



Georgia State University releases its Fall 2009 Atlanta Real Estate Market Sentiment Index (AREMSI)

In the quarterly meeting of its Real Estate Honorary Board, Georgia State University's Department of Real Estate again surveyed its membership to gauge the general condition of the real estate market in Atlanta. This group is comprised of executives and senior management from many of the premier commercial and residential real estate firms in Atlanta representing a wide swath of disciplines including banking, brokerage, development, investment and construction.

At each of its quarterly meetings, The Honorary Board has invited The Georgia State University Real Estate Research Center to conduct a survey of the membership to measure the current mood in the real estate industry as well as track how this sentiment is changing over time. The last time the Honorary Board met was in April 2009. At that time, the survey revealed that more than 95% of the attendees felt like the Atlanta real estate market was in dire straits, giving the market a grade of fair, poor or failing.

As of the October 2009 meeting, the situation seems to have gotten better for the current Atlanta real estate market, but the outlook for the future has gotten worse. Most respondents rate the current market Fair instead of Poor, the predominant mood in April. However, 62% of the group predict the Atlanta real estate market to be poor or failing six months from now compared to only 44% feeling this negatively about the future in April. Doug Gray, Director of Asset Management with Jamestown Properties said, "There's no question that commercial values are under pressure and will likely remain so throughout 2010. The good news, though, is that prices are being reset to a level where new investment makes sense for the first time in the last couple of years."

In the April survey, 88% of the survey participants projected the Atlanta commercial markets stabilizing in more than 2 years. Those predicting stabilization in more than two years in the current survey has increased to 100%. The Georgia State University Real Estate Research Center plans to publish the full results of the survey as well as its newly created Atlanta Real Estate Market Sentiment Index (AREMSI) on the Center's website so that those active in the Atlanta real estate market may leverage the insights and experience of the Georgia State Real Estate Honorary Board.



The newest member of Georgia State University's Real Estate Honorary Board: Doug Gray, Director of Asset Management with Jamestown Properties

Dr. Julian Diaz, Chair of Georgia State's Real Estate Department emphasized, "The Honorary Board in an invaluable asset to The University and provides an incredible forum for top real estate players to meet, exchange ideas and network. This survey and the Index will allow this group, and The University to give back to the Atlanta real estate community."

For more information about the GSU Atlanta Real Estate Market Sentiment Index, please send an email to Philip Seagraves at pseagraves2@gsu.edu

| Georgia State University Atlanta Real Estate Market Sentiment Index | | | | |
|---|-----------|-----------|-----------|---------------------|
| Question / Item | Oct-08 | Apr-09 | Oct-09 | Last 6 mo. % Change |
| Overall Real Estate Market | 45 | 33 | 50 | 53% |
| Overall Real Estate Market - Six months from now | 41 | 39 | 30 | -22% |
| Overall Office Market | 51 | 42 | 23 | -44% |
| Overall Office Market - Six months from now | 42 | 39 | 28 | -29% |
| Class A Office Occupancy - Six months from now | 26 | 30 | 26 | -15% |
| Class A Office Rents - Six months from now | 25 | 23 | 23 | -1% |
| Class B Office Occupancy - Six months from now | 30 | 29 | 31 | 6% |
| Class B Office Rents - Six Months from now | 26 | 21 | 26 | 25% |
| Commercial Market Stability Outlook | 28 | 38 | 21 | -45% |
| Residential Market Stability Outlook | 18 | 28 | 28 | 1% |
| Caprate Outlook | 28 | 28 | 40 | 42% |
| Liquidity Outlook | 59 | 57 | 49 | -15% |
| Index | 35 | 34 | 31 | -8% |

Red = Negative, White = Neutral, Green = Positive