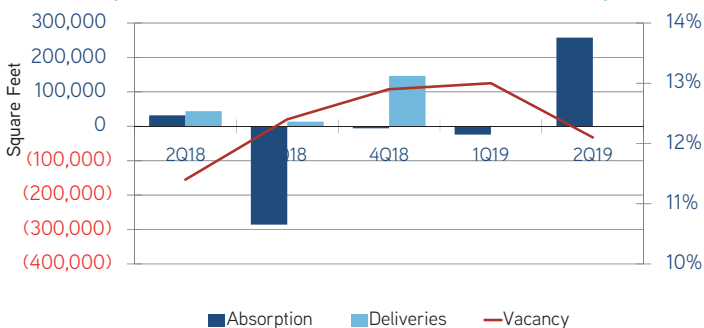


## Key Takeaways

- After consecutive quarters of little to no positive absorption, North Fulton absorbed its highest amount of office space in a year. The submarket led the Atlanta office market in occupancy gains this quarter.
- McKesson's 104,000 square-foot occupancy at Sanctuary Park was the largest in Atlanta in Q2. Elsewhere in the submarket, Veeam and Delta Dental each expanded by significant amounts.
- As a result of the occupancy gains, Class A vacancy is down to its lowest rate in two and a half years.
- Office rents increased yet again in the submarket. Year-over year the average is up 5.6%.
- Leasing remained strong this quarter with a few large leases completed in the submarket, including expansions. The positive activity bodes well for future occupancy gains here. North Fulton is anticipated to be one of Atlanta's leading submarkets in 2019.

## Absorption, Deliveries and Vacancy



### Market Indicators

Relative to prior period

North Fulton  
Q2 2019North Fulton  
Q3 2019\*

Market Indicator	North Fulton Q2 2019	North Fulton Q3 2019*
VACANCY	↓	↓
NET ABSORPTION	+	+
CONSTRUCTION	↑	↓
RENTAL RATE	↑	↑

\*Projected

### Summary Statistics

North Fulton Office Market

All  
Classes

Class A

Class B

Summary Statistic	All Classes	Class A	Class B
Total Inventory (Millions Square Feet)	28.8	16.0	11.7
Vacancy Rate	12.1%	12.0%	12.7%
Change From Q1 2019	-0.9%	-1.9%	0.2%
Absorption YTD (Thousands Square Feet)	233	337	-76
Construction Deliveries YTD (Thousands Square Feet)	-	-	-
Under Construction (Thousands Square Feet)	805	755	50
<b>Asking Rents</b> Per Square Foot Per Year			
Average Quoted	\$24.77	\$27.25	\$20.72
Change From Q1 2019	1.7%	0.7%	1.0%

## UPDATE - Recent Transactions in the Market

### Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
Yardi Systems	500 Colonial Center Pkwy.	The Brookdale Group	91,736	Class A Renewal & Expansion
Ericsson	1125 Sanctuary Pkwy.	Rubenstein Partners	69,990	Class A Lease
Synchrony	3015 Windward Plaza	America's Capital Partners	24,988	Class A Renewal
North Point Commercial Finance	1105 Lakewood Pkwy.	Ruenstein Partners	22,686	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
Royal Centre Two	3/21/2019	\$24,850,000	152,878	\$162.55	The Simpson Organization
5925 Cabot Pkwy.	4/16/2019	\$10,750,000	87,972	\$122.20	The Woodbery Group

## In The News

- > Clorox relocates to Sanctuary Park, leases 72,000 square feet:** Relocating from an office building on Brookside Parkway in Alpharetta, The Clorox Company is leasing 72,000 square feet in the Hillside building, at the Sanctuary Park office complex. This move of several hundred employees will take the entire second floor and part of the fourth in the Hillside building. Clorox was attracted to the building via its large 50,000 square-foot floor plates which allow for an open design. The recent additions by Rubenstein Partners, to include a multi-million-dollar amenities center of 25,000 square feet, also could have factored into the company's decision to locate to Sanctuary Park. Clorox is expected to take occupancy this fall.
- > Infrastructure Improvements planned for North Fulton:** Georgia DOT's Major Mobility Investment Program has just announced a \$1.8 billion Express Lanes project plan for GA 400. The initiative will serve to add express lanes along the highway reaching from the North Springs MARTA station to McFarland Parkway. The GA 400 improvement plan also includes new efficient bus rapid transit (BRT) routes and arterial routes. Construction on the large-scale project is set to begin in 2022 and completed by 2026. Sandy Springs and Roswell are kicking off projects with their focus on making commutes easier as well, with the latter adding a new roadway connecting Old Ellis Drive and Old Roswell Road.

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

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## COLLIERS INTERNATIONAL ATLANTA OFFICE SPECIALISTS

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Lee Evans	Fred Sheats
Deming Fish	Pete Shelton
Josh Gregory	Hayes Swann
Russ Jobson	Will Tyler
Jeff Kelley	Andrew Waguespack
Dany Koe	Andrew Walker
Eric Kulbacki	Bob Ward
Drew Levine	Tiffany Wein
Michael Lipton	Stewart Yates

## Colliers International | Atlanta Office | North Fulton Listings



### PRESTON RIDGE III

1,522-7,702 SF Lease  
Deming Fish



### 6445 SHILOH RD

27,087 SF Sublease  
Pete Shelton



### PARKWAY AT AVALON

3,000-12,119 SF Lease  
Will Tyler / Lee Evans



### 1150 SANCTUARY PKY.

31,584 SF Sublease  
51,155 SF Sublease  
Drew Levine /  
Andrew Walker



### ROYAL 400

2,333-34,642 SF Lease  
Lee Evans