

VACANCY
15%
Remains steady

LEASE RATE
\$27.81 PSF
Above average rent growth

ABSORPTION
1.4 MSF
225% greater than in Q4 2019

DELIVERIES
1.8 MSF
7 Buildings

CONSTRUCTION
5.4 MSF
44% Preleased

OFFICE

HEALTHY ATLANTA OFFICE MARKET MARRED BY CORONAVIRUS CONCERNS

STRONG LEASING VELOCITY CONTINUES IN CORE MARKETS

Following a strong 2019, the first quarter of 2020 was overshadowed by the economic disruption of the coronavirus. The trajectory of Atlanta's economy and its office sector will depend on how widely the virus spreads, and how long containment policies like social distancing need to be maintained. It's likely that leasing, supply, rent growth, and capital markets indicators will all be affected by the outbreak in some way, though the full scope of its impact is unknown. However, it is safe to say that the office market will not revert back to its previous status quo, as remote working is thrust into the national spotlight.

Construction activity currently underway still falls short of Atlanta's historical average. However, strong leasing velocity, particularly in new properties in Midtown, assist in calming fears of oversupply in the near term. Buoyed by recent leasing trends, rent growth continues to outperform both the metro's historical average and the national average.

Core submarkets like Buckhead, Cumberland/Galleria, and Midtown should continue to garner an outsized share of investor interest. Though COVID-19 may lead to an economic turndown, the pandemic could bring about developers making the most of the crisis, as well as a newfound appreciation for communal office spaces.

UNDER CONSTRUCTION

Submarket	# Bldgs	RBA (SF)	Preleased
Midtown	12	3,418,926	42%
Northwest	3	524,227	35%
Central Perimeter	1	429,200	100%
Buckhead	2	395,000	9%
South Atlanta	3	153,000	54%
North Fulton	4	143,117	33%
Northlake	3	113,000	68%
Downtown	3	93,775	1%
West Atlanta	2	63,610	100%
Northeast	1	35,000	47%
Gainesville	1	20,000	50%
Total	35	5,388,855	44%

ATLANTA SUPPLY IS RAMPING UP

Roughly 1 MSF of speculative construction has delivered annually on average since 2010. Developers have responded to the metro's consistently low vacancies, above-average rent growth, and impressive leasing velocity, breaking ground on over 5.4 MSF of construction.

NOTABLE TRANSACTIONS

LEASE	Submarket	Tenant	Size (SF)
T3 West Midtown	Midtown	Macy's	107,712
NorthWinds V	N Fulton/Forsyth	Toyota Financial Services	56,642
Sanctuary Park – Hillside	N Fulton/Forsyth	Merchant ESolutions	53,917
SALE	Submarket	Price	Size (SF)
55 Allen Plaza	Downtown	\$80.0M	342,854
Stockyards Atlanta	Chattahoochee	\$61.2M	145,041
244 Perimeter Center	Central Perimeter	\$41.7M	262,340

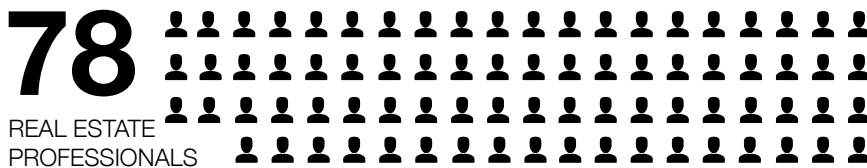
OFFICE BY SUBMARKET

Submarket	Total RBA	Vacant SF	Vacancy %	Absorption YTD	Deliveries YTD	Construction SF
Buckhead	22,090,882	3,236,253	14.6%	(125,027)	0	395,000
Central Perimeter	30,248,855	5,298,480	17.5%	854,142	1,005,000	429,200
Downtown Atlanta	26,645,176	3,806,193	14.3%	(138,087)	0	93,775
Gainesville	2,529,008	211,453	8.4%	1,596	0	20,000
Jefferson	80,502	0	0.0%	0	0	0
Midtown Atlanta	24,784,217	3,068,583	12.4%	678,278	352,000	3,418,926
North Fulton	26,680,453	4,132,259	15.5%	171,711	384,570	143,117
Northeast Atlanta	21,308,598	4,157,779	19.5%	(1,354)	0	35,000
Northlake	18,822,937	2,294,321	12.2%	(19,299)	36,427	113,000
Northwest Atlanta	34,162,074	5,116,741	15.0%	(82,686)	0	524,227
South Atlanta	14,064,956	1,744,534	12.4%	71,738	0	153,000
West Atlanta	3,328,703	627,841	18.9%	(9,001)	0	63,610
TOTALS	224,746,361	33,694,437	15.0%	1,402,011	1,777,997	5,388,855

OFFICE BY PRODUCT TYPE

Product	Total RBA	Vacant SF	Vacancy %	Absorption YTD	Deliveries YTD	Construction SF
Class A	119,889,466	19,823,954	16.5%	1,566,877	1,750,997	5,085,019
Class B	89,922,604	12,819,948	14.3%	(133,249)	27,000	303,836
Class C	14,934,291	1,050,535	7.0%	(31,617)	0	0

NAI BRANNEN GODDARD



\$995

MILLION IN TRANSACTIONAL VOLUME

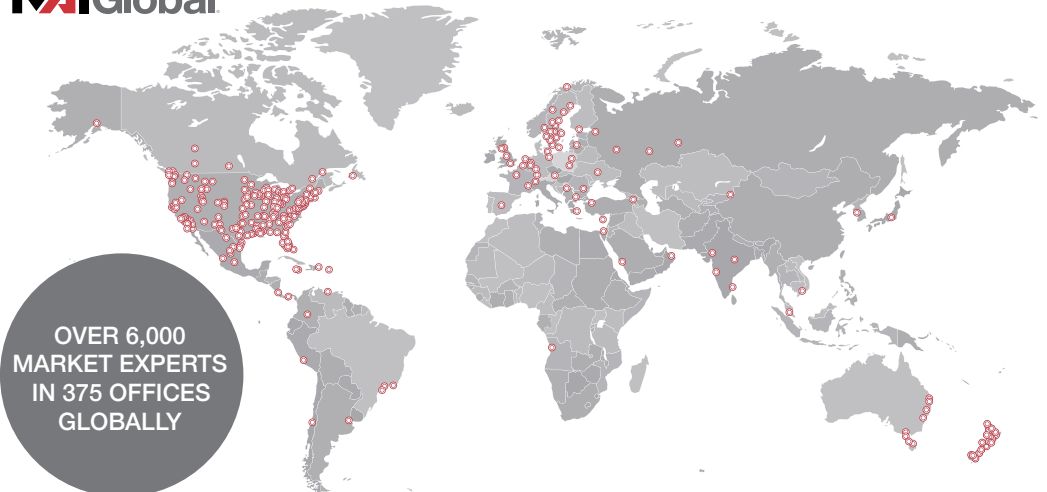
42M

TOTAL SQUARE FEET IN LISTINGS

OVER 1.5M

MONTHLY LEASING ACTIVITY

NAIGlobal



OVER 6,000 MARKET EXPERTS IN 375 OFFICES GLOBALLY

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