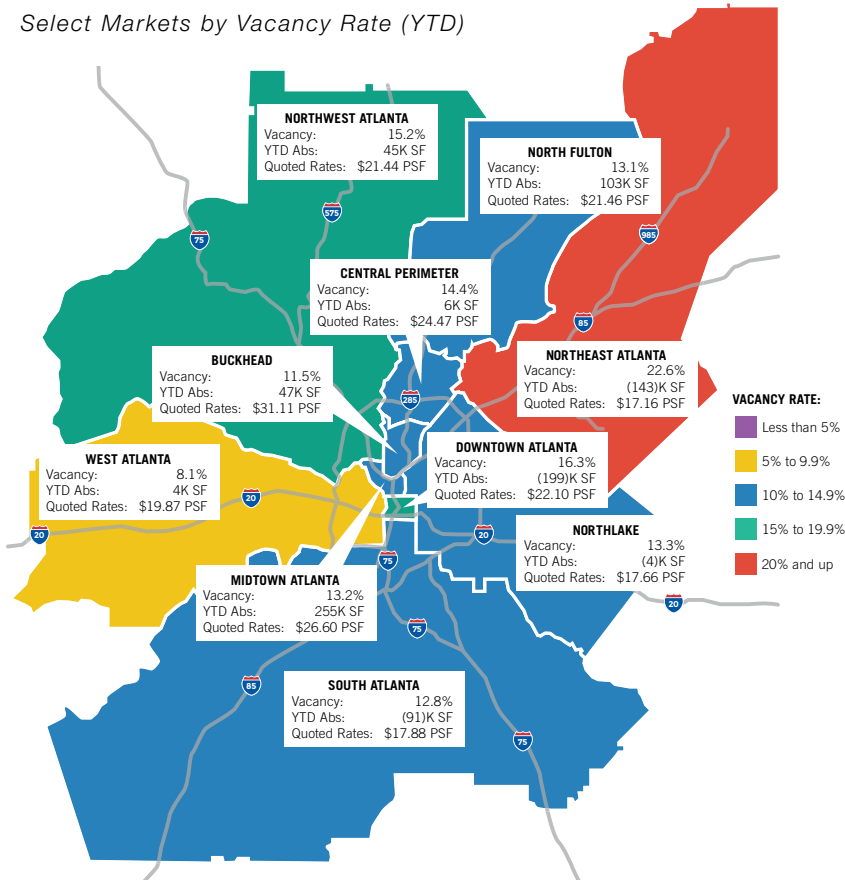


### LEASING HIGHLIGHTS

Select Markets by Vacancy Rate (YTD)



*Atlanta's Vacancy Remains at 14.8%*  
Net Absorption Positive 23,420 SF in the Quarter

### Office Market Overview

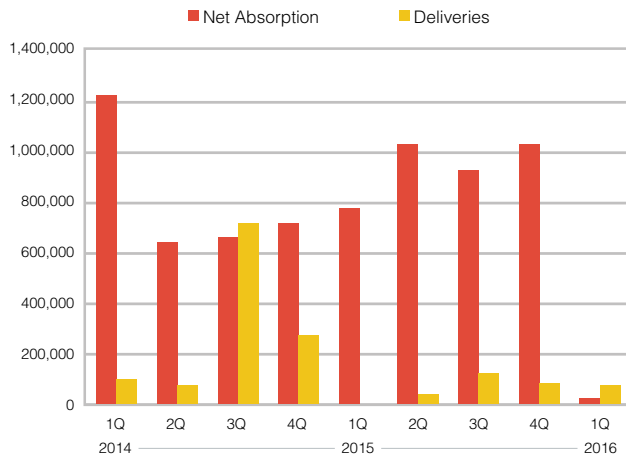
The Atlanta Office market ended the first quarter 2016 with a vacancy rate of 14.8%, unchanged from the previous quarter. This quarter Atlanta saw 23,420 SF in positive net absorption. Quoted rental rates ended the quarter at \$22.15 PSF, up from \$21.80 PSF last quarter. There is currently over 3.1 million SF under construction in the Atlanta Office Market. Four buildings totaling 86,876 SF were delivered to the market this quarter.



### Market Indicators

	1Q'16	Change from last	
		Qtr.	Yr.
Vacancy	14.8%	=	▼
Net Absorption	23,420 SF	▼	▼
Deliveries	86,876 SF	▲	▼
Rental Rates	\$22.15 PSF	▲	▲

## Absorption vs. Deliveries



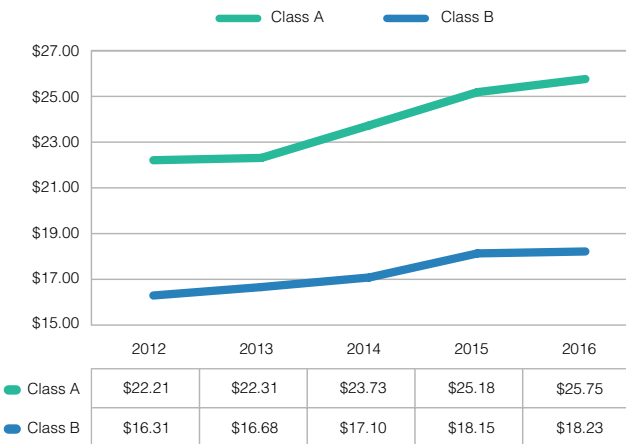
## Vacancy

The overall vacancy rate at the end of the first quarter 2016 is 14.8%, which represents over 30.9 million SF of vacant office space throughout the Metro Atlanta Office market, a decrease from this time last year. The current amount of vacant sublease space is 1.3 million SF, up from last quarter's sublease vacancy of 1.2 million SF.

## Net Absorption

At the close of the quarter, an overall positive net absorption of 23,420 SF was reported, a significant decrease from the previous quarter and from this time last year. The recorded net absorption for the current quarter by class is as follows: Class A: 1,723,195 SF, Class B: (221,717) SF and Class C: 10,602 SF. Leasing activity was 2.25 million SF for the quarter, up from the previous quarter activity of 2.0 million SF.

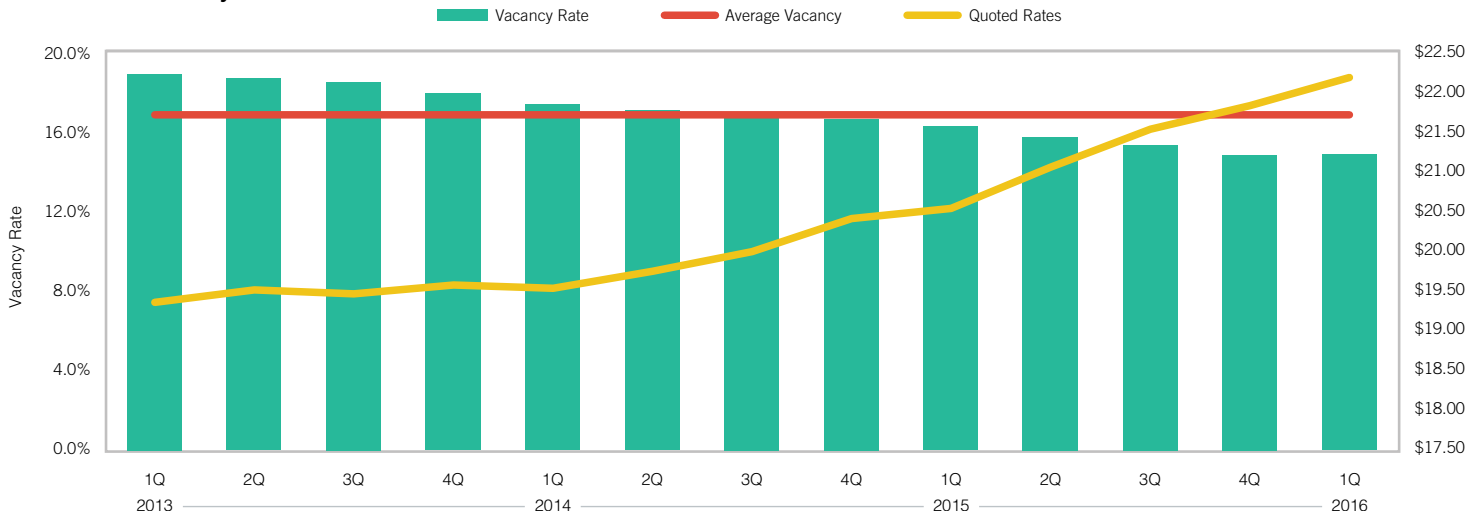
## Historical Asking Rates



## Construction Activity

At the close of the quarter, the Atlanta Office market had 4 buildings, totaling 86,876 SF, in new construction deliveries. This compares to 80,800 SF in deliveries last quarter and 239,106 SF this time last year. Currently there is over 3.1 million SF of new office projects under construction (22 buildings), an increase from this time last year.

## Overall Vacancy



## Notable New Construction

### Park Center - State Farm

602,000 SF | Central Perimeter  
98% Pre-leased | Delivers 4Q'17

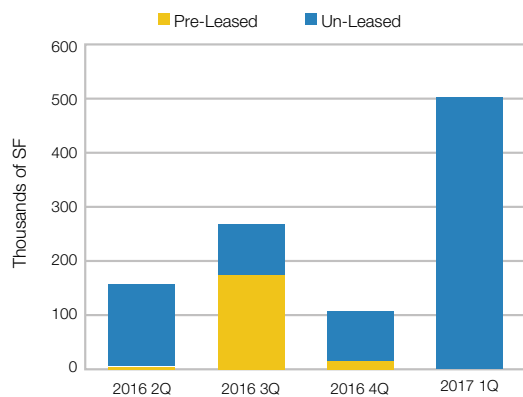
### Three Alliance

501,678 SF | Buckhead  
0% Pre-leased | Delivers 1Q'17

### NCR Corporation Headquarters

485,000 SF | Midtown Atlanta  
100% Pre-leased | Delivers 1Q'18

## Future Deliveries



## Significant Office Transactions



### LEASE

#### Encore Center

Submarket: Cumberland/Galleria  
Size: 222,000 SF  
Tenant: HD Supply  
Tenant Rep: Colliers International  
Landlord Rep: Greenstone Properties



### LEASE

#### Two Parkway Center

Submarket: Cumberland/Galleria  
Size: 122,439 SF  
Tenant: WellStar  
Tenant Rep: N/A  
Landlord Rep: Fairlead Commercial Real Estate



### LEASE

#### The Proscenium

Submarket: Midtown/Pershing Point  
Size: 67,960 SF  
Tenant: BakerHostetler  
Tenant Rep: N/A  
Landlord Rep: John Hancock Life Insurance



### SALE

#### Bank of America Plaza

Size: 1,312,980 SF  
Date: 1/5/2016  
Buyer: Shorenstein Properties  
Seller: CWCapital Asset Management  
Price: \$220,000,000

## ALL CONSTRUCTION ACTIVITY (Markets Ranked by Under Construction SF)

Market	# Bldgs	Under Construction Inventory			Available SF
		Total RBA	Preleased SF	Preleased %	
Central Perimeter	3	972,402	630,212	64.8%	342,190
Northwest Atlanta	6	866,000	690,600	79.7%	175,400
Buckhead	3	594,563	401	0.1%	594,162
Midtown Atlanta	3	568,465	485,000	85.3%	83,465
Northlake	3	59,750	24,750	41.4%	35,000
Northeast Atlanta	1	45,000	4,950	11.0%	40,050
North Fulton	3	30,960	0	0.0%	30,960
West Atlanta	0	0	0	0.0%	0
South Atlanta	0	0	0	0.0%	0
Downtown Atlanta	0	0	0	0.0%	0
<b>Totals</b>	<b>22</b>	<b>3,137,140</b>	<b>1,835,913</b>	<b>58.5%</b>	<b>1,301,227</b>

**TOTAL ATLANTA OFFICE MARKET STATISTICS**

Market	Existing Inventory		Vacancy				YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac%				
Buckhead	114	21,088,805	2,316,753	103,836	2,420,589	11.5%	47,073	43,777	594,563	\$31.11
Central Perimeter	248	28,264,133	3,721,425	335,515	4,056,940	14.4%	6,340	0	972,402	\$24.47
Downtown Atlanta	153	25,888,881	4,177,428	38,252	4,215,680	16.3%	(198,718)	0	0	\$22.10
Midtown Atlanta	133	20,914,050	2,661,062	95,908	2,756,970	13.2%	255,494	0	568,465	\$26.60
North Fulton	345	25,002,056	3,115,752	150,482	3,266,234	13.1%	103,065	17,689	20,000	\$21.46
Northeast Atlanta	478	22,265,367	4,872,072	164,256	5,036,328	22.6%	(143,114)	0	45,000	\$17.16
Northlake	384	18,458,900	2,323,385	130,248	2,453,633	13.3%	(4,319)	0	47,750	\$17.66
Northwest Atlanta	477	31,951,152	4,608,748	241,341	4,850,089	15.2%	44,964	16,000	716,000	\$21.44
South Atlanta	303	12,931,143	1,622,555	35,663	1,658,218	12.8%	(91,219)	0	0	\$17.88
West Atlanta	69	2,513,158	202,824	0	202,824	8.1%	3,854	0	0	\$19.87
<b>TOTALS</b>	<b>2,704</b>	<b>209,277,645</b>	<b>29,622,004</b>	<b>1,295,501</b>	<b>30,917,505</b>	<b>14.8%</b>	<b>23,420</b>	<b>77,466</b>	<b>2,964,180</b>	<b>\$22.15</b>

**CLASS "A" STATISTICS**

Market	Existing Inventory		Vacancy				YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac%				
Buckhead	51	15,919,237	1,795,547	98,277	1,893,824	11.9%	25,352	43,777	594,563	\$32.97
Central Perimeter	78	19,646,740	1,981,300	226,983	2,208,283	11.2%	(109,940)	0	957,000	\$27.51
Downtown Atlanta	26	13,715,523	2,812,146	33,442	2,845,588	20.7%	(182,948)	0	0	\$23.14
Midtown Atlanta	37	15,651,244	1,977,693	94,928	2,072,621	13.2%	207,831	0	568,465	\$28.18
North Fulton	103	14,408,440	1,615,625	127,103	1,742,728	12.1%	81,182	0	0	\$23.52
Northeast Atlanta	64	6,872,527	1,353,779	74,006	1,427,785	20.8%	93,207	0	0	\$20.77
Northlake	26	3,553,777	383,885	0	383,885	10.8%	(5,613)	0	0	\$20.40
Northwest Atlanta	73	15,286,645	1,985,402	206,553	2,191,955	14.3%	99,725	0	660,000	\$25.05
South Atlanta	24	1,720,293	242,210	25,304	267,514	15.6%	25,739	0	0	\$19.81
West Atlanta	1	71,500	7,524	0	7,524	10.5%	0	0	0	\$34.42
<b>TOTALS</b>	<b>483</b>	<b>106,845,926</b>	<b>14,155,111</b>	<b>886,596</b>	<b>15,041,707</b>	<b>14.1%</b>	<b>234,535</b>	<b>43,777</b>	<b>2,780,028</b>	<b>\$25.75</b>

**CLASS "B" STATISTICS**

Market	Existing Inventory		Vacancy				YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac%				
Buckhead	44	4,703,349	501,282	5,559	506,841	10.8%	19,495	0	0	\$23.46
Central Perimeter	127	7,614,168	1,512,828	108,532	1,621,360	21.3%	103,296	0	15,402	\$21.25
Downtown Atlanta	70	8,927,960	942,552	4,810	947,362	10.6%	(14,195)	0	0	\$18.53
Midtown Atlanta	75	4,643,237	671,318	0	671,318	14.5%	46,230	0	0	\$23.37
North Fulton	217	9,939,417	1,476,904	23,379	1,500,283	15.1%	27,883	17,689	20,000	\$18.18
Northeast Atlanta	346	13,656,409	3,314,200	90,250	3,404,450	24.9%	(227,796)	0	45,000	\$15.26
Northlake	265	12,032,382	1,826,617	130,248	1,956,865	16.3%	(8,308)	0	47,750	\$17.14
Northwest Atlanta	334	14,595,283	2,397,731	34,788	2,432,519	16.7%	(47,423)	16,000	56,000	\$17.88
South Atlanta	203	9,115,867	1,097,697	10,359	1,108,056	12.2%	(122,846)	0	0	\$17.94
West Atlanta	45	1,700,513	99,673	0	99,673	5.9%	1,947	0	0	\$18.99
<b>TOTALS</b>	<b>1,726</b>	<b>86,928,585</b>	<b>13,840,802</b>	<b>407,925</b>	<b>14,248,727</b>	<b>16.4%</b>	<b>(221,717)</b>	<b>33,689</b>	<b>184,152</b>	<b>\$18.23</b>

**CLASS "C" STATISTICS**

Market	Existing Inventory		Vacancy				YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Sublease SF	Total SF	Vac%				
Buckhead	19	466,219	19,924	0	19,924	4.3%	2,226	0	0	\$17.71
Central Perimeter	43	1,003,225	227,297	0	227,297	22.7%	12,984	0	0	\$12.30
Downtown Atlanta	57	3,245,398	422,730	0	422,730	13.0%	(1,575)	0	0	\$17.17
Midtown Atlanta	21	619,569	12,051	980	13,031	2.1%	1,433	0	0	\$17.33
North Fulton	25	654,199	23,223	0	23,223	3.5%	(6,000)	0	0	\$12.14
Northeast Atlanta	68	1,736,431	204,093	0	204,093	11.8%	(8,525)	0	0	\$13.35
Northlake	93	2,872,741	112,883	0	112,883	3.9%	9,602	0	0	\$13.53
Northwest Atlanta	70	2,069,224	225,615	0	225,615	10.9%	(7,338)	0	0	\$12.90
South Atlanta	76	2,094,983	282,648	0	282,648	13.5%	5,888	0	0	\$15.20
West Atlanta	23	741,145	95,627	0	95,627	12.9%	1,907	0	0	\$19.75
<b>TOTALS</b>	<b>495</b>	<b>15,503,134</b>	<b>1,626,091</b>	<b>980</b>	<b>1,627,071</b>	<b>10.5%</b>	<b>10,602</b>	<b>0</b>	<b>0</b>	<b>\$14.41</b>