

MARKET REPORT

"Clearly, the Office Market will remain a Buyer's market throughout 2005." - RICHARD BOWERS, SIOR

Our first quarter numbers reflect the ongoing improvement in the Atlanta office market. The quarter recorded 229,800 square feet of positive absorption as compared to 613,317 square feet of negative absorption in 2004's first quarter, a positive swing of more than 800,000 square feet. During the quarter, the overall occupancy rate increased from 82.3 percent to 82.5 percent, and the rental rate rose from \$20.11 per square foot to \$20.26 per square foot. The suburban submarkets significantly outperformed the Urban Corridor this quarter due to negative absorption in the Downtown and Buckhead/Lenox submarkets. Nevertheless, urban occupancy rates remain higher at 83.6 percent compared to the suburban submarkets at 82 percent, and the urban average rental rates are more than \$2.50 per square foot higher at \$22.92 per square foot versus \$18.99 per square foot in the suburbs. The suburbs also have significantly more vacant space at 15,318,026 square feet as compared to the Urban Corridor's 6,665,215 square feet.

The leading submarkets in absorption this quarter were the I-285/GA-400 submarket at 242,455 square feet followed by GA-400 North at 150,830 square feet, and the I-285/Northlake area with 64,457 square feet.

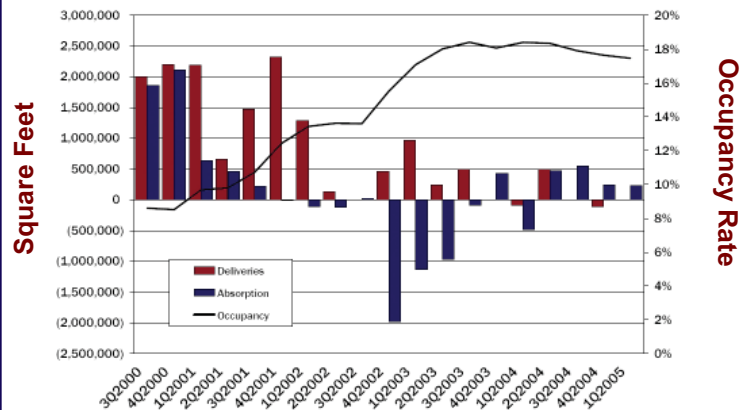
In addition to stronger absorption, few new deliveries are scheduled. Calendar Year 2005 will total only 455,000 square feet of new deliveries — the lowest in the last decade. These new deliveries will include two buildings in the suburbs at Gwinnett County's Business Park at Sugarloaf totaling 140,000 square feet, a one-story office building on the Southside at Camp Creek Business Park totaling 50,000 square feet, a new mid-rise office building at Century Center totaling 105,000 square feet which is 100 percent pre-leased, and one small urban building at 2 Buckhead Plaza totaling 160,000 square feet.

Clearly, the office market will remain a buyer's market throughout 2005. However, the market is expected to change considerably by year-end as
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OFFICE MARKET SNAPSHOT

Total Square Feet:	125,853,608
Vacant Square Feet:	21,983,241
Percent Occupied:	82.53%
Absorption for Quarter:	229,800
Average Rental Rates:	\$20.26
Space Delivered YTD:	None
Class "A" Avg. Rental Rate:	\$22.59

METRO ATLANTA OFFICE MARKET SUMMARY 1ST QUARTER 2005



ATLANTA'S TOP FIVE RANKING SUBMARKETS

Net Absorption 1st Quarter 2005:

I-285 / GA-400	242,455
GA-400 North	150,830
I-285 / I-85 / Northlake	64,457
I-75 / I-285	39,401
I-75 Corridor	36,031

Total Available Square Feet:

I-285/GA-400	4,022,634
I-75/I-285	3,089,430
Downtown	3,011,051
GA-400 North	2,855,753
Midtown	2,022,359

Total Existing Square Feet:

I-285/GA-400	22,123,859
I-75/I-285	18,973,582
Downtown	16,634,456
GA-400 North	14,274,912
Midtown	12,465,534

Submarket Occupancy Rate:

I-285E/Stone Mountain	95.0%
NE Expressway-South	88.9%
Buckhead/Lenox	85.8%
I-75/Marietta/Johnson Fy	84.9%
Midtown	83.8%

Average Quoted Rental Rate:

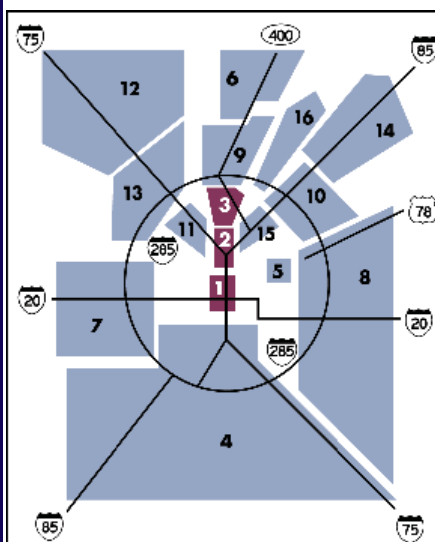
Buckhead/Lenox	\$24.92
Midtown	\$23.27
Downtown	\$21.29
I-285 / GA-400	\$20.63
I-75 / I-285	\$20.14

Space Delivered 2005 - Sq Ft:

None

absorption increases with an improving economy, current office leasing activity, and potential relocations from other cities. Vacant space should also decline due to limited new deliveries coupled with a number of low-rise and mid-rise office buildings being demolished to be replaced by higher density, multi-use developments. We are aggressively projecting 2,000,000 square feet of positive absorption for 2005. We expect the office market to improve dramatically for the remainder of the year with occupancy levels approaching 85 percent overall with a number of sub-markets reaching 90 percent occupancy.

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-285 E / 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	16,634,456	3,011,051	81.90%	(83,889)	(83,889)	\$21.29
Midtown	12,465,534	2,022,359	83.78%	29,014	29,014	\$23.27
Buckhead/Lenox	11,453,597	1,631,805	85.75%	(37,415)	(37,415)	\$24.92
Urban Totals	40,553,587	6,665,215	83.56%	(92,290)	(92,290)	\$22.92
Suburban						
Airport/South	2,607,337	481,823	81.52%	(1,810)	(1,810)	\$15.41
Decatur	1,093,973	181,765	83.38%	(79,917)	(79,917)	\$19.09
GA-400 North	14,274,912	2,855,753	79.99%	150,830	150,830	\$18.87
I-20W/Greenbriar	321,053	95,850	70.15%	2,120	2,120	\$13.00
I-285/GA-400	22,123,859	4,022,634	81.82%	242,455	242,455	\$20.63
I-285/I-85/Northlake	4,517,699	758,683	83.21%	64,457	64,457	\$16.74
I-285E/Stone Mtn	411,251	20,574	95.00%	1,962	1,962	\$12.59
I-75 Corridor	1,127,333	226,711	79.89%	36,031	36,031	\$19.88
I-75/I-285	18,973,582	3,089,430	83.72%	39,401	39,401	\$20.14
I-75N/Marietta/JF	2,939,478	443,907	84.90%	(11,988)	(11,988)	\$18.82
NE Expressway-North	4,200,528	806,773	80.79%	(53,298)	(53,298)	\$17.95
NE Expressway-South	4,732,558	525,856	88.89%	(51,594)	(51,594)	\$17.73
Peachtree Corners	7,976,458	1,808,267	77.33%	(16,559)	(16,559)	\$16.14
Suburban Totals	85,300,021	15,318,026	82.04%	322,090	322,090	\$18.99
Total/W. Averages	125,853,608	21,983,241	82.53%	229,800	229,800	\$20.26



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