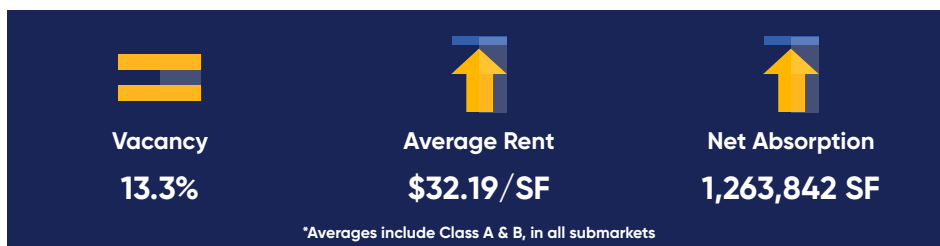


Office Market Report

Leasing and development trends from earlier this year continue despite concerns about inflation, as tenant demand for quality space remains high and corporate decision makers urge employees back to the workplace. As a result of the consistent demand in the market, direct asking rental rates (class A & B) rose to \$32.19 per SF in the first quarter, an increase of 3.4% year-over-year.

Several notable tenants too occupancy of their space in SouthEnd and Ballantyne, which contributed to reduced vacancy and an uptick in net absorption for the quarter.



Rental and Vacancy Rates

Direct Asking Rent (\$/SF)	Total Vacancy Rate	YoY Change
\$40.28	CBD Class A 14.5%	▲ 3.7%
\$28.96	CBD Class B 9.8%	▼ -0.9%
\$38.41	South/485 Class A 21.8%	▲ 1.8%
\$34.11	South/485 Class B 11.7%	▲ 2.8%
\$41.33	Midtown/SouthEnd Class A 17.1%	▼ 0.6%
\$34.15	Midtown/SouthEnd Class B 6.0%	▼ -1.4%
\$29.91	Airport Class A 14.6%	▼ -1.8%
\$26.09	Airport Class B 25.2%	▼ -2.8%
\$41.67	Southpark Class A 17.5%	▲ 2.5%
\$33.53	Southpark Class B 7.5%	▼ -3.9%

Recent Transactions

Tenant	Size	Submarket	Sector
1 Cadwalader	72,000 SF	Midtown/SouthEnd	Office
2 Sompco	43,000 SF	South/485	Office
3 Baldwin Risk Partners	61,100 SF	Airport	Office
4 Silicon Valley Bank	40,000 SF	Airport	Office
5 Great American Insurance	10,000 SF	South/485	Office

Occupier's Perspective

Workplace solutions remain a top priority for all firms navigating the ever-changing hybrid workforce.

Rental rates continue to rise as do construction costs. Companies with a well-thought-out real estate strategy should be able to minimize the economic impact of increased real estate costs.

Market Trends

Supply. Over 5M SF of new office is under construction, the majority of which is concentrated in the SouthEnd submarket.

New Class A building delivery. Rental rates will continue to increase as more Class A buildings deliver in 2022 and flight to quality continues.

Economic Indicators. Inflation and rising interest rates are causing uncertainty in the market and are impacting capital markets activity. If these trends continue it will begin to negatively impact tenant demand.