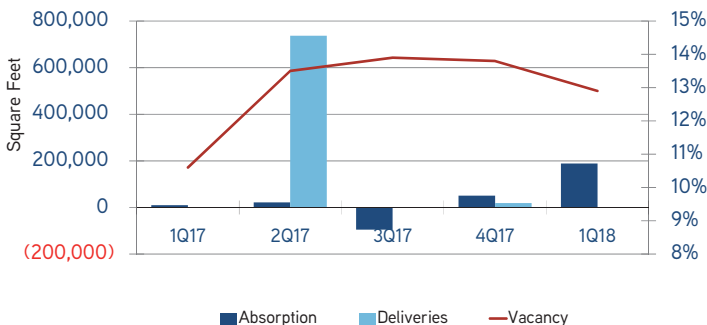


Key Takeaways

- Following a string of mediocre quarterly activity, Buckhead posted its strongest absorption in 3.5 years in the first quarter with occupancy increasing by more than 188,000 square feet.
- Move-ins at Three Alliance contributed to the strong quarter. Aon, Mass Mutual, Kajima, and Gallup combined for a total of 108,000 square feet of occupancy in the building.
- With demand picking up in the first quarter, the Class A average rental rate in Buckhead increased 1.6% from last quarter. With no new construction expected for some time, and landlords remaining confident on market conditions, rents are expected to continue increasing over the course of the year.
- Buckhead's strong first quarter will help the submarket achieve positive absorption in 2018. A few anticipated vacancies are expected next quarter, but given the recent pick-up in leasing in Q1, absorption activity should remain in positive territory.

Absorption, Deliveries and Vacancy



Market Indicators

Relative to prior period

Buckhead
Q1 2018Buckhead
Q2 2018*

VACANCY	↓	↓
NET ABSORPTION	+	+
CONSTRUCTION	-	-
RENTAL RATE	↑	↑

*Projected

Summary Statistics

Buckhead Office Market

All
Classes

Class A

Class B

Total Inventory (Millions Square Feet)	21.7	17.1	3.8
Vacancy Rate	12.9%	14.9%	6.4%
Change From Q4 2017	-0.9%	-1.0%	-0.3%
Absorption YTD (Thousands Square Feet)	189	177	12
Construction Deliveries YTD (Thousands Square Feet)	-	-	-
Under Construction (Thousands Square Feet)	-	-	-

Asking Rents

Per Square Foot Per Year

Average Quoted	\$33.37	\$34.37	\$23.89
Change From Q4 2017	1.6%	1.6%	-

UPDATE - Recent Transactions in the Market

Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
Baker, Donnelson, Bearman	Monarch Plaza	Highwoods Properties	50,248	Class A Renewal & Contraction
Terminus	Tower Place 100	Dev. Auth. of Fulton Co.	41,698	Class A Lease
Morgan Stanley	Terminus 100	Cousins Properties	33,000	Class A Expansion
Regus (No18)	Buckhead Atlanta	Oliver McMillan	31,957	Class A Lease

Notable Sales Activity

PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
Three Alliance Center	1/5/2018	\$270,000,000	506,647	\$532.92	State of Florida Retirement System
Resurgens Plaza	11/30/2017	\$92,700,000	438,062	\$211.61	Zeller Realty Group
1718-1720 Peachtree Rd.	4/16/2018	\$62,200,000	366,232	\$169.84	n/a
3475 Lenox Rd.	12/29/2017	\$50,075,000	201,488	\$248.53	Sage Equities

Skyline Review

Space Available
■ Direct
■ Sublet



BUILDING	3344 Peachtree	Atlanta Plaza	3630 Peachtree	Two Alliance Center	Tower Place 100
RBA	484,527 SF	629,884 SF	436,309 SF	491,888 SF	613,821 SF
TYPICAL FLOOR SIZE	22,000 SF	23,000 SF	28,259 SF	25,000 SF	19,586 SF
% LEASED	92.1%	79.7%	95.1%	94.2%	88.4%
LARGEST SPACE AVAIL.	17,711 SF	43,137 SF	18,512 SF	62,918 SF	13,461 SF
RENTAL RATE PER SF (Gross)	\$44.00	\$34.50-\$36.50	\$40.00-\$43.00	\$39.75-\$40.75	\$36.00-\$38.00

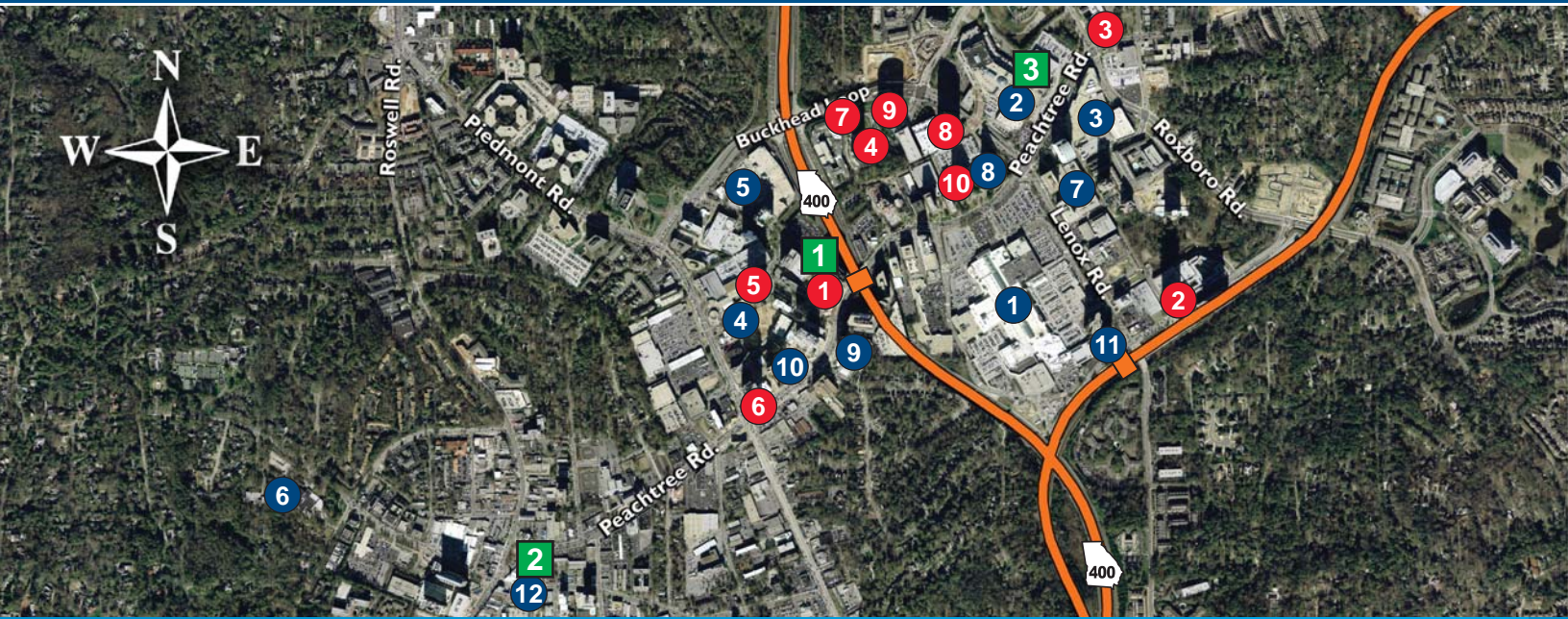
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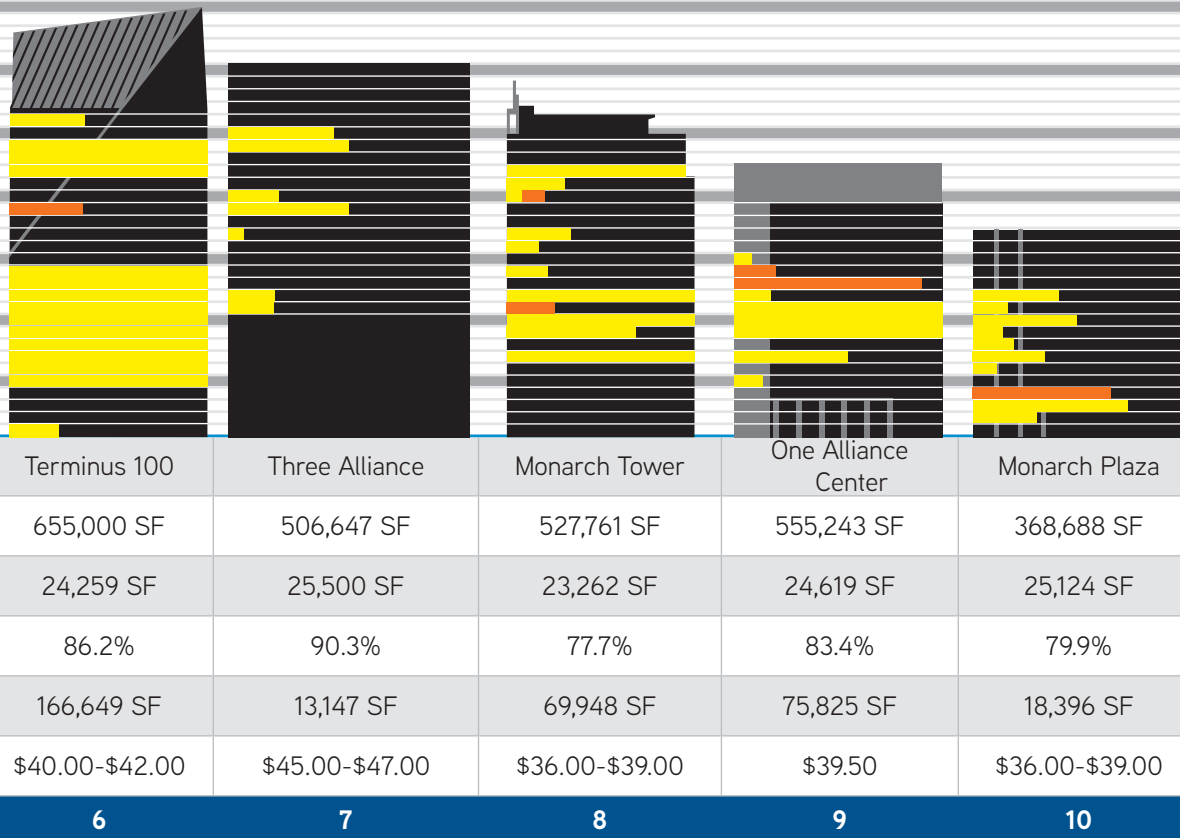
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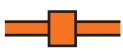

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Source: CoStar Property



Aerial Legend

-  Buildings by Number (see opposite page)
-  MARTA Rail Line
-  New Construction

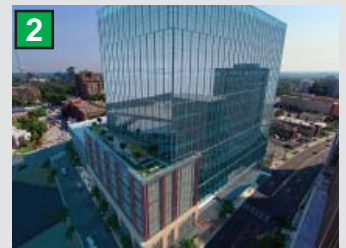
Points of Interest

- 1** Lenox Mall
- 2** Phipps Plaza
- 3** Lenox Market Place
- 4** Tower Walk
- 5** Buckhead Station
- 6** Atlanta History Center
- 7** UGA Terry College of Business Campus
- 8** The Whitley
- 9** Intercontinental Hotel
- 10** Grand Hyatt
- 11** JW Marriott
- 12** Buckhead Atlanta

Proposed Projects



TWO CAPITAL CITY PLAZA
 Mixed-Use Project
 550,000 SF Office
 9,500 SF Retail
 300 Apartment Units
 50 Condos
 Construction Pending
 Developer: Regent Partners



THE OFFICE AT BUCKHEAD ATLANTA
 315,000 SF Class A Office
 Construction Pending
 Developer: Oliver McMillan



3462 PEACHTREE RD
 373,844 SF Class A Office
 Construction Pending
 Developer: Simon Property Gr.

In The News

- Atlanta's Three Alliance Center Acquired for Record Price:** The recent sale of Three Alliance Center set a record for Atlanta, reaching the highest per square foot price ever in the city's history at \$533/sf. Developer Tishman-Speyer sold the office tower to the pension fund for the State of Florida. The building delivered mid-2017 and is now almost 95% leased. Average gross rents at the office tower are among the highest in Atlanta at \$46/sf gross.
- Terminus plans 150-job expansion; doubles Buckhead office:** Atlanta-based Terminus will be relocating from its existing Buckhead offices at 3280 Peachtree Rd. to Tower Place 100. The company leased 42,000 square feet in the building, doubling its current office space at the nearby Terminus building. The investment totals upwards of \$10 million and will create up to 150 more jobs over the next couple of years. Market demand is the reason Terminus needed more office space.
- Plans filed to kick off major redevelopment at Phipps Plaza:** Simon Property Group has filed plans with the City of Atlanta to begin work on its \$200 million redevelopment at Phipps Plaza. The new project will include a 150-room Nobu Hotel, a 12-story office building totaling 374,000 square feet, and a 90,000 square foot LifeTime Athletic facility.

AT A GLANCE | Buckhead GA 400 Park



- Signature 9-acre park in the heart of Buckhead.**
- Over a half-mile long greenspace to span across GA 400, connecting Lenox Road to Peachtree Road.**
- \$250 million plan estimated to draw 2.6 million visitors per year.**
- Buckhead CID Board approved work necessary for the planning and design phase of the park.**
- Ground-breaking is hoped to begin in 2020, with completion in 2022.**

FOR MORE INFORMATION

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Dany Koe	Andrew Walker
Drew Levine	Bob Ward
Michael Lipton	Stewart Yates

Colliers International | Atlanta Office | Buckhead Listings



THE OFFICE AT BUCKHEAD ATLANTA

315,000 SF Office
Deming Fish / Scott DeMyer



PEACHTREE PALISADES

5,824-6,211 SF Lease
Lee Evans /
Chuck Francis



1776 PEACHTREE

2,000-135,000 SF Lease
Scott DeMyer/
Emily Richardson