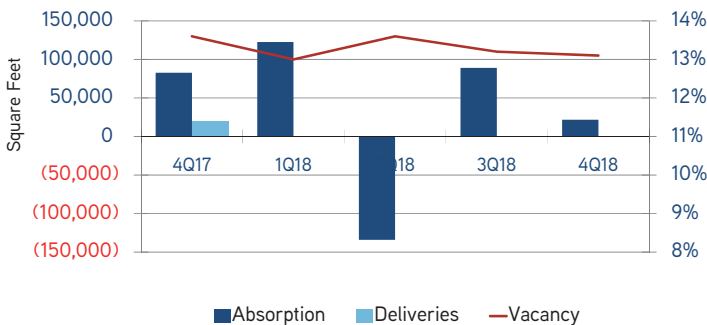


## Key Takeaways

- › Buckhead finished the year modestly, absorbing almost 22,000 square feet in the fourth quarter. This brought the annual absorption total to 99,485 square feet, the submarket's first positive year since 2016.
- › Relocations and expansions in the submarket, along with occupancies from co-working companies were the largest contributors to the positive activity this year.
- › Class A office leasing in the second half of the year was robust in Buckhead and will lead to strong occupancy gains in the coming year. AIG's and Salesforce's 70,000+ sq. ft. transactions were the largest for the submarket in 2018.
- › Rental rates rose consistently throughout the year. The Class A average increased 6.8% from 2017; the third highest increase in the Atlanta market this year.
- › As mentioned, Buckhead is expected to see more positive absorption in 2019; being one of Atlanta's office market leaders.

## Absorption, Deliveries and Vacancy



## Market Indicators

Relative to prior period

|                | Buckhead Q4 2018 | Buckhead Q1 2019* |
|----------------|------------------|-------------------|
| VACANCY        | -                | ↓                 |
| NET ABSORPTION | +                | +                 |
| CONSTRUCTION   | -                | ↑                 |
| RENTAL RATE    | ↑                | ↑                 |

\*Projected

## Summary Statistics

Buckhead Office Market

|   | All Classes | Class A | Class B |
|---|-------------|---------|---------|
| Total Inventory (Millions Square Feet)              | 21.9        | 17.3    | 3.8     |
| Vacancy Rate  | 13.1%       | 15.2%   | 6.3%    |
| Change From Q3 2018                                 | -0.1%       | -       | -0.6%   |
| Absorption YTD (Thousands Square Feet)              | 99          | 97      | -12     |
| Construction Deliveries YTD (Thousands Square Feet) | -           | -       | -       |
| Under Construction (Thousands Square Feet)          | 49          | -       | 49      |
| <b>Asking Rents</b><br>Per Square Foot Per Year     |             |         |         |
| Average Quoted                                      | \$35.16     | \$36.08 | \$25.64 |
| Change From Q3 2018                                 | 1.5%        | 1.5%    | 1.3%    |

## UPDATE - Recent Transactions in the Market

## Notable Leasing Activity

| TENANT             | PROPERTY               | LANDLORD              | SIZE (SF) | TYPE              |
|--------------------|------------------------|-----------------------|-----------|-------------------|
| Salesforce         | 950 E. Paces Ferry Rd. | Banyan Street Capital | 72,585    | Class A Expansion |
| Workday            | 3350 Peachtree Rd.     | Cousins Properties    | 41,101    | Class A Lease     |
| Smallwood Reynolds | 3495 Piedmont Rd.      | The Ardent Companies  | 30,294    | Class A Lease     |
| QA Symphony        | Monarch Tower          | Highwoods Properties  | 23,316    | Class A Lease     |

## Notable Sales Activity

| PROPERTY                      | SALES DATE | SALE PRICE    | SIZE (SF) | PRICE / SF | BUYER                        |
|-------------------------------|------------|---------------|-----------|------------|------------------------------|
| Prominence                    | 12/21/2018 | \$166,000,000 | 433,000   | \$383.37   | New York Life Insurance      |
| Buckhead Tower @ Lenox Square | 8/15/2018  | \$96,500,000  | 343,152   | \$277.18   | TPA Group, LLC               |
| 3445 Peachtree Rd.            | 12/18/2018 | \$82,573,500  | 286,648   | \$288.07   | Barings LLC                  |
| 3379 Peachtree Rd.            | 12/27/2018 | \$35,250,000  | 125,669   | \$280.50   | TRPF 3379 Peachtree Road LLC |

# Skyline Review

Space Available  
█ Direct  
█ Sublet



| BUILDING                   | 3344 Peachtree  | Salesforce Tower Atlanta | 3630 Peachtree  | Two Alliance Center | Tower Place 100 |
|----------------------------|-----------------|--------------------------|-----------------|---------------------|-----------------|
| RBA                        | 484,527 SF      | 650,827 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                   | 93.5%           | 87.5%                    | 90.5%           | 94.9%               | 89.9%           |
| LARGEST SPACE AVAIL.       | 27,725 SF       | 17,702 SF                | 16,559 SF       | 62,918 SF           | 13,461 SF       |
| RENTAL RATE PER SF (Gross) | \$44.00-\$45.00 | \$35.50-\$40.00          | \$40.00-\$43.00 | \$41.25-\$42.25     | \$37.00-\$39.00 |

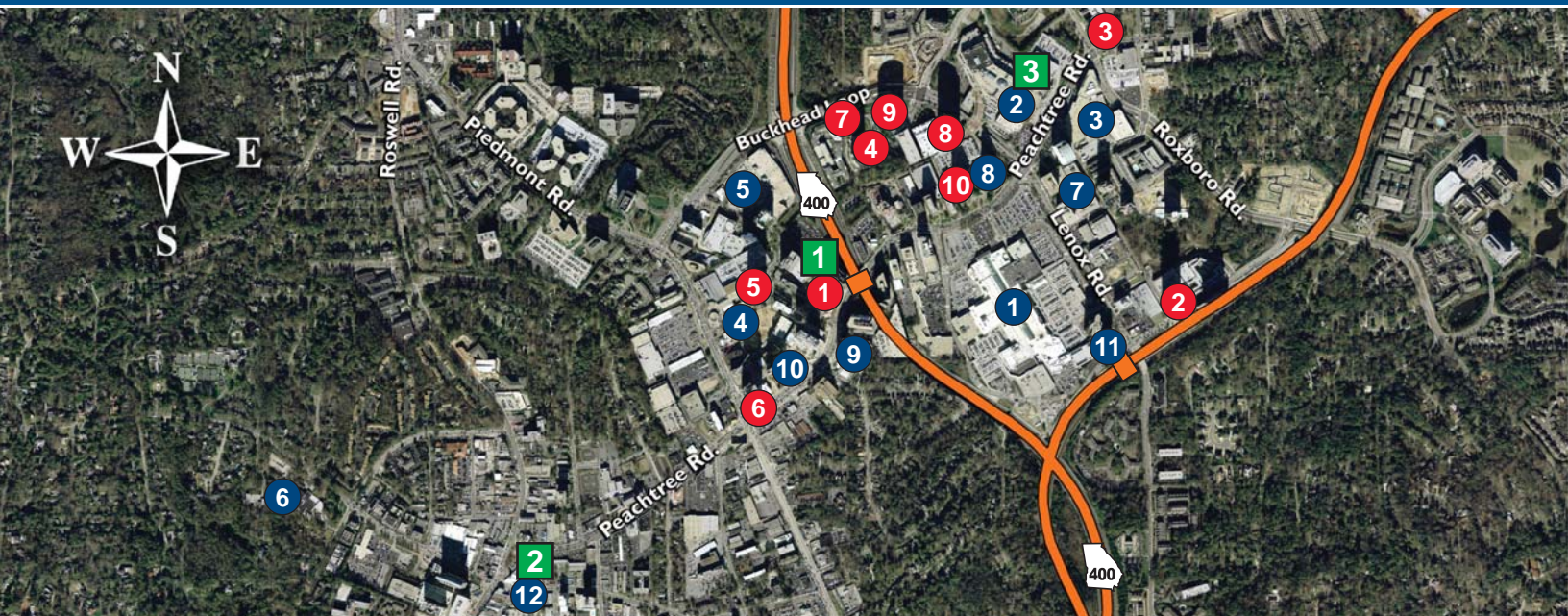
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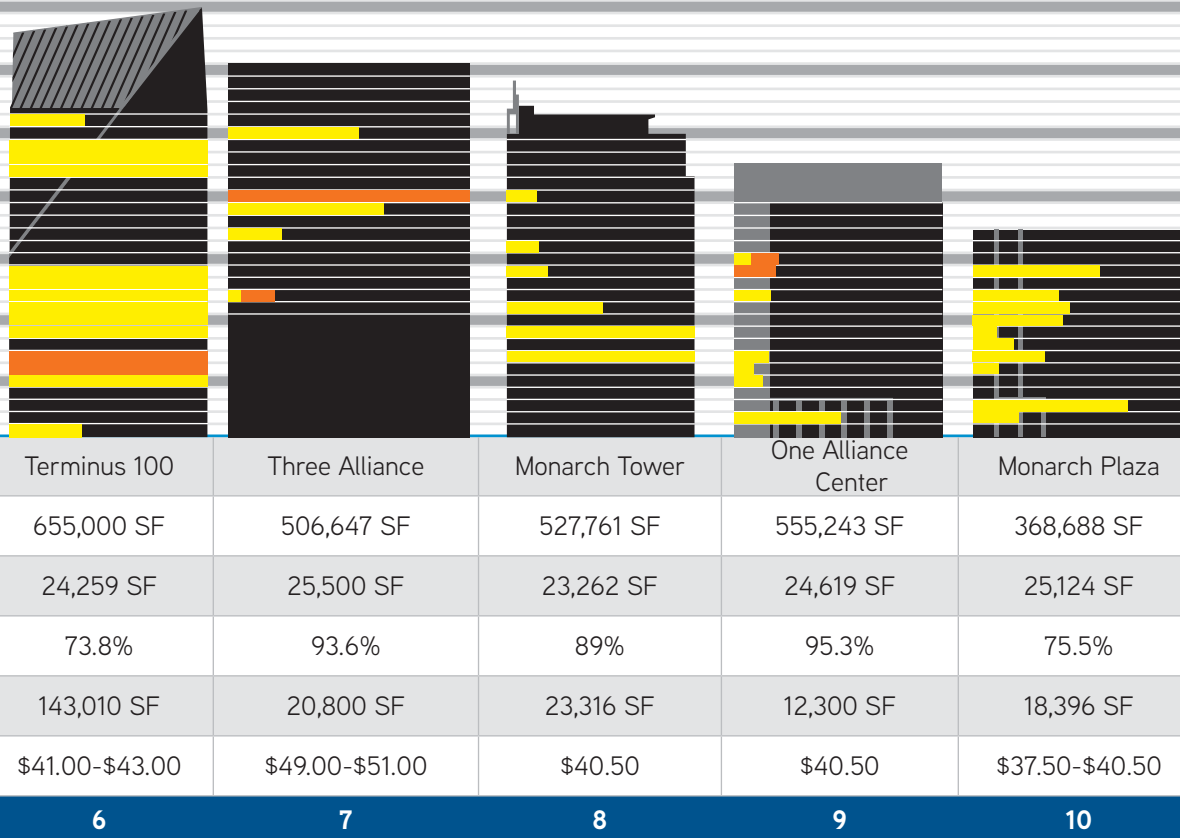
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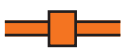

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Source: CoStar Property



## Aerial Legend

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

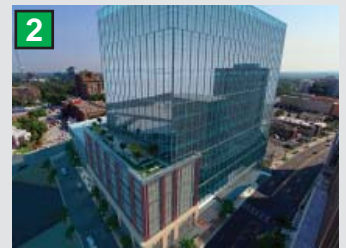
## Points of Interest

- 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



**1**  
**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



**2**  
**THE OFFICE AT BUCKHEAD ATLANTA**  
 315,000 SF Class A Office  
 Construction Pending  
 Developer: Oliver McMillan



**3**  
**1 PHIPPS PLAZA**  
 373,844 SF Class A Office  
 Construction Pending  
 Developer: Simon Property Gr.

## In The News

- › **Buckhead welcomes several first-to-market hotel brands:** Waldorf Astoria, Thompson, and Nobu are among the new projects and first-to-market brands headed to Buckhead, totaling 600 new rooms. The Mandarin Oriental Atlanta will also be rebranded with a top luxury flag. This activity has led Portman Holdings to plan a boutique hotel in the Buckhead Village along East Paces Ferry that would involve a \$100 million conversion of a condo building. Buckhead will exceed 6,000 hotel rooms with the completion of these projects.
- › **Phipps Plaza mixed-use transformation breaks ground:** Simon Property Group officially broke ground on a new transformational mixed-use project at Phipps Plaza. The highly anticipated project will include a 150-room Nobu Hotel and restaurant, a 350,000 square-foot Class A office tower, and a three-story LifeTime Athletic facility. The roughly \$200 million project is being developed on the northwestern portion of the mall, on the former Belk site. The first phase of the redevelopment is expected to deliver in early 2021.
- › **Salesforce.com adding 600 jobs with expansion:** Salesforce is expanding its offices at Atlanta Plaza, leasing three additional floors and adding 600 jobs over the next 5 years. Additionally, the 34-story building at 950 East Paces Ferry will be renamed "Salesforce Tower Atlanta" for the company. The company will begin moving into the new space in the first half of 2019.

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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## COLLIERS INTERNATIONAL ATLANTA OFFICE SPECIALISTS

|                |                   |
|----------------|-------------------|
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| Jessica Doyle  | Jodi Selvey       |
| Lee Evans      | Fred Sheats       |
| Deming Fish    | Pete Shelton      |
| Josh Gregory   | Hayes Swann       |
| Russ Jobson    | Will Tyler        |
| Jeff Kelley    | Andrew Waguespack |
| Dany Koe       | Andrew Walker     |
| Drew Levine    | Bob Ward          |
| Michael Lipton | Tiffany Wein      |
| Paul Reese     | Stewart Yates     |

## Colliers International | Atlanta Office | Buckhead Listings



### THE OFFICE AT BUCKHEAD ATLANTA

315,000 SF Office  
Deming Fish / Scott DeMyer



### PEACHTREE PALISADES

4,122-6,211 SF Lease  
Lee Evans



### 1776 PEACHTREE

1,410-156,320 SF Lease  
Scott DeMyer/  
Emily Richardson