Richard Bowers & Co. First Quarter 2003

MARKET REPORT

"For those that can take advantage of the market currently, rental opportunities are extremely favorable." - *Richard Bowers*

The first quarter numbers for the Atlanta office market reflect a continued downward trend. Vacant square footage has increased from 19,074,800 square feet at year-end 2002 to 21,168,485 square feet. This increase in vacant space has occurred due to a combination of negative absorption and three deliveries at The Falls of Sanctuary Park in the GA-400 North submarket, 2002 Summit Boulevard and One GlenLake both in the I-285/GA-400 submarket all with significant space remaining available.

Occupancy rates decreased to 83.04 percent and rental rates decreased slightly to $20.86 per square foot on average for all classes of space, urban and suburban. The urban submarket had negative absorption of 304,128 square feet as compared to the suburban submarket of 730,277 square feet. Nonetheless, urban occupancy rates are four percentage points higher than the suburban submarkets and $3.00 per square foot higher on average. The urban corridor also has the top three leading submarkets in average rental rates with Buckhead/Lenox at $25.48, Midtown at $23.82, and Downtown at $22.84. Furthermore, two large urban submarkets placed in the top five in occupancy rates with Downtown at 87.85 percent occupied and Buckhead at 87.26 percent occupied.

The primary reasons for the first quarter negative absorption of 1,034,505 square feet was space returned to the market by BellSouth at 301 and 303 Perimeter Center North as well as the WorldCom bankruptcy returned space in Concourse I, V, and VI. These two companies accounted for over 550,000 square feet of the negative absorption.

The leading submarkets in negative absorption were the I-285/GA-400 submarket at 264,812 square feet, the I-75/I-285 submarket at 230,345 square feet, the Buckhead/Lenox submarket at 206,709 square feet, the GA-400 North submarket at 199,865 square feet, and the I-285/I-85/Northlake at 84,905 square feet. Insofar as square footage availability, the I-285/GA-400 submarket leads all submarkets with 4,626,454 square feet available followed be the GA-400 North submarket at 3,048,203 square feet, the I-75/I-285 submarket at 2,961,028 square feet, Midtown at 2,040,235 square feet and Downtown at 2,016,775 square feet.

For those that can take advantage of the market currently, rental opportunities are extremely favorable. Conces-

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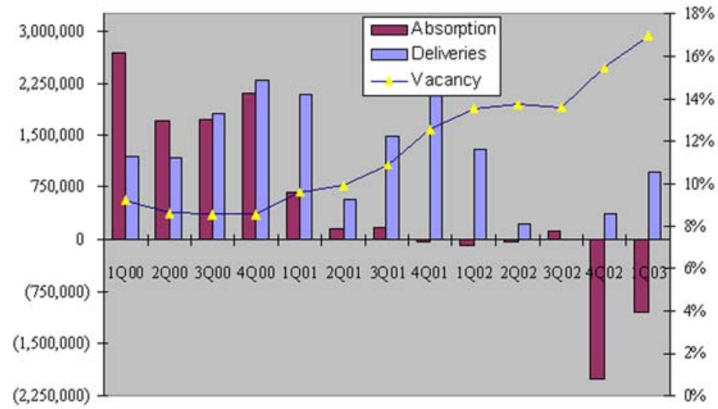
Office Market Snapshot

Total Square Feet:	124,780,147
Vacant Square Feet:	21,168,485
Percent Occupied:	83.04%
Absorption for Quarter:	(1,034,505)
Average Rental Rates:	$20.86
Space Delivered YTD:	968,000
Class "A" Avg. Rental Rate:	$23.41

Metro Atlanta Office Market Summary 1st Quarter 2003



Atlanta's Top Five Ranking Submarkets

Net Absorption 1st Quarter 2003:

NE Expressway-North	175,475
Airport/South	15,806
Decatur	11,492
I-75 Corridor	4,240
I-285E/Stone Mountain	3,640

Total Available Square Feet:

I-285/GA-400	4,626,454
GA-400 North	3,048,203
I-75/I-285	2,961,028
Midtown	2,040,235
Downtown	2,016,775

Total Existing Square Feet:

I-285/GA-400	22,298,857
I-75/I-285	19,032,594
Downtown	16,593,668
GA-400 North	14,096,663
Midtown	11,513,750

Submarket Occupancy Rate:

Decatur	95.2%
I-285E/Stone Mountain	93.7%
NE Expressway-South	91.5%
Downtown	87.8%
Buckhead/Lenox	87.3%

Average Quoted Rental Rate:

Buckhead/Lenox	$25.48
Midtown	$23.82
Downtown	$22.84
I-75 Corridor	$21.52
I-75/I-285	$20.87

Space Delivered 2003 - Sq Ft

I-285/GA-400	743,000
GA-400 North	225,000

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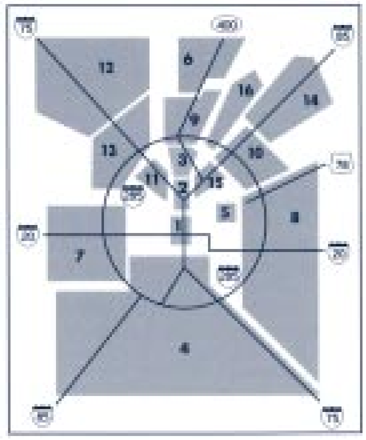
sions in free rent, above standard improvements, lease assumptions, signing bonuses and relocation expenses are prevalent. Company ownership has continued to remain favorable with a number of small buildings for sale and current financing at very low interest rates. There is still a significant amount of sublease space, which can also provide below market opportunities to include tenant improvements in a number of instances.

Fortunately, there will be limited new deliveries the remainder of this year in four buildings totaling 775,223 square feet. Despite the dismal showing for the first quarter of 2003, we are still optimistic that positive absorption, higher occupancy rates and higher rental rates will occur this calendar year based upon the Iraq war being over shortly, job growth, an improved economy and a positive business outlook.

Metro Atlanta Sub-Markets



Urban Corridor Sub-Markets

1 Downtown
2 Midtown
3 Buckhead/Lenox

Suburban Sub-Markets

4 Airport/South
5 Decatur
6 GA-400 North
7 I-20W/Greenbriar
8 I-285E/Stone Mountain
9 I-285/GA-400
10 I-285/I-85/Northlake
11 I-75 Corridor
12 I-75N/Marietta/Johnson Ferry
13 I-75/I-285
14 NE Expressway-North
15 NE Expressway-South
16 Peachtree Corners

Office Totals By Sub-Market

	Total Sq. Ft.	Vacant Sq. Ft.	Occupancy Rate	Absorption This Qtr	Absorption Year to Date	Avg. Rent Rate
Urban						
Downtown	16,593,668	2,016,775	87.85%	(82,495)	(82,495)	$22.84
Midtown	11,513,750	2,040,235	82.28%	(14,924)	(14,924)	$23.82
Buckhead/Lenox	11,449,353	1,458,516	87.26%	(206,709)	(206,709)	$25.48
Urban Totals	**39,556,771**	**5,515,526**	**86.06%**	**(304,128)**	**(304,128)**	**$23.89**
Suburban						
Airport/South	2,619,908	452,550	82.73%	15,806	15,806	$15.49
Decatur	1,093,973	52,648	95.19%	11,492	11,492	$18.99
GA-400 North	14,096,663	3,048,203	78.38%	(199,865)	(199,865)	$19.59
I-20W/Greenbriar	310,663	60,496	80.53%	(2,347)	(2,347)	$12.21
I-285/GA-400	22,298,857	4,626,454	79.25%	(264,812)	(264,812)	$20.75
I-285/I-85/Northlake	4,618,363	599,177	87.03%	(84,905)	(84,905)	$17.18
I-285E/Stone Mtn	431,051	27,121	93.71%	3,640	3,640	$12.61
I-75 Corridor	1,126,783	200,995	82.16%	4,240	4,240	$21.52
I-75/I-285	19,032,594	2,961,028	84.44%	(230,345)	(230,345)	$20.87
I-75N/Marietta/JF	2,854,808	583,461	79.56%	(56,152)	(56,152)	$18.94
NE Expressway-North	4,150,915	1,010,702	75.65%	175,475	175,475	$17.94
NE Expressway-South	4,795,209	406,148	91.53%	(66,326)	(66,326)	$18.34
Peachtree Corners	7,793,589	1,623,976	79.16%	(36,278)	(36,278)	$16.85
Suburban Totals	**85,223,376**	**15,652,959**	**81.63%**	**(730,377)**	**(730,377)**	**$19.46**
Total/W. Averages	**124,780,147**	**21,168,485**	**83.04%**	**(1,034,505)**	**(1,034,505)**	**$20.86**

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