



Atlanta office market report

Q1 2022

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Office market trends

01

Re-evaluation of the workplace

As some companies are still ironing out the details of their return to office strategy, those that have made the decision to return are taking a closer look at their current office space. While many are switching to a hybrid work schedule in order to compete for top talent, they still want to encourage employees to come into the office. This has pushed employers to re-evaluate their existing space, or look for new space, in order to provide their employees with a desirable, and intriguing, office environment.

02

Rising rents and concessions

Tenants have begun to adjust to the fact that asking rental rates are still on the rise, up 3.4% from the first quarter of 2021, so they are looking for other ways to save. Landlords are offering concession packages with more T.I. and free rent to allow tenants to feel comfortable with a higher rental rate. Currently, new build projects are commanding the largest T.I. allowances, so landlords are pushing for longer term deals, 7-8 years, to allow more time for amortization of the additional T.I.

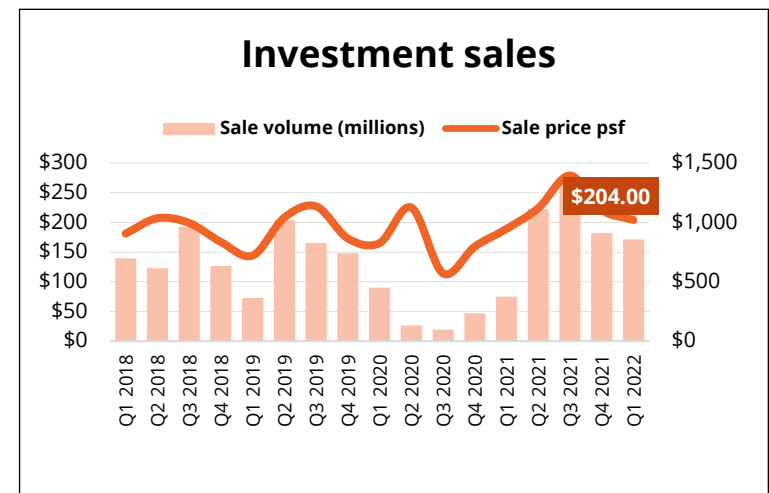
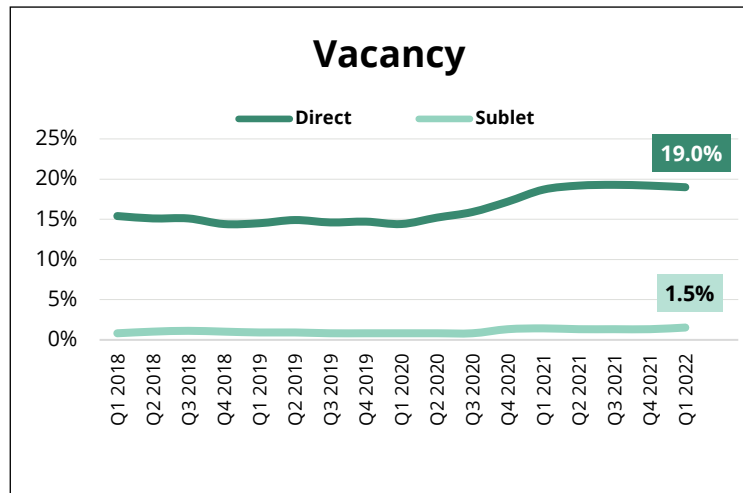
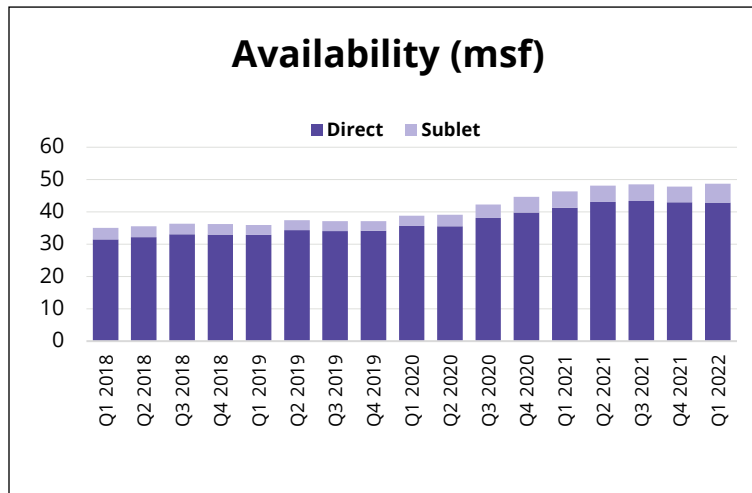
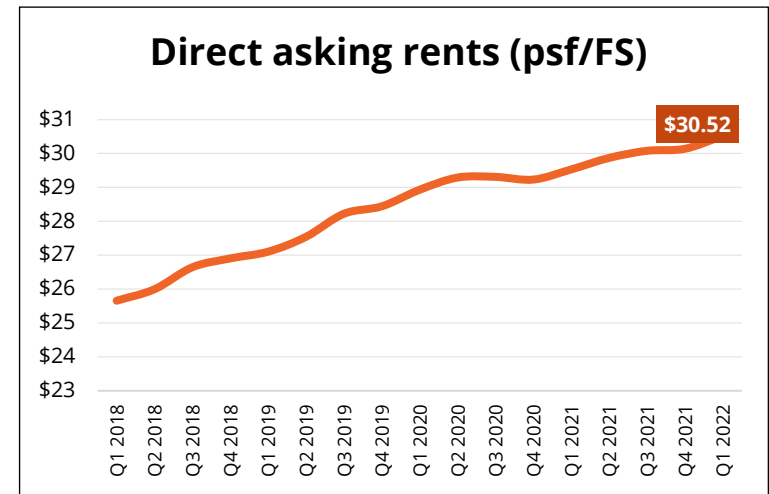
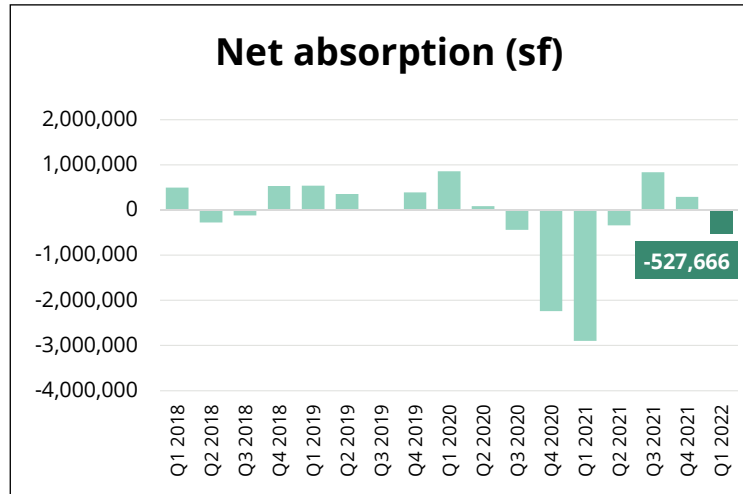
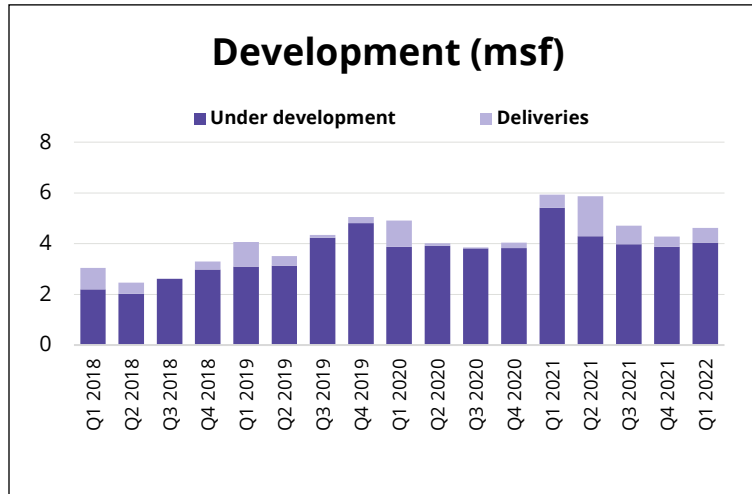
03

Top talent drawing national attention

Companies such as Capital One and Walmart have announced they will open new locations in Atlanta, targeting the Midtown submarket specifically, as one of the main reasons is the talent pool the market has to offer. This trend plays a significant role in the recovery of the office market as these leases will not only fill existing available space, but many will look to new Midtown projects due to the proximity of the talent they are recruiting.



Office market indicators



*Tracking class A, B & C Office buildings 20,000 sf and up (no owner occupied, medical or government)

Office market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Submarket
Micron	712 W Peachtree Street	Jan 2022	93,072	New	Direct	Midtown
American Honda Finance	11675 Great Oaks Way	Jan 2022	86,976	New	Direct	North Fulton/Forsyth
Undisclosed	5995 Windward Parkway	Mar 2022	66,256	New	Direct	North Fulton/Forsyth
Trenton Systems	3100 Breckinridge Boulevard	Feb 2022	50,000	New	Direct	Duluth/Suwanee/Buford
Outreach Corporation	1055 Howell Mill Road	Feb 2022	32,927	New	Direct	Midtown

Recent sales activity

Buyer	Address	Sale date	Sale price	Sale price psf	Submarket	Seller
CP Group	600 Peachtree Street	Mar 2022	\$380,000,000	\$281	Downtown	Shorenstein Properties
Granite Properties	3630 Peachtree Road	Jan 2022	\$202,000,000	\$460	Buckhead	Heitman
Velocis	900 Ashwood Parkway	Feb 2022	\$34,500,000	\$166	Central Perimeter	Starwood
The Runnymede Corporation	1715 North Brown Road (Bldgs A&B)	Jan 2022	\$32,400,000	\$198	Duluth/Suwanee/Buford	TPG Capital
MountainStar Capital	8200 Roberts Drive	Mar 2022	\$19,456,407	\$152	Central Perimeter	Jackson Corporate Real Estate

Under development projects

Address	Size	Project Completion	Percent Preleased	Major Tenant	Owner	Submarket
1331 Spring Street	612,947	Aug 2022	49%	Invesco	MetLife	Midtown
760 Ralph McGill Boulevard	475,000	Oct 2022	68%	Mailchimp	New City Properties	Downtown
1 Phipps Plaza	388,063	July 2022	29%	Novelis	Simon Property Group	Buckhead
14 th & Spring Street	320,089	July 2022	0%	N/A	Greenstone Properties	Midtown

Office market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under		Average Asking Rent	
			Class A	Class B	1Q22	YTD	Construction	Total	Class A	Class B
Buckhead	19,956,863	22.20%	22.70%	17.90%	-25,367	-25,367	611,063	\$37.16	\$37.94	\$28.57
Downtown	19,266,581	18.90%	23.50%	5.90%	42,379	42,379	710,550	\$28.94	\$29.44	\$27.51
Midtown	24,843,139	20.00%	21.00%	12.50%	-122,034	-122,034	2,019,123	\$41.60	\$42.29	\$31.63
Urban Total	64,066,583	20.30%	22.30%	10.40%	-105,022	-105,022	3,340,736	\$37.01	\$37.62	\$29.35

By Submarket	Inventory (sf)	Total %	Class A	Class B	1Q22	YTD	Construction	Total	Class A	Class B
Airport/South Atlanta	4,615,039	21.70%	14.90%	25.20%	-38,534	-38,534	145,000	\$21.63	\$23.78	\$21.56
Central Perimeter	24,157,630	23.20%	25.30%	15.20%	40,775	40,775	115,568	\$30.74	\$31.84	\$23.38
Cumberland/Galleria	20,394,947	20.40%	21.00%	20.30%	-125,350	-125,350	-	\$27.85	\$30.28	\$21.71
Decatur/Stone Mountain	1,834,604	14.90%	20.60%	10.30%	-96,792	-96,792	-	\$29.24	\$30.73	\$24.81
Duluth/Suwanee/Buford	7,960,408	16.30%	15.70%	17.10%	-11,577	-11,577	-	\$21.48	\$22.71	\$19.56
I-20 East/Conyers	507,205	6.70%	-	2.70%	-9,369	-9,369	-	\$18.74	-	\$20.59
I-20 West/Douglasville	297,539	9.70%	-	4.00%	-	-	161,300	\$22.11	-	\$22.51
Norcross/Peachtree Corners	6,355,471	19.20%	24.80%	16.40%	-117,427	-117,427	-	\$20.67	\$22.18	\$18.75
North Fulton/Forsyth	19,998,758	21.00%	22.30%	19.00%	-118,496	-118,496	274,527	\$25.94	\$27.98	\$22.21
Northeast Atlanta	9,124,810	20.40%	23.40%	19.50%	95,017	95,017	-	\$23.16	\$25.01	\$22.10
Northwest Atlanta	3,855,530	18.10%	17.60%	19.10%	-40,891	-40,891	-	\$25.21	\$28.42	\$22.86
Suburban Subtotal	99,101,941	20.60%	22.40%	18.40%	-422,644	-422,644	696,395	\$26.55	\$29.22	\$21.51
Market Total	163,168,524	20.50%	22.30%	16.90%	-527,666	-527,666	4,037,131	\$30.52	\$33.10	\$22.36

By Class	Inventory (sf)	Vacancy	1Q Absorption	YTD Absorption	SF Under Construction	Available Sublease
Class A	113,516,310	22.30%	-462,263	-462,263	3,471,168	4,799,017
Class B	45,229,672	16.90%	-66,301	-66,301	565,963	1,093,340
Class C	4,422,542	9.30%	898	898	-	6,872
Market Total	163,168,524	20.50%	-527,666	-527,666	4,037,131	5,899,229

For more market insights
and information visit
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