

SUBMARKET NEWS

- The Food and Drug Administration is eyeing a bigger plate for its workers in Atlanta in what is now one of the largest potential office deals in the market. The new space would include the Southeastern Regional Laboratories, a specialized lab that tests foods, ceramics, meats, cosmetics, drugs and other products that are monitored by the FDA, according to GSA documents.

- Parkside Partners has filed special application permits with the City of Atlanta to allow the redevelopment of 1438 West Peachtree St into a multi-tenant office building with a 115-space parking deck. Payscape is expected to move its headquarters from 729 Lambert Drive into the new facility once completed.

- Selig Enterprises filed plans with the Georgia Department of Community Affairs to move forward on its 1105 West Peachtree project, a mixed-use complex that would stand at the corner of 12th and West Peachtree streets. According to Selig's development of regional impact (DRI) application, the developer is looking to build a 32-story office tower with 770k SF, a 1,500-vehicle parking structure, a 156-key hotel and an 81-unit condo building. The site is across from the new Northside Hospital Medical Office project and Related Development's Apogee Midtown project.

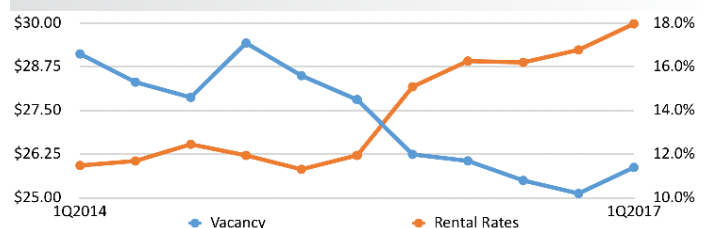
- The Atlanta Business Chronicle reports that development should begin this spring on the dynamic duo, henceforth to be known as Star Metals Residences and Star Metals Offices. The redevelopment of two old industrial sites at 11th Street on either side of Howell Mill Road has received a boost, with new renderings and an anticipated groundbreaking. In April last year, plans were announced for the construction of an office building on the site formerly occupied by Star Metals, and for an apartment block across the street, next to Northside Tavern. In November, Paces Properties came on board, signalling a step forward for the ambitious proposal.

Summary Statistics Class A	Q1 2017	Q4 2016	Change from prior period
Total Inventory (Millions of Square Feet)	17.38	17.38	—
Rental Rate	\$29.99	\$29.24	⬆️
Vacancy	11.4%	10.2%	⬆️
Net Absorption (SF)	34,388	568,374	⬇️
Construction (Millions of Square Feet)	1.798	1.368	⬆️

Summary Statistics Class B	Q1 2017	Q4 2016	Change from prior period
Total Inventory (Millions of Square Feet)	6.07	6.08	⬇️
Rental Rate	\$23.51	\$24.05	⬇️
Vacancy	9.7%	11.2%	⬇️
Net Absorption (SF)	25,805	5,240	⬆️
Construction (SF)	21,000	17,000	⬆️

Market Indicators

Rental Rate vs. Vacancy - 3 Year Trend



NOTABLE LEASING ACTIVITY

TENANT	PROPERTY	SIZE (SF)
Heery International, Inc.	999 Peachtree Stree	31,690
SalesForce	Regions Plaza	30,524
Mind Body	171 17th Street	17,694
Booz Allen Hamilton	Two Midtown Plaza	14,174

NOTABLE SALES ACTIVITY

PROPERTY	SALE PRICE	PRICE/SF	BUYER	SELLER
1052 W Peachtree St NW	\$19,400,000	\$554.29	Georgia Tech Foundation Real Estate	Novare Group
552 Ponce De Leon Ave NE	\$2,181,076	\$325.53	LabSolutions, LLC	Forrest B Johnson & Associates

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