

# Submarket Report

OFFICE | FIRST QUARTER | 2009

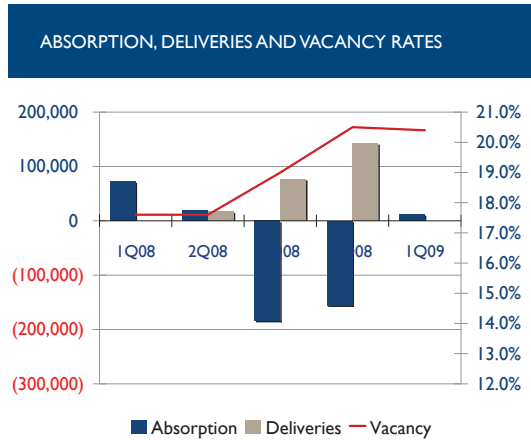


## MARKET INDICATORS

|                | Q1<br>2009 | NEXT<br>QTR |
|----------------|------------|-------------|
| VACANCY        | ↔          | ↑           |
| NET ABSORPTION | ↑          | ↓           |
| CONSTRUCTION   | ↔          | ↔           |
| RENTAL RATE    | ↓          | ↓           |

# Northeast

## Highlights



## Northeast

|                    |            |
|--------------------|------------|
| Total SF           | 18,139,868 |
| Vacancy Rate       | 20.4%      |
| YTD Net Absorption | 12,186     |
| YTD Deliveries     | 0          |
| Under Construction | 100,000    |
| Avg. Class A Rate  | \$20.07    |

Source: CoStar Property

## UPDATE

### RECENT TRANSACTIONS IN THE SUBMARKET

#### SALES ACTIVITY

| PROPERTY                  | SALE PRICE   | SIZE SQ. FT. | SALES PRICE/SQ. FT. | BUYER                   |
|---------------------------|--------------|--------------|---------------------|-------------------------|
| 1400, 1500 Tree Ln. ('08) | \$40,000,000 | 176,128      | \$227.11            | Ventas Healthcare Prop. |
| 3120 Breckinridge ('08)   | \$17,150,000 | 190,000      | \$80.90             | HRPT Properties Trust   |
| Old Norcross Prof. ('08)  | \$6,275,000  | 37,500       | \$167.33            | NJR Holdings LLC        |

#### LEASING ACTIVITY

| TENANT                   | PROPERTY                | SIZE SQ. FT. | TYPE            |
|--------------------------|-------------------------|--------------|-----------------|
| Assurant, Inc.           | 2975 Breckinridge Blvd. | 70,393       | Class B Lease   |
| Naston Dental Group      | 1590 Oakbrook Dr.       | 28,000       | Class C Renewal |
| Medical Business Service | 3555 Koger Blvd.        | 20,000       | Class A Lease   |

- First quarter absorption of 12,186 SF shows office demand in Northeast Atlanta remains weak. The positive absorption for the submarket though, is the first since the middle of last year.
- The office vacancy rate for Northeast Atlanta is up 2.8% since this time last year. In the past twelve months, over 540,000 SF of office vacancy has been added to the submarket. This is the third highest increase of all Atlanta office submarkets.
- With the absence of office space demand, Northeast Atlanta will likely finish the year with negative absorption and increased vacancy. On a good note, construction activity is limited to only one building delivering in the third quarter. As of right now, the building is 77% leased.

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## In the News:

- Gwinnett becoming economic powerhouse:** A recent article published in the Atlanta Business Chronicle highlights the past, present and future success of the state's fastest growing county. Gwinnett's strategic location has become the driving force to job creation in both metro Atlanta and the region through its emergence as a leading hub for technology and life science firms, entrepreneurs and innovative companies. In addition, the county ranks #1 in major categories such as population growth, attracting out-of-state residents, highest household income and also having the most acres of green space per 1,000 residents. Gwinnett has also created the highest number of jobs in the past eight years compared to any other county in Georgia.
- Gwinnett working on regional transportation plan:** A plan to combat Gwinnett County's worsening traffic congestion has recently been endorsed by the Atlanta Regional Commission and is the first of its kind to address the region's need for transportation alternatives. The Concept 3 regional transit plan is a \$54 million dollar plan designed to add light rail, express buses and streetcars to link Gwinnett County to Atlanta and other metro counties. One of the plans more significant impacts will be to extend MARTA rail service into the county. Thirteen proposed stations extending from Doraville and Tucker lines are a part of the plan. Funding is the biggest hurdle to the vision and will require a possible local penny sales tax and other state and federal funds in order to be implemented. The good news is, a recent survey found 65% of county residents are likely to use the rail service.

### AT A GLANCE: SUWANEE GATEWAY



- 148-acre mixed-use development by Opus South Corporation
- Will include 585,000 sq. ft. of office space, 350,000 sq. ft. of retail and 700 residential units
- First phase will be a 143,000 sq. ft. LEED-certified office building, "main-street" style shopping area, full-service hotel, fitness facility and executive apartment homes
- Delivered December 2008

### COLLIERS SPECTRUM CAUBLE NORTHEAST LISTINGS



#### SUWANEE GATEWAY

143,000 SF Lease  
Chandler Spratlin / Lee Evans  
/ Patrick Braswell



#### 425 BUFORD HWY.

16,500 SF Lease  
Michael Lipton /  
John Thornton



#### 454 SATELLITE BLVD

2,815-18,762 SF Lease/Sale  
Jodi Selvey / Patrick Braswell

294 OFFICES IN 61 COUNTRIES  
ON 6 CONTINENTS

USA 94  
Canada 22  
Latin America 17  
Asia Pacific 64  
EMEA 97

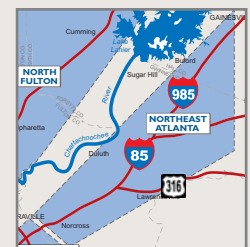
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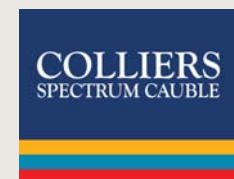
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### NORTHEAST OFFICE SUBMARKET



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