





























ATLANTA INSIGHT

Q1 / 2023 MARKET REPORT

OVERALL ATLANTA	BUCKHEAD	CENTRAL PERIMETER	MIDTOWN
 Vacancy 13.9%	 Vacancy 20.1%	 Vacancy 18.5%	 Vacancy 19.3%
 Net Absorption 99,983	 Net Absorption 83,371	 Net Absorption -49,513	 Net Absorption -40,346
 Avg. Rental Rate \$30.21	 Avg. Rental Rate \$36.69	 Avg. Rental Rate \$30.66	 Avg. Rental Rate \$41.38
 Avg. Class A Rental Rate \$33.17	 Avg. Class A Rental Rate \$37.77	 Avg. Class A Rental Rate \$31.77	 Avg. Class A Rental Rate \$42.13
	NORTH FULTON	NORTHWEST	NORTHEAST
	 Vacancy 15.7%	 Vacancy 12.1%	 Vacancy 10.0%
	 Net Absorption 36,649	 Net Absorption -12,217	 Net Absorption -169,485
	 Avg. Rental Rate \$26.49	 Avg. Rental Rate \$27.47	 Avg. Rental Rate \$21.42
	 Avg. Class A Rental Rate \$28.26	 Avg. Class A Rental Rate \$30.22	 Avg. Class A Rental Rate \$23.12

SOURCE: COSTAR GROUP

DON'T KNOW YOUR SUBMARKET? FIND IT HERE!



FANDUEL ANNOUNCES MAJOR OFFICE LEASE IN MIDTOWN

FanDuel, the popular online sports betting and daily fantasy sports company, has announced the opening of a new 68,000 SF office in Atlanta, Georgia. This move is part of the company's expansion strategy as it seeks to broaden its reach and provide even more innovative services to its customers.

The new office is set to be located at Ponce City Market, a mixed-use development in Atlanta's Old Fourth Ward district. The office will house several teams, including product development, marketing, and customer support. This is expected to create numerous job opportunities for the city's residents,

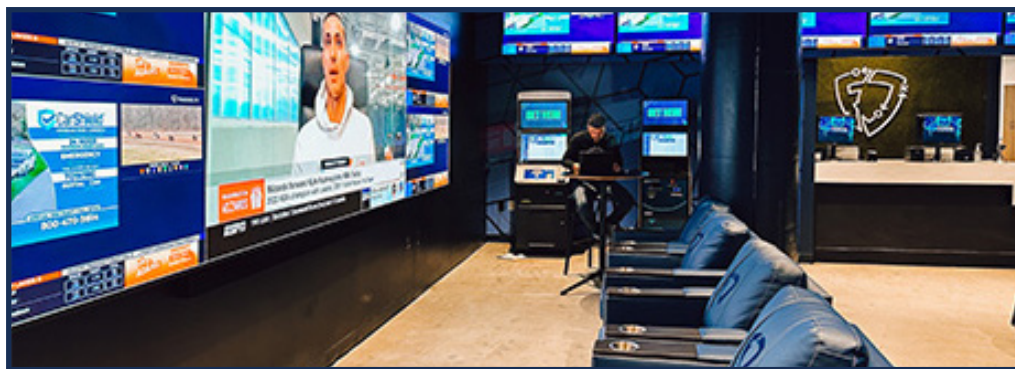
adding to Atlanta's already thriving tech industry. FanDuel plans to grow its Atlanta-based workforce to approximately 900 colleagues over the next 5 years.

FanDuel's decision to open an office in Atlanta is a testament to the city's potential as a hub for innovation and technology. With a rapidly growing population and a diverse workforce, Atlanta provides the perfect environment for FanDuel to tap into the vast talent pool and create a strong presence in the Southeast.

Moreover, Georgia has recently legalized online sports betting, making it an ideal location for FanDuel to establish a foothold in the region. This will allow the company to offer its services to Georgia residents and expand its customer base beyond the existing markets.

Atlanta provides the perfect environment for FanDuel to tap into the vast talent pool and create a strong presence in the Southeast.

In addition to providing job opportunities and boosting the local economy, FanDuel's presence in Atlanta is also expected to have a positive impact on the city's sports scene. With the Atlanta Braves, Atlanta Falcons, and Atlanta Hawks all calling the city home, sports fans in Atlanta are passionate about their teams. FanDuel's innovative offerings will undoubtedly be welcomed by the local sports community, providing an exciting new way for fans to engage with their favorite teams and players. The move is not only expected to create job opportunities and boost the local economy but also provide an exciting new way for sports fans in Atlanta to engage with their favorite teams and players.



AMERICAN EXPRESS LANDS AT MIDTOWN UNION

American Express, one of the world's leading financial services corporations, recently announced the opening of a new 48,000 SF office in Midtown. The company's new leasing decision comes just over two years after it acquired Atlanta-based fintech unicorn Kabbage.

The new American Express office in Atlanta will be a state-of-the-art facility designed to foster collaboration and innovation

The new office, located in the heart of Atlanta's bustling Midtown neighborhood, will house over 1,000 employees across a range of business functions, including marketing, finance, and technology. This is a significant expansion for **American Express**, which already has a sizable presence in the city

through its partnership with Delta Air Lines, one of Atlanta's largest employers.

Atlanta was a natural choice for **American Express**, given its status as a major business hub in the Southeastern United States. The city has a thriving startup scene, a diverse talent pool, and a pro-business environment that has attracted companies from around the world. In recent years, Atlanta has become increasingly attractive to large corporations looking to expand their footprint in the region, with companies like Microsoft and Amazon both opening offices in the city.

The new **American Express** office in Atlanta will be a state-of-the-art facility designed to foster collaboration and innovation among its employees. The company has invested heavily in modern technology and infrastructure to create a workplace

that is both functional and aesthetically pleasing. The office features an open floor plan, plenty of natural light, and a range of amenities designed to support employee well-being, such as a fitness center and an outdoor terrace. **American Express** follows a flexible work model, which it implemented 1Q last year. Employees have the ability to choose whether they want to work fully remotely, out of the office or a combination of both. Offices are used to connect in person, hold group meetings, for networking and mentoring.



SILICON VALLEY BANK COLLAPSE AND EFFECTS ON COMMERCIAL REAL ESTATE

In March 2023, SVB Financial Group, the parent company of **Silicon Valley Bank**, announced that it had filed for bankruptcy protection. The collapse of this major financial institution is expected to have a significant impact on the commercial real estate market.

Silicon Valley Bank has been a major player in the commercial real estate industry, providing financing to tech startups, venture capital firms, and real estate developers. The bank's collapse is likely to disrupt the flow of capital in these markets, making it more difficult for businesses to secure the financing they need to operate and expand.

The collapse of **SVB** is likely to have ripple effects throughout the broader commercial real estate industry. Other financial institutions may become more cautious about lending to businesses in the tech industry, which could lead to a tightening of credit and a slowdown in real estate activity.



Additionally, it is estimated that about \$1.1 trillion in commercial mortgage loans are expected to mature in 2023 and 2024, up from \$750 billion the prior two years. Lending conditions have already been tight and maturing loans face not only higher interest rates, but also, depending on the sector, weakening net operating income conditions, making it much harder to service their debt obligations.

The office market, already under pressure, is likely to face even more stress in the wake of the **SVB** meltdown. Experts agree that so much new financing is needed to repurpose a huge amount of office real estate that's expected to hit the market in the next few years. But because lenders and even equity sources are tightening up, where that financing will come from is uncertain.

It is important to note that the impact of **SVB's** collapse on the commercial real estate market is not yet fully understood. While there may be short-term disruptions, the market is likely to adjust and adapt over time. As a tenant looking for space or possibly renewing an existing space, it is important that you are aware of the building owner's debt situation and use SNDAs and other protections.



ATLANTA INSIGHT™

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ATLANTA INSIGHT™ is a quarterly market update published by CLRE Advisors designed to help you stay on top of emerging trends in the Atlanta commercial real estate market.

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