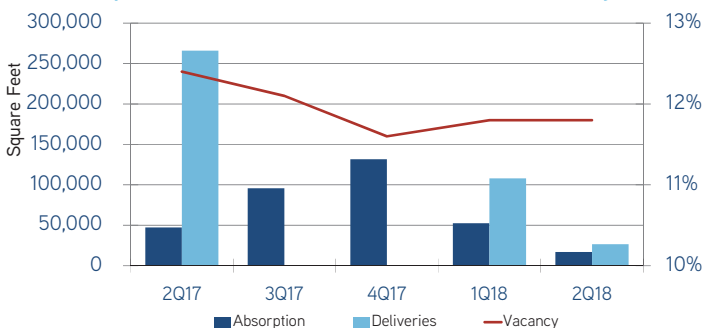


Key Takeaways

- Second quarter absorption was modest in the North Fulton submarket. Only 17,000 square feet was absorbed. After Q1 revisions though, the year-to-date total for the submarket is now almost 70,000 square feet.
- The overall office vacancy rate in North Fulton showed no change quarter-over-quarter. It remains below 12% and down slightly from this time last year.
- Liberty Village, which is adjacent to Avalon, was the only delivery in the submarket this quarter.
- Rental rates continue to rise in North Fulton; however, this quarter's increase came mostly from Class B properties.
- Although activity as of late has been somewhat quiet, there is anecdotal evidence North Fulton is about to see a flurry of large leasing deals. Axis' pre-lease at 10000 Avalon is just the beginning according to those familiar with the submarket.

Absorption, Deliveries and Vacancy



UPDATE - Recent Transactions in the Market

Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
Delta Dental	Stonebridge II & III	Rubenstein Partners	265,535	Class A Renewal & Expansion
Axis Holdings	10000 Avalon	Hines/Cousins	75,000	Class A Prelease
Siemens Corporation	4800 North Point Pkwy.	Alvarez & Marsal	40,854	Class A Renewal
Regus	4555 Mansell Rd.	Grubb Properties	17,560	Class A Renewal

Notable Sales Activity

PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
Royal Centre	3/30/2018	\$107,000,000	626,506	\$170.79	Bridge Commercial Real Estate
Preston Ridge I	2/15/2018	\$23,510,000	150,210	\$156.51	The Simpson Organization
One Pointe Royal	3/8/2018	\$18,500,000	151,051	\$122.48	Atlanta Property Group
4300 North Point Pky.	4/16/2018	\$7,000,000	60,000	\$116.67	LG Electronics

Market Indicators

Relative to prior period

	North Fulton Q2 2018	North Fulton Q3 2018*
VACANCY	-	↑
NET ABSORPTION	+	↓
CONSTRUCTION	↓	↑
RENTAL RATE	↑	↑

*Projected

Summary Statistics

North Fulton Office Market

	All Classes	Class A	Class B
Total Inventory (Millions Square Feet)	28.6	16.2	11.3
Vacancy Rate	11.8%	13.2%	10.6%
Change From Q1 2018	-	-	0.3%
Absorption YTD (Thousands Square Feet)	69	-4	29
Construction Deliveries YTD (Thousands Square Feet)	135	135	-
Under Construction (Thousands Square Feet)	362	311	51
Asking Rents Per Square Foot Per Year			
Average Quoted	\$23.46	\$25.94	\$19.76
Change From Q1 2018	1.8%	-0.1%	2.7%

In The News

- Insurer Axis to anchor second Avalon office building in Alpharetta:** Axis Reinsurance Co. will be the anchor tenant for the second office building at Avalon in Alpharetta following a 76,000 square foot prelease signed by the company. The joint venture of Hines and Cousins Properties will begin construction of the \$97 million project in July now that a significant portion of the building has been leased. 10000 Avalon will be located adjacent to the duo's previous success at 8000 Avalon. It will include 251,000 square feet, and feature a fitness center and shared rooftop terrace with the 8000 building. Initial occupancy by Axis is expected in early 2020 following delivery of the building. The company will be relocating from within the submarket.
- Delta Dental ups its commitment to Sanctuary Park:** Delta Dental Insurance is staying put at its current location at Sanctuary Park in North Fulton. The company renewed two leases together for a total of 220,000 square feet and also expanded by roughly 45,000 square feet at the Stonebridge II & III office buildings. As part of the expansion, it plans to add 200 new jobs. The lease is vital considering the recent departures of Microsoft and Verizon from the office park. Now with the Delta Dental lease complete, Rubenstein Partners plans to invest in the park and build additional amenities including a 25,000 square foot food hall and fitness center.

AT A GLANCE | 10000 Avalon



- > Second office tower at Avalon**
- > 10-story building totaling 251,000 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 Summer 2018 ground-breaking**

FOR MORE INFORMATION

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

COLLIERS INTERNATIONAL ATLANTA OFFICE SPECIALISTS

Scott DeMyer	Paul Reese
Jessica Doyle	Emily Richardson
Lee Evans	Jodi Selvey
Deming Fish	Fred Sheats
Huston Green	Pete Shelton
Josh Gregory	Hayes Swann
Russ Jobson	Will Tyler
Jeff Kelley	Andrew Waguespack
Dany Koe	Andrew Walker
Drew Levine	Bob Ward
Michael Lipton	Tiffany Wein
Bryce Metcalf	Stewart Yates

Colliers International | Atlanta Office | North Fulton Listings



PRESTON RIDGE III
 1,555 SF Lease
 Deming Fish



DEERFIELD POINT 100
 21,445 SF Sublease
 Russ Jobson /
 Bryce Metcalf



PARKWAY 400 I & II
 2,838-10,560 SF Lease
 Will Tyler / Lee Evans



TWO POINT ROYAL
 11,590 SF Sublease
 Jodi Selvey /
 Emily Richardson



1150 SANCTUARY PARK
 50,000 SF Sublease
 Andrew Walker /
 Drew Levine



6445 SHILOH RD
 27,087 SF Sublease
 Pete Shelton /
 Bryce Metcalf