



ATLANTA **OFFICE** MARKET REPORT

Positive tenant activity keeps vacancy in check, rents remain steady.



WHAT'S HAPPENING

Despite an overall slowing of office fundamentals nationally, Atlanta's office market has posted positive overall activity for four consecutive quarters. Vacancy ended Q1 at 18.4%, a 10-basis point decrease from the previous quarter. Net absorption, while not as robust as quarters past, was in the positive thanks to major tenant move ins from Zaxby's (51,493 SF)

and TSA (44,000 SF) in the Central Perimeter and South Atlanta submarkets. Increasing interest rates and macroeconomic concerns placed downward pressure on investment sales activity, as Atlanta's rolling 12-month sales volume fell by more than 13% quarter-over-quarter.



373,960 SF

Q1 NET ABSORPTION

Q4: 292,982 SF



18.4%

Q1 VACANCY RATE

Q4: 18.5%



3.3 MSF

Q1 UNDER CONSTRUCTION

Q4: 4.6 MSF



465,793 SF

Q1 NEW SUPPLY DELIVERED

Q4: 340,777 SF



\$30.11

Q1 AVG. ASKING RENT | YEAR

Q4: \$29.96



\$4.9 Billion

ROLLING 12-MO SALES VOLUME

Q4: \$5.7 Billion

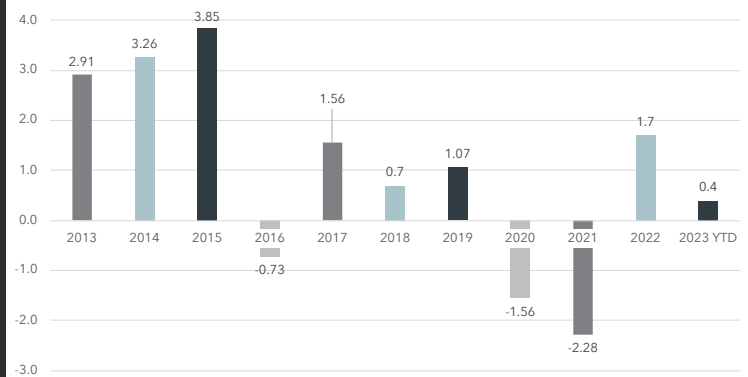


\$241 PSF

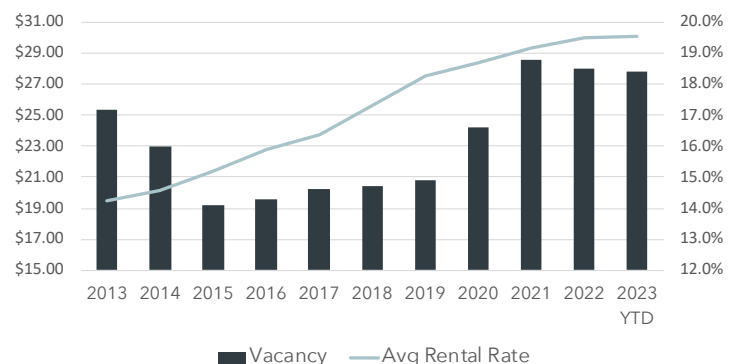
Q1 AVERAGE \$ | PSF

Q4: \$271 PSF

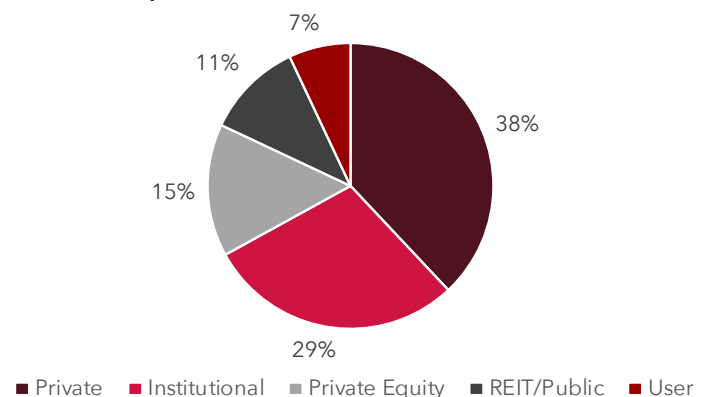
Q1 2023 | ABSORPTION



Q1 2023 | VACANCY & AVG RENTAL RATE



Q1 2023 | BUYER TYPE



2023 STATS

TOP SALES



1957 LAKESIDE PARKWAY
Tucker, GA 30084

| | |
|------------|------------------------------|
| SUBMARKET | Northlake |
| BUYER | Onward Investors |
| SELLER | Greenleaf Capital, LLC |
| SIZE (SF) | 89,585 |
| SALE PRICE | \$8,846,052 (\$98.74 PSF) |



1075 BIG SHANTY ROAD NW
Kennesaw, GA 30144

| | |
|------------|-------------------------------|
| SUBMARKET | Northwest |
| BUYER | SilverCap Partners, LLC |
| SELLER | Angelo Gordon & Co., L.P. |
| SIZE (SF) | 70,140 |
| SALE PRICE | \$8,100,000 (\$115.48 PSF) |



4555 N SHALLOWFORD ROAD
Atlanta, GA 30338

| | |
|------------|-------------------------------|
| SUBMARKET | Central Perimeter |
| BUYER | SMP Sylva LLC |
| SELLER | City Of Dunwoody Ga |
| SIZE (SF) | 22,376 |
| SALE PRICE | \$7,780,000 (\$347.69 PSF) |



303 CORPORATE CENTER DRIVE
Stockbridge, GA 30281

| | |
|------------|-------------------------------|
| SUBMARKET | South Atlanta |
| BUYER | Atlanta Heart Assoc., P.C. |
| SELLER | Niam Investments LLC |
| SIZE (SF) | 45,000 |
| SALE PRICE | \$6,600,000 (\$146.67 PSF) |

TOP LEASES



PHIPPS TOWER
Atlanta, GA 30326

| | |
|------------|--------------|
| SUBMARKET | Buckhead |
| TENANT | Carters, Inc |
| SIZE (SF) | 207,980 |
| LEASE TYPE | Renewal |



2002 SUMMIT BOULEVARD
Atlanta, GA 30319

| | |
|------------|-------------------|
| SUBMARKET | Central Perimeter |
| TENANT | Zaxby's |
| SIZE (SF) | 51,493 |
| LEASE TYPE | New Lease |



1500 CENTRE PARKWAY
Atlanta, GA 30344

| | |
|------------|---------------|
| SUBMARKET | South Atlanta |
| TENANT | TSA |
| SIZE (SF) | 44,000 |
| LEASE TYPE | New Lease |



ONE OVERTON PARK
Atlanta, GA 30339

| | |
|------------|------------------|
| SUBMARKET | Northwest |
| TENANT | Procure Advisors |
| SIZE (SF) | 43,989 |
| LEASE TYPE | Sublease |

TOP UNDER CONSTRUCTION

PROJECT NAME

LOCATION

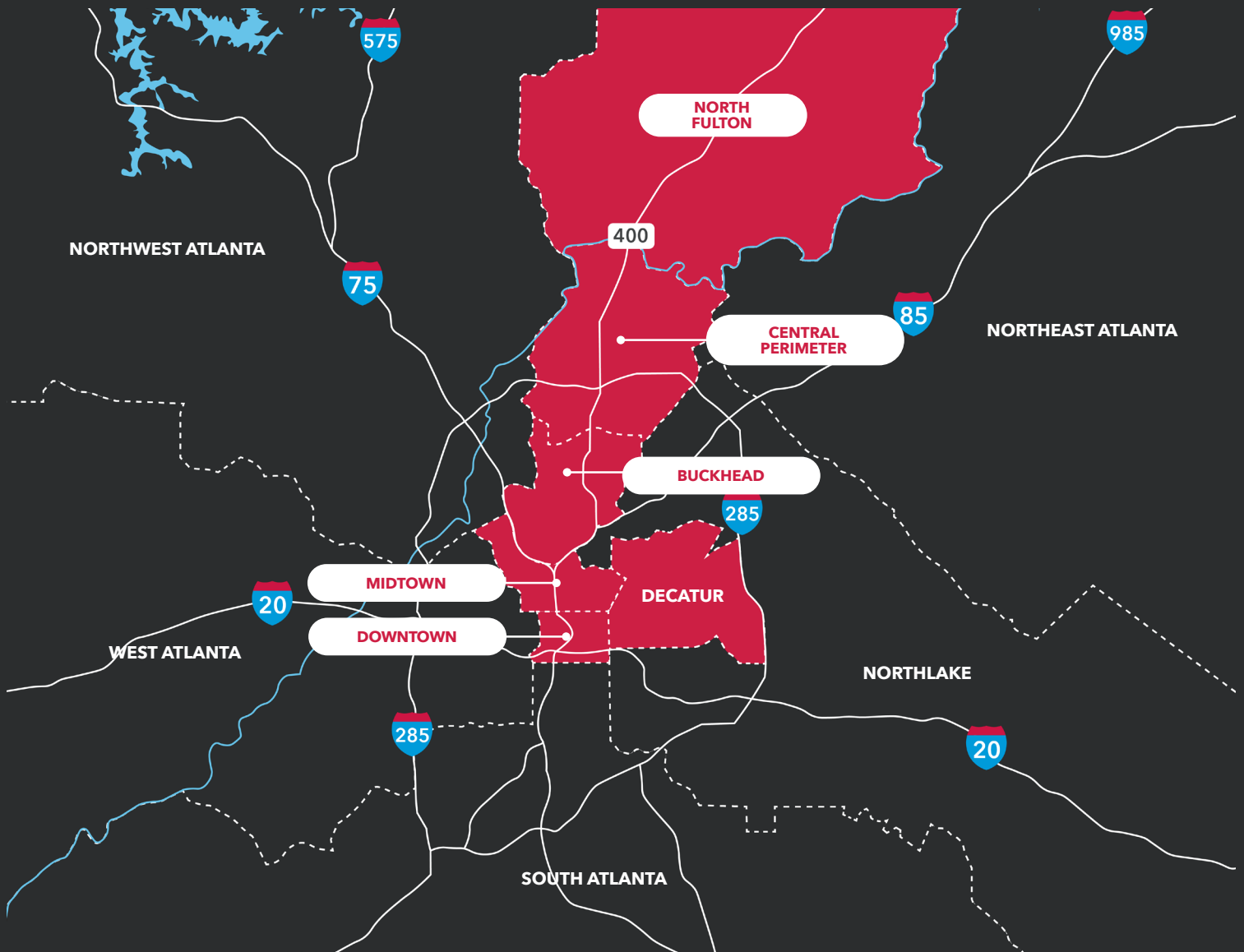
BUILDING SIZE

SUBMARKET

DELIVERY

| | | | | |
|------------------------------|-----------------------------|---------|----------|---------|
| Spring Quarter | 1020 Spring St | 538,126 | Midtown | Q3-2025 |
| Science Square Labs | Northside Dr NW | 364,871 | Downtown | Q1-2024 |
| Science Square Labs | Cameron M Alexander Blvd NW | 364,871 | Downtown | Q1-2024 |
| Echo Street West | 765 Echo St NW | 274,974 | Midtown | Q2-2023 |
| 1050 Brickworks | 1050 Marietta St NW | 225,000 | Midtown | Q2-2024 |
| Interlock Office Phase II | 1080 Northside Dr | 209,174 | Midtown | Q3-2023 |
| Junction at Krog District | 667 Auburn Ave NE | 135,000 | Downtown | Q2-2023 |
| Garden Hills Office Building | 2827 Peachtree Rd | 129,751 | Buckhead | Q3-2023 |

| | OFFICE SUBMARKETS | TOTAL INVENTORY (SF) | TOTAL VACANT (SF) | VACANCY RATE | YTD NET ABSORPTION (SF) | UNDER CONSTRUCTION (SF) | YTD DELIVERIES (SF) | AVG. ASKING RENT / YEAR (PSF) |
|----|-------------------|----------------------|-------------------|--------------|-------------------------|-------------------------|---------------------|-------------------------------|
| 1 | Buckhead | 23,697,582 | 4,985,129 | 21.0% | 132,700 | 129,751 | 133,000 | \$36.10 |
| 2 | Central Perimeter | 32,403,324 | 6,651,363 | 20.5% | (33,723) | 100,905 | 28,540 | \$29.80 |
| 3 | Downtown | 32,032,047 | 5,071,605 | 15.8% | 58,379 | 635,066 | 0 | \$30.78 |
| 4 | Midtown | 29,642,725 | 6,662,770 | 22.5% | (7,614) | 1,563,424 | 0 | \$40.69 |
| 5 | North Fulton | 27,943,703 | 5,891,039 | 21.1% | 118,066 | 301,267 | 37,729 | \$26.09 |
| 6 | Northeast Atlanta | 23,409,184 | 3,488,285 | 15.9% | (157,004) | 275,580 | 0 | \$21.37 |
| 7 | Northlake | 19,247,163 | 3,127,398 | 16.2% | 20,884 | - | 0 | \$23.88 |
| 8 | Northwest Atlanta | 34,499,119 | 5,633,396 | 16.3% | (14,589) | 158,367 | 0 | \$27.25 |
| 9 | South Atlanta | 14,444,526 | 1,612,719 | 11.2% | 57,835 | 173,000 | 0 | \$23.22 |
| 10 | West Atlanta | 4,421,295 | 1,257,074 | 28.4% | 199,026 | - | 266,524 | \$29.04 |
| | TOTAL | 241,740,668 | 44,380,778 | 18.4% | 373,960 | 3,337,360 | 465,793 | \$30.11 |



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