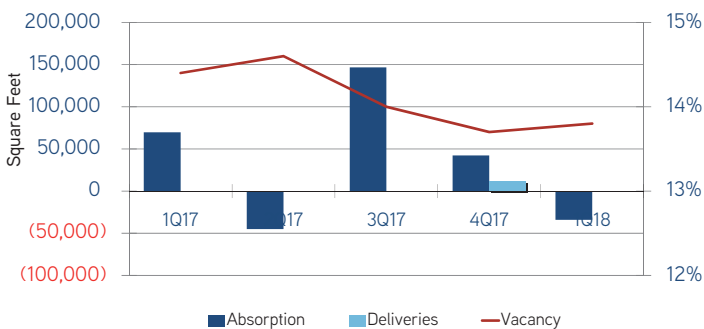


Key Takeaways

- › Downtown saw a slight drop in occupancy levels in the first quarter, mostly due to move-ins and move-outs cancelling one another out.
- › The 13.8% office vacancy rate still represents a relatively healthy level for the submarket. Given the absence of new supply, existing space will be all that is available to those seeking offices here.
- › Leasing demand for Downtown office picked up in the first quarter. Expansions and new leases were abundant over the past three months, averaging around 10,000 square feet per transaction.
- › Office rents increased for a fourth consecutive quarter. The overall average remains at its highest level ever in the submarket.
- › Given the increase of interest in numerous projects and announcements taking place Downtown, the submarket is expected to see leasing momentum continue over the course of the year. Another solid performance should be in store for the CBD in 2018.

Absorption, Deliveries and Vacancy



Market Indicators

Relative to prior period

Downtown
Q1 2018Downtown
Q2 2018*

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

*Projected

Summary Statistics

Downtown Office Market

All
Classes

Class A

Class B

Total Inventory (Millions Square Feet)	27.3	14.8	8.9
Vacancy Rate	13.8%	17.6%	9.6%
Change From Q4 2017	0.1%	-	0.2%
Absorption YTD (Thousands Square Feet)	-34	-4	-25
Construction Deliveries YTD (Thousands Square Feet)	-	-	-
Under Construction (Thousands Square Feet)	182	-	182

Asking Rents

Per Square Foot Per Year

Average Quoted	\$25.84	\$26.71	\$22.81
Change From Q4 2017	1.7%	1.6%	-1.2%

UPDATE - Recent Transactions in the Market

Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
Flexport	Bank of America Plaza	Shorenstein Properties	49,914	Class A Lease
Herzing University	Hurt Building	Meltzer Group, LLC	29,401	Class A Lease
Boston Consulting Group	100 Peachtree	Zeller Realty Group	20,000	Class A Expansion
Intermedix	Peachtree Center	Banyan Street Capital	20,000	Class A Lease

Notable Sales Activity

PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
99-185 Spring St.	9/27/2017	\$25,000,000	405,983	\$61.58	CIM Group LP
41 Marietta St.	u/c	\$12,200,000 (asking)	135,000	TBD	TBD
750 Ralph McGill Blvd.	2/16/2018	\$4,900,000	20,431	\$239.83	New City, LLC
57 Forsyth St.	2/7/2018	\$4,025,000	173,131	\$23.25	Joel & Granot Real Estate

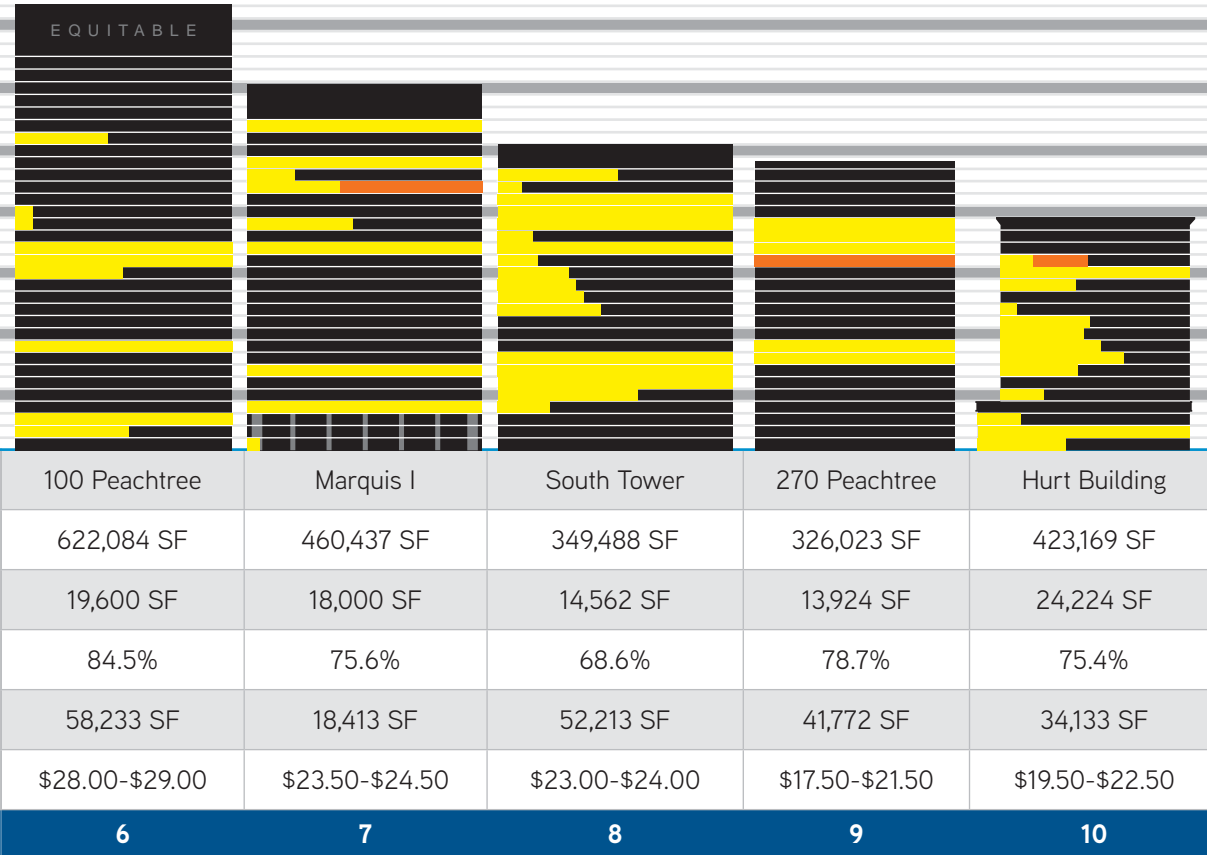
Skyline Review





BUILDING	Bank of America Plaza	SunTrust Plaza	Georgia-Pacific Center	191 Peachtree	101 Marietta Street
RBA	1,330,000 SF	1,249,022 SF	1,133,840 SF	1,219,000 SF	662,532 SF
TYPICAL FLOOR SIZE	23,500 SF	25,000 SF	20,000 SF	24,220 SF	20,050 SF
% LEASED	60.7%	93.3%	96.6%	91.6%	79.8%
LARGEST SPACE AVAIL.	305,127 SF	37,371 SF	42,042 SF	46,431 SF	60,180 SF
RENTAL RATE PER SF (Gross)	\$31.50-\$38.00	\$32.00	\$27.50-\$28.50	\$31.00-\$33.00	\$22.00-\$26.00



Source: CoStar Property



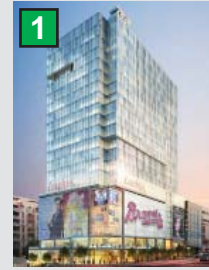
Aerial Legend

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

Points of Interest

- 1** Former Georgia Dome Site
- 2** Philips Arena
- 3** Georgia World Congress Center
- 4** CNN Center
- 5** Centennial Olympic Park
- 6** Georgia Aquarium
- 7** World of Coke
- 8** Civil Rights Museum
- 9** Mercedes-Benz Stadium
- 10** Georgia Tech
- 11** Atlanta Civic Center
- 12** College Football Hall of Fame
- 13** Georgia State University
- 14** Underground Atlanta
- 15** State Capital
- 16** Turner Field

Proposed Dev.



285 MARIETTA STREET
 350,000 SF office
 60,000 SF retail
 Proposed
 Developers: Seven Oaks Co./
 Legacy Property Gr.



50 ALLEN PLAZA
 870,914 SF
 Proposed
 Land acquired Spring 2012
 New Owner: Regent Partners



THE WILLOUGHBY
 61,000 SF
 Under Construction
 Delivering June 2018
 Developer: Cross-Town Realty

In The News

- Big renovation planned for Norfolk Southern buildings:** CIM Group's recent \$25 million purchase of Downtown's landmark Norfolk Southern buildings is yet another shot in the arm for the southwest section of the Central Business District. The developer has been active purchasing a number of properties in this area, and now with its investment in these vacant buildings located at 99 and 125 Ted Turner Drive, CIM Group has an opportunity to create a truly unique development. Plans are for the buildings, which are historically protected, to be redeveloped into 250 residential units, and also include ground-floor commercial space including retail and possible office space. The entire complex abuts "The Gulch" which has seen tremendous interest as of late thanks to Amazon's HQ2 requirement.
- 222 Mitchell Street deal advances Downtown's rebirth:** Newport Real Estate recently put the 222 Mitchell Street building under contract for \$12 million. The purchase represents the German real estate company's largest investment yet in the south Downtown area. It also ties in to Newport's planned \$500 million redevelopment of a stretch of properties in and around the same area. The building formerly housed data processing and executive offices for Bank of America. It will require extensive renovations to be converted into new housing, retail and office space.

AT A GLANCE | The Hub at Peachtree Center



- > Redevelopment project at Peachtree Center to transform the retail core of Downtown.
- > Plans are for a more inviting, brighter experience throughout the project to include modernized shopping, dining, and entertainment options.
- > A new glass-enclosed staircase connecting to the retail center will be the highlight of the redevelopment.
- > The face-lift is well underway and is to be completed by the Spring of 2019.

FOR MORE INFORMATION

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Russ Jobson	Will Tyler
Jeff Kelley	Andrew Waguespack
Dany Koe	Andrew Walker
Drew Levine	Bob Ward
Michael Lipton	Stewart Yates

Colliers International | Atlanta Office | Downtown Listings



PEACHTREE CENTER

1,142-116,277 SF Lease
 Scott DeMyer /
 Emily Richardson

MARQUIS I & II

1,168-72,804 SF Lease
 Jessica Doyle /
 Deming Fish



GLENCASTLE

7,300-70,300 SF
 Scott DeMyer / Will Tyler



SUNTRUST PLAZA

23,582 SF Sublease
 Pete Shelton /
 Chuck Francis