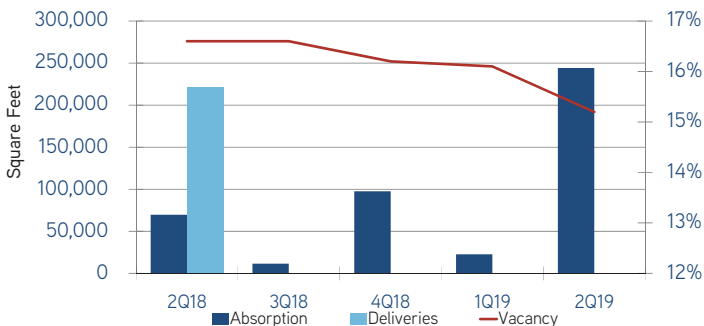


## Key Takeaways

- › Cumberland/Galleria had the second highest amount of office space absorbed in the Atlanta market this quarter. Home Depot's 99,000 square-foot occupancy at 340 Interstate North was the largest for the submarket in Q2.
- › The positive gains helped push the submarket's overall vacancy rate down to its lowest level in 2.5 years.
- › Leasing activity in Cumberland/Galleria was elevated in the second quarter as a number of larger expansions were completed. On the whole, the submarket saw over 500,000 square feet of lease transactions in the quarter.
- › The submarket's overall Class A average rent increased by its largest quarterly percentage since 2007; driven by continued strong demand and supply principles.
- › The outlook for Cumberland/Galleria remains upbeat for the foreseeable future. The office landscape here is solid.

## Absorption, Deliveries and Vacancy



## UPDATE - Recent Transactions in the Market

## Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
LGE Community Credit Union	Cumberland Center II	PCCP LLC	59,348	Class A Lease
Fresenius Medical Care	Galleria 100	Piedmont Office Realty	46,978	Class A Renewal
Archer Western	Overlook II	Goddard Investment Gr.	29,984	Class A Lease
JM Huber	Cumberland Center II	PCCP LLC	24,938	Class A Expansion

## Notable Sales Activity

PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
Paces West	6/13/2019	\$119,500,000	646,471	\$185	Farallon Capital Mgmt.
100 Galleria	5/6/2019	\$95,100,000	410,571	\$232	Piedmont Office Realty
2100 Riveredge	1/25/2019	\$45,225,000	266,681	\$170	River Edge Inc.
2999 Circle 75 Pkwy.	6/18/2019	\$38,100,000	231,266	\$165	Crossgate Partners

## Market Indicators

Relative to prior period

Cumberland/Galleria  
Q2 2019Cumberland/Galleria  
Q3 2019\*

VACANCY	↓	↓
NET ABSORPTION	+	+
CONSTRUCTION	↑	-
RENTAL RATE	↑	↑

\*Projected

## Summary Statistics

Cumberland/Galleria Office Market

All  
Classes

Class A

Class B

Total Inventory (Millions Square Feet)	27.1	16.9	9.2
Vacancy Rate	15.2%	16.3%	14%
Change From Q1 2019	-0.9%	-1.0%	-0.7%
Absorption YTD (Thousands Square Feet)	267	121	161
Construction Deliveries YTD (Thousands Square Feet)	-	-	-
Under Construction (Thousands Square Feet)	383	372	11

## Asking Rents

Per Square Foot Per Year

Average Quoted	\$25.79	\$28.75	\$20.83
Change From Q1 2019	2.5%	3.8%	1.5%

# Skyline Review

Space Available  
■ Direct  
■ Sublet

Source: CoStar Property



BUILDING	Riverwood 100	Overlook III	400 Galleria	600 Galleria	Cumberland Center II
RBA	502,527 SF	514,746 SF	432,402 SF	433,826 SF	419,456 SF
TYPICAL FLOOR SIZE	21,889 SF	26,000 SF	23,952 SF	22,833 SF	24,308 SF
% LEASED	89.7%	63.2%	94.8%	76.8%	89.8%
LARGEST SPACE AVAIL.	28,629 SF	94,231 SF	6,679 SF	25,721 SF	45,737 SF
RENTAL RATE PER SF (Gross)	\$32.50	\$28.00-\$32.00	\$31.50-\$33.00	\$31.50-\$33.00	\$29.50

1

2

3

4

5



BUILDING	The Towers at Wildwood Plaza	2500 Windy Ridge	One Overton Park	1300 Parkwood
RBA	716,484 SF	329,984 SF	387,267 SF	210,919 SF
TYPICAL FLOOR SIZE	43,362 SF	21,999 SF	27,000 SF	23,435 SF
% LEASED	89.2%	74.4%	81.1%	89.5%
LARGEST SPACE AVAIL.	88,474 SF	84,555 SF	47,762 SF	145,047 SF
RENTAL RATE PER SF (Gross)	\$28.50	\$27.00-\$29.00	\$27.00-\$30.00	\$22.00

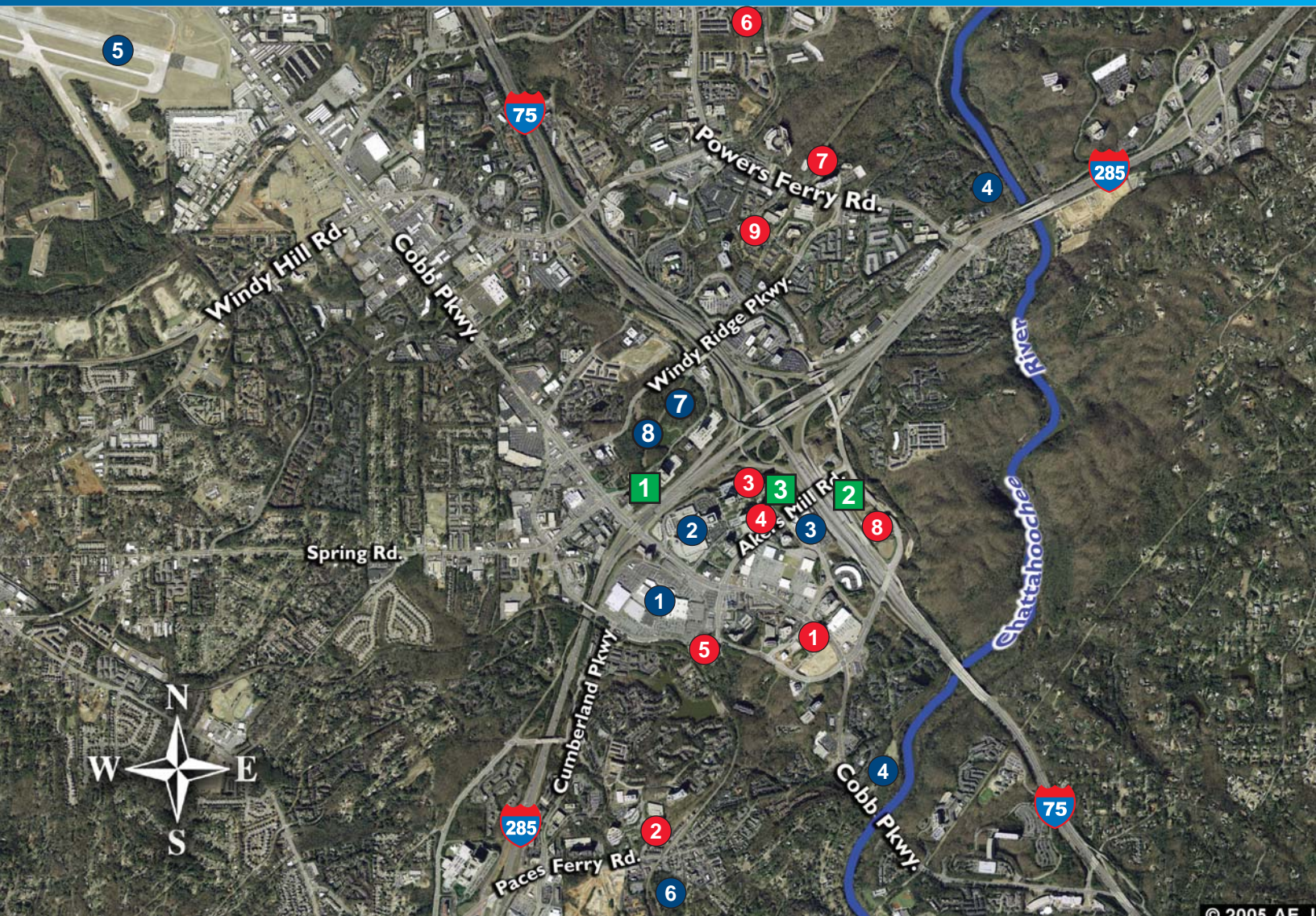
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## Aerial Legend

- Buildings by Numbers (see opposite page)
- New Construction

### Points of Interest

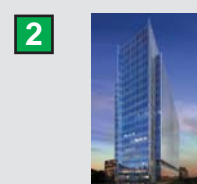
- |   |  |
|---|--|
| <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1</span> Cumberland Mall                 | <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">5</span> Dobbins Air Base |
| <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">2</span> Galleria Mall                   | <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">6</span> Vinings Area     |
| <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">3</span> Cobb Energy Arts Centre         | <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">7</span> SunTrust Park    |
| <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">4</span> Chattahoochee Recreation Center | <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">8</span> The Battery      |

## Active Projects



**1**  
**THYSSENKRUPP HQ**  
 332,486 SF  
 Class A Build-To-Suit  
 420-Foot Elevator Tower  
 Under Construction  
 Delivery Q4 2020  
 Developer: Atlanta Braves

## Proposed Projects



**2**  
**TWO OVERTON PARK**  
 390,000 SF Class A office  
 Construction pending  
 Developer: Hines  
 Interests



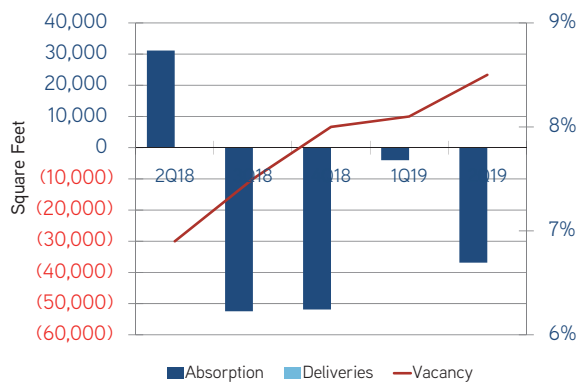
**3**  
**500 GALLERIA**  
 250,000-300,000 SF  
 Class A build-to-suit  
 Construction pending  
 Developer: Childress Klein



## In The News

- LGE Community Credit Union relocating to Cumberland Center II:** LGE Community Credit Union signed a lease for the top floors at Cumberland Center II, relocating from its longtime headquarters in Marietta just north of the Lockheed Martin plant. The lease is for 59,348 square feet and will include signage on the 17-story office tower. Occupancy is set for Q4 2019.
- Cumberland/Galleria experiencing influx of corporate development:** The Cumberland/Galleria submarket has recently gone through a string of economic wins related to new and expanding businesses in the area. Last year's announcement by Thyssenkrupp company to build a new U.S. headquarters and R&D facility, including a 420-foot elevator testing tower, was the most significant win. The company plans to invest about \$263 million in the development and add more than 860 jobs with the project. Other big wins include the relocation and expansion of Floor & Decor's headquarters in Cumberland/Galleria, creating about 420 jobs; and Home Depot's expansion in the submarket at Pennant Park (fka Interstate North). For all new and expanding businesses here, county leaders have noted the availability of a strong workforce in Cobb County as the reason companies want to locate here.

## Kennesaw | Marietta | Cherokee Co.



### Summary Statistics

Office Market Stats	All Classes
Total Inventory (Millions Square Feet)	9.3
Vacancy Rate	8.3%
Absorption YTD (Thousands Square Feet)	-41
Construction Deliveries YTD (Thousands Square Feet)	-
Under Construction (Thousands Square Feet)	253
Average Quoted Rent	\$21.78

## FOR MORE INFORMATION

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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 | Northwest Atlanta Listings



### THE DUPREE BLDG.

23,819 SF Sublease  
Jodi Selvey / Tiffany Wein



### PARKWOOD POINT

6,280-25,353 SF Sublease  
Jeff Kelley / Russ Jobson



### 1700 WATER PLACE

1,250-4,663 SF  
Lee Evans / Will Tyler



### 3225 CUMBERLAND

9,843 SF Lease  
Jessica Doyle /  
Lee Evans



### RIVEREDGE SUMMIT

1,803-10,114 SF Lease  
Will Tyler / Lee Evans  
Deming Fish



### OVERLOOK I

2,880-7,341SF  
Jessica Doyle