	14.8%	14.7%	(80,363)	307,385	27,944	1,544,227	4,248,135	\$29.75
B	2,128	88,092,937	11,789,646	13.4%	359,036	0.4%	12,148,682	13.8%	13.7%	(18,150)	62,658	73,000	109,490	225,497	\$19.45
C	860	19,283,608	1,522,290	7.9%	7,812	0.0%	1,529,902	7.9%	7.8%	(18,514)	56,915	-	-	-	\$16.16
<b>Total</b>	<b>3,479</b>	<b>225,140,449</b>	<b>29,310,219</b>	<b>13.0%</b>	<b>1,828,055</b>	<b>0.8%</b>	<b>31,138,274</b>	<b>13.8%</b>	<b>13.7%</b>	<b>(117,027)</b>	<b>426,958</b>	<b>100,944</b>	<b>1,653,717</b>	<b>4,473,632</b>	<b>\$25.75</b>

Quarterly Comparisons and Totals															
Q3-18	3,479	225,140,449	29,310,219	13.0%	1,828,055	0.8%	31,138,274	13.8%	13.7%	(117,027)	426,958	100,944	1,653,717	4,473,632	\$25.75
Q2-18	3,476	225,039,505	29,141,941	12.9%	1,778,362	0.8%	30,920,303	13.7%	13.5%	(25,568)	543,985	568,042	1,552,773	3,319,385	\$24.98
Q1-18	3,471	224,471,463	28,814,770	12.8%	1,511,923	0.7%	30,326,693	13.5%	13.4%	569,553	569,553	984,731	984,731	3,555,045	\$24.78
Q4-17	3,466	223,486,732	28,407,669	12.7%	1,503,846	0.7%	29,911,515	13.4%	13.4%	510,928	407,818	494,386	2,211,368	4,187,776	\$23.96
Q3-17	3,460	222,992,346	28,605,660	12.8%	1,322,397	0.6%	29,928,057	13.4%	13.4%	76,492	(103,110)	219,418	1,716,982	4,381,475	\$23.72

NOTE: STATISTICAL SET CONSISTS OF OFFICE PROPERTIES 10,000 SF AND UP, INCLUDING OWNER-OCCUPIED PROPERTIES; AND EXCLUDING MEDICAL OFFICE AND PROPERTIES WHERE THE GOVERNMENT IS 100% OWNER AND OCCUPIER. WHILE CoSTAR ATTEMPTS TO PROVIDE THE MOST ACCURATE DATA AT THE END OF EVERY QUARTER, REVISIONS ARE MADE THROUGHOUT THE YEAR ACCOUNTING FOR DISCREPANCIES IN PAST REPORTING.

SOURCES: CoSTAR PROPERTY, COLLIERS RESEARCH

# Atlanta Office Submarkets



**OFFICE SUBMARKETS**

The Atlanta office market consists of ten submarkets. They include the urban markets of Downtown, Midtown and Buckhead, and the suburban markets of Central Perimeter, North Fulton, Northwest Atlanta, Northeast Atlanta, Northlake, South Atlanta and West Atlanta. The major interstates in the region include: I-75, I-85, I-285, I-575, I-985, I-675 and I-20. Georgia 400 and US 316 also play important roles to Atlanta's transportation system.

Submarket Size & Occupancy		
SUBMARKET	SIZE	OCCUPANCY %
Northwest Atlanta	36.5 msf	85.5%
Central Perimeter	29.7 msf	85.1%
North Fulton	28.5 msf	87.0%
Downtown	27.5 msf	87.6%
Northeast Atlanta	24.1 msf	79.7%
Midtown	23.5 msf	90.8%
Buckhead	21.8 msf	86.8%
Northlake	17.8 msf	87.3%
South Atlanta	13.1 msf	88.7%
West Atlanta	2.7 msf	76.5%

## FOR MORE INFORMATION

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