

MARKET REPORT

"Due to a favorable economy and Atlanta growth, increased rental rates and occupancy will occur through positive absorption and limited deliveries by Year-End 2004." - Richard Bowers

The Atlanta office market is improving even though 3rd Quarter 2003 numbers had negative absorption of 115,155 square feet, far less than the last three quarters. Negative absorption occurred from limited new demand and the Mirant bankruptcy resulting in space returned to the market at 1117 Perimeter Center West.

To date, ten of the sixteen submarkets have negative absorption through 3rd Quarter 2003. Although we projected positive absorption in the 3rd Quarter, the economy is definitely improving and positive absorption should occur in 4th Quarter 2003. In addition, there will be no new deliveries for the remainder of the year. In fact, deliveries for 2004 will be significantly down with only 640,000 square feet under development, 500,000 square feet at 171 17th Street at Atlantic Station and two buildings in the Northeast Expressway North submarket at Sugarloaf totaling 140,000 square feet.

From Mid-Year 2003, occupancy rates decreased from 82.04% to 81.63% due to negative absorption and delivery of 495,000 square feet at Cyntergy One at Tech Square and Barret Summit 300. Average rental rates decreased slightly from Mid-Year from \$20.61 per square foot to \$20.55 per square foot.

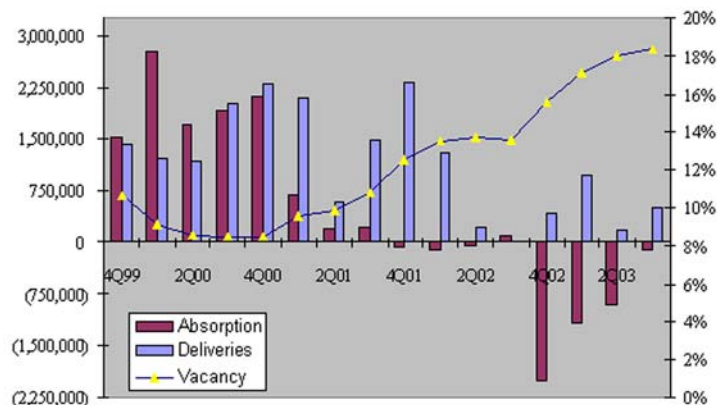
The urban corridor is still considerably outperforming the suburban submarkets with an occupancy of 84.02% as compared to the suburbs at 80.51%. Average rental rates along the urban corridor are also significantly higher at \$23.61 per square foot compared to the suburban submarkets at \$19.11 per square foot for all classes of space. Downtown is the leading submarket of the six largest submarkets in occupancy at 86.4% overall and is also the leading primary submarket insofar as Class A occupancy at 90.2%.

There are only two submarkets with positive absorption year to date in excess of 100,000 square feet. These submarkets are Northeast Expressway North at 318,391 square feet followed by Midtown at 199,687 square feet. Square footage available has increased from 22,458,192 square feet Mid-Year to 23,068,747 square feet 3rd Quarter 2003.

The market is still extremely favorable for credit worthy tenants currently in the market and will in all likelihood remain favorable through Year-End 2004. Concessions are numerous insofar as lease assumptions, free rent, moving allowances and above standard tenant improvements. The top five submarkets in square footage availability are the I-285/GA-400 submarket at 5,053,413 square feet followed by GA-400 North at 3,189,974 square feet, the I-75/I-285 submarket at 3,178,541 square feet, Midtown at 2,270,493 square feet and Downtown at 2,266,312 square feet. Favorable terms are particularly encouraging in these submarkets as well as throughout Metropolitan Atlanta. *(Continued on back)*

Office Market Snapshot	
Total Square Feet:	125,565,134
Vacant Square Feet:	23,068,747
Percent Occupied:	81.63%
Absorption for Quarter:	(115,555)
Average Rental Rates:	\$20.55
Space Delivered YTD:	1,652,556
Class "A" Avg. Rental Rate:	\$23.00

Metro Atlanta Office Market Summary 3rd Quarter 2003



Atlanta's Top Five Ranking Submarkets

Net Absorption 3rd Quarter 2003:

Midtown	203,485
I-75N/Marietta/JohnsonF	94,537
GA-400 North	85,094
I-285/GA-400	53,080
Decatur	25,356

Total Available Square Feet:

I-285/GA-400	5,053,413
GA-400 North	3,189,974
I-75/I-285	3,178,541
Midtown	2,270,493
Downtown	2,266,312

Total Existing Square Feet:

I-285/GA-400	22,286,857
I-75/I-285	18,996,758
Downtown	16,653,668
GA-400 North	14,206,912
Midtown	11,960,806

Submarket Occupancy Rate:

Decatur	97.0%
I-285E/Stone Mountain	95.6%
NE Expressway-South	90.9%
Downtown	86.4%
Buckhead/Lenox	83.7%

Average Quoted Rental Rate:

Buckhead/Lenox	\$24.94
Midtown	\$23.90
Downtown	\$22.49
I-75/I-285	\$20.42
I-285/GA-400	\$20.37

Space Delivered 2003 - Sq Ft

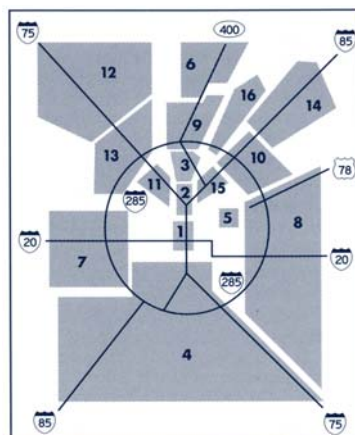
I-285/GA-400	743,000
Midtown	445,000
GA-400 North	414,556
I-75N/Marietta/JohnsonF	50,000

(Continued from front)

Sublease space is an excellent alternative for users who can adapt to existing square footage. In addition, many subleases afford furniture and phones as part of the concession package. Subleased space has decreased although the sublease square footage availability continues to be in excess of 6,400,000 square feet of space. Small buildings for sale are also an excellent alternative for many users due to favorable financing which can result in lower occupancy costs than leased space in many instances.

Again, the market is improving; however, at a slower rate than previously projected. Nonetheless, it is possible for calendar year 2003 to achieve positive absorption with an excellent and robust 4th Quarter. Due to a favorable economy and Atlanta growth, increased rental rates and occupancy will occur through positive absorption and limited deliveries by Year-End 2004.

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	16,653,668	2,266,312	86.39%	(141,766)	(291,832)	\$22.49
Midtown	11,960,806	2,270,493	81.02%	203,485	199,687	\$23.90
Buckhead/Lenox	11,452,301	1,866,284	83.70%	(142,164)	(614,094)	\$24.94
Urban Totals	40,066,775	6,403,089	84.02%	(80,445)	(706,239)	\$23.61
Suburban						
Airport/South	2,601,337	568,370	78.15%	(79,965)	(87,368)	\$15.53
Decatur	1,093,973	32,656	97.01%	25,356	31,484	\$18.90
GA-400 North	14,206,912	3,189,974	77.55%	85,094	(154,440)	\$19.14
I-20W/Greenbriar	310,663	64,476	79.25%	(3,913)	(6,327)	\$13.43
I-285/GA-400	22,286,857	5,053,413	77.33%	53,080	(691,556)	\$20.37
I-285/I-85/Northlake	4,612,458	832,594	81.95%	(134,277)	(319,853)	\$17.26
I-285E/Stone Mtn	431,051	19,061	95.58%	8,456	11,700	\$12.68
I-75 Corridor	1,127,333	193,349	82.85%	8,908	12,024	\$20.11
I-75/I-285	18,996,758	3,178,541	83.27%	149	(436,994)	\$20.42
I-75N/Marietta/JF	2,906,358	566,512	80.51%	94,537	11,417	\$18.43
NE Expressway-North	4,151,754	868,122	79.09%	23,589	318,391	\$17.53
NE Expressway-South	4,800,447	435,636	90.93%	(22,791)	(95,632)	\$18.30
Peachtree Corners	7,972,458	1,662,954	79.14%	(93,333)	(70,278)	\$16.69
Suburban Totals	85,498,359	16,665,658	80.51%	(35,110)	(1,477,432)	\$19.11
Total/W. Averages	125,565,134	23,068,747	81.63%	(115,555)	(2,183,671)	\$20.55



Richard Bowers & Co.
Real Estate



Visit us at - www.richardbowers.com

3475 Lenox Road, Suite 800, Atlanta, Georgia 30326 ♦ 404-816-1600 ♦ Fax 404-842-0319