

# Atlanta's Commercial Real Estate Market: A Mid-Year Report



Presented by:  
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*National Real Estate Investor*



## About National Real Estate Investor

*National Real Estate Investor* is the leading authority on commercial real estate trends. The magazine's readers represent a cross-section of disciplines — brokerage, construction, development, finance/investment, property management, corporate real estate, and real estate services. No other publication provides as much independent research on a variety of topics that pertain to the office, industrial, retail, hotel and multifamily markets as *National Real Estate Investor*.

## Key Points

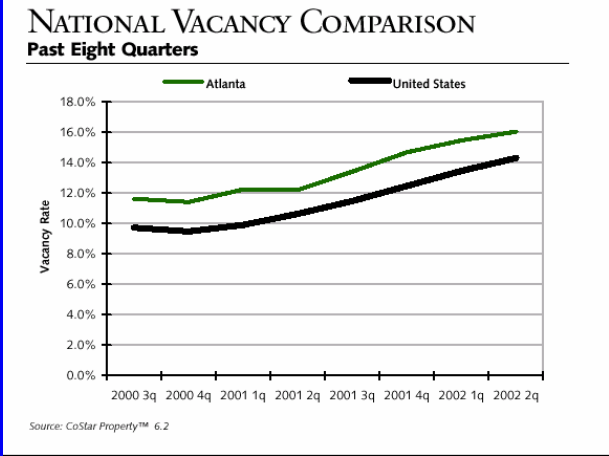
- Why the current downturn in commercial real estate is vastly different from the recession of a decade ago.
- Why institutional investors consider real estate to be a safer option than the broader stock market.
- Why the job market drives commercial real estate.

## Rising Job Growth January 2002-June 2002

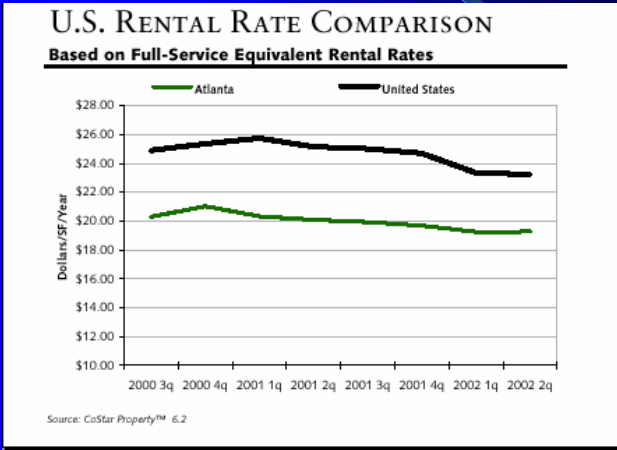
Metropolitan Area	New Jobs Added
Chicago	92,300
New York	80,300
Washington, D.C.	65,800
Minneapolis	49,300
Detroit	47,500
Nassau - Suffolk	46,000
Atlanta	43,200
Boston	40,800
Los Angeles	39,000
Denver	37,300

Source:  
M/PF  
Research

# Office Sector Vacancy Comparison

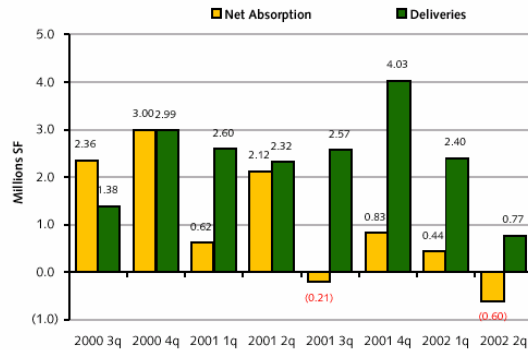


# Office Sector Rental Rate Comparison



## Office Sector Absorption & Deliveries

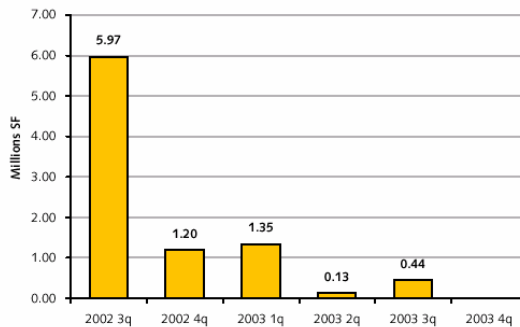
### ABSORPTION & DELIVERIES Past Eight Quarters



Source: CoStar Property™ 6.2

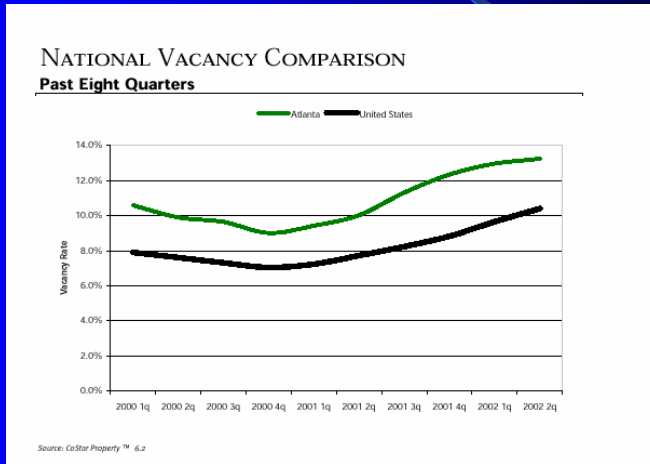
## Office Sector Future Space Available

### FUTURE SPACE AVAILABLE Space Scheduled to be Available for Occupancy\*

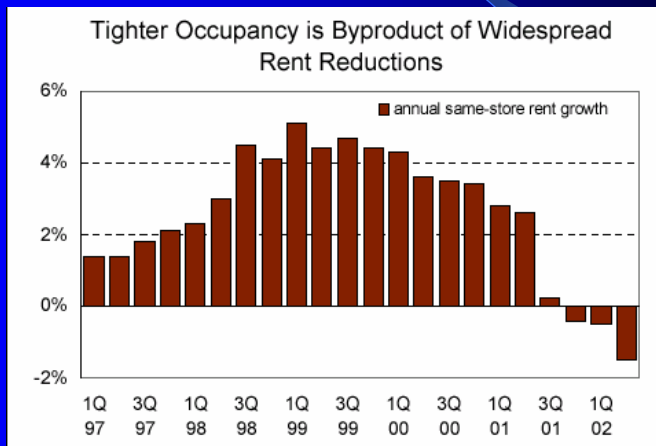


\* Includes Under Construction Spaces Source: CoStar Property™ 6.2

## Industrial Sector National Vacancy Comparison



## Multifamily Sector Occupancy Tied To Rent Reductions



## Multifamily Sector Atlanta Market Profile

APARTMENT MARKET PROFILE Atlanta Area		
2nd Quarter 2002	Existing Apartment Units	356,279
	Annual Apartment Completions	13,242
	Annual Apartment Unit Absorption	580
	Average Gross Occupancy	91.7%
	Change From Year-Ago Quarter	-3.4
	Average Quoted Monthly Rent	\$800
	Same-Store % Change From Year-Ago Quarter	-1.5%
2nd Quarter 2003 Forecast	Annual Apartment Unit Completions	13,747
	Annual Apartment Unit Absorption	8,400
	Average Gross Occupancy	90.6%
	Change From Year-Ago Quarter	-1.1
<b>Source:</b> M/PF Research, Inc.		

## Hotel Markets By The Numbers Occupancy Rate

	June 2002	June 2001	September 16-22, 2001
Atlanta	62%	68.4%	46.2%
National	66.9%	68.7%	52.1%

Source: Smith Travel Research

## Hotel Markets By The Numbers

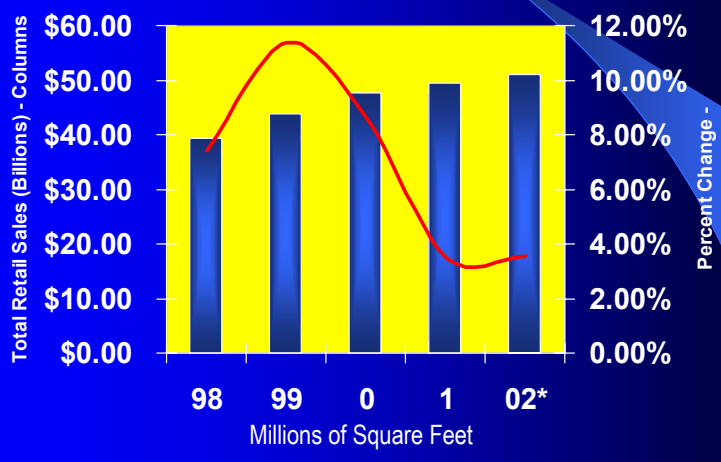
### Average Daily Room Rate

	June 2002	June 2001	September 16-22, 2001
Atlanta	\$77.74	\$82.53	\$68.09
National	\$83.24	\$85.86	\$74.29

Source: Smith Travel Research

## Retail Sector: Transactions

### Atlanta MSA



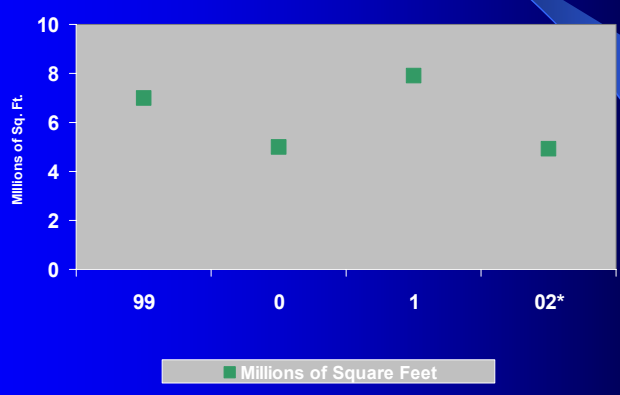
Source: Co-Star, Marcus & Millichap Research Service

## Retail Sector: Vacancy Asking Rates Atlanta MSA



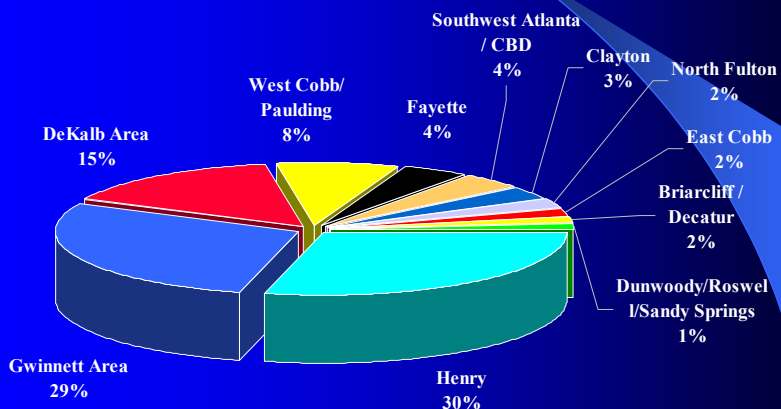
Source: Co-Star, Marcus & Millichap Research Services.

## Total Retail Completions Atlanta MSA



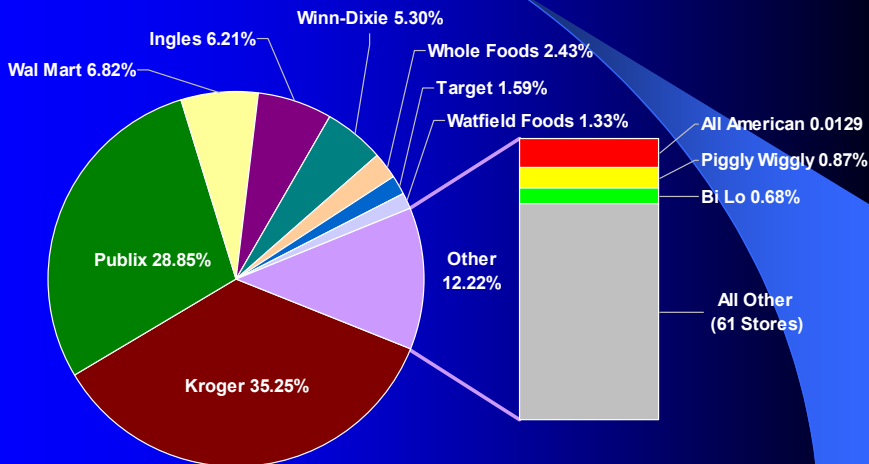
Source: Co-Star, Marcus & Millichap Research Services.

## Location of 2002/2003 Construction Atlanta MSA



Source: Co-Star, Marcus & Millichap Research Services.

## Retail: Supermarket Market Share Atlanta MSA



Source: Co-Star, Marcus & Millichap Research Services.