

BUCKHEAD OFFICE MARKET

3RD QUARTER - 2015 ATLANTA

SUBMARKET HIGHLIGHTS

- GM and Hines have decided to put Atlanta Financial Center on the market. The JV has owned the development since 2001, when it paid \$154 million for the asset. Most speculate that AFC could sell for as much as \$255 million in current market conditions.
- PMRG has purchased the Peachtree Lenox Building, the nine-story office building adjacent from Lenox Square. The seller, The Lionstone Group, purchased the 125k SF asset in 2005 for \$21.76 million.
- Mill Creek Residential is purchasing a 1.1 acre parcel at 3005 Peachtree Road, current home to a small strip center. Mill Creek plans to demolish the shops and construct a 23-story, 435 unit apartment tower.
- A year after purchasing One Buckhead Plaza, Parkway Properties has announced their decision to acquire Two Buckhead Plaza. Parkway Properties has a lot at stake in the Buckhead submarket, as they now own One and Two Buckhead Plaza, 3344 Peachtree, Capital City Plaza, and Tower Place 200.
- Developer Oliver McMillan has announced its plan for a 300,000 SF project on the site of the former HiFi Buys within Buckhead Village. The one-acre parcel would include over 233,000 SF of office space and about 66,000 SF of retail along Peachtree Road.
- MARTA has selected developers for the TODs at the Brookhaven/Oglethorpe and Chamblee rail stations. A JV between the Integral Group and Transwestern was selected for the Brookhaven/Oglethorpe station and is proposing 330 apartments, 25,000 SF of retail, and 117,600 SF of office space. The Chamblee station redevelopment will be led by JV team Pattillo Industrial Real Estate and Parkside Partners, which plan 13,000 SF of retail, 38,000 SF of office, and green space.

RECENT LEASING ACTIVITY

Company	Building	Space Size
PatientCo	3333 Piedmont Road	24,726 SF
Ares	3344 Peachtree Road	11,565 SF
Integrity Brands	3575 Piedmont Road	4,877 SF
Hallmark Financial Services	3354 Peachtree Road	3,608 SF

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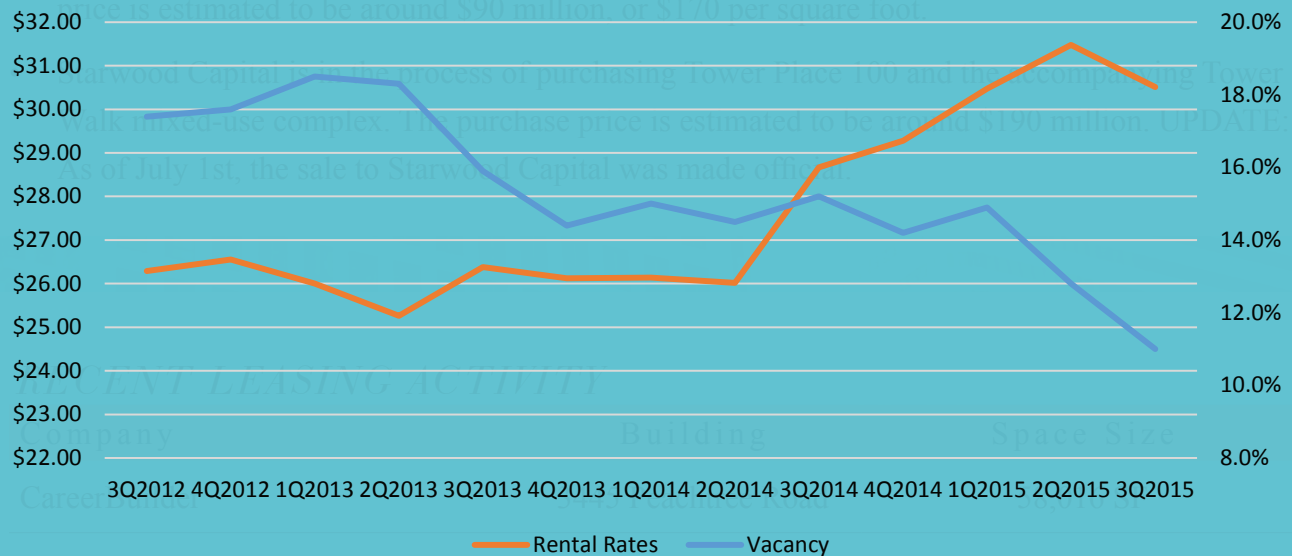
CLASS A OFFICE - MARKET INDICATORS

Total Inventory	786,299 SF of office under construction or proposed. The	15,671,759 SF
Vacancy	under construction as well.	11.0%
YTD Absorption	ors and Hines have decided to put Atlanta Financial Cent	477,750 SF
Under Construction	Buckhead's bullish office market. The asking price is esti	0 SF
Quoted Rates	\$280 per square foot (\$255 million).	\$30.51 PSF

- Pollack Shores Real Estate Group has started demolition on 1888 Emery Street, a mid-rise office building near Howell Mill and Collier Road. They plan to convert the building into 345 apartment units.

MARKET INDICATORS

- Atlanta Property Group has purchased Two Securities Centre for an undisclosed amount. The sale price is estimated to be around \$90 million, or \$170 per square foot.



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