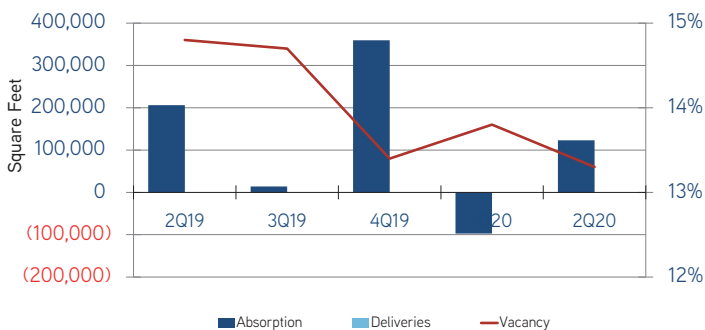


## Key Takeaways

- › The Cumberland/Galleria submarket bounced back in Q2 with occupancy gains totaling 123,000 square feet over the three month period; second highest in the Atlanta office market.
- › Regardless of the positive year-to-date absorption, the number would be a lot higher if it were not for Class B vacancies. This product type has seen 98,000 square feet of occupancy losses this year.
- › With the positive quarter, the submarket's Class A vacancy rate is at its lowest point since the beginning of 2002.
- › Yet despite the gains, the Class A average rental rate in Cumberland/Galleria actually showed a slight drop in second quarter, down 0.7% from Q1. This could be a result of the slowdown in leasing activity which has been impacted by the COVID-19 pandemic.
- › The back half of the year will be pretty quiet for the submarket. The absence of strong leasing activity this quarter could detrimentally affect occupancy levels by the end of the year.

## Absorption, Deliveries and Vacancy



## Market Indicators

Relative to prior period

Cumberland/Galleria  
Q2 2020Cumberland/Galleria  
Q3 2020\*

VACANCY	↓	-
NET ABSORPTION	+	+
CONSTRUCTION	-	-
RENTAL RATE	↑	↓

\*Projected

## Summary Statistics

Cumberland/Galleria Office Market

All  
Classes

Class A

Class B

Total Inventory (Millions Square Feet)	27.2	16.8	9.3
Vacancy Rate	13.3%	13.1%	14.9%
Change From Q4 2019	-0.5%	-1.0%	0.5%
Absorption YTD (Thousands Square Feet)	26	132	-98
Construction Deliveries YTD (Thousands Square Feet)	-	-	-
Under Construction (Thousands Square Feet)	371	371	-
<b>Asking Rents</b> Per Square Foot Per Year			
Average Quoted	\$26.87	\$29.72	\$21.23
Change From Q4 2019	0.4%	-0.7%	0.7%

## UPDATE - Recent Transactions in the Market

## Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
OM Partners	Paces West	Crocker Partners	32,467	Class A Renewal
Principal Life	One Overton Park	Hines	20,263	Class A Lease
Nations Builders	Overlook III	Goddard Investment Group	17,013	Class A Renewal
Bio Serenity	100 City View	Granite Properties	9,524	Class A Lease

## Notable Sales Activity

PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
260 Interstate North Pkwy.	5/1/2020	\$73,000,000	256,000	\$285.16	American Security Insurance Co.
Paces Summit I	12/3/2019	\$24,368,724	120,508	\$202.22	The Home Depot
1130 Northchase Pky.	3/13/2020	\$6,310,000	59,332	\$106.34	E.G. Roseville Bakers Square LLC
1765 The Exchange	5/20/20	\$5,900,000	90,677	\$65.07	Cobb County Schools

# Skyline Review

Space Available  
■ Direct  
■ Sublet

Source: CoStar Property

Floors

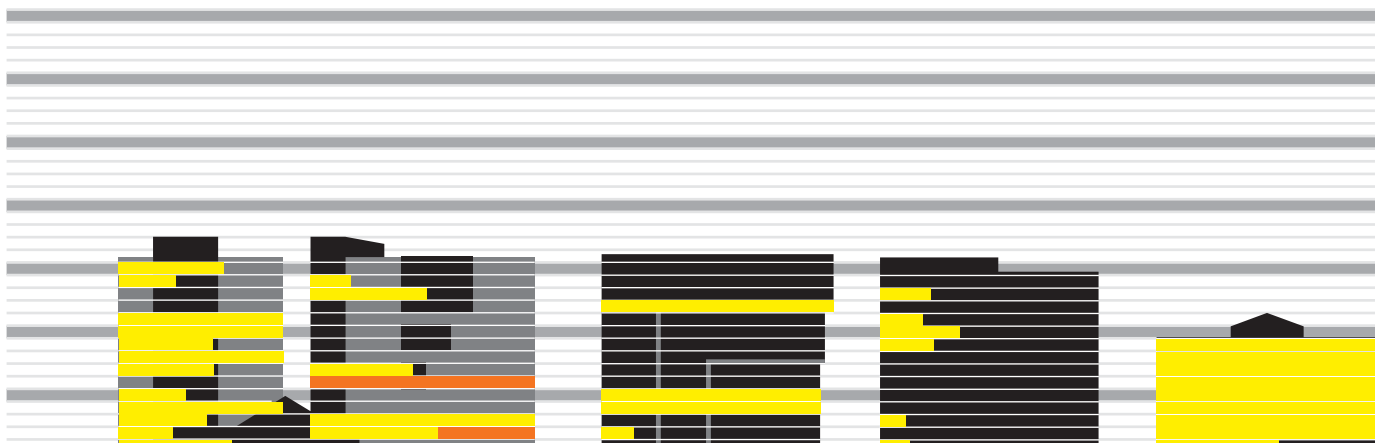
35  
30  
25  
20  
15  
10  
5



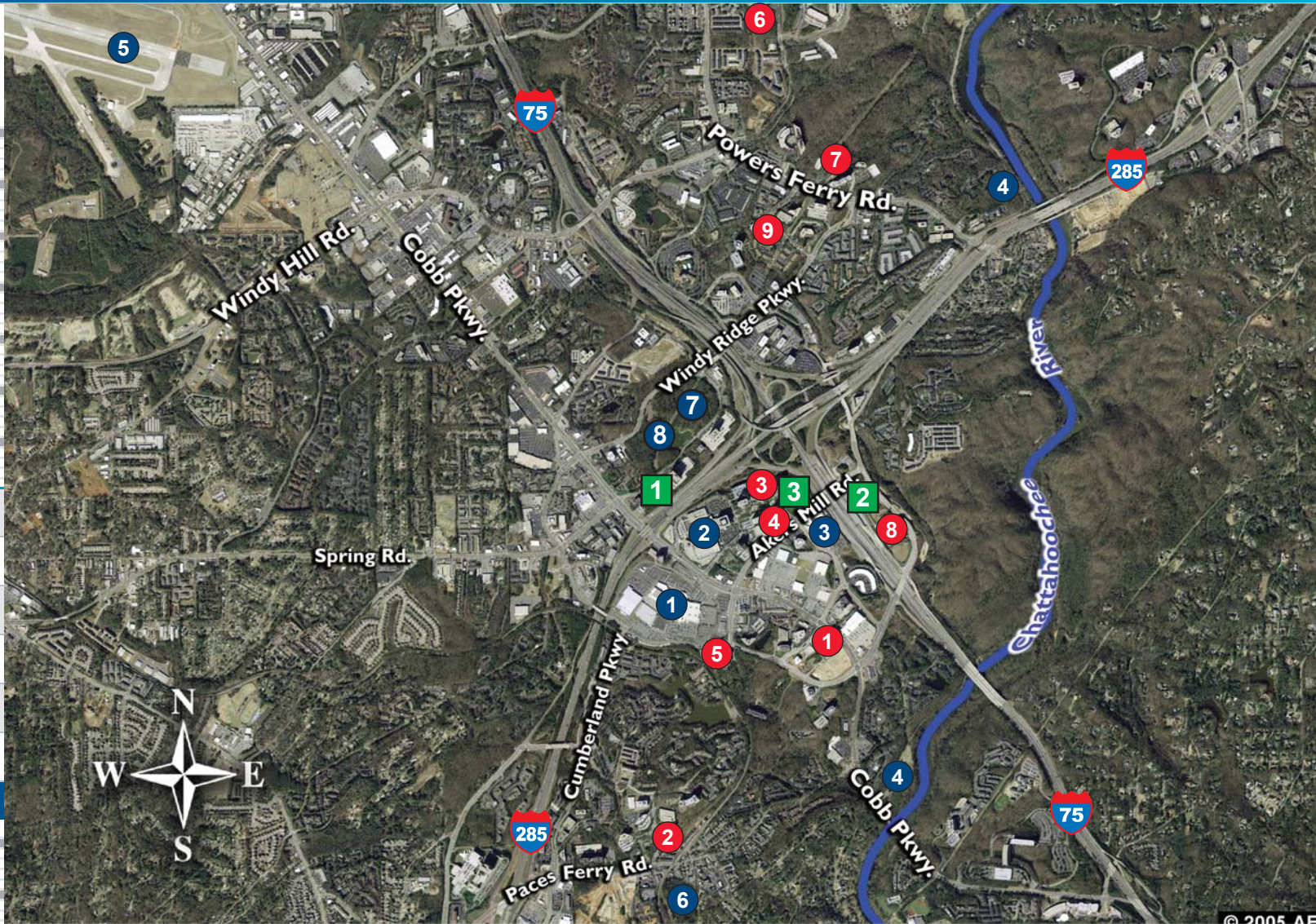
BUILDING	Riverwood 100	Overlook III	400 Galleria	600 Galleria	Cumberland Center II
RBA	502,527 SF	514,746 SF	432,402 SF	433,826 SF	419,456 SF
TYPICAL FLOOR SIZE	21,889 SF	26,000 SF	23,952 SF	22,833 SF	24,308 SF
% LEASED	93.8%	64.3%	91%	75.1%	95.7%
LARGEST SPACE AVAIL.	12,134 SF	94,231 SF	18,833 SF	77,163 SF	67,836 SF
RENTAL RATE PER SF (Gross)	\$34.50	\$32.00	\$34.00	\$34.00	\$34.00
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

Floors

35  
30  
25  
20  
15  
10  
5



BUILDING	The Towers at Wildwood Plaza	2500 Windy Ridge	One Overton Park	1300 Parkwood
RBA	767,799 SF	329,984 SF	387,267 SF	210,919 SF
TYPICAL FLOOR SIZE	47,987 SF	21,999 SF	27,000 SF	23,435 SF
% LEASED	76.9%	76.6%	93.9%	10%
LARGEST SPACE AVAIL.	80,911 SF	70,725 SF	6,737 SF	189,862 SF
RENTAL RATE PER SF (Gross)	\$29.00	\$28.50-\$30.00	\$28.00	\$28.50
	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>



## Aerial Legend

- Buildings by Numbers (see opposite page)
- New Construction

### Points of Interest

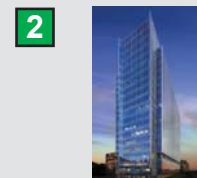
- |  |   |
|--|---|
| <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">1</span> Cumberland Mall                 | <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">5</span> Dobbins Air Base |
| <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">2</span> Galleria Mall                   | <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">6</span> Vinings Area     |
| <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">3</span> Cobb Energy Arts Centre         | <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">7</span> Truist Park      |
| <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">4</span> Chattahoochee Recreation Center | <span style="border: 1px solid blue; border-radius: 50%; padding: 2px;">8</span> The Battery      |

## Active Projects



**1**  
**THYSSENKRUPP HQ**  
 335,561 SF  
 Class A Development  
 420-Foot Elevator Tower  
 Under Construction  
 Delivery Q4 2020  
 Developer: Atlanta Braves

## Proposed Projects



**2**  
**TWO OVERTON PARK**  
 390,000 SF Class A office  
 Construction pending  
 Developer: Hines  
 Interests

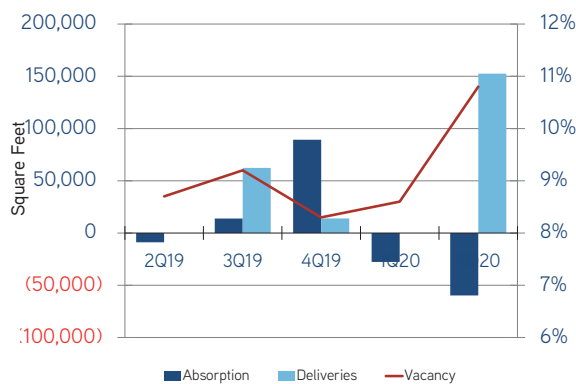


**3**  
**500 GALLERIA**  
 250,000-300,000 SF  
 Class A build-to-suit  
 Construction pending  
 Developer: Childress  
 Klein

## In The News

- Brookfield Properties to remake Cumberland Mall into modern, 17-acre town center:** Brookfield Properties is looking to redevelop Cumberland Mall. The developer filed plans with the state of Georgia to take the area formerly occupied by Sears, including the surrounding parking lot, and build a new town center type concept of mixed-uses. The plans show two office buildings totaling 445,000 square feet, a 312-unit apartment building, and 31,200 square feet of retail and restaurants. Brookfield is seeking to adapt the mall into a more viable property, much like what it is doing at nearby North Point Mall which it owns. The retail landscape has changed dramatically for malls over the past few years and this type of redevelopment can give both Cumberland Mall and the surrounding area a much needed shot in the arm.
- Pinnacle Financial opens first Atlanta office:** Nashville-based Pinnacle Financial recently opened its first Atlanta office in the Cumberland/Galleria office submarket. The bank is located in a temp office right now, but plans to move to its permanent office totaling 31,706 square feet at Cumberland Center once renovations are complete. The move is a part of the company's overall expansion into urban southeastern markets.

## Kennesaw | Marietta | Cherokee Co.



Office Market Stats	All Classes
Total Inventory (Millions Square Feet)	<b>9.3</b>
Vacancy Rate	<b>10.8%</b>
Absorption YTD (Thousands Square Feet)	<b>-87</b>
Construction Deliveries YTD (Thousands Square Feet)	<b>153</b>
Under Construction (Thousands Square Feet)	<b>35</b>
Average Quoted Rent	<b>\$22.36</b>

## Colliers International | Atlanta Office | Northwest Atlanta Listings



**THE DUPREE BLDG.**  
13,819 SF Sublease  
Jodi Selvey



**PARKWOOD POINT**  
6,280-25,353 SF Sublease  
Jeff Kelley / Russ Jobson



**1700 WATER PLACE**  
1,984-4,663 SF  
Lee Evans



**2300 WINDY RIDGE**  
15,612 SF Sublease  
Andrew Walker



**300 GALLERIA**  
21,649-44,724 SF Lease  
Jeff Kelley / Drew Levine



**RIVEREDGE SUMMIT**  
1,803-10,114 SF Lease  
Lee Evans  
Deming Fish

## FOR MORE INFORMATION

**Scott Amoson**  
VP, Director of Research | Atlanta  
+1 404 877 9286  
scott.amoson@colliers.com

## COLLIERS INTERNATIONAL ATLANTA OFFICE SPECIALISTS

Allison Bittel	Michael Lipton
Frank Cannon	Paul Reese
Jessica Doyle	Morgan Reynolds
Lee Evans	Jodi Selvey
Deming Fish	Meredith Selvey
Josh Gregory	Fred Sheats
Russ Jobson	Pete Shelton
Jeff Kelley	Hayes Swann
Dany Koe	Andrew Waguespack
Eric Kulbacki	Andrew Walker
Heather Lamb	Bob Ward
Drew Levine	Stewart Yates

Colliers International | Atlanta  
Promenade | Suite 800  
1230 Peachtree Street, NE  
Atlanta, Georgia, 30309  
+1 404 888 9000  
colliers.com/atlanta



Accelerating success.

Copyright © 2020 Colliers International.

The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.