

MarketWatch: Atlanta Office

METRO MARKET TRENDS
THIRD QUARTER 2009



SUBMARKET SPOTLIGHT: Buckhead

Buckhead at a Glance

Total Size:	18.7 MSF
Direct Vacancy Rate:	19.6%
Sublease Space:	229,639 SF
Overall Availability Rate:	20.8%
Average Rent:	\$25.30 PSF
2009 YTD Absorption:	-102,632 SF
Under Construction:	922,585 SF

SUBMARKET OVERVIEW

Famous worldwide for its high-end shopping, dining, hotel, and residential options that range from huge Southern mansions to towering penthouse suites, Buckhead is also the financial capital of Atlanta.

Along a short stretch of Peachtree Road, there are more stock brokerages, investment banks, money managers, and other firms focusing on the capital markets than in any other part of Atlanta. Buckhead is also a location of choice for upscale professional services industries including advertising, commercial real estate, legal, business consulting, and more.

CURRENT CONDITIONS

The recession and on-going liquidity crisis have hit Buckhead tenants particularly hard, and many have been forced to cut their staff and/or put excess space up for sublease, resulting in a net occupancy loss in 2008. Thus far in 2009, the submarket has seen a further loss of occupied space to the tune of 102,632 square feet.

The lack of demand from Buckhead's primary tenant base, coupled with the recent and pending delivery of four brand-new Class A office towers, means that over the next 12-24 months the submarket will be in a state of flux. Until the economy improves and creates white-collar jobs, the absorption of this new product will likely be at the expense of older Buckhead office buildings.

NEW BUCKHEAD OFFICE DEVELOPMENT

Building Name	Developer	Size (SF) / Floors	Space Leased	Asking Rent PSF	Delivery Date
 Terminus 200	Cousins Properties	564,850 / 25	50,000	\$21.75- \$23.00 triple net	September 2009
 Two Alliance Center	Tishman Speyer	493,201 / 20	126,000	\$23.00- \$25.00 triple net	September 2009
 Phipps Tower	Crescent Resources	486,000 / 20	6,804	\$23.00 triple net	March 2010
 3630 Peachtree	Pope & Land Enterprises	436,585 / 34	-0-	\$22.50- \$24.50 triple net	January 2010

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3348 Peachtree Road, Suite 900 • Atlanta, GA 30326
PHONE: 404.842.6600 • FAX: 404.842.6517
www.transwestern.net/atlanta

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