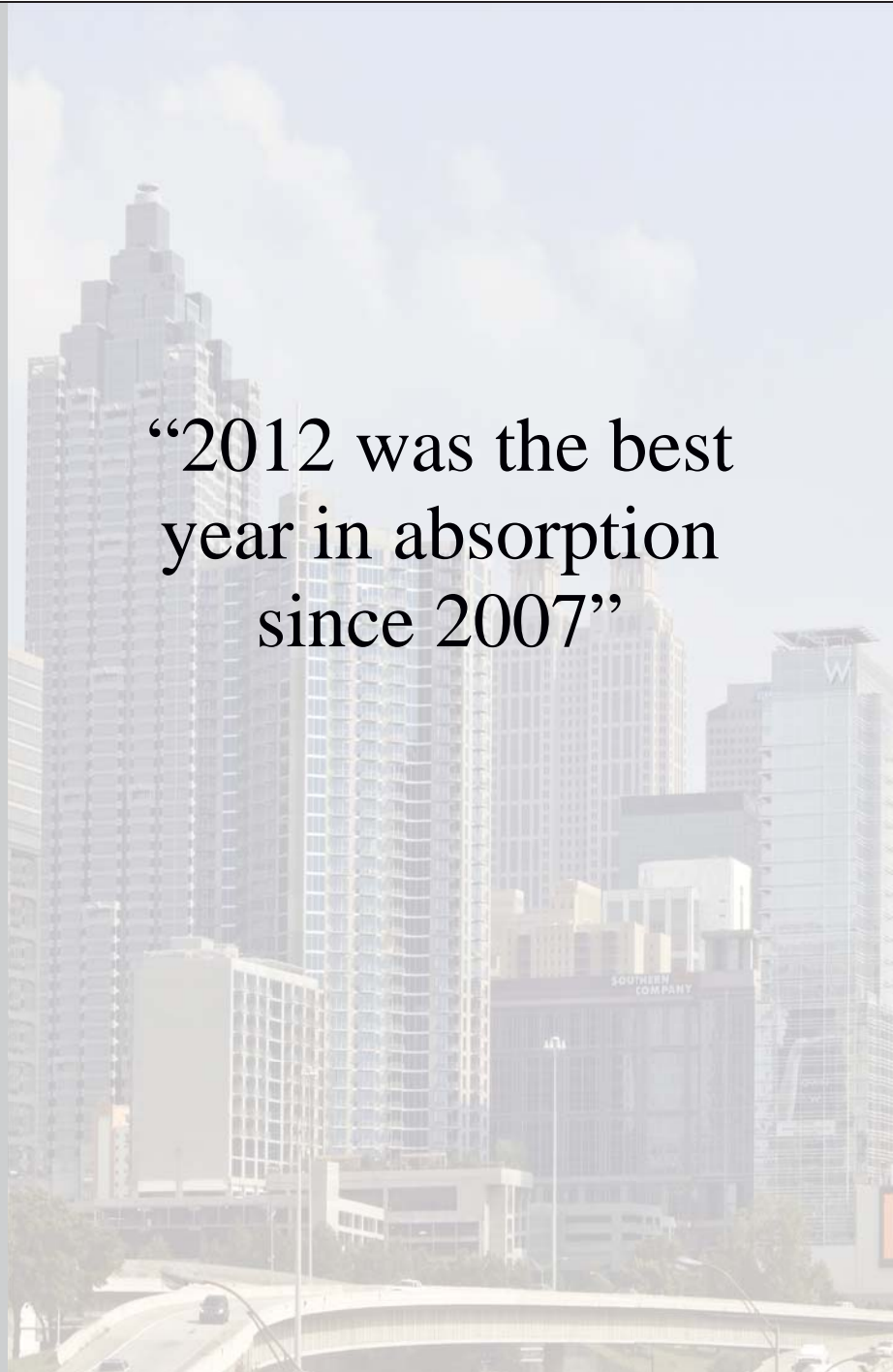
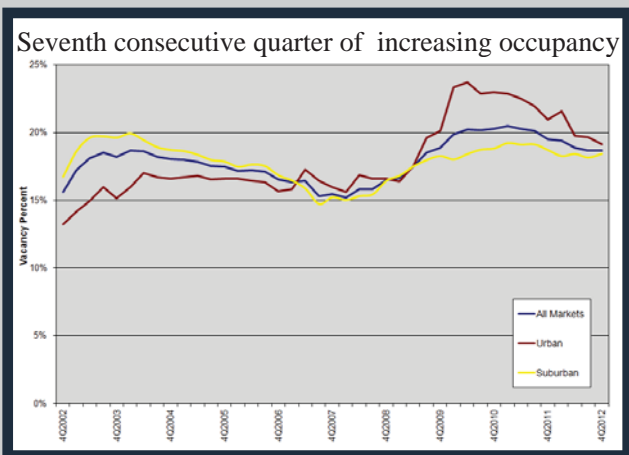
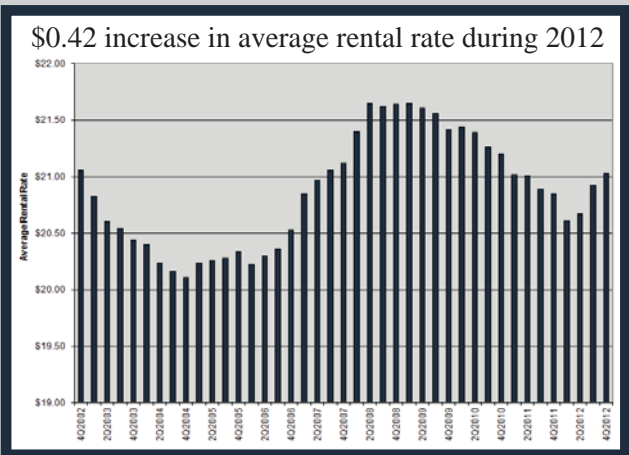
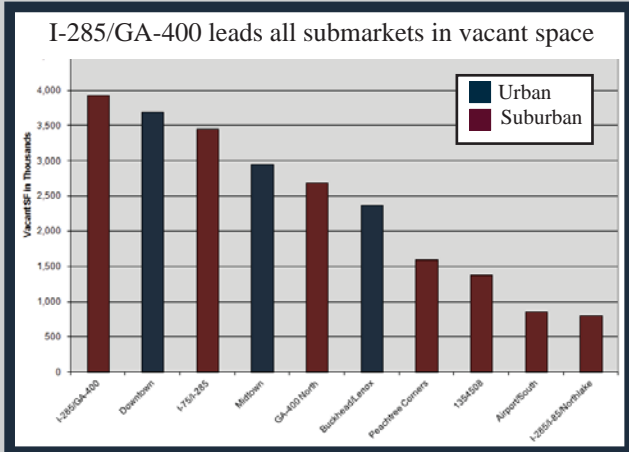


THE BOWERS DIGEST

METRO ATLANTA OFFICE MARKET ANALYSIS

Vol. 24, No. 1



“2012 was the best year in absorption since 2007”

REAL ESTATE TRENDS
YEAR-END 2012

IN BRIEF: THE ATLANTA MARKET

Calendar year 2012 proved to be an excellent year for the Metro Atlanta office market with 1,742,054 square feet of positive absorption, even though fourth quarter absorption was only a modest 25,190 square feet. 2012 was also the best year in absorption since 2007 and more than doubled the absorption for 2011. The urban corridor has experienced eight quarters of positive absorption, and had 1,256,303 square feet of positive absorption for 2012, versus 476,751 in the suburbs, further substantiating the greater interest currently in the urban corridor for office users.

The five leading submarkets in annual absorption are Buckhead at 1,074,342 square feet, I-285/Georgia-400 at 801,396 square feet, Midtown at 447,233 square feet, I-75/I-285 at 130,890 square feet, and Peachtree Corners at 129,672 square feet. Conversely, the five leading submarkets in negative absorption were Georgia-400 North at 323,887 square feet, Downtown at 256,272 square feet, I-285/I-85 Northlake with 142,223 square feet, I-75 Corridor at 96,160 square feet, and the Northeast Expressway North at 94,208 square feet. Negative absorption for Downtown can be primarily attributed to the Bank of America Tower's 290,030 square feet of negative absorption.

The five leading submarkets in size continue to be I-285/GA-400 at 22,573,937 square feet, I-75/I-285 at 18,949,100 square feet, Downtown at 17,017,339 square feet, GA-400 North at 15,802,470 square feet, and Buckhead at 15,246,515 square feet. The five leading submarkets in average quoted rental rates are Buckhead at \$25.52, Midtown at \$25.52, I-285/GA-400 at \$21.85, I-75 Corridor at \$20.93, and Downtown at \$20.65.

The only delivery scheduled for 2013 is the 344,475 square foot Primera Headquarters build-to-suit located in the NE Expressway-North submarket at Sugarloaf. The Ponce City Market redevelopment, containing 450,000 square feet of office space, is also under construction and scheduled for completion in 2014.

Infrastructure:

Unfortunately the T-SPLIST referendum did not pass, which would have added tremendous revenues through a self-imposed one-cent sales tax over ten years for the Metro Atlanta region's transportation needs. Nonetheless, there are ongoing improvements taking place. Last year Hartsfield-Jackson International Airport, which is already the world's busiest airport, opened their 1.2 million square foot international terminal that solidified Atlanta even more as a destination hub for international flights and a global gateway for individuals coming to the United States.

Atlanta's Central Business District is the current development of the Atlanta Streetcar, which will connect the Martin Luther King Center to CNN Center. Groundbreaking for the project occurred last March and all expectations indicate the Atlanta Streetcar will be up and running by late 2013. Another major infrastructural improvement proposed for Downtown includes the Multi-Modal Station which would be developed in "The Gulch", adjacent to Five Points and the Five Points MARTA Station. The station would create a central hub tying together MARTA, the Atlanta Streetcar, buses and rail transportation. The Federal government has placed this project on the fast track list, which will expedite the permitting process and could save up to a year on the Multi-Modal Station's timeline.

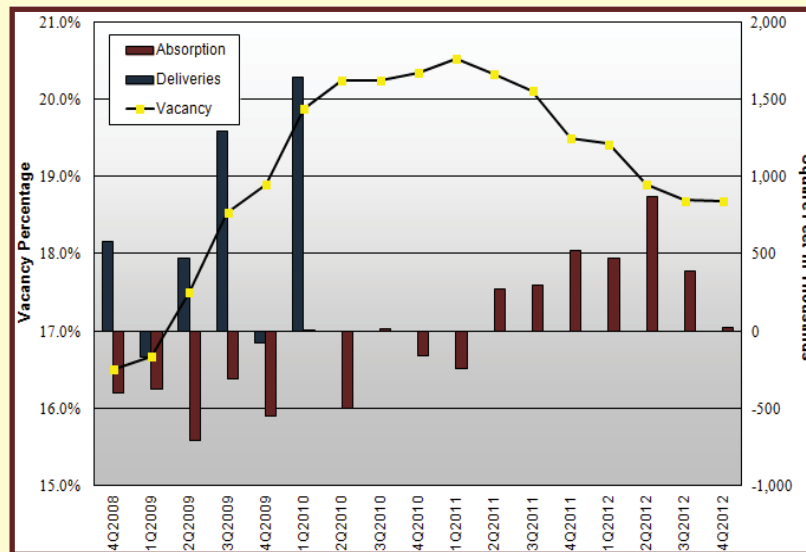
The neighborhood of Castleberry Hill, which has been largely isolated from Downtown for the past four years due to the closing of an unsafe bridge, has finally been reconnected. In August of 2012, the

redevelopment of the Mitchell Street Bridge was reopened, providing residents and businesses of Castleberry Hill greater access to our Central Business District.

The Atlanta Beltline, which opened a 2.25 mile pedestrian and bicycle path in 2012, called Eastside Trail, is already starting to spur in-town development. This section which connects Inman Park and Piedmont Park is just one of many sectors which will be opening in the near future to complete the Beltline circumference. New businesses as well as residential development near the Eastside trail of the Beltline are a strong indication of what a major stimulus this infrastructural project will be to the entire Intown/Midtown/Downtown area.

According to Governor Nathan Deal, contract work on the Northwest Corridor Reversible Lane project will begin this year with a completion date of 2018. The project will build two reversible lanes next to I-75 from the I-285 interchange up to I-575. From there one additional reversible lane will extend from both, I-575 to Sixes Road and from I-75 to Hickory Grove Road. These lanes will be adjusted to flow South during the morning hours and North during the evening traffic hours. This reversible lane project is still in the preliminary stages, although the D.O.T. has stated these reversible lanes will have a variable toll rate based on traffic volume.

Market Overview



There are also a number of new civic developments taking place, which will certainly enhance urban growth and tourism, to include the National Civil Rights Museum at Centennial Olympic Park, the College Football Hall of Fame, the possible development of a new Atlanta Falcons Stadium, the possible redevelopment of the fifty-five acres surrounding Turner Field, the renovation of the Atlanta Civic Center, and the re-work and/or possible relocation of the Atlanta Cyclorama – housing the world's largest oil painting, "The Battle of Atlanta".

Outlook:

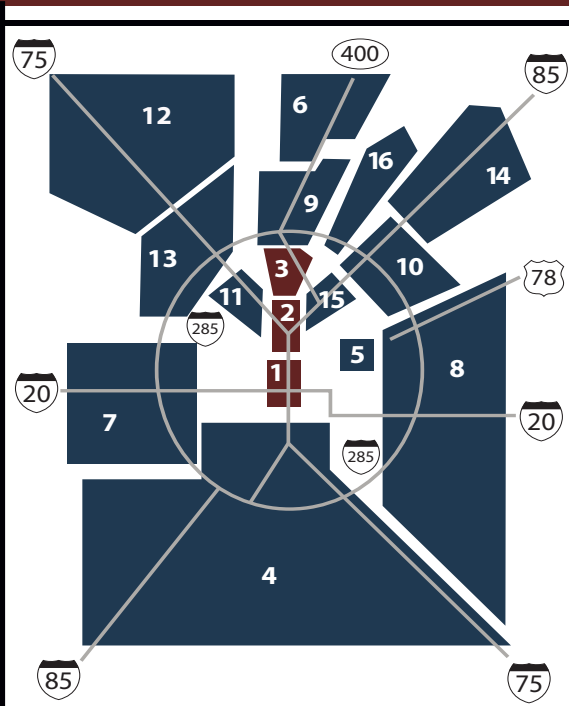
We project 2013 to be a better year than 2012, with greater absorption due to projected job growth, and an improving

economy. Atlanta is projected to be one of the leading cities in the United States insofar as job growth over the next few years, for a number of reasons, to include being one of the most desirable living destinations for young college graduates, a favorable climate, a low cost of living, inexpensive housing opportunities, Hartsfield-Jackson International Airport – the world's busiest airport, public transportation, great nightlife and entertainment, and numerous other reasons.

Additionally, there are ongoing business relocations to Atlanta, and in fact, there were a number of outstanding announcements during 2012 to include: Caterpillar, Krystal Corporation, Galectin Therapeutics, Streamline Health's move from Cincinnati, Baxter International, the General Motors Datacenter taking the former UPS Worldwide I.T. Headquarters, and the Paris-based software company Arkadin's move from New York. In fact, 2013 could conceivably surpass 2007, in absorption, which has been the leading year in absorption since the turn of the century. With increased demand, positive absorption and limited new development, we firmly believe both occupancy and rental rates will increase.

In closing, we wish our clients and readers a happy and prosperous 2013! We firmly believe with cooperation between the two political parties and efforts to address and control government spending, our country's future is excellent.

Richard E. Bowers



Urban Corridor Submarkets

- 1. Downtown
- 2. Midtown
- 3. Buckhead/Lenox

Suburban Submarkets

- 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

THE ATLANTA OFFICE MARKET

	<u>4th Quarter 2012</u>	<u>4th Quarter 2011</u>
Year-End Absorption	1,742,054	844,724
2nd Quarter Absorption	25,190	519,789
Total Existing Square Feet	135,465,599	135,384,825
Total Available Square Feet	25,309,557	26,686,726
Percent Of Total Space Vacant	18.68%	19.71%
Average Quoted Rental Rate	\$21.03	\$20.85
Space Delivered YTD - Square Feet*	0	0

* Excludes Net Losses

ATLANTA'S TOP FIVE RANKING SUBMARKETS

Absorption - 4th Quarter 2012:

Buckhead/Lenox	344,972
I-285/GA-400	104,816
NE Expressway-South	43,686
NE Expressway-North	30,238
Decatur	20,910

Total Available Square Feet:

I-285/GA-400	3,932,823
Downtown	3,699,741
I-75/I-285	3,453,026
Midtown	2,951,422
GA-400 North	2,686,965

Total Existing Square Feet:

I-285/GA-400	22,573,937
I-75/I-285	18,949,100
Downtown	17,017,339
GA-400 North	15,802,470
Buckhead/Lenox	15,246,515

Submarket Occupancy Rate:

NE Expressway-South	90.25%
Decatur	89.53%
I-285E/Stone Mtn	86.96%
Buckhead/Lenox	84.40%
GA-400 North	83.00%

Average Quoted Rental Rate:

Buckhead/Lenox	\$25.52
Midtown	\$25.52
I-285/GA-400	\$21.85
I-75 Corridor	\$20.93
Downtown	\$20.65

Average Class "A" Rental Rate:

I-75 Corridor	\$30.00
Midtown	\$28.08
Buckhead/Lenox	\$27.92
I-285/GA-400	\$23.42
Downtown	\$22.68

“With increased demand, positive absorption and limited new development, we firmly believe both occupancy and rental rates will increase.”

The Bowers Digest was prepared by the Research Department & Assistants of Richard Bowers & Company. The numerical data summarized herein were obtained directly from the owners and managers of the buildings included in the Richard Bowers & Company database. Richard Bowers & Company takes no responsibility for the accuracy of the information provided by others. Additional copies are available at \$25.00 each. Copyright © 2013 by Richard Bowers & Company, Atlanta, Georgia. All rights reserved.

ATLANTA MARKET TRENDS BY QUARTER

Quarter	Total Sq. Ft.	Vacant Sq. Ft.	Vacancy Rate	Delivered Qtr:	Delivered Ytd	Net Absorption			Average Rental Rate
						4 Qtr Total	Year To Date	Quarter	
4Q2012	135,465,599	25,309,557	18.68%	(8,835)	307,433	1,742,054	1,742,054	25,190	\$21.03
3Q2012	135,701,093	25,362,693	18.69%	127,043	316,268	2,229,071	1,714,273	383,198	\$20.91
2Q2012	135,574,050	25,618,848	18.90%	188,335	189,225	2,120,886	1,331,075	864,980	\$20.67
1Q2012	135,385,715	26,295,493	19.42%	890	890	1,479,655	466,095	466,095	\$20.61
4Q2011	135,384,825	26,686,726	19.71%	(17,615)	0	844,724	844,724	519,789	\$20.84
3Q2011	135,402,440	27,224,130	20.11%	0	0	184,350	324,935	297,530	\$20.89
2Q2011	135,402,440	27,521,660	20.33%	0	0	(100,857)	(27,405)	270,213	\$21.01
1Q2011	135,402,440	27,791,873	20.53%	0	0	(874,857)	(242,808)	(242,808)	\$21.02
4Q2010	135,357,440	27,549,065	20.35%	0	1,640,626	(626,015)	(626,015)	(140,585)	\$21.20
3Q2010	135,402,440	27,408,480	20.24%	0	1,640,626	(1,040,263)	(485,430)	12,313	\$21.26
2Q2010	135,402,440	27,420,793	20.25%	0	1,640,626	(1,364,227)	(497,743)	(503,777)	\$21.39
1Q2010	135,402,440	26,917,016	19.88%	1,640,626	1,640,626	(1,566,872)	6,034	6,034	\$21.44
4Q2009	133,761,814	25,282,424	18.90%	(76,233)	1,518,719	(1,947,045)	(1,947,045)	(554,833)	\$21.42
3Q2009	133,838,047	24,803,824	18.53%	1,295,143	1,594,952	(1,797,220)	(1,392,212)	(311,651)	\$21.56
2Q2009	132,542,904	23,197,030	17.50%	468,273	299,809	(1,552,421)	(1,080,561)	(706,422)	\$21.61
1Q2009	132,074,631	22,022,335	16.67%	(168,464)	(168,464)	(796,409)	(374,139)	(374,139)	\$21.65
4Q2008	132,243,095	21,816,660	16.50%	578,763	1,671,603	60,188	60,188	(405,008)	\$21.64
3Q2008	131,664,332	20,832,889	15.82%	(83,012)	1,092,840	456,974	465,196	(66,852)	\$21.62
2Q2008	131,747,344	20,849,049	15.83%	1,023,852	1,175,852	2,116,415	532,048	49,590	\$21.65
1Q2008	130,723,492	19,874,787	15.20%	152,000	152,000	2,975,148	482,458	482,458	\$21.40
4Q2007	130,571,492	20,205,245	15.47%	256,805	1,762,209	2,738,242	2,738,242	(8,222)	\$21.12
3Q2007	130,314,687	19,940,218	15.30%	331,482	331,482	3,587,670	2,746,464	1,592,589	\$21.06
2Q2007	129,983,205	21,201,325	16.31%	1,197,793	1,173,922	2,565,641	1,153,875	908,323	\$20.97
1Q2007	128,785,412	20,911,855	16.24%	(23,871)	(23,871)	2,120,009	245,552	245,552	\$20.85
4Q2006	128,809,283	21,181,278	16.44%	713	669,630	1,797,409	1,797,409	841,206	\$20.53
3Q2006	128,808,570	22,021,771	17.10%	525,749	525,749	1,252,056	956,203	570,560	\$20.36



The Urban Corridor

The Urban Corridor experienced a total of 1,265,303 square feet of positive absorption for the year 2012, producing the best year-end total since 2000. This marks the eighth consecutive quarter of positive absorption for the Urban Corridor, which encompasses the Downtown, Midtown and Buckhead/Lenox submarkets. The proceeding result of these two straight years of positive absorption has led to a 3.72 percent decrease in the vacancy rate, to a current vacancy of 19.14 percent. This positive absorption trend has also improved average quoted rental rates in the Urban Corridor as average rates increased 67 cents from \$23.09 to \$23.76 the last two quarters.

The Buckhead/Lenox submarket continues to dominate the urban submarkets in terms of performance. 1,074,342 square feet of the Urban Corridor's 1,265,303 square feet of year-end absorption came from the Buckhead submarket, including 344,972 square feet of positive absorption this quarter. This 1,074,342 square feet is the highest four-quarter cumulative absorption Buckhead has ever experienced. Over the past four quarters these totals for absorption have brought this submarket's vacancy rate down from 22.86 percent to 15.60 percent currently, a huge 726 basis point decline. With 84.40 percent of the Buckhead submarket occupied, rental rates are starting to improve again and have increased 31 cents, since second quarter 2012 to an average quoted rental rate of \$25.52 today. The Buckhead submarket is also well above the overall average quoted Class "A" rental rate of \$23.60, and is currently quoting an average Class "A" rate of \$27.92 square foot. With no new construction, and the ongoing in-migration of businesses, workers and young professionals desiring an urban pedestrian environment, look for the Buckhead submarket to

NOTABLE LEASE TRANSACTIONS

<u>Lessee</u>	<u>Property</u>	<u>Size (SF)</u>
State Farm Insurance Company	64/66 Perimeter Ctr E	428,000
The William Carter Company	Phipps Tower	222,730
Elavon	Concourse II	113,000
Airwatch	1155 Perimeter Ctr W	100,000

UNDER CONSTRUCTION

Ponce City Market	450,000
<i>675 Ponce De Leon Ave</i>	<i>Delivering 1/2014</i>
Primerica Building	344,476
<i>3100 Breckinridge Blvd</i>	<i>Delivering 4/2013</i>

“The Urban Corridor has experienced eight quarters of positive absorption...”

OFFICE SPACE BY BUILDING CLASSIFICATION

	<u>Total Sq. Ft.</u>	<u>Vacant Sq. Ft.</u>	<u>Vacancy Rate</u>	<u>Net Absorption</u>		<u>Average Rental Rate</u>
				<u>4th Quarter</u>	<u>4 Qtr Total</u>	
Urban Corridor						
Class A	30,524,285	5,085,456	16.66%	90,550	1,138,266	\$26.40
Class B	14,580,903	3,612,236	24.77%	49,235	(46,696)	\$19.28
Class C	<u>2,081,239</u>	<u>332,086</u>	<u>15.96%</u>	<u>40,770</u>	<u>173,733</u>	<u>\$16.49</u>
Total	<u>47,186,427</u>	<u>9,029,778</u>	<u>19.14%</u>	<u>180,555</u>	<u>1,265,303</u>	<u>\$23.76</u>
Suburban						
Class A	48,274,515	7,718,649	15.99%	(29,002)	263,396	\$21.83
Class B	33,657,266	6,761,938	20.09%	(95,186)	55,733	\$17.29
Class C	<u>6,347,391</u>	<u>1,589,053</u>	<u>25.03%</u>	<u>(31,177)</u>	<u>157,622</u>	<u>\$14.56</u>
Total	<u>88,279,172</u>	<u>16,279,779</u>	<u>18.44%</u>	<u>(155,365)</u>	<u>476,751</u>	<u>\$19.58</u>
Total Market						
Class A	78,798,800	12,804,105	16.25%	61,548	1,401,662	\$23.60
Class B	48,238,169	10,527,873	21.82%	(45,951)	9,037	\$17.89
Class C	<u>8,428,630</u>	<u>1,977,579</u>	<u>23.46%</u>	<u>9,593</u>	<u>331,355</u>	<u>\$15.04</u>
Total	<u>135,465,599</u>	<u>25,309,557</u>	<u>18.68%</u>	<u>25,190</u>	<u>1,742,054</u>	<u>\$21.03</u>



ATLANTA OFFICE MARKET: COMPARISON BY SUBMARKETS



Urban

Downtown
Midtown
Buckhead/Lenox

Urban Totals

Suburban

Airport/South
Decatur
GA-400 North
I-20W/Greenbriar

I-285/GA-400
I-285/I-85/Northlake
I-285E/Stone Mtn
I-75 Corridor

I-75/I-285
I-75N/Marietta/JF
NE Expressway-North
NE Expressway-South
Peachtree Corners

Suburban Totals

Total/W. Averages

Total Market						
Total Sq. Ft.	Vacant Sq. Ft.	Occupancy Rate	Absorption This Qtr	Absorption YTD	Average Rental Rate	
17,017,339	3,699,741	78.26% ↓	(51,337)	(256,272) ↓	\$20.65	—
14,922,573	2,951,422	80.22% ↓	(113,080)	447,233 ↓	\$25.52	↑
15,246,515	2,378,615	84.40% ↑	344,972	1,074,342 ↑	\$25.52	↑
47,186,427	9,029,778	80.86% ↑	180,555	1,265,303 ↑	\$23.76	↑
3,189,221	854,658	73.20% ↓	(11,200)	(17,702) ↓	\$16.36	↓
1,154,049	120,832	89.53% ↑	20,910	73,493 ↑	\$19.93	↓
15,802,470	2,686,965	83.00% ↓	(116,753)	(323,887) ↓	\$19.19	↑
313,599	85,051	72.88% ↑	6,103	21,640 ↑	\$13.77	↑
22,573,937	3,932,823	82.58% ↑	104,816	801,396 ↑	\$21.85	↑
4,276,601	807,457	81.12% ↓	(125,613)	(142,233) ↓	\$17.41	↑
350,163	45,663	86.96% ↓	(1,976)	26,798 ↑	\$13.48	↑
1,127,333	225,262	80.02% ↓	6,084	(96,160) ↓	\$20.93	↓
18,949,100	3,453,026	81.78% ↑	(42,074)	(130,890) ↑	\$20.41	↑
3,131,100	658,852	78.96% ↓	9,395	18,123 ↓	\$18.55	↑
4,775,580	1,354,508	71.64% ↑	30,238	(94,208) ↑	\$18.09	↑
4,677,125	456,104	90.25% ↓	43,686	(51,071) ↓	\$18.30	—
7,958,894	1,598,578	79.91% ↓	(78,981)	129,672 ↓	\$16.67	↑
88,279,172	16,279,779	81.56% ↓	(155,365)	476,751 ↑	\$19.58	↑
135,465,599	25,309,557	81.32% ↑	25,190	1,742,054 ↑	\$21.03	↑

Change from Mid-Year 2012: ↑ Increase ↓ Decrease — No Change

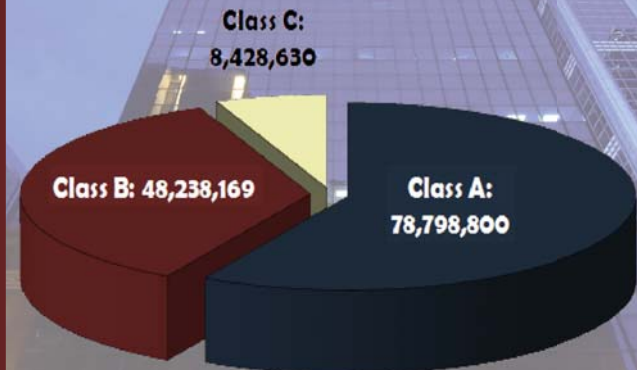
Hall of Fame, possibly the development of a new Falcons football stadium and possibly the redevelopment of the area around Turner Field.

The Suburban Submarkets

Unlike the Urban Corridor, the suburban submarkets, which consists of the remaining thirteen submarkets, has been much more volatile over the past several quarters. Despite recording negative absorption of 155,365 square feet in fourth quarter 2012, the suburban submarkets ended the year with 476,751 square feet of positive absorption. The suburban submarkets overall vacancy rate is now 18.44 percent, which is 29 basis points better than year-end 2011. Contrary to the suburban submarkets up and down absorption figures, their average quoted rental rate has increased the last four consecutive quarters and now sits at \$19.58 per square foot.

The largest of all the Atlanta submarkets with over 22.5 million square feet of existing office space, the I-285/GA-400 submarket continues to be the top performing submarket in the Suburbs. With fourth quarter and year-end 2012 absorption totals of 104,816 square feet and 801,396 square feet respectively, this submarket has increased its occupancy rate to 82.58 percent from 79.22 percent a year ago. Ranked third behind only Buckhead and Midtown, I-285/GA-400 has an overall average rental rate of \$21.85, as well as the fourth highest Class "A" rental rate at \$23.42 per square foot.

EXISTING SPACE BY CLASS



Class A			Class B			Class C		
Vacant Sq. Ft.	Occupancy Rate	Average Rental Rate	Vacant Sq. Ft.	Occupancy Rate	Average Rental Rate	Vacant Sq. Ft.	Occupancy Rate	Average Rental Rate
1,456,803	84.10%	\$22.68	2,067,660	68.91%	\$18.74	175,278	85.44%	\$15.83
2,010,877	81.53%	\$28.08	797,387	76.43%	\$19.10	143,158	78.14%	\$16.05
1,617,776	84.56%	\$27.92	747,189	83.57%	\$20.20	13,650	93.86%	\$21.31
5,085,456	83.34%	\$26.40	3,612,236	75.23%	\$19.28	332,086	84.04%	\$16.48
197,274	77.73%	\$19.33	363,057	72.26%	\$15.73	237,887	76.08%	\$14.56
43,985	89.14%	\$21.91	76,847	89.74%	\$18.87	-	-	-
1,859,592	84.28%	\$20.38	827,373	79.00%	\$15.64	-	100.00%	\$16.50
-	-	-	2,277	95.00%	\$26.50	82,774	69.12%	\$11.61
2,224,305	85.09%	\$23.42	1,315,541	79.78%	\$19.65	350,497	69.67%	\$13.93
84,075	83.90%	\$19.95	291,215	85.46%	\$17.77	432,167	75.32%	\$16.24
18,592	66.00%	\$21.00	-	100.00%	\$12.36	27,071	82.85%	\$11.85
93,280	56.00%	\$30.00	116,922	86.08%	\$19.22	15,060	80.00%	\$14.50
1,661,861	86.08%	\$22.68	1,664,075	74.50%	\$16.70	127,090	73.71%	\$14.35
322,094	79.38%	\$20.27	230,562	81.74%	\$17.21	82,196	73.20%	\$15.30
885,390	71.72%	\$19.53	463,994	71.23%	\$15.33	5,124	83.90%	\$16.00
23,956	94.95%	\$21.70	406,092	89.15%	\$18.18	26,056	94.34%	\$15.78
304,245	87.01%	\$19.42	1,003,983	79.85%	\$16.00	203,131	67.88%	\$11.76
7,718,649	84.01%	\$21.83	6,761,938	79.91%	\$17.29	1,589,053	74.97%	\$14.56
12,804,105	83.75%	\$23.60	10,374,174	78.49%	\$17.89	1,921,139	77.21%	\$15.04

“ We project 2013 to be a better year than 2012... due to projected job growth and an improving economy.”

While I-285/GA-400 was clearly the best performing suburban submarket in 2012, many others recorded very successful years. Both Peachtree Corners and I-75/I-285 posted year-end absorption of over 125,000 square feet. With this absorption Peachtree Corners was able to improve its vacancy rate by 1.27 percentage points and I-75/I-285 was able to raise its average rental rate by 40 cents over the past 12 months. Others however, were not as successful and ended the year having negative absorption of at least 50,000 square feet as well as lower occupancy rates to include: I-285/I-85/Northlake, I-75 Corridor, NE Expressway-North and NE Expressway-South. Most noteworthy though is GA-400 North which had negative absorption of 116,753 square feet in the fourth quarter that only worsened this submarkets 323,887 square feet of negative absorption for the year. Compared to year-end 2011 these results created a negative downturn of 2.1 percent for a current vacancy rate of 17 percent.

Overall Market

Overall, the Atlanta office market experienced a minimal gain in absorption of only 25,190 square feet for the fourth quarter of 2012. On the positive side, 2012 had the largest year-to-date absorption total since 2007, at 1,742,054 square feet in positive absorption. This has brought the overall Atlanta market to an occupancy rate of 81.32 percent, which is the highest since third quarter 2009. The Class “A” occupancy rate is currently at 83.75 percent, a level we haven’t experienced dating back to the first quarter of 2009. Resulting from these higher occupancy rates, the average quoted rental rate has also increased the past four quarters to an average rental rate of \$21.03 per square foot today. With these positive trends, along with an improving economy and a better job market, we fully expect 2013 to be an excellent and improved year for our Atlanta office market.



ANNUAL ABSORPTION AND VACANCY RATE BY SUBMARKET

	4Q 2008		4Q 2009		4Q 2010		4Q 2011		4Q 2012	
	4 Qtrs. Absorption	Vacancy Rate	4 Qtrs. Absorption	Vacancy Rate	4 Qtrs. Absorption	Vacancy Rate	4 Qtrs. Absorption	Vacancy Rate	4 Qtrs. Absorption	Vacancy Rate
Urban										
Downtown	331,818	17.11%	(237,791)	18.52%	(15,552)	18.62%	(135,849)	19.42%	(256,272)	21.74%
Midtown	(200,974)	16.29%	134,816	18.52%	(158,277)	23.52%	122,245	22.70%	447,233	19.78%
Buckhead/Lenox	(31,359)	16.33%	(161,307)	23.62%	145,196	27.25%	682,298	22.86%	1,074,342	15.60%
Urban Totals	99,485	16.62%	(264,282)	20.13%	(28,633)	22.98%	668,694	21.58%	1,265,303	19.14%
Suburban										
Airport/South	95,603	20.17%	(111,383)	28.05%	70,186	25.88%	7,581	25.63%	(17,702)	26.80%
Decatur	66,910	12.38%	(10,805)	13.33%	(69,498)	19.41%	38,835	16.01%	73,493	10.47%
GA-400 North	(127,468)	16.21%	(109,485)	16.90%	(55,765)	17.26%	376,153	14.90%	(323,887)	17.00%
I-20W/Greenbriar	(42,546)	30.18%	11,501	26.59%	(18,429)	32.33%	(10,339)	34.02%	21,640	27.12%
I-285/GA-400	55,988	14.39%	(899,412)	17.81%	(138,128)	18.42%	(527,188)	20.78%	801,396	17.42%
I-285/I-85/Northlake	214,123	13.66%	(186,277)	13.56%	(64,034)	15.06%	(6,632)	15.22%	(142,233)	18.88%
I-285E/Stone Mtn.	(136,594)	12.84%	(2,350)	13.57%	2,215	12.88%	(1,880)	13.47%	26,798	13.04%
I-75 Corridor	2,891	5.31%	(26,744)	7.68%	(62,288)	13.21%	19,777	11.45%	(96,160)	19.98%
I-75/I-285	21,635	17.83%	(57,474)	18.13%	(251,656)	19.47%	179,205	18.56%	130,890	18.22%
I-75N/Marietta/JF	21,964	15.97%	(186,359)	21.88%	24,049	21.12%	(22,210)	21.82%	18,123	21.04%
NE Expressway-N	113,480	22.77%	(21,046)	24.98%	(37,524)	25.77%	(1,060)	25.87%	(94,208)	28.36%
NE Expressway-S	(63,694)	11.76%	3,192	11.69%	85,037	9.86%	68,920	8.39%	(51,071)	9.75%
Peachtree Corners	(261,589)	20.49%	(85,121)	21.54%	(81,547)	22.55%	54,868	21.36%	129,672	20.09%
Suburban Totals	(39,297)	16.44%	(1,682,763)	18.27%	(597,382)	18.94%	176,030	18.71%	476,751	18.44%
Total with Averages	61,188	16.50%	(1,947,045)	18.90%	(626,015)	20.35%	844,724	19.71%	1,742,054	18.68%

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