

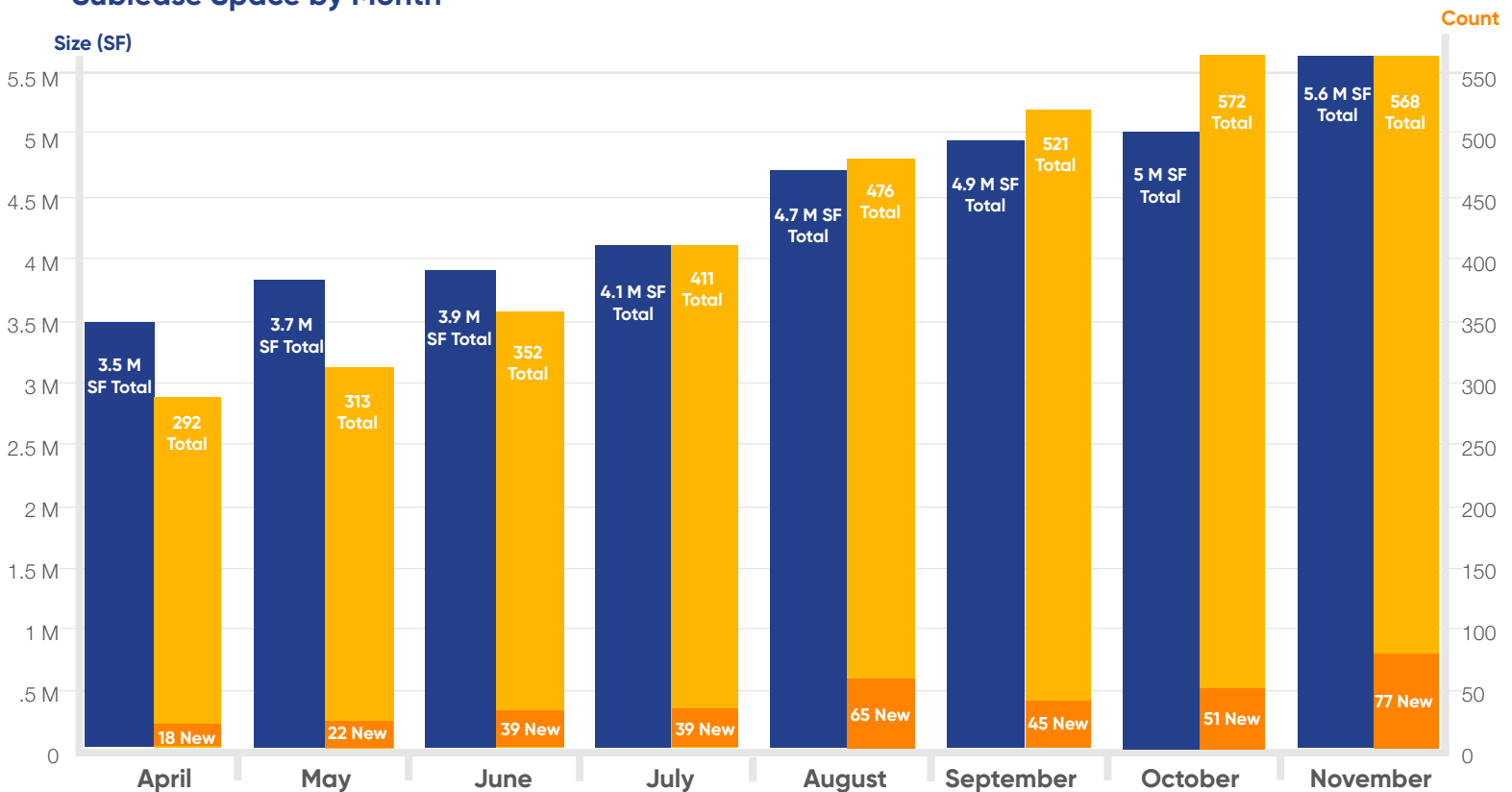
Atlanta Sublease Market Observations

cresa

December 2020

Since March 12, 2020 (the start of Covid-19 restrictions in the U.S.) we have seen the sublease inventory continue a steady increase of new space on the Atlanta market. The rental rates for direct space with Landlords has not moved much yet, but as the market sees businesses enter back into negotiations for space in the coming quarters, we expect an impact or some downward pressure. At this point, it is very important to track the sublease inventory because it is one of the best live time indicators we have to view the market. For historical perspective, after the Great Recession that began in 2008, we reached a sublease inventory peak of 5.7 million SF in Q2 2009. This compares to Atlanta's most recent inventory of 5.6 million SF. It will be interesting if we surpass the peak of 2009. The most recent numbers in November reflect an increase in sublease inventory by 600,000 SF. Atlanta's current inventory is made up of 568 total subleases on the market with 77 of the subleases being new. It is also worth noting that the average asking sublease rate has decreased from \$23.37/SF in April 2020 to \$22.45/SF in November 2020.

Sublease Space by Month



Average Asking Sublease Rates

