

# OFFICE

MAJOR CORPORATE COMMITMENTS HIGHLIGHT PATH TO FUTURE GROWTH EVEN WITH WORST EVER Q1 ABSORPTION

### MARKET TRENDS

INDICATOR	Current Quarter	1 Year Ago	Y-O-Y Change
INVENTORY	227 MSF	225 MSF	↑
VACANCY	18.0%	15.1%	↑
NET ABSORPTION	(2.7) MSF	1.2 MSF	↓
LEASING ACTIVITY	1.7 MSF	2.8 MSF	↓

### DEVELOPMENT PIPELINE

<b>6.2</b> MSF UNDER CONSTRUCTION	<b>629</b> KSF DELIVERIES YTD 2021	<b>43%</b> PRE-LEASED AMOUNT
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### TAKEAWAYS

- ✓ Atlanta offices continue reopenings and tour activity commences again post-Covid
- ✓ Key submarkets see strong leasing activity
- ✓ Negative absorption mostly accounted for by AT&T space consolidation
- ✓ Recent announcements from major corporations are positive signs for Atlanta's office market recovery

### ECONOMIC INDICATORS







Rapidly lifted restrictions and vaccine roll-out has directly impacted job growth and the local economy, which is outperforming other U.S. metros.

Employment gains are just beginning. Atlanta is set to add office jobs from Google, Microsoft, and Norfolk Southern, as well as thousands of industrial jobs over the next few months.

Atlanta's standing as a major distribution hub with its international airport, connectivity to southeastern ports, and high-quality labor drawing major corporations to move operations here.

Generous tax incentives have attracted major corporations and also grown the film/entertainment industry in the area. In addition to those listed above, Papa Johns, ThyssenKrupp, Airbnb and Deluxe have also committed to Atlanta.

### NOTABLE TRANSACTIONS

<p>LEASE / Tenant</p>  <p><b>206,542 SF</b> New Lease North Fulton</p>	<p>LEASE / Tenant</p>  <p><b>94,221 SF</b> Renewal Northwest</p>	<p>LEASE / Tenant</p>  <p><b>53,440 SF</b> Sublease Central Perimeter</p>
<p>LEASE / Tenant</p>  <p><b>36,000 SF</b> New Lease Northeast</p>	<p>SALE / Buyer</p>  <p><b>\$142M</b> \$286/SF Mansell Overlook (3 bldgs) North Fulton</p>	<p>SALE / Buyer</p>  <p><b>\$135M</b> \$292/SF Stonebridge (3 bldgs) North Fulton</p>

## SUBMARKET TRENDS

<b>1</b> LOWEST Q1 VACANCY RATE <b>JEFFERSON</b> 0% ATLANTA 18%	<b>2</b> YTD HIGHEST ABSORPTION <b>SOUTH ATLANTA</b> 52K SF ATLANTA (2.7) MSF
<b>3</b> HIGHEST INCREASE IN QUOTED RATE <b>WEST ATLANTA</b> UP 16% TO \$22.16 ATLANTA \$28.56	<b>4</b> LARGEST YOY CONSTRUCTION INCREASE <b>DOWNTOWN</b> UP 548K SF TO 650K SF ATLANTA 6.2 MSF



BY SUBMARKET	TOTAL RBA	VACANT SF	VACANCY %	ABSORPTION YTD	DELIVERIES YTD	CONSTRUCTION SF
BUCKHEAD	22,260,711	4,559,727	20.5%	(1,024,151)	0	398,000
CENTRAL PERIMETER	30,306,822	6,858,047	22.6%	(547,470)	0	429,200
DOWNTOWN ATLANTA	26,024,325	4,416,233	17.0%	(216,303)	30,000	649,945
GAINESVILLE	2,465,345	191,326	7.8%	18,016	0	0
JEFFERSON	80,502	0	0.0%	0	0	0
MIDTOWN ATLANTA	25,819,001	4,950,251	19.2%	(315,832)	523,511	2,986,328
NORTH FULTON	27,011,839	4,779,285	17.7%	(66,589)	20,291	574,528
NORTHEAST ATLANTA	21,506,351	4,393,859	20.4%	(195,258)	0	17,616
NORTHLAKE	18,979,652	2,813,188	14.8%	(118,416)	0	530,000
NORTHWEST ATLANTA	34,315,701	5,495,618	16.0%	(170,294)	29,900	371,561
SOUTH ATLANTA	14,401,782	1,733,194	12.0%	52,190	25,000	20,000
WEST ATLANTA	3,529,611	680,477	19.3%	(115,848)	0	261,461
<b>TOTALS</b>	<b>226,701,642</b>	<b>40,871,205</b>	<b>18.0%</b>	<b>(2,699,955)</b>	<b>628,702</b>	<b>6,238,639</b>

BY PRODUCT TYPE	TOTAL RBA	VACANT SF	VACANCY %	ABSORPTION YTD	DELIVERIES YTD	CONSTRUCTION SF
CLASS A	123,420,041	26,158,194	21.2%	(2,323,752)	553,511	5,925,368
CLASS B	88,543,315	13,532,050	15.3%	(305,126)	75,191	313,271
CLASS C	14,738,286	1,180,961	8.0%	(71,077)	0	0

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