

# WHAT'S NEXT

**Atlanta Sublease Availabilities**

May 1, 2020

# ATLANTA OFFICE SUBLEASE SPACE

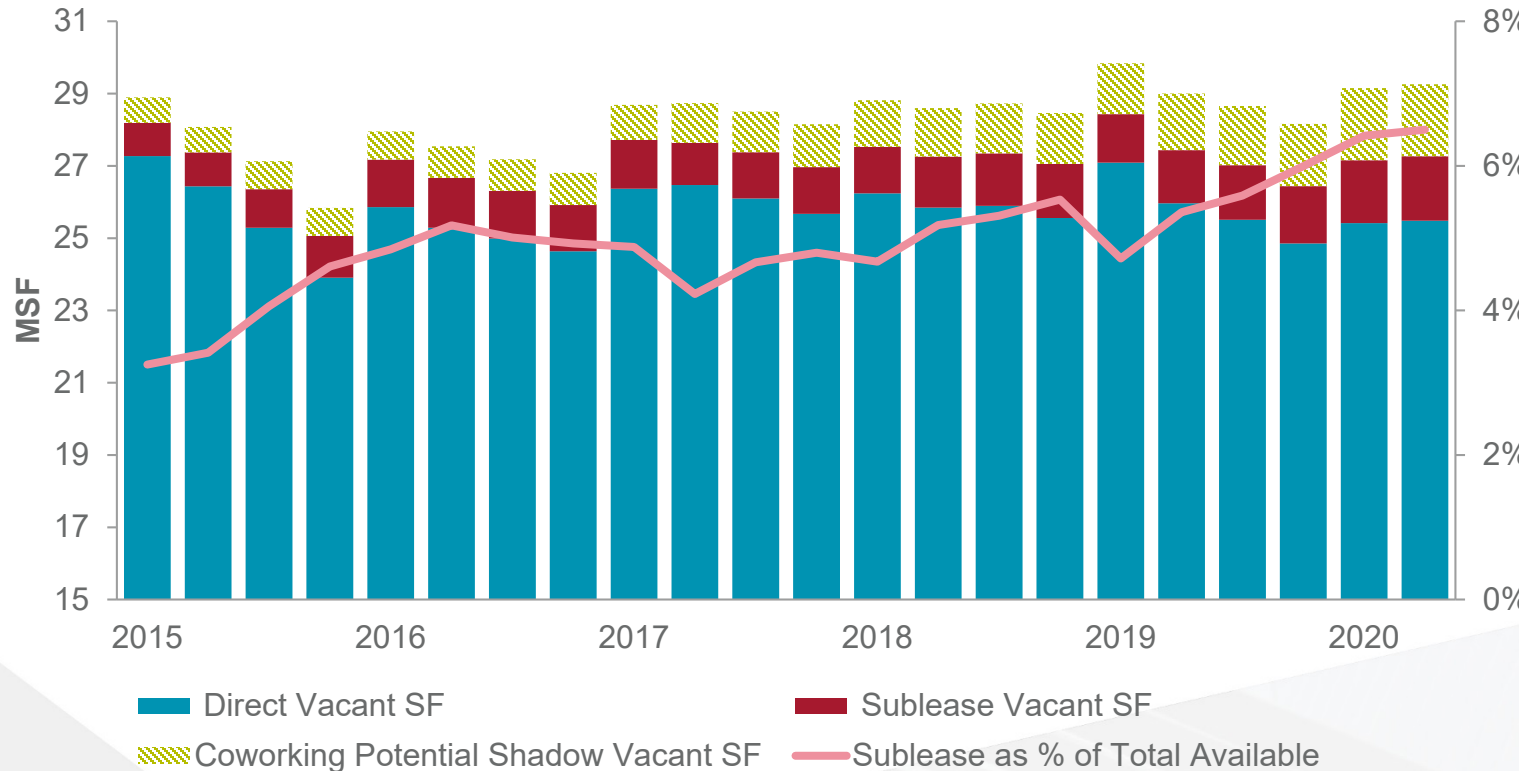
SUBMARKET SNAPSHOT – MAY 1, 2020

Submarket	Sublease Availability Count	Sublease Availability SF	Vs. 4Q19	Vs. 1Q19
Buckhead	33	459,335	39%	49%
Midtown	30	262,739	66%	100%
Downtown	13	156,368	-4%	-10%
<b>CBD Subtotal</b>	<b>76</b>	<b>878,442</b>	<b>35%</b>	<b>43%</b>
Central Perimeter	55	920,454	15%	150%
GA 400 Corridor	13	163,555	31%	-7%
Northwest Atlanta	24	289,259	-8%	-22%
Airport/ S. Atlanta	2	7,967	-40%	-15%
Northlake/Decatur	2	23,459	-44%	92%
Northeast Atlanta	22	205,259	25%	32%
<b>Suburban Subtotal</b>	<b>118</b>	<b>1,609,953</b>	<b>11%</b>	<b>48%</b>
<b>Total Market</b>	<b>194</b>	<b>2,488,395</b>	<b>18%</b>	<b>46%</b>



# ATLANTA OFFICE SUBLEASE SPACE

## HISTORICAL DIRECT VS. SUBLEASE AVAILABILITIES



## Coworking

2.2 MSF leased in total to coworking operators across Metro Atlanta, 1.5% of total inventory

This space does not factor into vacancy statistics but is important to note as potential shadow vacant space on the market.

## Sublet

Gross Asking Rate:

**\$23.76**

PSF

Vacancy:

**1.2%**

(+30 bps YOY)

## Direct

Gross Asking Rate:

**\$27.40**

PSF

Vacancy:

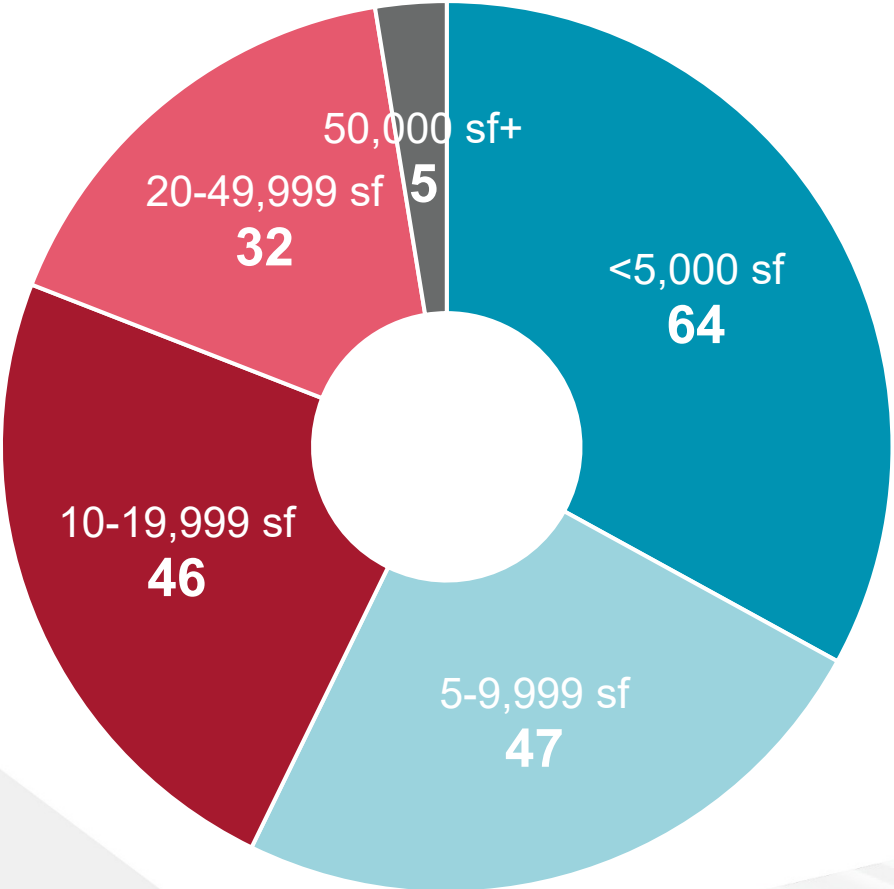
**17.2%**

(-150 bps YOY)

Sublease share of total available space has increased each quarter since Q1 2019, now comprising 6.5% of total vacancies across Metro Atlanta—a 170 BPS YOY increase

# ATLANTA OFFICE SUBLEASE SPACE

## NUMBER OF SUBLEASE AVAILABILITIES BY SIZE



Availability Size	Number Available	Total SF Available
<5,000 SF	64	202,966
5,000 – 9,999 SF	47	333,923
10,000 – 19,999 SF	46	641,320
20,000 – 49,999 SF	32	899,874
50,000 SF+	5	410,312

**57% of current sublease vacancies are under 10,000 SF. Only five spaces are listed for more than 50,000 SF, though they comprise 16% of the total vacant sublease space.**

# ATLANTA OFFICE SUBLEASE SPACE

## AVAILABILITY HIGHLIGHTS

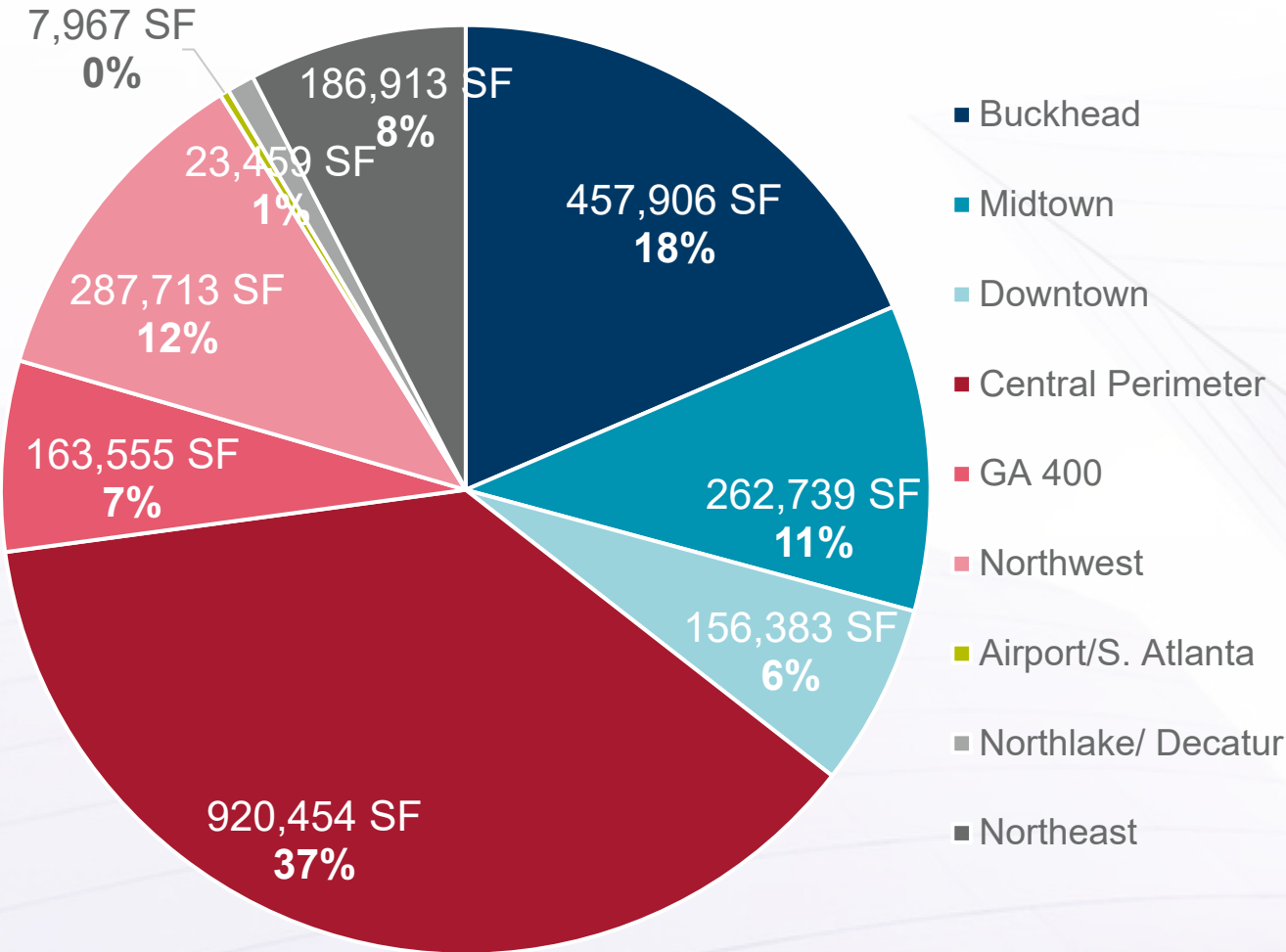
### LARGEST SUBLEASE AVAILABILITIES

Sublessor	Building	Submarket	Total SF	Asking Rates	Expiration Date	Time on Market	Reason on Market
First Data Corp.	Glenridge Highlands Two	Central Perimeter	141,264	\$30 PSF	Jul-27	27M	Merger with Fiserv
Insight Global	Ashford Green	Central Perimeter	85,562	\$25 PSF	Dec-23	11M	Relocating to Twelve24 in mid-2020
NCR Corporation	Satellite Place - Building 800	Northeast	68,838	\$16.50 PSF	Jun-20	29M	Moved operations to Midtown HQ
Reliance Trust Company	500 Northpark	Central Perimeter	64,158	\$33-\$34 PSF	May-22	6M	
Weissman	One Alliance Center	Buckhead	50,490	\$31 PSF	Aug-21	15M	Downsizing
Alera Companies	Embassy Row - Building 300	Central Perimeter	47,592	\$20 PSF	Feb-26	2M	
Purchasing Power LLC	Two Midtown Plaza	Midtown	46,222	Negotiable	Sep-20	12M	Relocating to 201 17 <sup>th</sup> St. NW
Aldridge Pite LLC	Piedmont Center - Building 15	Buckhead	44,776	\$25 PSF	Dec-22	14M	Relocating to lower cost building
Travelport Limited	Galleria 300	Northwest	43,298	\$25 PSF	Dec-24	11M	Acquired by Siris Capital Group and Evergreen Coast Capital Corp.
Koch	100 Peachtree	Downtown	38,902	Negotiable	Mar-25	9M	

**Many of the largest sublease availabilities in Metro Atlanta do not have significant term remaining.**

# ATLANTA OFFICE SUBLEASE SPACE

## TOTAL SUBLET SF AVAILABLE BY SUBMARKET



## NEW SUBLEASE LISTINGS

April 20 - 30, 2020

Sublessor	Building	Submarket	Size	Expiration
Brand Banking Co.	Corporate Lakes Office Park	Northeast	18,346 sf	Jul-24
Merchant e-Solutions	Live Oak Square	Buckhead	22,523 sf	Apr-27
Asbury Automotive Group	Founders Park	Georgia 400	19,622	Negotiable
Trevecca Nazarene University	Duluth Center North	Northeast	4,500	Apr-21

# ATLANTA OFFICE SUBLEASE SPACE

## MARKET SUMMARY

Metro Atlanta sublease availability has registered steady growth over the past year, with more than 443,000 SF of new space hitting the market since the start of 2019. Approaching 2.5 MSF in total, sublease availabilities are currently at their highest point in this economic cycle. Compared to a 17.2% vacancy rate for direct space, however, Q1 sublease vacancy remained low at 1.2%.

More significantly, the ratio of sublease availability to total vacancy continues to rise, with sublet space now accounting for 6.5% of the total in Metro Atlanta. In Q1, the sublease share of total vacant space grew for the fourth consecutive quarter, and Q2 is on track to see similar gains.

The majority of sublease availabilities fall outside the CBD. While 1.6 MSF are being marketed in the suburbs, just 878,000 are listed within the CBD. 32% of sublease availabilities are not currently vacant, with 788,569 sf being marketed with a future availability date.

Central Perimeter alone accounts for 37% of all sublease space on the market. With 55 current sublease availabilities, this submarket also saw some of the largest recent gains in sublet listings: 15% since 4Q19 and 150% since 1Q19.

Since the beginning of March, 37 new sublease listings have hit the market in Metro Atlanta. Large availabilities added in April include Merchant e-Solutions' full floor in Buckhead, and nearly 20,000 sf listed by Asbury Automotive Group in Georgia 400. Additional sublease space is expected across Metro Atlanta in the upcoming weeks and months.

Coworking operators currently lease nearly 2.2 MSF across Metro Atlanta, comprising 1.5% of total inventory and 5.1% of the Midtown Class A inventory. While we do not have visibility into the vacancy rates within these spaces, it is important to understand potential shadow vacancy within coworking spaces. Coworking listings do not factor into Cushman & Wakefield statistics but we will continue to monitor for shifting trends in this space type in addition to traditional sublease space marketed by corporate users.





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