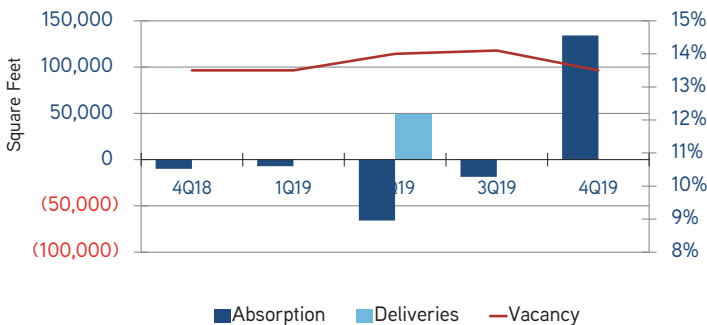


Key Takeaways

- › Buckhead posted its highest quarterly absorption number of the year in Q4 with gains topping 134,000 square feet. This halted a four-quarter slide, and gave the submarket its first positive year since 2016.
- › A multitude of move-ins in the 20,000-25,000 square foot range took place this quarter, highlighted by companies such as Salesforce, Harrison Design, and Evident ID.
- › The submarket's vacancy rate fell 60 basis points (-0.6%) from Q3; however, it remains unchanged from this time last year.
- › Rents in Buckhead saw yet another increase overall, this time increasing by 1.0%. This marks 25 consecutive quarters with an uptick. During this time, the average has jumped almost 50%.
- › While positive gains were welcomed this quarter, Buckhead is in for a challenging year as a number of consolidations are expected. The largest of these will be AT&T vacating Lindbergh City Center.

Absorption, Deliveries and Vacancy



Market Indicators

Relative to prior period

Buckhead
Q4 2019Buckhead
Q1 2020*

Market Indicator	Buckhead Q4 2019	Buckhead Q1 2020*
VACANCY	↓	↑
NET ABSORPTION	+	-
CONSTRUCTION	-	-
RENTAL RATE	↑	↑

*Projected

Summary Statistics

Buckhead Office Market

All
Classes

Class A

Class B

Summary Statistic	All Classes	Class A	Class B
Total Inventory (Millions Square Feet)	21.4	16.3	4.5
Vacancy Rate	13.5%	15.4%	8.4%
Change From Q3 2019	-0.6%	-0.8%	0.1%
Absorption YTD (Thousands Square Feet)	43	101	-63
Construction Deliveries YTD (Thousands Square Feet)	49	-	49
Under Construction (Thousands Square Feet)	340	340	-

Asking Rents

Per Square Foot Per Year

Asking Rent Metric	All Classes	Class A	Class B
Average Quoted	\$36.28	\$37.68	\$27.45
Change From Q3 2019	1.0%	1.5%	-1.4%

UPDATE - Recent Transactions in the Market

Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
QGenda	Terminus 100	Cousins Properties	47,670	Class A Lease
Greenberg Traurig	Piedmont Center 15	The Ardent Companies	15,860	Class A Renewal
Balentine, LLC	3344 Peachtree	Cousins Properties	14,438	Class A Renewal & Expansion
March of Dimes	3495 Piedmont Rd.	The Ardent Companies	13,459	Class A Expansion

Notable Sales Activity

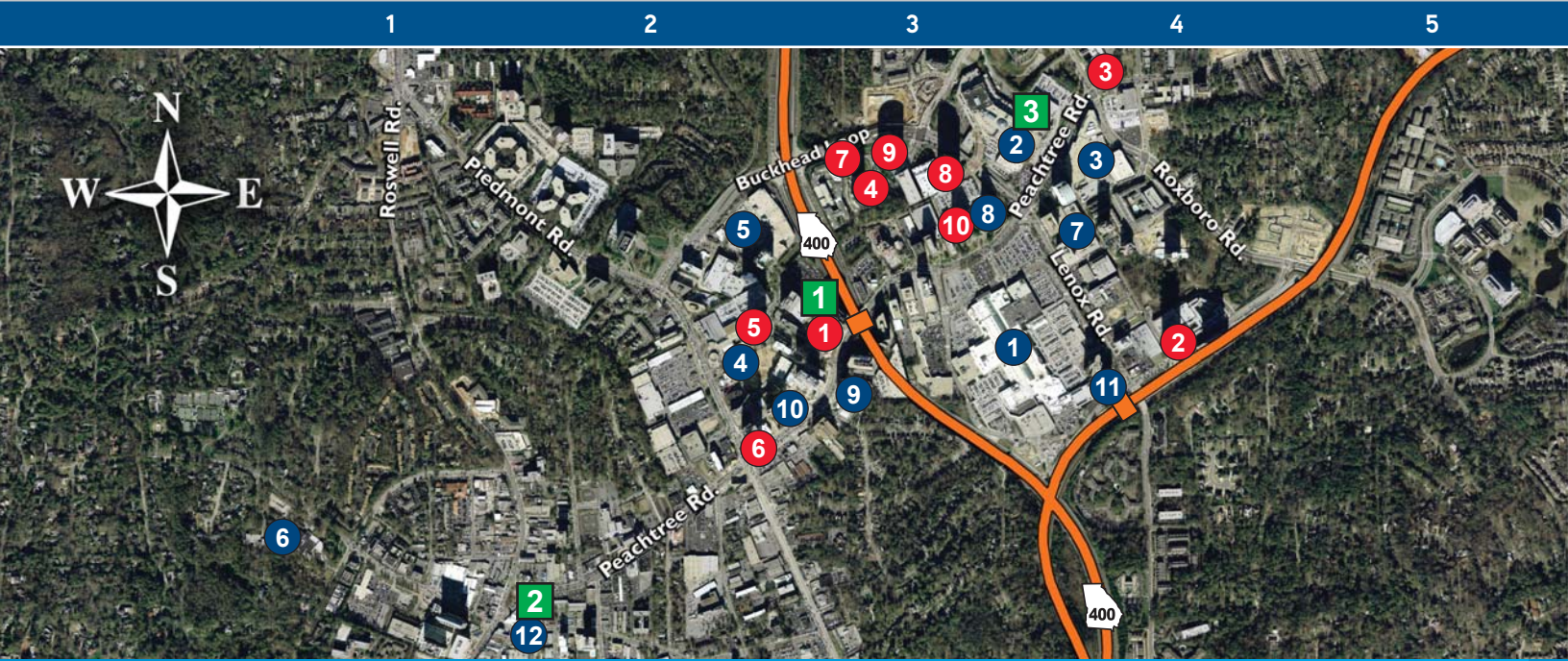
PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
Salesforce Tower	7/31/2019	\$205,000,000	631,274	\$325	Kohlberg Kravis Roberts & Co.
Lindbergh City Ctr. - Office Towers	9/26/2019	\$160,000,000	955,000	\$168	Rubenstein Partners
3535 Piedmont Rd.	2/6/2019	\$58,000,000	300,454	\$193	The Ardent Companies
135-173 W Wieuca Rd.	12/12/2019	\$7,825,000	40,114	\$195	Edward Andrews Homes

Skyline Review

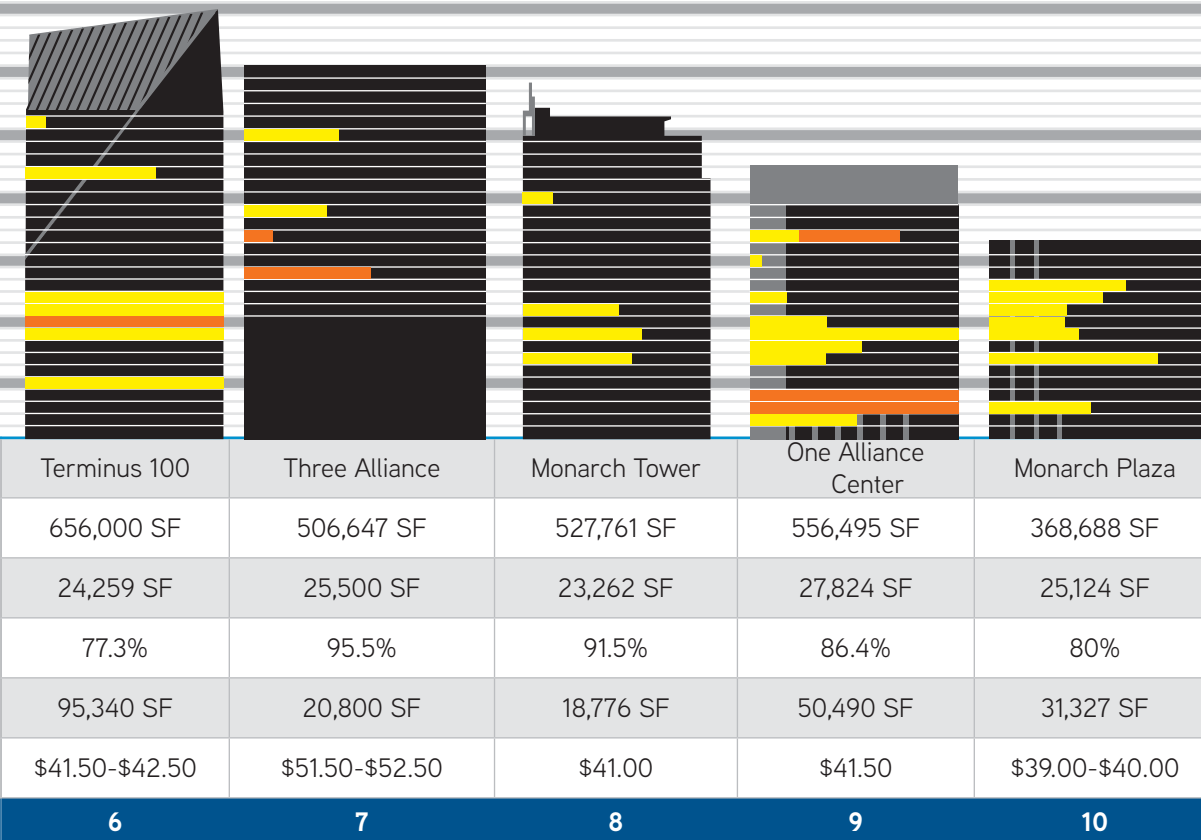
Space Available
■ Direct
■ Sublet




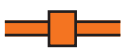

BUILDING	3344 Peachtree	Salesforce Tower Atlanta	3630 Peachtree	Two Alliance Center	Tower Place 100
RBA	484,527 SF	631,808 SF	436,309 SF	491,888 SF	613,821 SF
TYPICAL FLOOR SIZE	22,000 SF	23,000 SF	28,259 SF	25,000 SF	19,586 SF
% LEASED	99.3%	85.4%	88.4%	87.6%	90.6%
LARGEST SPACE AVAIL.	12,000 SF	20,469 SF	16,559 SF	33,654 SF	20,724 SF
RENTAL RATE PER SF (Gross)	\$46.50-\$47.00	\$39.00-\$41.50	\$40.00-\$43.00	\$42.25	\$38.00-\$40.00



Source: CoStar Property



Aerial Legend

-  Buildings by Number (see opposite page)
-  MARTA Rail Line
-  New Construction

Points of Interest

- 1** Lenox Mall
- 2** Phipps Plaza
- 3** Lenox Market Place
- 4** Tower Walk
- 5** Buckhead Station
- 6** Atlanta History Center
- 7** UGA Terry College of Business Campus
- 8** The Whitley
- 9** Intercontinental Hotel
- 10** Grand Hyatt
- 11** JW Marriott
- 12** Buckhead Atlanta

New Development



1
3354 PEACHTREE
 Mixed-Use Project
 560,000 SF Office
 9,500 SF Retail
 300 Apartment Units
 60 Condos
 Construction Pending
 Developer: Regent Partners



2
THE OFFICE AT BUCKHEAD ATLANTA
 315,000 SF Class A Office
 Construction Pending
 Developer: Oliver McMillan



3
1 PHIPPS PLAZA
 340,000 SF Class A Office
 Under Construction
 Developer: Simon Property Gr.

In The News

- › **Loudermilk moves forward on Buckhead Village office project:** Loudermilk has brought plans for an office building in Buckhead Village before Buckhead officials. The Atlanta developer is planning to build a 127,440 square foot office building at 359 East Paces Ferry Road, to also include 8,000 square feet of retail space. The estimated \$70 million building is slated for a ground-breaking in late spring of 2020. This is not the only project Loudermilk is working on in Buckhead: they have partnered with Regent Partners to bring a Thompson Hotel to 415 East Paces Ferry Road. Those working and/or living in that area of Buckhead are going to be surrounded by new development, as CA Ventures is building a 225-foot apartment tower, and Jamestown is upgrading the Shops Buckhead Atlanta, all within a few blocks of the Loudermilk project.
- › **CareerBuilder marketing Buckhead office space:** The employment website has decided to market two of the three floors it occupies at 3445 Peachtree Road; with the potential of subleasing the third floor as well. This could result in potentially 58,000 square feet of space available in the nearly 300,000 square foot office building overlooking Lenox Mall. CareerBuilder is not leaving the Atlanta market entirely, as it maintains an IT headquarters in Peachtree Corners. The Buckhead office was sales-oriented, and employed at least 200 people. The company considered the space to be under utilized which is the reason it is subleasing.

AT A GLANCE | Buckhead GA 400 Park



- › Signature 9-acre park in the heart of Buckhead.
- › Over a half-mile long greenspace to span across GA 400, connecting Lenox Road to Peachtree Road.
- › \$250 million plan estimated to draw 2.6 million visitors per year.
- › Buckhead CID Board approved work necessary for the planning and design phase of the park.
- › Ground-breaking is hoped to begin in 2020, with completion in 2022.

FOR MORE INFORMATION

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Colliers International | Atlanta Office | Buckhead Listings



1776 PEACHTREE

840-56,000 SF Lease

Scott DeMyer/
Emily Richardson