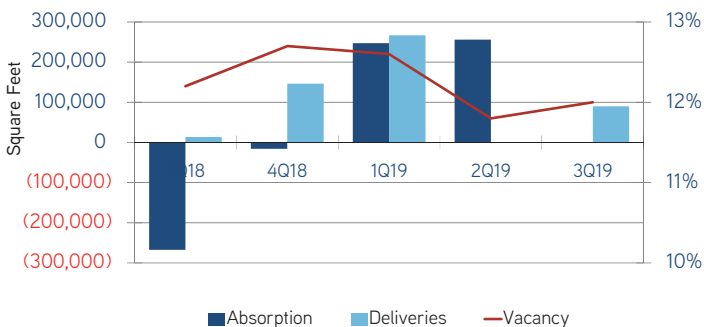


## Key Takeaways

- Absorption activity was quiet in the third quarter for North Fulton. The submarket was pretty balanced between the total amount of move-ins and move-outs this quarter.
- With Jackson Healthcare's expansion confirmed to have delivered in Q1, the year-to-date absorption for the submarket total now stands at 503,000 square feet which is the highest in the Atlanta market.
- North Fulton's overall vacancy rate has maintained a steady level over the past year at, or around 12%.
- The submarket is seeing lots of intra-market moves whereby companies are leasing updated Class A space for a premium, with some of these tenants reducing their overall office footprint.
- Overall rental rates continue to trend upwards here thanks in part to steady demand for space.
- North Fulton is expected to finish the year strong with new occupancies scheduled to take place in Q4.

## Absorption, Deliveries and Vacancy



### Market Indicators

Relative to prior period

North Fulton  
Q3 2019North Fulton  
Q4 2019\*

Indicator	North Fulton Q3 2019	North Fulton Q4 2019*
VACANCY	↑	↓
NET ABSORPTION	↓	+
CONSTRUCTION	↓	↓
RENTAL RATE	↑	↑

\*Projected

### Summary Statistics

North Fulton Office Market

All  
Classes

Class A

Class B

Metric	All Classes	Class A	Class B
Total Inventory (Millions Square Feet)	29.6	16.8	11.7
Vacancy Rate	12.0%	12.4%	12.2%
Change From Q2 2019	0.2%	0.8%	-0.3%
Absorption YTD (Thousands Square Feet)	503	562	-35
Construction Deliveries YTD (Thousands Square Feet)	357	357	-
Under Construction (Thousands Square Feet)	512	419	93

### Asking Rents

Per Square Foot Per Year

Metric	All Classes	Class A	Class B
Average Quoted	\$24.89	\$27.36	\$20.78
Change From Q2 2019	0.4%	0.4%	0.1%

## UPDATE - Recent Transactions in the Market

### Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
Owens & Minor	1 Edison Drive	TPA Group	66,917	Class A Lease
WeWork	Halcyon - 6655 Town Square	RocaPoint Partners	57,399	Class A Lease
Veeam	Northwinds VII	The Brookdale Group	39,264	Class A Expansion
3M Health Information Systems	1 Edison Drive	TPA Group	33,627	Class A Lease

### Notable Sales Activity

PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
Georgia 400 Center	5/23/2019	\$91,000,000	417,728	\$217.85	KBS Strategic Opportunity REIT
Parkside Terrace East & West	4/10/2019	\$48,104,000	252,960	\$190.16	Ravinia Capital Group
Windward Oaks I & II	9/26/2019	\$23,577,000	135,213	\$174.37	OME Windward Oaks
6455 E Johns Crossing	8/14/2019	\$13,300,000	92,256	\$135.36	The Simpson Organization

## In The News

- > Alpharetta companies expanding, adding employees in 2019:** Alpharetta's office market has seen companies expanding into bigger space and adding jobs in 2019. The expansion and growth of industries already entrenched in the area has been key for Alpharetta, as they have not had to rely too much on newcomers to the submarket. For example, in May of this year, Flexential opened a 70,000 square foot expansion of their Alpharetta data center, accompanied by the hiring of additional employees. Veeam saw a similar process, adding 100 people and increasing their footprint to more than 90,000 square feet. Clorox and Jackson Healthcare have also gotten in on the action in 2019, with Clorox relocating and creating several hundred new jobs, and Jackson Healthcare opening a new \$100 million headquarters building, increasing their total facility to 550,000 square feet.
- > TPA's "360 Tech Village" could add Fortune 500 Company:** At Georgia 400 and Haynes Bridge Road, a potential 62-acre development by TPA Group could have a Fortune 500 company taking up to 120,000 square feet. Called "360 Tech Village", this project is still to be approved by the city of Alpharetta, but TPA says the mystery company could be in their new space by 2021. The "360 Tech Village" will include apartments, townhomes, loft office space, and a 4-acre park.

AT A GLANCE | 10000 Avalon



- > Second office tower at Avalon
- > 10-story building totaling 250,000 square feet
- > Will include a fitness center and rooftop terrace shared with the adjacent 8000 Avalon building
- > Axis Reinsurance Co. has preleased 76,000 square feet of building.
- > Developers Hines and Cousins are projecting a January 2020 delivery

## 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	Paul Reese
Frank Cannon	Morgan Reynolds
Scott DeMyer	Emily Richardson
Jessica Doyle	Jodi Selvey
Lee Evans	Fred Sheats
Deming Fish	Pete Shelton
Josh Gregory	Hayes Swann
Russ Jobson	Andrew Waguespack
Jeff Kelley	Andrew Walker
Dany Koe	Bob Ward
Eric Kulbacki	Tiffany Wein
Drew Levine	Stewart Yates
Michael Lipton	

## Colliers International | Atlanta Office | North Fulton Listings



**PRESTON RIDGE III**  
 1,522-7,702 SF Lease  
 Deming Fish



**ROYAL CENTRE FOUR**  
 24,286 SF Sublease  
 Jodi Selvey



**PARKWAY AT AVALON**  
 3,000-12,119 SF Lease  
 Lee Evans



**6445 SHILOH RD**  
 27,087 SF Sublease  
 Pete Shelton



**ROYAL 400**  
 2,333-34,642 SF Lease  
 Lee Evans



**1150 SANCTUARY PKY.**  
 31,584 SF Sublease  
 51,155 SF Sublease  
 Drew Levine /  
 Andrew Walker