

Atlanta's medical office market saw a second straight quarter of negative net absorption, though it continues to outperform broader office and industrial sectors. Vacancy rose slightly to 12.2%, while rents climbed \$0.03 over Q1 and \$0.68 YTD. CBD rents surged \$0.85, contrasting with a \$0.21 drop in suburban markets. Construction ticked up to 113,944 SF. Buckhead and Northlake saw the most leasing activity. Sublease space increased slightly to 130 KSF but remains on a downward trend. Q2 saw seven sales totaling 241 KSF, averaging \$321.71/SF.



3.0 MSF
VACANT SF



12.2%
% VACANT



(48,688 SF)
YTD NET
ABSORPTION



20,000 SF
DELIVERED
YTD



113,944 SF
UNDER
CONS. SF



\$30.27
QUOTED
RATES



\$273 / PSF
SALES
PRICE



TOP LEASE & DELIVERY

1336 HWY 54 - GEORGIA UROLOGY
FAYETTE / COWETA CO - 25,000 SF

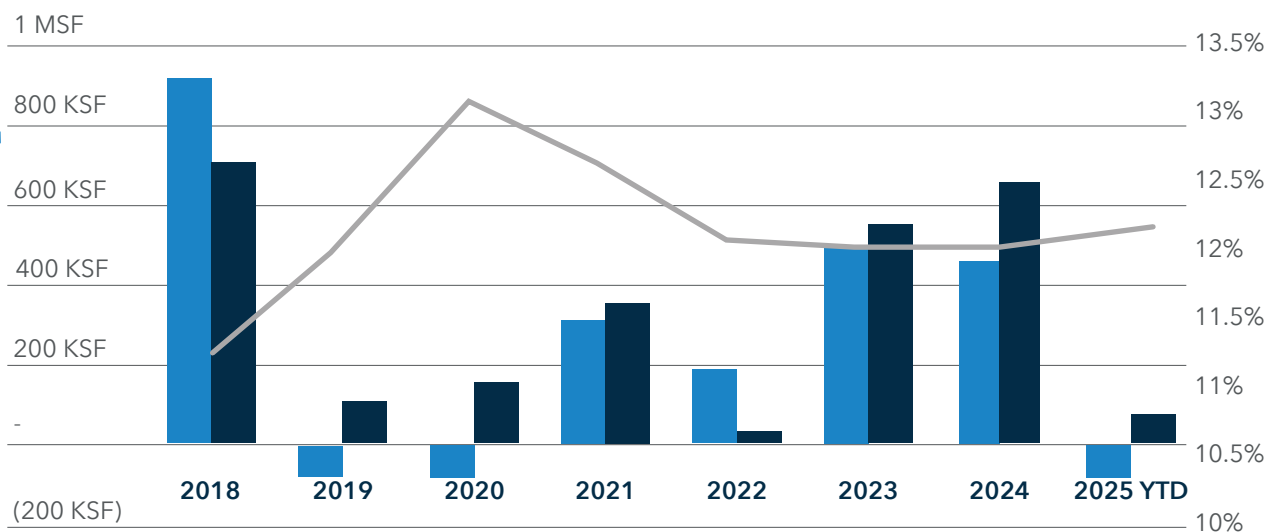


TOP SALE

150 GENTILLY BLVD - MONTECITO MEDICAL
NORTHWEST - \$19.6M / \$284 PSF

NET ABSORPTION, DELIVERIES, & VACANCY RATE

■ NET ABSORPTION ■ NET DELIVERIES ■ VACANCY RATES

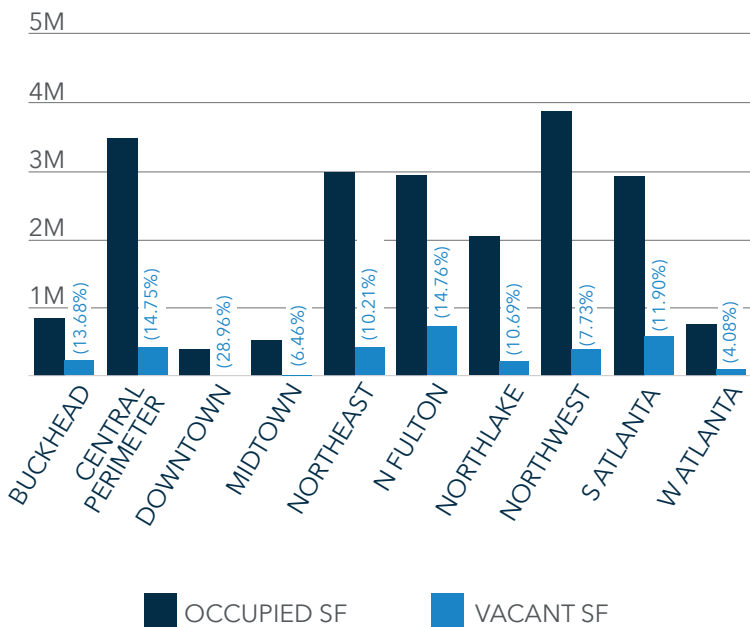


| Submarket | Inventory SF | Total Vacant SF | % Vacancy | Qtr Net Abs. | Delivered SF | Under Cons. SF | Quoted Rates |
|-------------------|-------------------|------------------|---------------|-----------------|--------------|----------------|----------------|
| Buckhead | 1,298,877 | 177,671 | 13.68% | 12,626 | - | - | \$34.17 |
| Central Perimeter | 3,919,236 | 577,913 | 14.75% | (7,391) | - | - | \$33.81 |
| Downtown | 1,083,873 | 313,935 | 28.96% | 7,489 | - | - | \$40.45 |
| Midtown | 506,591 | 32,729 | 6.46% | - | - | - | \$33.67 |
| Northeast | 3,763,276 | 384,274 | 10.21% | 4,654 | - | 46,812 | \$25.22 |
| North Fulton | 3,717,718 | 548,855 | 14.76% | (3,866) | - | - | \$30.12 |
| Northlake | 2,395,320 | 256,123 | 10.69% | 13,033 | - | - | \$24.64 |
| Northwest | 4,176,507 | 322,890 | 7.73% | (34,321) | - | 67,132 | \$31.19 |
| South Atlanta | 3,489,877 | 415,454 | 11.90% | (43,795) | - | - | \$25.27 |
| West Atlanta | 792,536 | 32,319 | 4.08% | 2,883 | - | - | \$24.00 |
| Totals | 25,143,811 | 3,062,163 | 12.18% | (48,688) | - | 113,944 | \$30.27 |

| CBD Totals | Inventory SF | Total Vacant SF | % Vacancy | Qtr Net Abs. | Delivered SF | Under Cons. SF | Quoted Rates |
|-------------------|------------------|-----------------|---------------|---------------|--------------|----------------|----------------|
| Class A CBD | 1,851,863 | 453,684 | 24.50% | 7,489 | - | - | \$38.44 |
| Class B CBD | 2,937,747 | 304,759 | 10.37% | 24,866 | - | - | \$26.38 |
| Class C CBD | 495,051 | 22,015 | 4.45% | 793 | - | - | \$22.63 |
| CBD Totals | 5,284,661 | 780,458 | 14.77% | 33,148 | - | - | \$33.28 |

| Suburban Totals | Inventory SF | Total Vacant SF | % Vacancy | Qtr Net Abs. | Delivered SF | Under Cons. SF | Quoted Rates |
|------------------------|-------------------|------------------|---------------|-----------------|--------------|----------------|----------------|
| Class A Suburban | 5,401,174 | 769,201 | 14.24% | (12,742) | - | 113,944 | \$33.43 |
| Class B Suburban | 12,523,152 | 1,316,030 | 10.51% | (69,247) | - | - | \$27.40 |
| Class C Suburban | 1,934,824 | 196,474 | 10.15% | 153 | - | - | \$25.85 |
| Suburban Totals | 19,859,150 | 2,281,705 | 11.49% | (81,836) | - | 113,944 | \$29.18 |

OCCUPIED vs VACANT



ABOUT SKCR

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We have been providing effective real estate solutions to clients throughout the southeast since 1985. Each transaction is treated with the same level of care and attention no matter the size or type, and each is managed by an experienced and knowledgeable team of brokers. SKCR has developed and acquired over 5,000,000 square feet of property, and has also grown to accommodate over 25 brokers and a team of nearly 20 staffed accountants, managers, architects, marketing professionals, and leadership roles. SKCR has won the Cobb County Small Business of the Year award several times, making them the leading independent commercial real estate brokerage in the county.

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