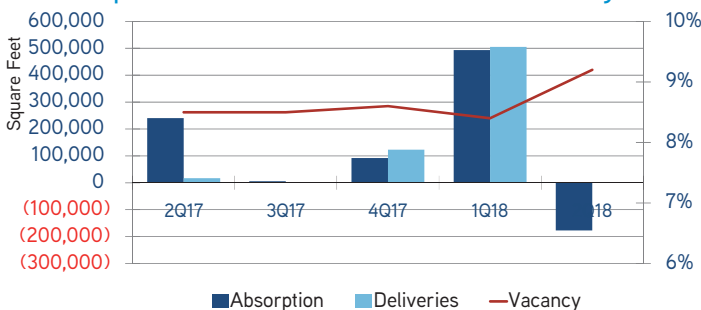


Key Takeaways

- Midtown experienced its first negative quarter of absorption in four years in Q2 thanks to AT&T beginning its move out of 675 West Peachtree. The company vacated 200,000 square feet this quarter.
- Because of the negative absorption, the submarket experienced almost a full percentage point increase in its office vacancy rate. It remains below 10% however, and is still the lowest of Atlanta's major office submarkets.
- Average rental rates increased for an 11th consecutive quarter. Midtown's Class A average increased its rank as the highest in the city, jumping 2.6% from last quarter.
- After much speculation, Hines has broken ground on its T3 West Midtown project. The building will include up to 230,000 square feet of loft-office space and is expected to deliver late 2019.
- Midtown continues to be one of Atlanta's strongest office submarkets; however, AT&T's anticipated vacancies will continue to plague the submarket through the end of the year.

Absorption, Deliveries and Vacancy



Market Indicators

Relative to prior period

Midtown
Q2 2018Midtown
Q3 2018*

Market Indicator	Midtown Q2 2018	Midtown Q3 2018*
VACANCY	↑	↑
NET ABSORPTION	↓	↓
CONSTRUCTION	↑	-
RENTAL RATE	↑	↑

*Projected

Summary Statistics

Midtown Office Market

All
Classes

Class A

Class B

Summary Statistic	All Classes	Class A	Class B
Total Inventory (Millions Square Feet)	23.4	17.2	5.3
Vacancy Rate	9.2%	10.8%	4.6%
Change From Q1 2018	0.8%	0.9%	0.2%
Absorption YTD (Thousands Square Feet)	316	330	-18
Construction Deliveries YTD (Thousands Square Feet)	505	485	20
Under Construction (Millions Square Feet)	2.0	2.0	-

Asking Rents

Per Square Foot Per Year

Asking Rent Metric	All Classes	Class A	Class B
Average Quoted	\$35.53	\$37.27	\$26.68
Change From Q1 2018	2.6%	2.6%	6.7%

UPDATE - Recent Transactions in the Market

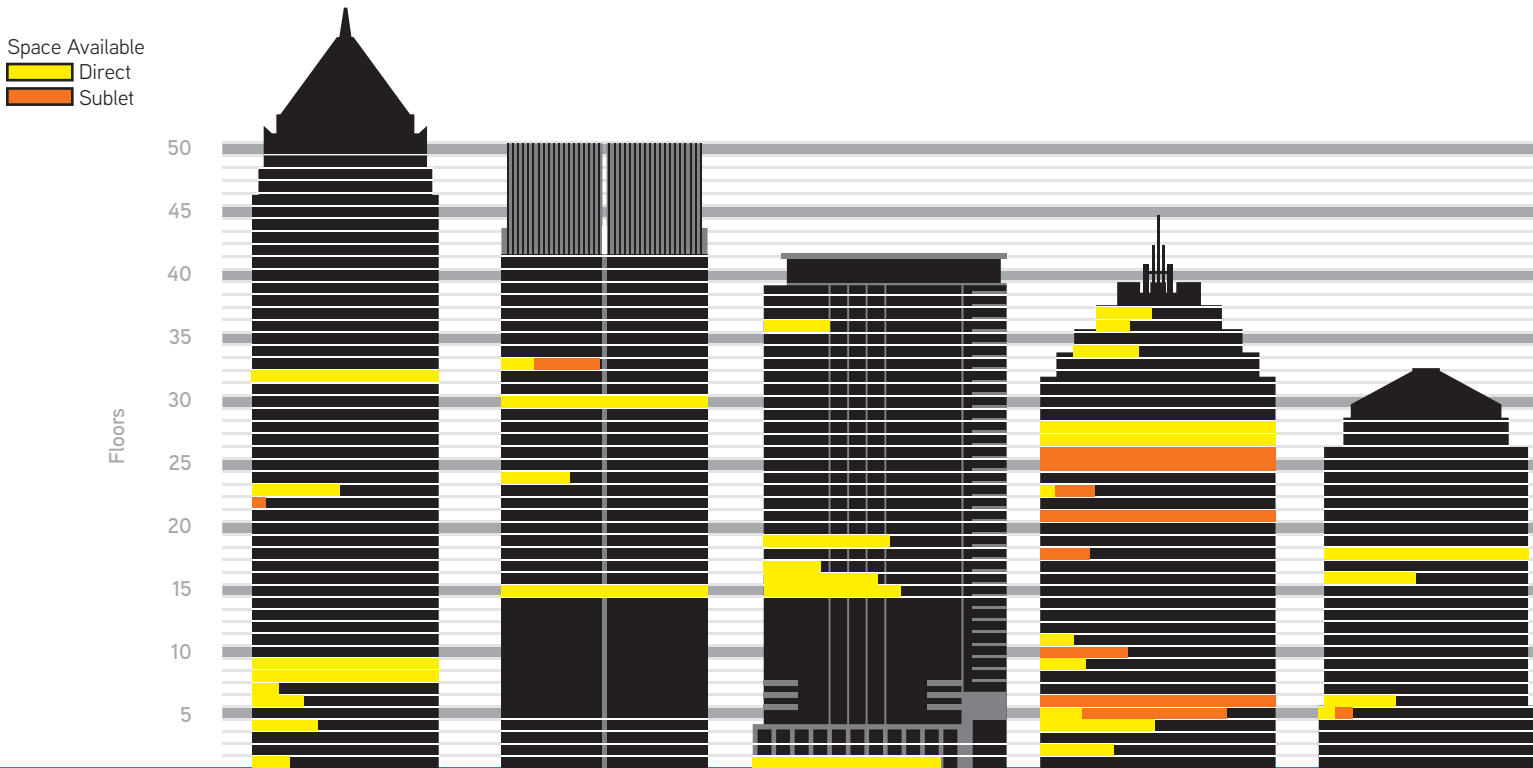
Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
Regus Spaces	1055 Howell Mill Rd.	The Allen Morris Co.	56,000	Class A Prelease
Gather	715 Peachtree	PCCP LLC/Carter USA	31,235	Class A Lease
Robert Half International	Regions Plaza	PGIM, Inc.	21,570	Class A Lease
SalesLoft	Regions Plaza	PGIM, Inc.	19,222	Class A Lease

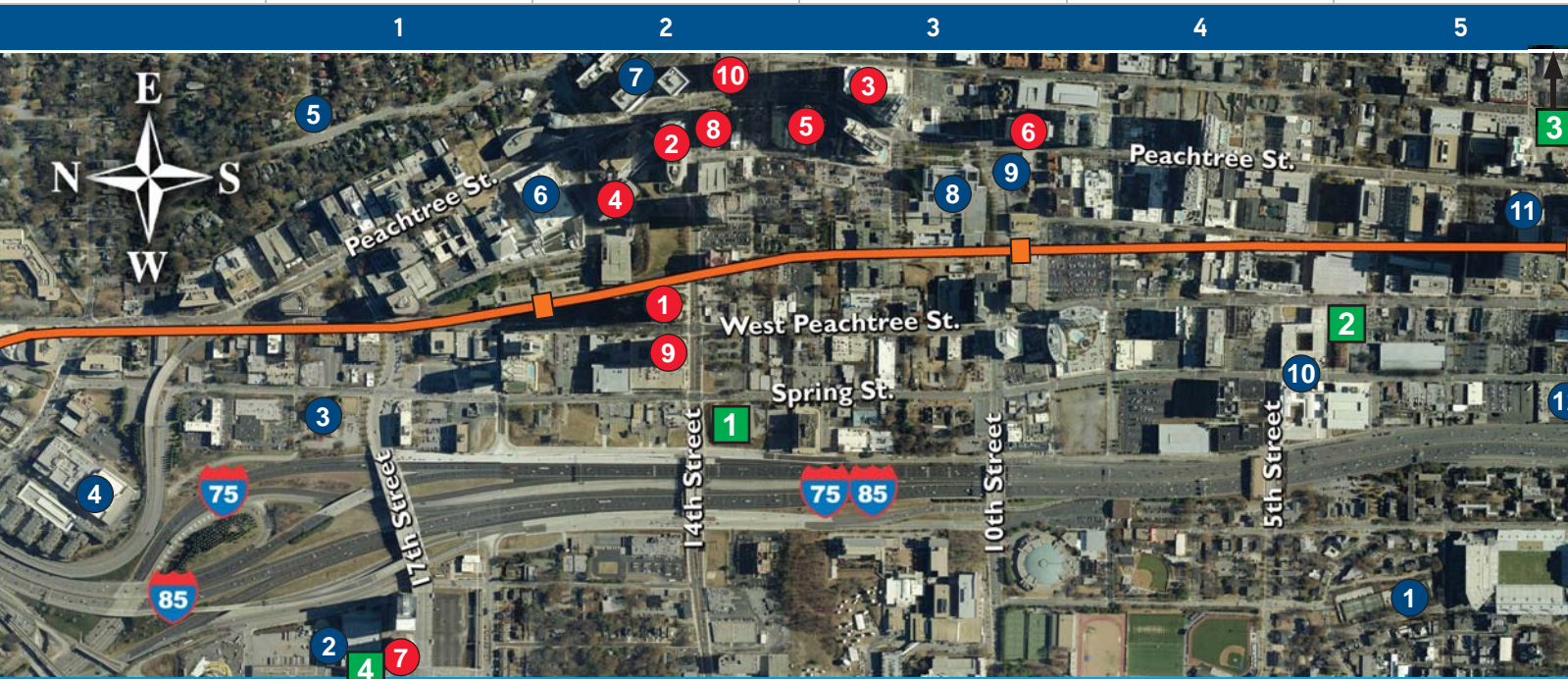
Notable Sales Activity

PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
1375 Peachtree	3/2/2018	\$75,000,000	409,579	\$183.11	The Dilweg Co.
2282-2300 Defoor Hills Rd.	6/15/2018	\$33,808,000	91,873	\$367.99	Nuveen Global Cities REIT
Ellsworth Lofts	12/20/2017	\$22,900,000	90,207	\$253.86	Origin Investments
Lumberyard Office Lofts	5/1/2018	\$13,968,758	67,808	\$206.00	Mimms Enterprises

Skyline Review



BUILDING	One Atlantic Center	1180 Peachtree	1075 Peachtree	Promenade	1100 Peachtree
RBA	1,100,312 SF	670,443 SF	762,804 SF	774,535 SF	553,778 SF
TYPICAL FLOOR SIZE	23,500 SF	22,130 SF	20,021 SF	24,630 SF	22,575 SF
% LEASED	92.9%	94.8%	92.6%	94.8%	92.2%
LARGEST SPACE AVAIL.	44,403 SF	34,714 SF	13,786 SF	90,646 SF	22,575 SF
RENTAL RATE PER SF (Gross)	\$39.50-\$41.50	\$43.50-\$44.50	\$40.00-\$42.00	\$39.00-\$40.50	\$38.50



Source: CoStar Property



Active Projects



14TH & SPRING
250,000 SF Office
Construction Pending
Developer: Greenstone Properties



CODA-771 SPRING
760,000 SF Office Space
80,000 SF Data Center
40,000 SF Retail
Under Construction
Developers: Portman Holdings


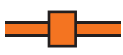



725 PONCE
360,000 SF Loft-Office
Under Construction
Developers: New City



T3 WEST MIDTOWN
230,000 SF Creative Office
Under Construction
Developer: Hines

Aerial Legend

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

Points of Interest

- 1** Georgia Tech
- 2** Atlantic Station
- 3** Center for Puppetry Arts
- 4** Savannah College of Art & Design
- 5** Ansley Park
- 6** Woodruff Arts Center
- 7** Colony Square
- 8** Federal Reserve
- 9** Margaret Mitchell House & Museum
- 10** Technology Square
- 11** The Fox Theater
- 12** The Varsity

In The News

- > Cousins could go spec on new 31-story Midtown tower:** Atlanta developer Cousins Properties may begin development of its 470,000 square foot office tower without a tenant in hand. The developer previously announced its plans for the property at 8th and West Peachtree Streets earlier this year. Cousins considers the site to be ideal for office, especially given all of the recent investment in the immediate area during this real estate cycle. Considered to be in the heart of Atlanta's main tech corridor, the office tower is sure to garner interest from tech companies looking to be close to Georgia Tech and Technology Square. Cousins says it has six months to determine whether or not it will go ahead with development. In the meantime, the company says prospective tenants are creating a strong pipeline of interest.
- > West Midtown's Star Metals project lands 56,000 SF lease with Spaces:** Co-working concept "Spaces" has signed a 56,000 square foot prelease with The Allen Morris Company to anchor its new Star Metals project in West Midtown. The building, at 1055 Howell Mill Road, is expected to break ground later this summer. It will include up to 225,000 square feet of loft-style office, and also feature 30,000 square feet of retail and restaurants, and an 8,000 square foot landscaped private terrace. Spaces is one of many co-working companies leasing space across Atlanta.

AT A GLANCE | CODA



- > Second phase of Technology Square to be named "Coda" and include a new 21-story office/high performance computer center.**
- > To contain 760,000 sq. ft. of office, anchored by Georgia Tech; 80,000 sq. ft. of high performance computing space; 40,000 sq. ft. of street level retail; and 20,000 sq. ft. of outdoor living space.**
- > Portman Holdings will develop the complex located at Spring and W. Peachtree Streets.**
- > Under Construction Fourth Quarter 2016, with an anticipated delivery in January 2019.**

FOR MORE INFORMATION

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Russ Jobson	Will Tyler
Jeff Kelley	Andrew Waguespack
Dany Koe	Andrew Walker
Drew Levine	Bob Ward
Michael Lipton	Tiffany Wein
Bryce Metcalf	Stewart Yates

Colliers International | Atlanta Office | Midtown Listings



1447 PEACHTREE
 1,077-6,254 SF Lease
 Will Tyler /
 Scott DeMyer



999 PEACHTREE
 9,343 SF Sublease
 Michael Lipton /
 Andrew Walker



1230 PEACHTREE
 24,732 SF Sublease
 Pete Shelton /
 Bob Ward