



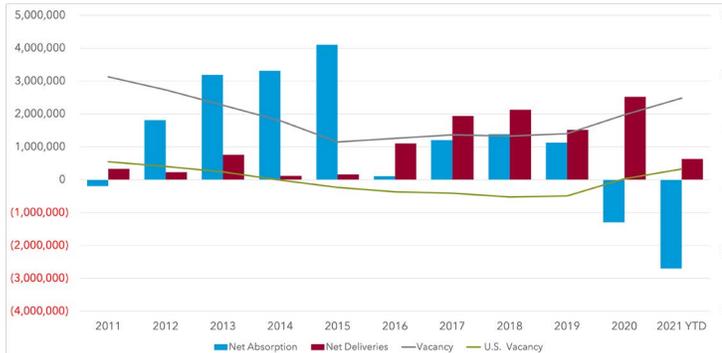
OFFICE MARKET OVERVIEW

WILLIE CANDLER, *Research Associate*

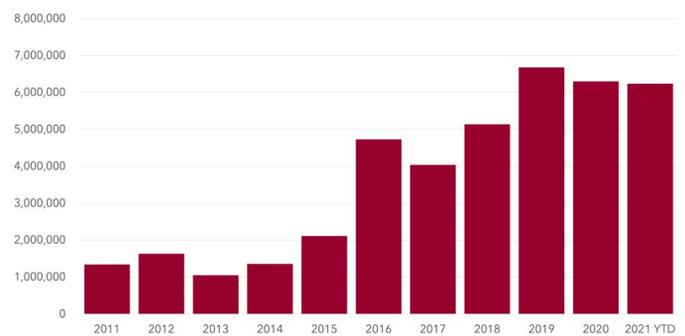
The Atlanta office market has had its two worst quarters back-to-back in terms of net absorption. The losses in the last three quarters, erase all the net absorption gains since 2015. While the vacancy rate has zoomed up 2.8% in just three quarters to 18%; however, the rate remains well below the high 22% reached during the great recession in 2010. Rental rate face rates have remained steady, while concessions have increased by 30%. Construction activity remains strong, with many projects already underway before the pandemic. Tenant activity has picked-up with a few full floor plus deals getting done and more on the horizon, as Georgia gets back to work with looser COVID restrictions.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	(2,699,955)	(2,138,268)	(520,305)	125,626	1,234,546
▲ Vacancy Rate	18.0%	16.6%	15.5%	15.2%	15.1%
▲ Avg NNN Asking Rate	\$28.56 PSF	\$28.25 PSF	\$28.36 PSF	\$28.24 PSF	\$27.82 PSF
▼ SF Under Construction	6,238,639	6,301,006	5,343,608	5,325,688	5,544,999
▲ Inventory SF	226,701,642	225,869,940	225,522,871	225,269,946	224,782,313

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5555 Windward Pky W Alpharetta, GA	507,000 SF	\$56,000,000 \$110.45 PSF	SWVP Alpharetta LLC Hewlett Packard Enterprises	Class B
1400 Lake Hearn Drive NE Atlanta, GA	113,256 SF	\$21,762,000 \$192.15 PSF	AMLI Residential TriGate Capital	Class A
500 Colonial Center Pky Roswell, GA	170,012 SF	\$49,499,428 \$291.15 PSF	PPF Real Estate I The Brookdale Group	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1105 W Peachtree Atlanta, GA	475,000 SF	Selig	Google	Technology
5995 Windward Pkwy Alpharetta, GA	206,542 SF	Grubb Properties	Global Payments	Finance & Insurance
1 Glenlake Pky NE Atlanta, GA	53,000	Starwood Capital Group	Servicemaster	Services

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2021 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com