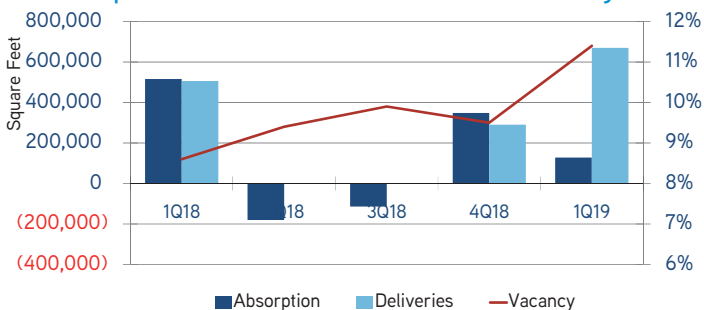


Key Takeaways

- Midtown experienced positive office space absorption for a second consecutive quarter. A net total of 128,000 square feet was occupied here in Q1.
- The submarket's gains in the first quarter were led by Georgia Tech which occupied 289,000 square feet in the newly delivered Coda building. The large move-in helped soften the negative impact of AT&T phasing out more of their space at their Midtown tower.
- Vacancy in Midtown increased the most of any other submarket in Atlanta this quarter. This is due solely to the highly anticipated Coda building delivering.
- As anticipated, Midtown saw a couple of new projects break ground this quarter including The Interlock and Atlantic Yards. Even more are expected to start in the second quarter.
- Given the successful leasing yet again in the submarket this quarter, there appears to be no slowing of positive activity in Midtown. It continues to be Atlanta's most popular office submarket.

Absorption, Deliveries and Vacancy



Market Indicators

Relative to prior period

Midtown
Q1 2019Midtown
Q2 2019*

Market Indicator	Midtown Q1 2019	Midtown Q2 2019*
VACANCY	↑	↑
NET ABSORPTION	+	+
CONSTRUCTION	↓	↑
RENTAL RATE	↑	↑

*Projected

Summary Statistics

Midtown Office Market

All
Classes

Class A

Class B

Summary Statistic	All Classes	Class A	Class B
Total Inventory (Millions Square Feet)	24.6	18.8	4.9
Vacancy Rate	11.4%	13.9%	3.6%
Change From Q4 2018	1.9%	2.5%	-0.2%
Absorption YTD (Thousands Square Feet)	128	122	11
Construction Deliveries YTD (Thousands Square Feet)	670	670	-
Under Construction (Millions Square Feet)	2.2	2.2	-
Asking Rents Per Square Foot Per Year			
Average Quoted	\$36.84	\$37.70	\$27.39
Change From Q4 2018	0.7%	0.7%	0.3%

UPDATE - Recent Transactions in the Market

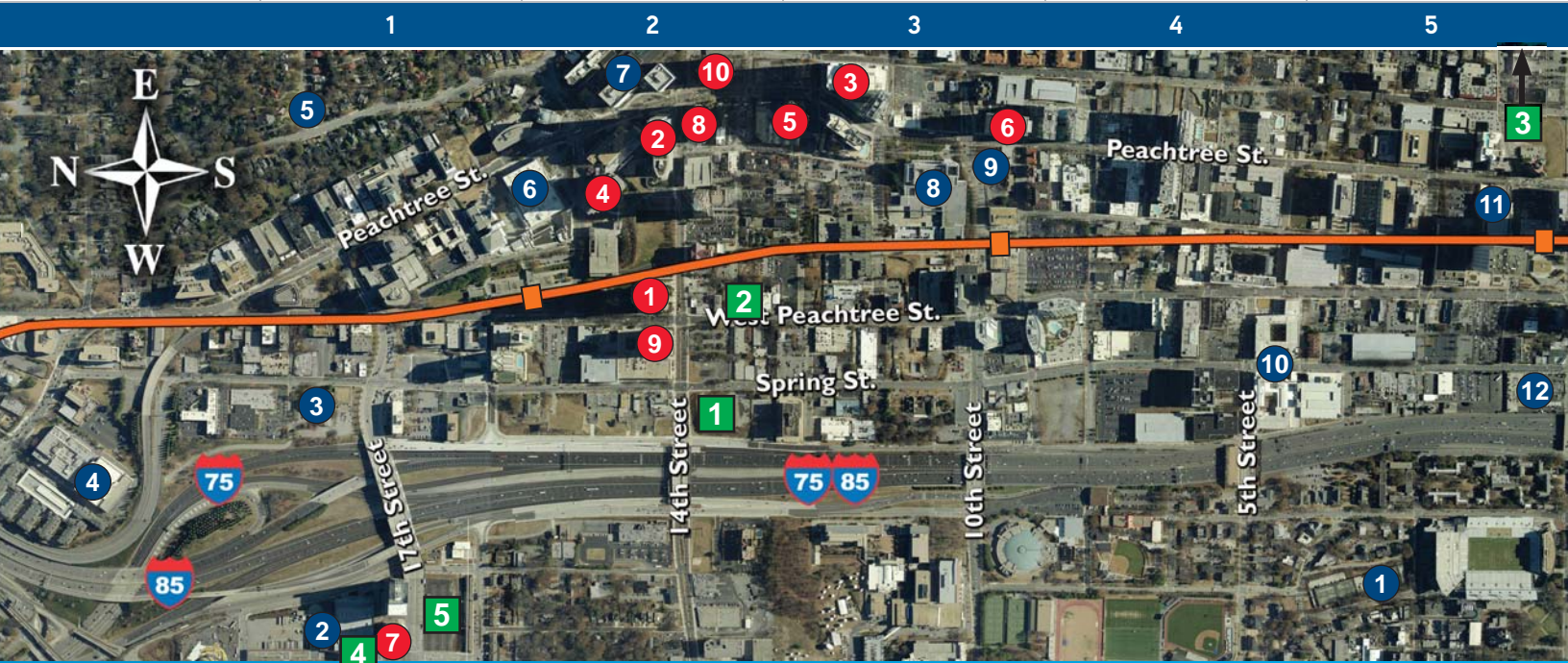
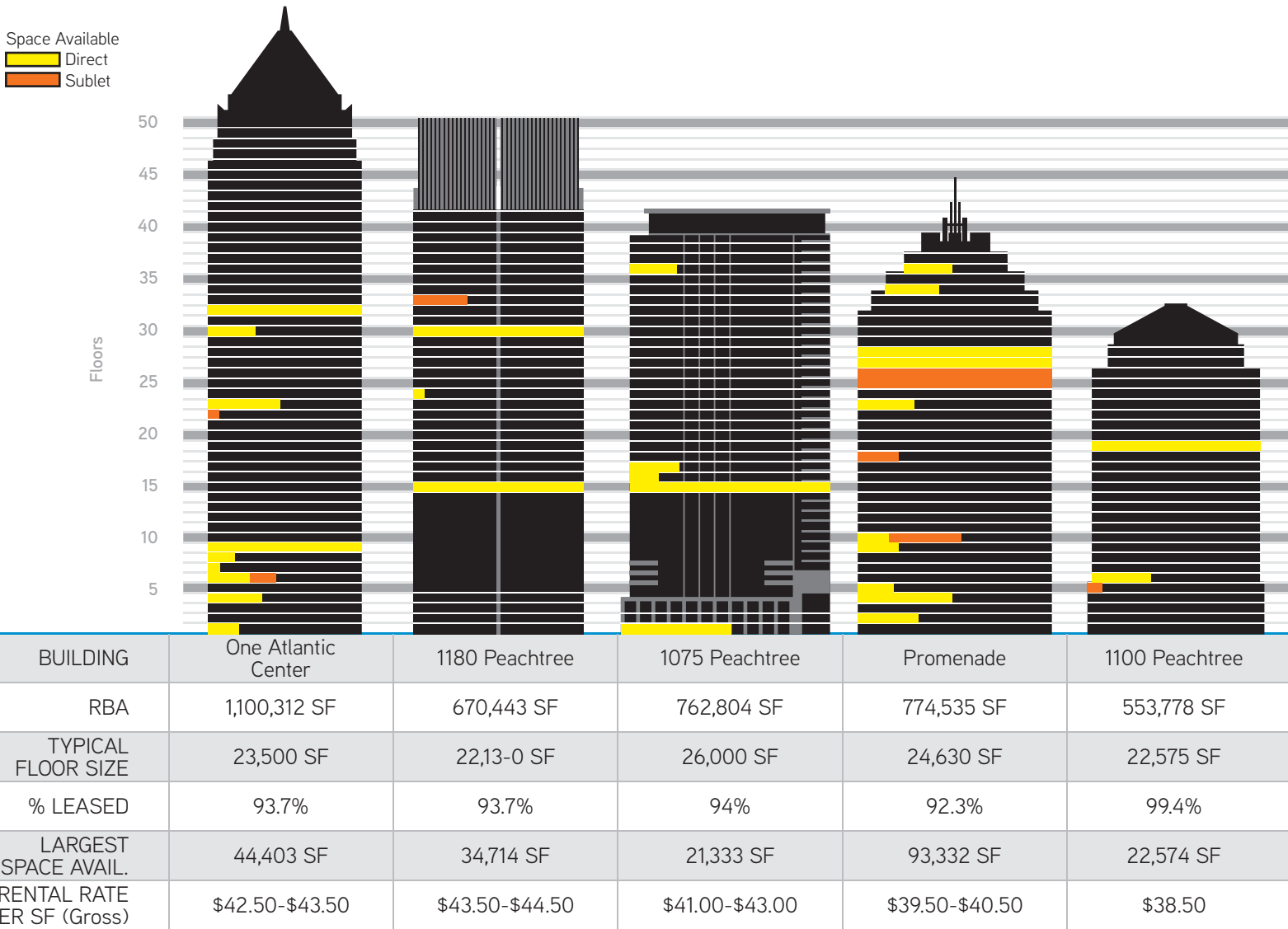
Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
Norfolk Southern	1200 Peachtree	Cousins Properties	366,196	Class A Sale-Leaseback
Google	1105 West Peachtree	Selig Enterprises	161,292	Class A Prelease
Smith Gambrell & Russell	1105 West Peachtree	Selig Enterprises	96,758	Class A Prelease
McKinsey & Company	725 Ponce	New City LLC	69,056	Class A Lease

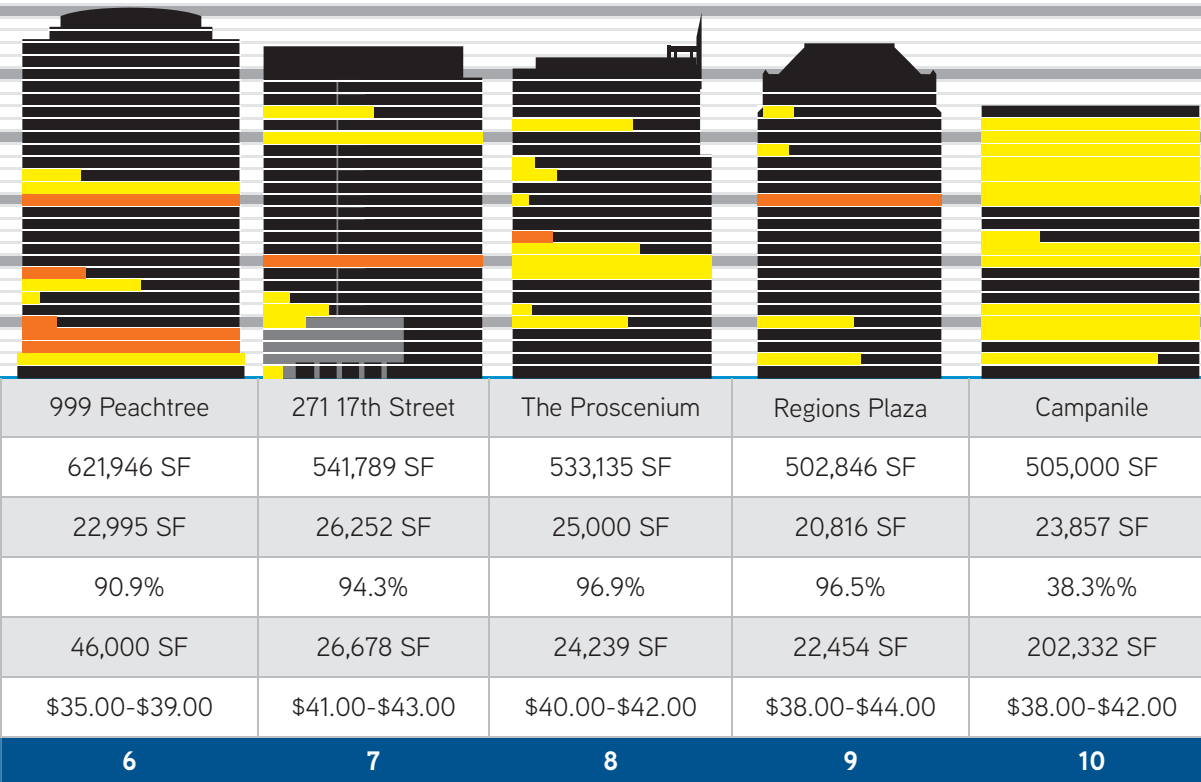
Notable Sales Activity

PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
1200 Peachtree St.	3/4/2019	\$82,000,000	370,000	\$221.62	Cousins Properties
Atlanta Technology Center	9/18/2018	\$38,000,000	199,863	\$190.13	Georgia Tech Foundation
1280 W Peachtree St.	8/15/2018	\$24,000,000	42,408	\$565.93	Stockbridge Capital Group
859 Spring Street	4/3/2019	\$7,500,000	15,092	\$496.95	Gamma Real Estate

Skyline Review



Source: CoStar Property



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

Active Projects



1
14TH & SPRING
 250,000 SF Office
 Construction Pending
 Developer: Greenstone Properties



2
1105 W. PEACHTREE
 664,184 SF Office Space
 Under Construction
 Developer: Selig Enterprises



3
725 PONCE
 370,931 SF Loft-Office
 Under Construction
 Developer: New City



4
T3 WEST MIDTOWN
 232,141 SF Creative Office
 Under Construction
 Developer: Hines



5
ATLANTA YARDS
 500,000 SF Office
 Brick-and-Mortar Loft-Office
 Under Construction
 Developer: Hines

In The News

- > Norfolk Southern sells Midtown building for \$82 Million:** 1200 Peachtree, the David R. Goode building and Norfolk Southern's regional headquarters, has been sold to Cousins Properties. Cousins is paying \$222 a foot for the 12-story, 370,000 square foot building. Norfolk Southern is building a new \$575 million headquarters in Midtown's Technology Square that should deliver by 2021. The company will remain in their current building until their new campus is finished.
- > 725 Ponce lands McKinsey & Co, eyes Blackrock:** Consulting giant McKinsey & Co. is moving its regional office to 725 Ponce on the Atlanta Beltline's Eastside Trail. Built by Atlanta-based New City LLC, 725 Ponce is the first new office tower to rise on the Beltline. A network of trails (with plans for transit) along a former railroad corridor encircling the city, the Beltline has quickly become one of the most popular urban redevelopment projects in the nation. Across from the popular Ponce City Market, McKinsey will lease 65,000 square feet, occupying two floors and moving hundreds of employees into the new building. They are not the only company to have their eyes on 725 Ponce either: BlackRock, who chose Atlanta for a new innovation center, has entered final negotiations to also lease multiple floors, and possibly up to 200,000 square feet in the 12 story Beltline-adjacent building. Called the "iHub", the Blackrock innovation center could grow to almost 1,000 new employees.

AT A GLANCE | CODA



- > Second phase of Technology Square to be named "Coda" and include a new 21-story office/high performance computer center.**
- > To contain 760,000 sq. ft. of office, anchored by Georgia Tech; 80,000 sq. ft. of high performance computing space; 40,000 sq. ft. of street level retail; and 20,000 sq. ft. of outdoor living space.**
- > Portman Holdings will develop the complex located at Spring and W. Peachtree Streets.**
- > Delivered First Quarter 2019.**

FOR MORE INFORMATION

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Josh Gregory	Hayes Swann
Russ Jobson	Will Tyler
Jeff Kelley	Andrew Waguespack
Dany Koe	Andrew Walker
Drew Levine	Bob Ward
Michael Lipton	Tiffany Wein
Paul Reese	Stewart Yates

Colliers International | Atlanta Office | Midtown Listings



1447 PEACHTREE
 1,077-3,814 SF Lease
 Will Tyler /
 Scott DeMyer



999 PEACHTREE
 5,266 SF Sublease
 21,136 SF Sublease
 Fred Sheats /
 Paul Reese



75 5TH STREET
 5,452-14,884 SF Lease
 Paul Reese



ONE ATLANTIC CTR.
 4,456 SF Sublease
 Drew Levine /
 Tiffany Wein