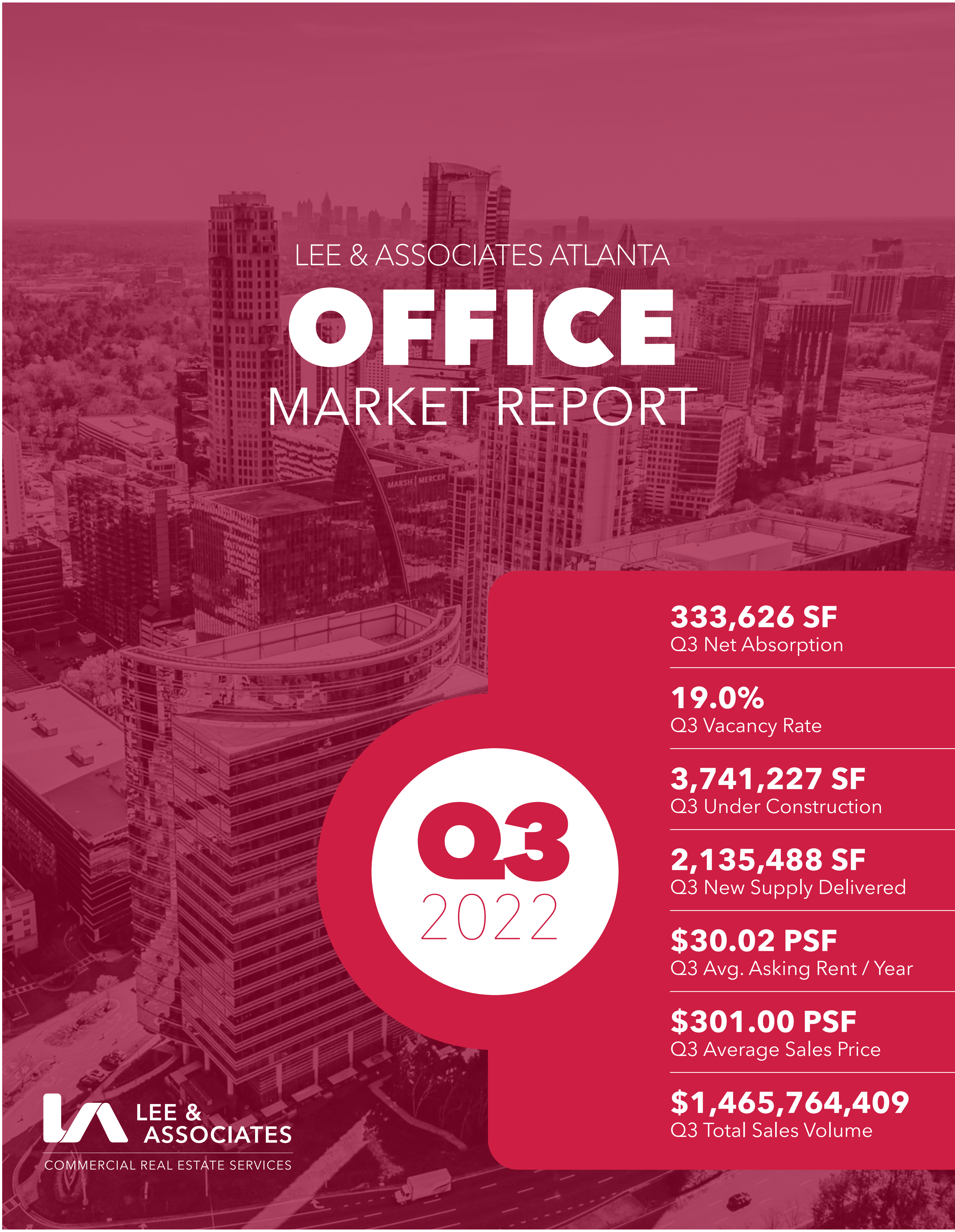


LEE & ASSOCIATES ATLANTA

OFFICE
MARKET REPORT

Q3
2022

333,626 SF
Q3 Net Absorption

19.0%
Q3 Vacancy Rate

3,741,227 SF
Q3 Under Construction

2,135,488 SF
Q3 New Supply Delivered

$30.02 PSF
Q3 Avg. Asking Rent / Year

$301.00 PSF
Q3 Average Sales Price

$1,465,764,409
Q3 Total Sales Volume

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

MARKET OVERVIEW

Given occupier concerns with the future of office space and more downsizing than expansions, Atlanta's vacancy rate remains nearly unchanged year-over-year, ending Q3 2022 at 19%. Several new, Class A office buildings delivered this quarter, including Midtown's Midtown Union which was 60% preleased at the time of delivery, Downtown's Fourth Ward which was 68% preleased at the time of delivery, and Buckhead's One Phipps Plaza which was 35% preleased at the time of delivery. While leasing activity is not as robust as in recent quarters, average asking rents climbed to $30.02 PSF, with Midtown being the highest priced submarket in the metro area at $41.08 PSF. Year-to-date 2022 absorption ended Q3 at positive 1.4 MSF, which is the highest year-to-date amount absorbed since 2015. This level of broad demand speaks to the strength of Metro Atlanta's office sector and recovery.

333,626 SF
Q3 Net Absorption
Q2: 1,322,275 SF

19.0%
Q3 Vacancy Rate
Q2: 18.4%

3,741,227 SF
Q3 Under Construction
Q2: 5,669,681 SF

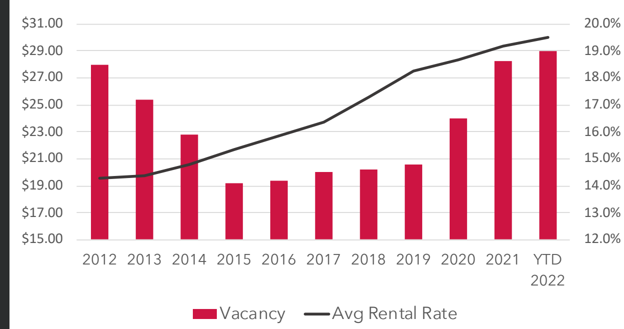
2,135,488 SF
Q3 New Supply Delivered
Q2: 279,300 SF

$30.02 PSF
Q3 Avg. Asking Rent / Year
Q2: $29.61 PSF

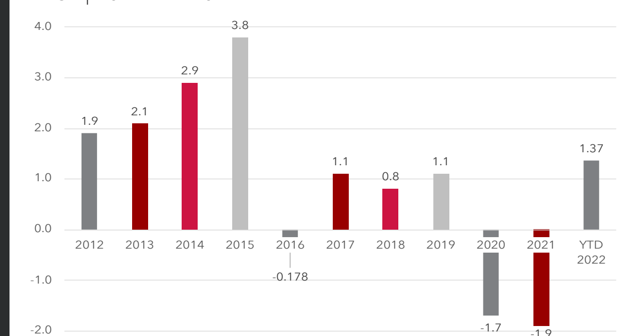
$301.00 PSF
Q3 Average Sales Price
Q2: $305.00 PSF

$1,465,764,409
Q3 Total Sales Volume
Q2: $965,252,367

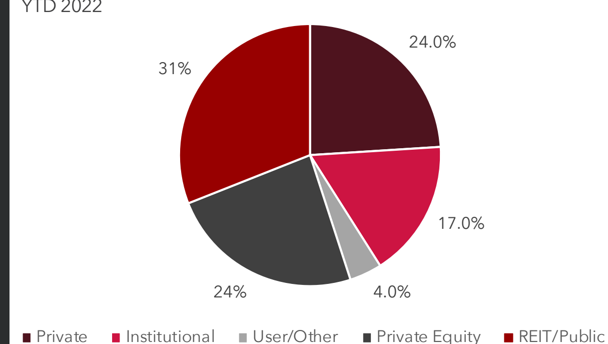
VACANCY & AVG. RENTAL RATE
rate PSF | 2012 - YTD 2022



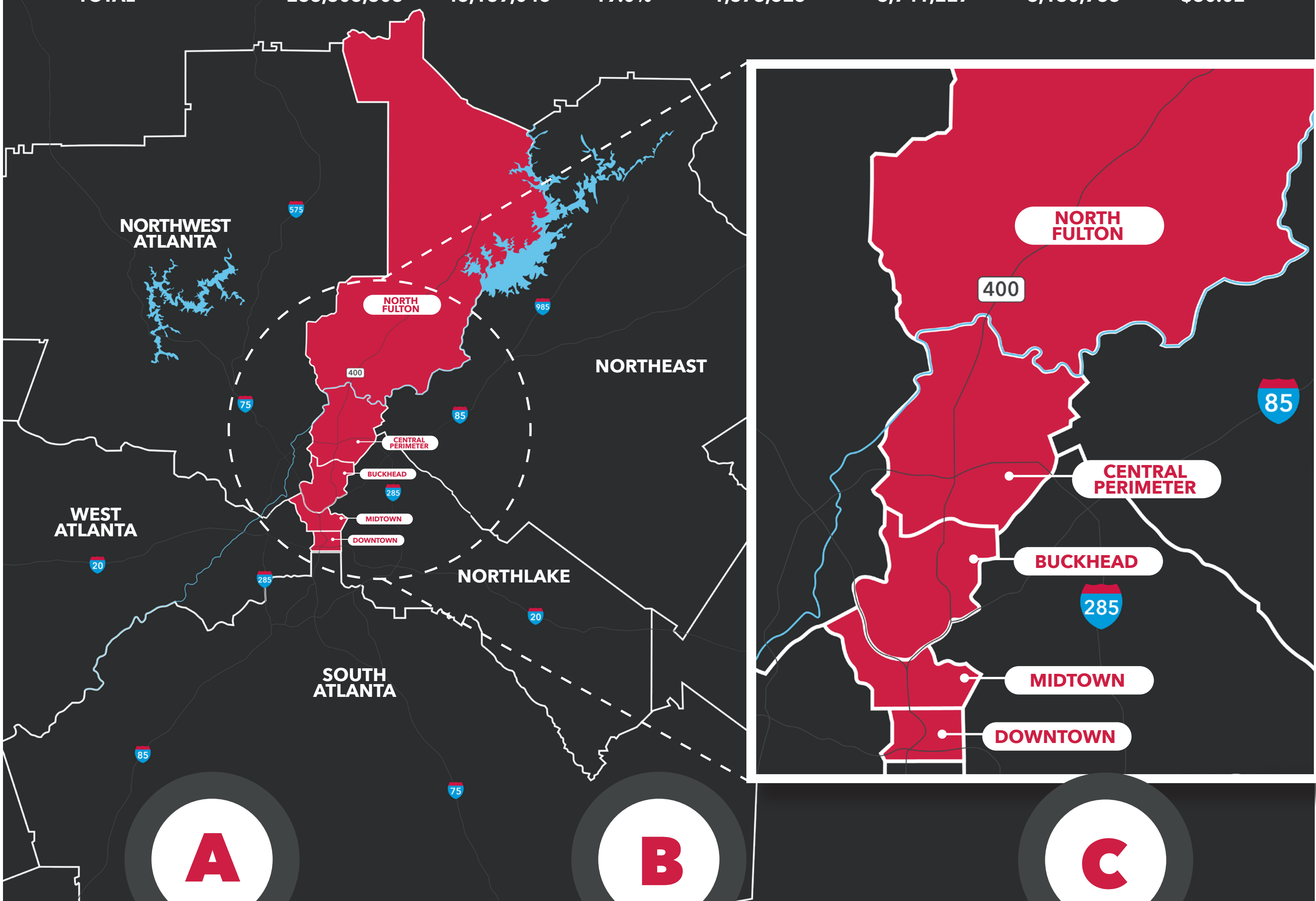
ABSORPTION
in MSF | 2012 - YTD 2022



BUYER TYPE
YTD 2022



	OFFICE SUBMARKETS	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	Q3 VACANCY RATE	YTD NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD DELIVERIES (SF)	AVG. ASKING RENT / YEAR (PSF)
1	Buckhead	23,374,463	5,355,570	22.9%	(273,254)	262,751	365,263	$36.05
2	Central Perimeter	32,385,232	6,681,496	20.6%	494,896	115,905	-	$30.67
3	Downtown	29,799,114	5,429,595	18.2%	109,561	669,066	618,668	$30.58
4	Midtown	29,617,556	6,812,511	23.0%	705,210	1,269,691	1,218,036	$41.08
5	North Fulton	27,824,958	5,867,148	21.1%	(132,465)	217,136	65,000	$25.47
6	Northeast Atlanta	23,443,503	3,608,355	15.4%	161,247	364,936	-	$20.81
7	Northlake	19,408,242	3,486,006	18.0%	26,166	-	530,000	$23.30
8	Northwest Atlanta	34,157,109	5,513,537	16.1%	225,388	103,367	27,000	$26.59
9	South Atlanta	14,400,711	1,575,858	10.9%	21,163	173,000	88,000	$22.04
10	West Atlanta	3,894,420	858,970	22.1%	35,613	565,375	218,821	$29.65
	TOTAL	**238,305,308**	**45,189,046**	**19.0%**	**1,373,525**	**3,741,227**	**3,130,788**	**$30.02**



A

CLASS A

TOTAL INVENTORY (SF)	131,588,636
TOTAL VACANT (SF)	31,001,356
VACANCY RATE	23.6%
YTD NET ABSORPTION (SF)	964,368
UNDER CONSTRUCTION (SF)	2,715,493
YTD DELIVERIES (SF)	2,658,649
AVG. ASKING RENT / YR. (PSF)	$32.70

B

CLASS B

TOTAL INVENTORY (SF)	91,394,491
TOTAL VACANT (SF)	13,122,342
VACANCY RATE	14.4%
YTD NET ABSORPTION (SF)	490,320
UNDER CONSTRUCTION (SF)	1,025,734
YTD DELIVERIES (SF)	472,139
AVG. ASKING RENT / YR. (PSF)	$23.28

C

CLASS C

TOTAL INVENTORY (SF)	15,322,181
TOTAL VACANT (SF)	1,065,348
VACANCY RATE	7.0%
YTD NET ABSORPTION (SF)	(81,163)
UNDER CONSTRUCTION (SF)	-
YTD DELIVERIES (SF)	-
AVG. ASKING RENT / YR. (PSF)	$19.71

Q3 2022 TOP SALES

3200 WINDY HILL ROAD SE
THE TOWERS AT WILDWOOD PLAZA

SUBMARKET	Northwest
BUYER	The Simpson Organization
SELLER	America's Capital Partners
SIZE (SF)	767,799
SALE PRICE	$109,500,000 *($142.62 PSF)*

1180 PEACHTREE STREET NE
1180 PEACHTREE

SUBMARKET	Midtown
BUYER	Piedmont Office Realty Trust
SELLER	GA Pension Trust
SIZE (SF)	691,000
SALE PRICE	$472,000,000 *($683.07 PSF)*

64 PERIMETER CENTER E
PERIMETER CENTER

SUBMARKET	Central Perimeter
BUYER	Workspace Property Trust
SELLER	Griffin Realty Trust
SIZE (SF)	584,785
SALE PRICE	$115,195,993 *($196.99 PSF)*

5335 TRIANGLE PARKWAY

SUBMARKET	Northeast Atlanta
BUYER	Midtown Realty Group
SELLER	Founders Partners, LLC
SIZE (SF)	115,053
SALE PRICE	$26,725,000 *($232.28 PSF)*

Q3 2022 TOP LEASES

754 PEACHTREE STREET
MIDTOWN CENTER I

SUBMARKET	Midtown
TENANT	AT&T Corp
SIZE (SF)	259,738
LEASE TYPE	Renewal

3333 PEACHTREE ROAD
ATLANTA FINANCIAL CENTER - SOUTH

SUBMARKET	Buckhead
TENANT	USPO Atlanta, LLC
SIZE (SF)	220,065
LEASE TYPE	Renewal

1435 HILLS PLACE NW
ALLIED STUDIOS

SUBMARKET	Midtown
TENANT	Anduril
SIZE (SF)	140,000
LEASE TYPE	New

201 17TH STREET NW
ATLANTIC STATION

SUBMARKET	Midtown
TENANT	Nelson Mullins
SIZE (SF)	103,156
LEASE TYPE	Renewal

Q3 2022 TOP UNDER CONSTRUCTION

PROJECT NAME	LOCATION	BUILDING SIZE (SF)	SUBMARKET	DELIVERY
Spring Quarter	1020 Spring St	538,126	Midtown Atlanta	Q3-25
Science Square Labs	Northside Dr NW & Cameron M Alexander Blvd NW	364,871	Downtown Atlanta	Q1-24
765 Echo - Echo Street West	765 Echo St NW	274,974	Midtown Atlanta	Q2-23
Interlock Office Phase II	1080 Northside Dr	209,174	Midtown Atlanta	Q3-23
The Met - 5000	680 Murphy Ave	138,983	West Atlanta	Q4-23
Junction at Krog District	667 Auburn Ave NE	136,000	Downtown Atlanta	Q2-23
Garden Hills Office Bldg.	2827 Peachtree Rd	129,751	Buckhead	Q3-23
The Met - 4000	680 Murphy Ave	127,541	West Atlanta	Q2-23

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

LEE & ASSOCIATES - ATLANTA
3500 Lenox Road, Suite 1600 | Atlanta, GA 30326
404.442.2810 | lee-associates.com/atlanta

Report analysis by: Daniel Wagner, Chief Data Officer | Kate Hunt, Sr. Research Analyst
Report created by: Bentley Logue, Graphic Designer | Hannah Johnson, Sr. Marketing Coordinator