

SUBMARKET NEWS

- Coro Realty Advisors may be eyeing a possible office development next to Piedmont Peachtree Crossing, the Kroger-anchored shopping center off Piedmont Road. While there is no finalized design, nor has any debt been secured for the project, it could include 550k SF of office and retail space, along with 300 apartments. This will be a joint venture with Batson-Cook Development Co. Beyond that, new office development would likely be done by demolishing older properties, a process that adds cost to the investment basis, and means developers would need to achieve \$50/SF office rents minimum.

- State Street Corp. is moving from Monarch Tower to the new Three Alliance Center. The company will be taking approximately 32k SF.

- A proposal to develop a park between the Atlanta Financial Center and the Lenox Road/Buckhead Loop, which would stretch over portions of Georgia 400, could "change the course of Buckhead forever," according to Edens vice president Herbert Ames. The CID will wrap up its feasibility study on the park by this summer before deciding how to move forward with its plans. The cost of the new park could range from \$195M to \$245M.

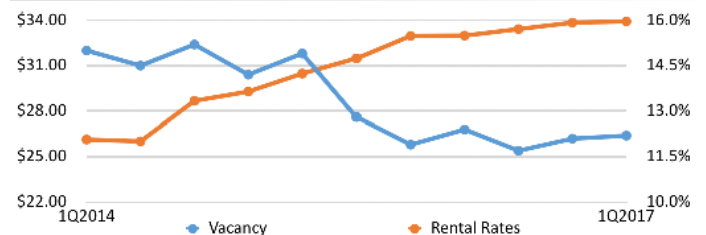
- The collapse of I-85 North on March 30 has impacted the entire city. Contractors & GDOT are working around the clock to repair the bridge and the expected completion date is June 15. Incentives have been put in place for the contractors to complete the repairs before that date.

Summary Statistics Class A	Q1 2017	Q4 2016	Change from prior period
Total Inventory (Millions of Square Feet)	16.6	16.42	▲
Rental Rate	\$33.93	\$33.85	—
Vacancy	12.2%	12.5%	▼
Net Absorption (SF)	34,864	119,282	▼
Construction (SF)	855,793	726,694	▲

Summary Statistics Class B	Q1 2017	Q4 2016	Change from prior period
Total Inventory (Millions of Square Feet)	4.58	4.8	▼
Rental Rate	\$24.60	\$24.30	—
Vacancy	8.0%	9.7%	▼
Net Absorption (SF)	6,712	23,161	▼
Construction (SF)	18,518	18,518	—

Market Indicators

Rental Rate vs. Vacancy - 3 Year Trend



NOTABLE LEASING ACTIVITY

TENANT	PROPERTY	SIZE (SF)
CBRE	Three Alliance Center	104,817
Capgemini U.S. LLC	Prominence in Buckhead	24,816
Peachtree Dermatology Associates, PC	371 E Paces Ferry Rd NE	15,344
Peachtree Hotel Group	One Alliance Center	12,399

NOTABLE SALES ACTIVITY

PROPERTY	SALE PRICE	PRICE/SF	BUYER	SELLER
950 E Paces Ferry Rd NE	\$137,500,000	\$217.68	Oaktree Capital Management LP	CBRE Global Investors Ltd
3344 Peachtree Rd NE	\$129,469,017	\$381.72	Cousins Properties Incorporated	Teacher Retirement System of Texas
3343 Peachtree Rd NE	\$94,612,131	\$243.23	Sumitomo Corporation of Americas	Hines

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Sources: CoStar Property, Bizjournal.com, Curbed.com, Wildmor Research