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ECONOMIC OVERVIEW

KEY INDICATORS

Atlanta Total Nonfarm Employment



+170,300 jobs YOY



ΔQ

ΔY

Atlanta Office Employment



+61,600 jobs YOY



ΔQ

ΔY

Atlanta Unemployment



3.0%



ΔQ

ΔY

Georgia Unemployment



3.0%



ΔQ

ΔY

Airline Passengers



+92.3% YOY



ΔQ

ΔY

Office Real Estate Momentum Index



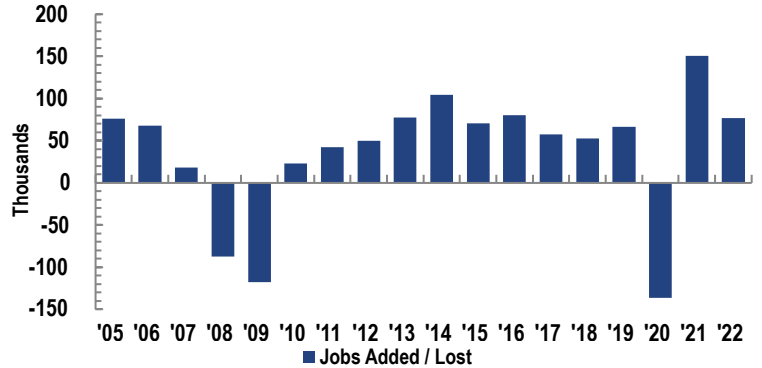
6.0



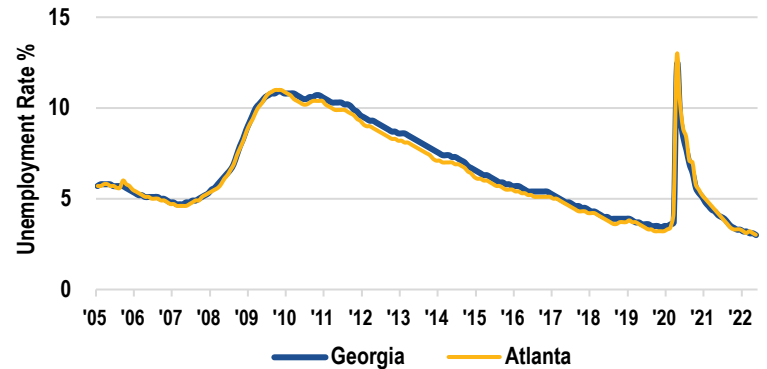
ΔQ

ΔY

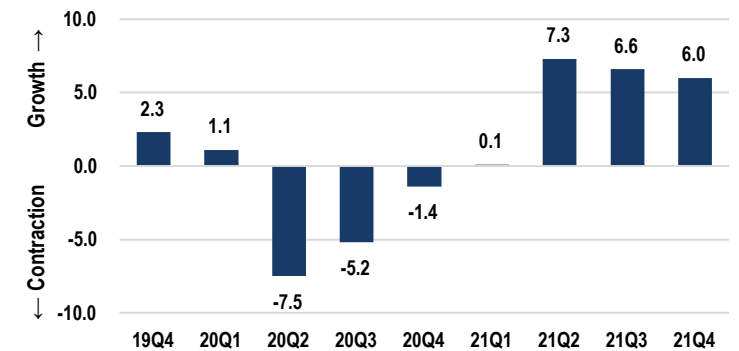
EMPLOYMENT TRENDS



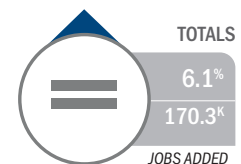
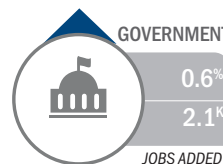
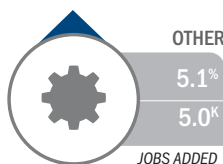
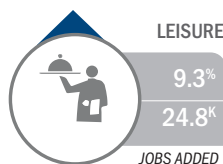
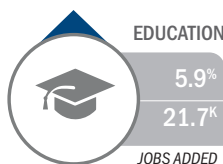
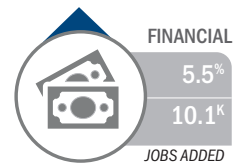
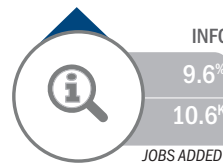
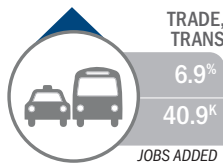
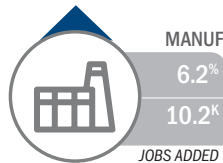
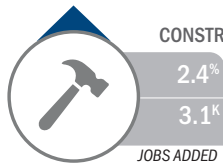
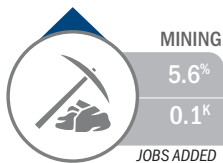
UNEMPLOYMENT



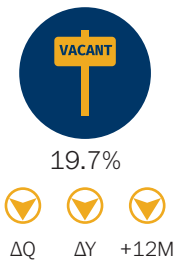
OFFICE REAL ESTATE MOMENTUM INDEX



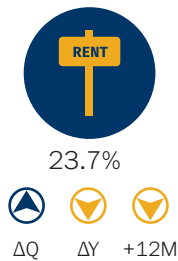
EMPLOYMENT GROWTH BY SECTOR



Direct Vacancy



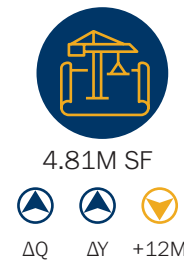
Direct Availability



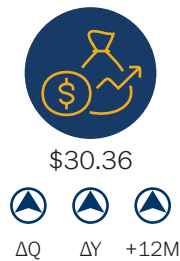
Direct Net Absorption
(T-12 mos)



Under Construction



Direct Asking Rents



OFFICE MARKET ASSESSMENT

• After a slow start to 2022, the Atlanta office market registered its strongest quarterly gains since the pandemic's onset with almost 1.1 MSF of direct net absorption in Q2, improving the trailing 12-months total to 2.1 MSF of occupancy gains. The strong leasing gains which outpaced supply resulted in the market-wide direct vacancy rate declining by 40 bps to 19.7% in Q2 after hitting its highest level since the late 1980s largely due to an influx of construction deliveries.

• The Class A sector rebounded with 817k SF of direct net absorption in Q2 after suffering a temporary retraction early in 2022, bringing the trailing 12-months total up to 1.5 MSF. Class B properties also posted 296k SF of occupancy gains in Q2, pushing the trailing 12 months total up to 560k SF.

• Noteworthy move-ins contributing to the absorption gains included Google occupying 397k SF at 1105 WP in Midtown, Emory Healthcare moving into 182k SF within the recently redeveloped Northlake Mall, and Insight Global occupying 84k SF at Twelve24.

• Sublease availability jumped by 422k SF to an all-time high of 6.5 MSF in Q2. Suburban submarkets currently account for 69% of the sublease inventory with most of the space located in Central Perimeter, North Fulton, and Northwest Atlanta

• Leasing activity has accelerated to 10.6 MSF over the trailing 12 months, up 45.7% since hitting its pandemic low a year ago. Leasing volume totaled 2.7 MSF in Q2, up 49.2% compared to a year ago, but remains 20.9% below the pre-pandemic quarterly average. Tour activity has picked up as occupiers have regained confidence and are more willing to execute on longer-term leasing decisions previously placed on hold due to the pandemic.

• The largest lease transactions inked in Q2 included Truist Financial securing a 250k SF pre-lease commitment at 900 SE Battery Avenue, while Transportation Insight signed a 174k SF deal and Insight Global signed a 134k SF deal at Dunwoody's new Campus 244 project.

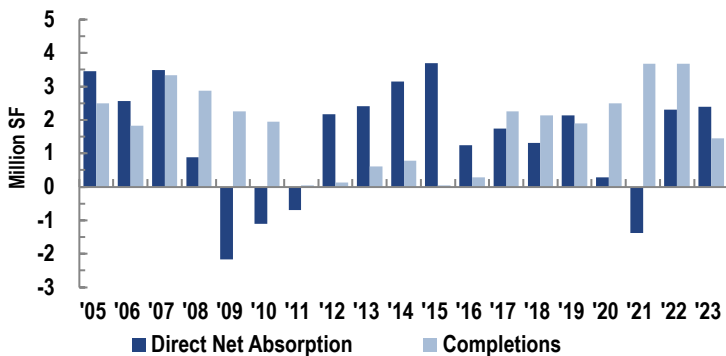
• New construction remains robust with 4.8 MSF underway, which is currently 33% pre-leased. Approximately 3.7 MSF of new product is scheduled to deliver by year-end, which is expected to push vacancy levels higher until demand begins to consistently outpace supply in 2023.

• Rent growth has significantly slowed since the pandemic emerged two years ago but rental rates have trended upwards by 2.2% year-over-year, due to the influx of high-quality new construction delivering to the market on a speculative basis. Rising construction costs and sustained demand for quality space are expected to push rents even higher in the year ahead.

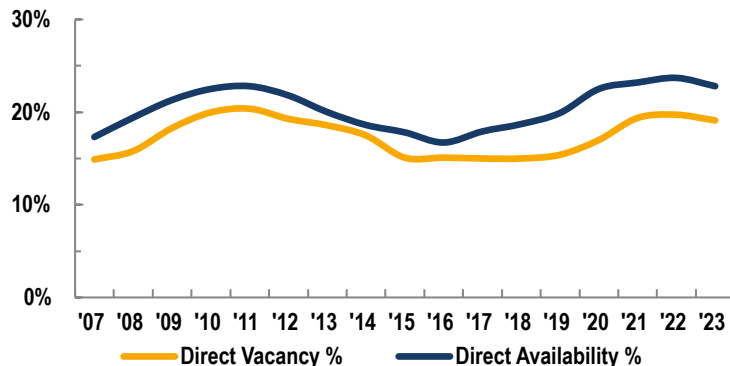
• Even though uncertainty has increased, Atlanta's office market finds itself in an improved position as many companies are returning to the office and several large upcoming corporate expansions and relocations recently announced should continue to bolster the local economic recovery in the year ahead

• The long-term outlook remains positive as metro Atlanta is expected to outperform and recover faster than other major markets as pent-up activity and inbound corporate relocations should translate to stronger leasing momentum and help generate more occupancy in the year ahead.

SUPPLY AND DEMAND



VACANCY AND AVAILABILITY



Net Absorption Trends

CLASS A



+1.5M SF
T-12 MOS



CLASS B

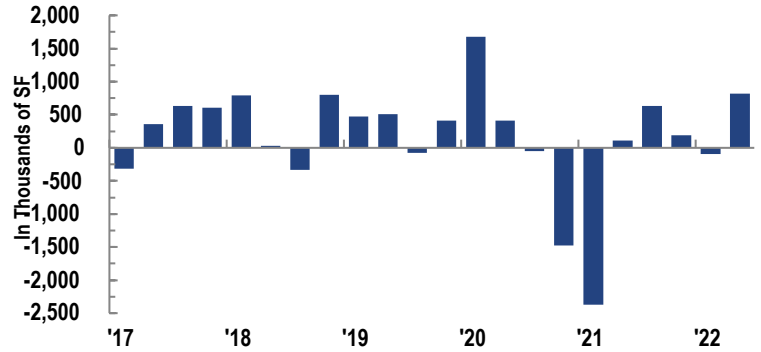


+560K SF
T-12 MOS

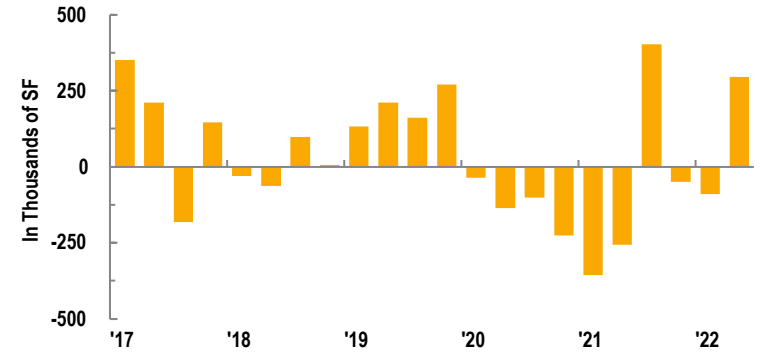


DIRECT NET ABSORPTION

CLASS A



CLASS B



Vacancy and Availability Trends

CLASS A



DIRECT VACANCY

21.5%
26.6M SF

DIRECT AVAILABILITY

26.5%
32.8M SF

CLASS B



DIRECT VACANCY

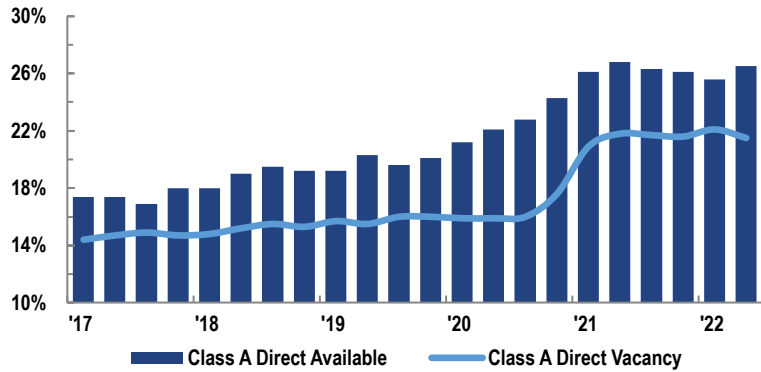
17.5%
11.1M SF

DIRECT AVAILABILITY

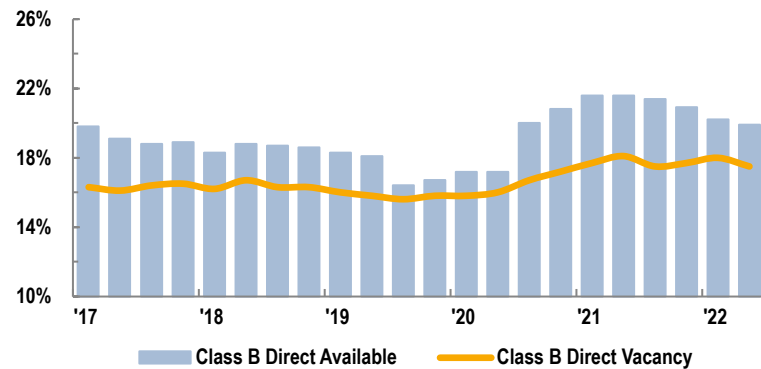
19.9%
12.7M SF

DIRECT VACANCY AND AVAILABILITY

CLASS A

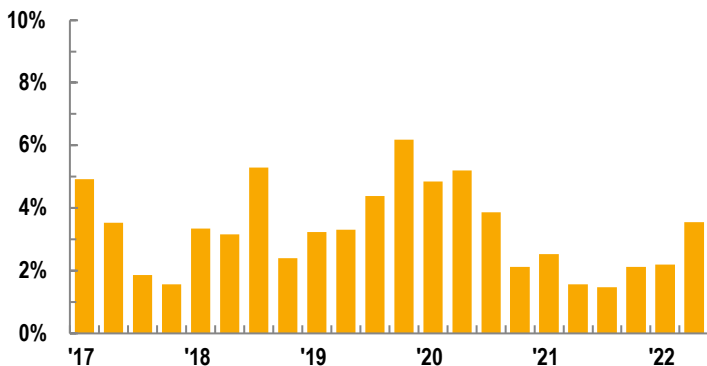
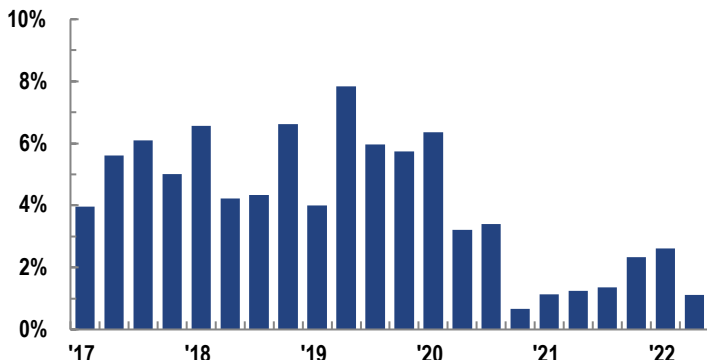


CLASS B



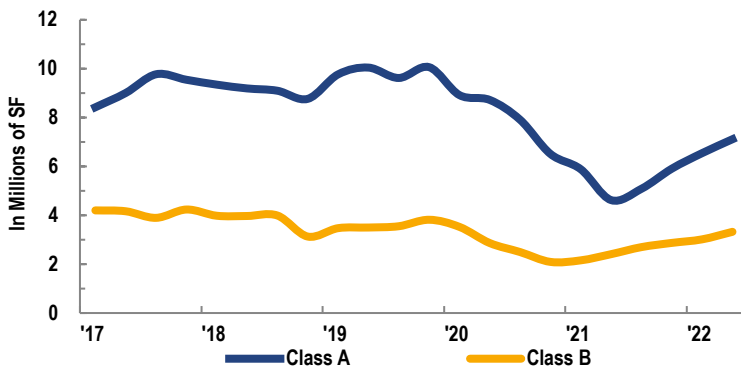
RENTAL RATES

Y-O-Y % Change, Full Service Gross

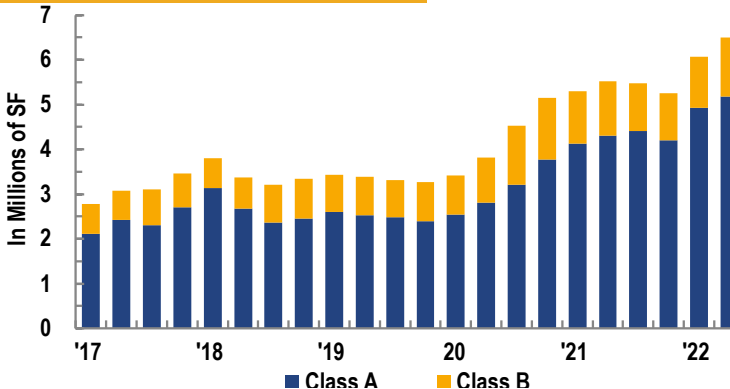


LEASING ACTIVITY

Direct Leasing Activity, Rolling 12 Months



SUBLEASE ACTIVITY



Rent Growth (Y-O-Y)

1.1%

CLASS A



3.5%

CLASS B

Direct Net Leasing Activity

CLASS A

7.1M SF

T-12 MOS



+53.6%
Y-O-Y CHANGE



CLASS B

3.3M SF

T-12 MOS



+37.8%
Y-O-Y CHANGE

Sublease Availability

CLASS A

5.2M SF



+22.1%
Y-O-Y CHANGE



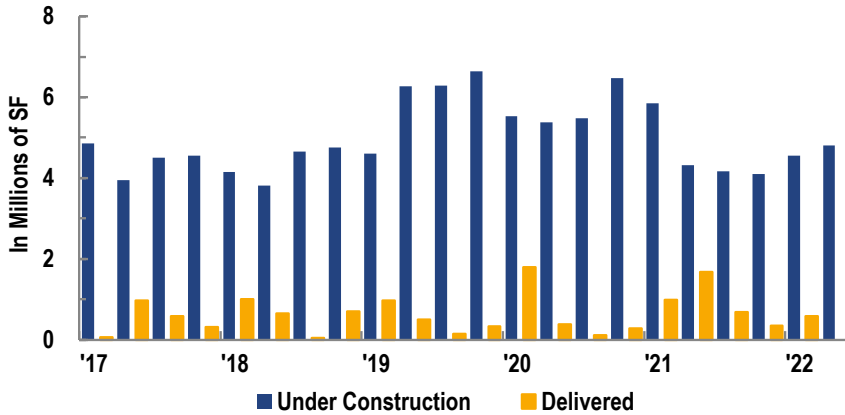
CLASS B

1.3M SF

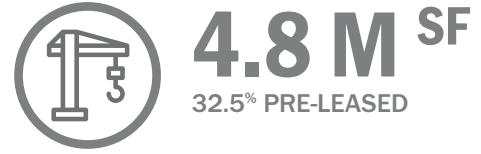


+10.4%
Y-O-Y CHANGE

CONSTRUCTION PIPELINE



OFFICE SPACE UNDER CONSTRUCTION



NEW OFFICE BREAKING GROUND

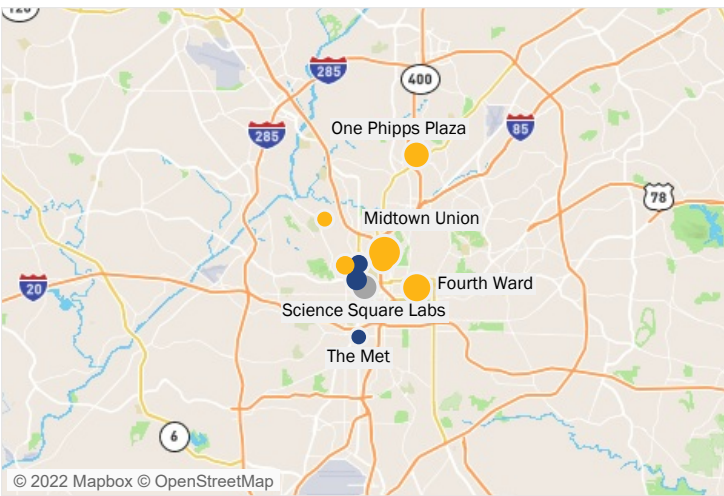


FORECASTED SUPPLY IN 2022



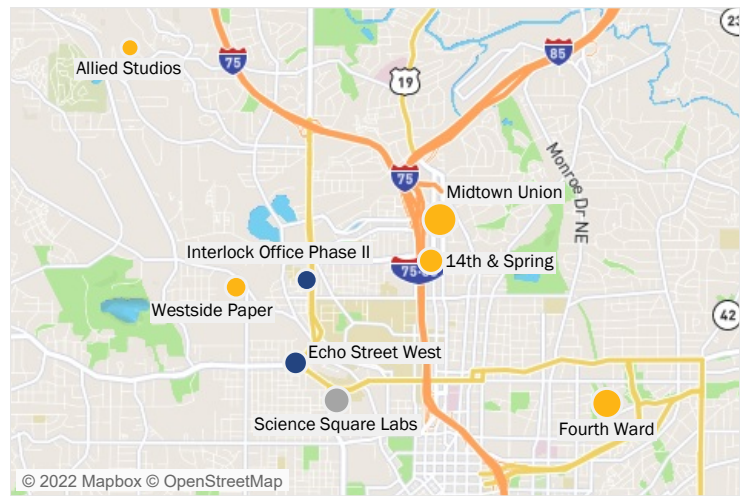
SIGNIFICANT PROJECTS UNDER CONSTRUCTION

Citywide



Expected Delivery: 2022 (Yellow), 2023 (Dark Blue), 2024 (Grey)

Downtown/Midtown



PROJECT NAME	SIZE (SF)	SUBMARKET	MAJOR TENANT	% PRE-LEASED	DEVELOPER	TARGET DELIVERY
Midtown Union	612,947	Midtown	Invesco	49%	Granite Properties	3Q22
Fourth Ward	475,000	Downtown	Mailchimp	68%	New City Properties	4Q22
One Phipps Plaza	388,063	Buckhead	Novelis	38%	Simon Property Group, Inc.	3Q22
Science Square Labs	364,871	Downtown	N/A	0%	Trammell Crow Company	1Q24
14th & Spring	320,089	Midtown	N/A	0%	Greenstone Properties, Inc.	3Q22
Echo Street West	274,974	Midtown	N/A	0%	Lincoln Property Company	2Q23
Westside Paper	223,851	West Atlanta	N/A	0%	Third & Urban	3Q22
Interlock Office Phase II	209,174	Midtown	N/A	0%	SJ Collins Enterprises	3Q23
Allied Studios	145,000	Midtown	N/A	0%	Jamestown, L.P.	3Q22
The Met	138,983	West Atlanta	N/A	62%	Carter USA	4Q23

*Build to Suit

SUBMARKET STATISTICS

Submarkets	Total Inventory SF	TOTAL SPACE AVAILABLE		DIRECT AVAILABLE / VACANT		DIRECT NET ABSORPTION		CONSTRUCTION		ASKING RENT	
		Direct	Sublease	Direct Availability	Direct Vacancy	Current Qtr.	Trailing 12 mos.	Completions Current Qtr	Under Construction	Class A	Class B
Buckhead	21,665,426	6,296,887	836,257	29.1%	20.9%	-182,820	-297,974	-	650,814	\$37.86	\$28.54
Midtown	25,730,369	7,566,007	904,832	29.4%	19.9%	608,240	1,499,474	100,000	1,845,089	\$41.74	\$29.74
Downtown	22,215,086	5,311,795	301,112	23.9%	20.5%	-9,564	109,345	-	1,210,421	\$31.19	\$29.47
Central Perimeter	28,758,448	7,053,718	1,339,555	24.5%	21.0%	348,742	464,347	-	109,007	\$32.04	\$26.00
Northwest	28,761,503	5,626,944	1,100,008	19.6%	17.2%	154,645	-13,882	-	103,367	\$30.21	\$22.63
North Fulton	23,948,264	5,948,645	1,319,512	24.8%	20.3%	-104,589	-140,976	-	115,794	\$27.70	\$21.75
Northeast	17,174,796	3,550,714	371,969	20.7%	18.7%	211,785	480,129	-	180,580	\$22.93	\$19.69
South Atlanta	8,239,516	1,610,881	53,838	19.6%	15.5%	-4,625	12,601	-	48,000	\$24.65	\$21.04
Northlake	16,493,529	2,656,742	267,574	16.1%	19.4%	60,933	30,742	-	0	\$25.74	\$21.88
West Atlanta	1,894,427	521,399	0	27.5%	32.1%	-2,199	957	161,300	547,896	\$38.98	\$25.37
Total	194,881,364	46,143,732	6,494,657	23.7%	19.7%	1,080,548	2,144,763	261,300	4,810,968	\$32.86	\$22.79

MARKET STATISTICS BY CLASS

Property Types	Total Inventory SF	TOTAL SPACE AVAILABLE		DIRECT AVAILABLE / VACANT		DIRECT NET ABSORPTION		CONSTRUCTION		ASKING RENT	
		Direct Available	Sublease Available	Direct Availability	Direct Vacancy	Current Qtr.	Trailing 12 mos.	Completions Current Qtr	Under Construction	Asking Rent	Y-o-Y Change
Class A	123,879,298	32,843,990	5,182,131	26.5%	21.5%	817,062	1,548,130	100,000	4,139,838	\$32.86	1.1%
Class B	63,575,632	12,657,641	1,312,526	19.9%	17.5%	296,391	560,258	161,300	671,130	\$22.79	3.5%
Class C	7,426,434	642,101	0	8.6%	8.5%	-32,905	36,375	-	0	\$19.31	8.4%
Total	194,881,364	46,143,732	6,494,657	23.7%	19.7%	1,080,548	2,144,763	261,300	4,810,968	\$30.36	2.2%

SIGNIFICANT TRANSACTIONS

Tenant	SF	Type	Tenant Industry	Building	Class	Submarket
Truist Financial	250,000	New	Financial	900 SE Battery Avenue	A	Northwest
Transportation Insight LLC	174,400	New	Transportation	244 Perimeter Center Parkway	B	Central Perimeter
Insight Global	133,796	New	Business Services	244 Perimeter Center Parkway	B	Central Perimeter
Brand Industrial Services	53,080	New	Business Services	600 Galleria Parkway	A	Northwest
Georgia Division of Family & Children Services	48,000	New	Healthcare	1090 Northchase Parkway	B	Northwest
TVS Design	37,580	New	Business Services	1200 Peachtree St NE	A	Midtown
Old Republic Aerospace	33,548	New	Insurance	2015 Vaughn Road	B	Northwest
Goldman Sachs	29,851	New	Financial	1 Phipps Plaza	A	Buckhead
TransMontaigne	28,838	New	Energy	100 Mansell Court	A	North Fulton
WorkSuites	26,716	New	Real Estate	3100 Interstate North Circle	A	Northwest



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The company partners with global, institutional and private investors to provide industry-leading investment and advisory services across asset classes – including mixed-use, retail, office, medical, industrial, senior living and multifamily. Following its 2019 merger with the Boston-based Roseview Group, Madison Marquette added capital markets, investment banking and corporate advisory services to its integrated capabilities. Founded in 1992, the company built its reputation on the successful development, repositioning and redevelopment of landmark mixed-use assets, and now leverages that performance legacy to provide clients with exceptional asset services and investment advice.

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