

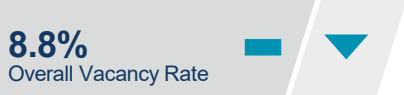
ATLANTA

Medical Office Q2 2022



CUSHMAN & WAKEFIELD

YoY Chg 12-Mo. Forecast



ECONOMIC INDICATORS Q2 2022

YoY Chg 12-Mo. Forecast



Source: BLS

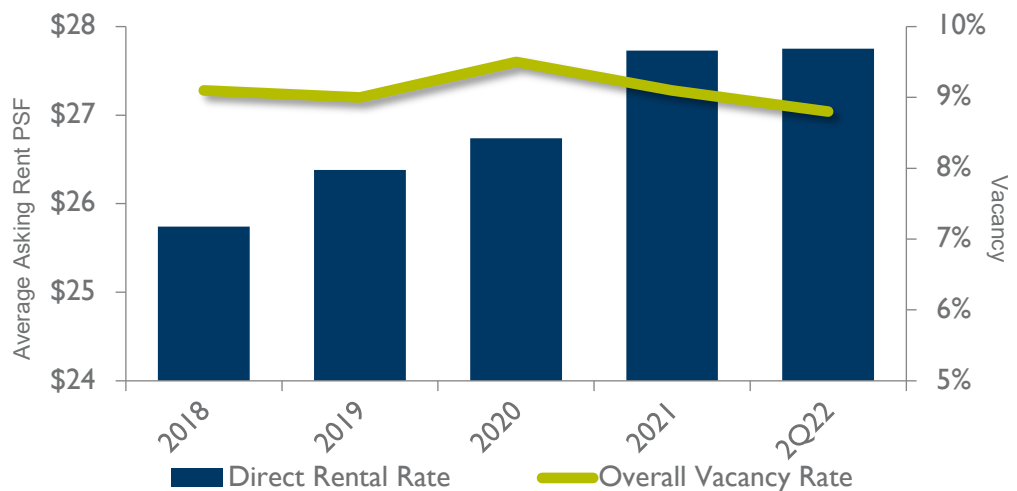
Economy

Atlanta continues to rebound from the pandemic despite ongoing economic uncertainty, while national headwinds such as high inflation, rising interest rates, and volatile markets threaten to impede economic growth. Ambulatory Health Care Service jobs, including offices of physicians, dentists, and medical and diagnostic laboratories, have continued to increase significantly from pre-COVID numbers. Since the pandemic low in May 2020, 34,590 healthcare service jobs have been added across the metro area. The addition of jobs has fueled the declining unemployment rate in Atlanta to 2.9%.

Metro Atlanta MOB Overview

Despite the challenges that healthcare providers have faced throughout the COVID-19 pandemic, the MOB market in Atlanta remains strong. With a historic low for the sector, overall vacancy is down 30 basis points from last year at 8.8%. The resiliency of medical office properties in the height of a global pandemic and subsequent bumpy economic and social climate has once again proven itself. Through the first half of 2022, the rental rate has continued to soar with an average gross rental rate of \$27.75 per square foot. With 352,746 square feet of additional space underway, the second half of 2022 will undoubtedly improve upon the first half's 114,481 sf of positive net absorption.

HISTORICAL RENT VS. VACANCY



MARKET UPDATE

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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	DIRECT VACANCY RATE	YTD LEASING ACTIVITY (SF)	UNDER CONSTR (SF)	YTD CONSTR COMPLETIONS (SF)	YTD DIRECT NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	OVERALL AVERAGE ASKING RENT (ALL CLASSES)	DIRECT AVERAGE ASKING RENT (ALL CLASSES)
Buckhead	871,384	8.6%	8.2%	33,133	75,000	0	-8,551	-12,597	\$34.40	\$34.05
Central Perimeter	3,485,896	8.0%	7.9%	32,004	0	0	49,323	53,990	\$32.32	\$32.38
Downtown Atlanta	294,259	2.0%	2.0%	0	0	0	0	0	\$23.30	\$23.30
Midtown Atlanta	933,686	1.2%	1.1%	8,039	0	0	1,700	-691	\$25.54	\$25.54
North Fulton	2,483,864	11.5%	10.5%	36,471	24,764	0	7,054	13,011	\$28.88	\$29.28
Northeast Atlanta	1,589,338	18.3%	17.2%	13,679	145,000	0	3,620	5,090	\$25.78	\$25.78
Northlake	1,803,753	5.8%	5.8%	18,028	0	0	11,859	11,859	\$23.58	\$23.58
Northwest Atlanta	3,149,695	8.5%	8.1%	18,429	60,000	0	-30,009	6,144	\$25.58	\$25.58
South Atlanta	2,716,215	11.1%	10.8%	60,910	48,000	0	38,997	31,505	\$22.77	\$22.77
West Atlanta	664,285	3.6%	3.6%	21,053	0	0	2,271	6,170	\$25.41	\$25.41
ATLANTA TOTAL	17,992,375	8.8%	8.4%	241,746	352,764	0	76,264	114,481	\$27.76	\$27.75

KEY LEASE TRANSACTIONS 2022 YTD

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
5445 Meridian Mark Road	54,585	Northside Hospital	Renewal	Central Perimeter
1801 Peachtree Street	7,003	Thread Robotics IVF	New Lease	Buckhead
6002 Professional Parkway	6,819	Northwest Georgia Oncology Center	New Lease	West Atlanta
55 Whitcher Street	5,584	Wellstar	New Lease	Northwest Atlanta

KEY SALES TRANSACTIONS 2022 YTD

PROPERTY	SF	SELLER BUYER	PRICE \$PSF	SUBMARKET
5780 Peachtree Dunwoody Road NE	119,455	Atlanta Women's Health Group, P.C. Northside Hospital	\$55.5M \$464	Central Perimeter
1800 Northside Forsyth Drive	99,232	Atlanta Women's Health Group, P.C. Northside Hospital	\$46.3M \$466	North Fulton
73 Prestige Lane	35,487	North Georgia Medical Holdings LLC Anchor Health Properties	\$15.8M \$445	Northeast Atlanta

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SF	OWNER DEVELOPER	SUBMARKET
2112 Medical Center Blvd	145,000	Affiliates of Northside Hospital	Northeast Atlanta
Darlington Medical Center	75,000	Varden Capital Properties	Buckhead
Northside Medical Cumberland	60,000	Northside Hospital, Managing Member	Northwest Atlanta

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