

Atlanta - Urban Core

EFFECTIVE RENT PUSHES HIGHER INTO RECORD TERRITORY

Takeaway

Tenants faced higher occupancy costs during 2017. Registering its sixth consecutive year of rental rate growth, negotiated rent exceeded \$40/sf for the first-time on record. Sustained demand from tech companies and professional/business services kept leasing volume steady. The second half of the year brought some signs that office-using employment was losing a bit of its momentum. Leasing also appeared to be cooling slightly. This may temper rent growth in 2018.

Negotiated Rent

\$40.84 ▲ 7.9%
TOTAL GROSS RENT

Concessions

\$79.50 ▼ -4.1%
\$53.13 8.3
IMPROVEMENT ALLOWANCE AVERAGE FREE RENT AVERAGE (MONTHS)

Tenant Effective Rent

\$27.95 ▲ 14.5%

Building Expenses

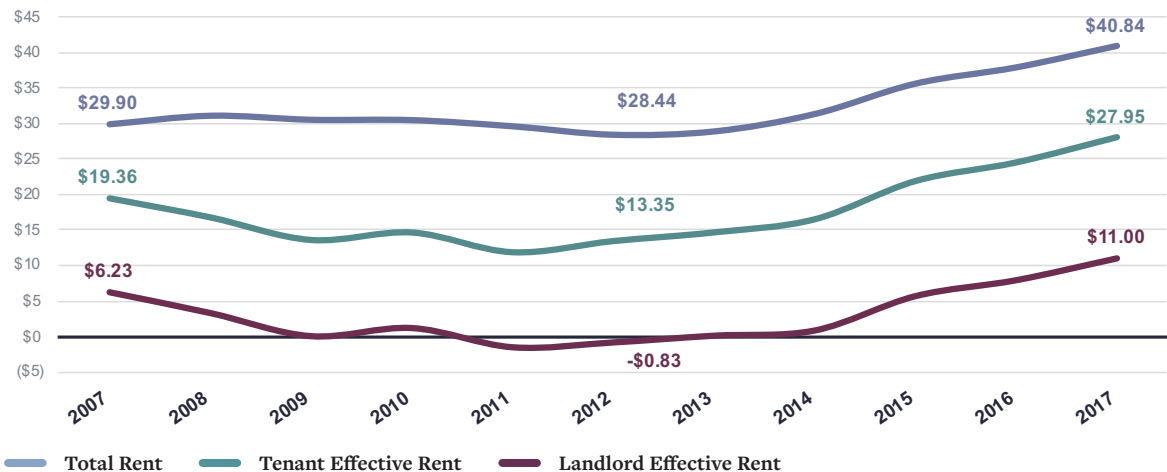
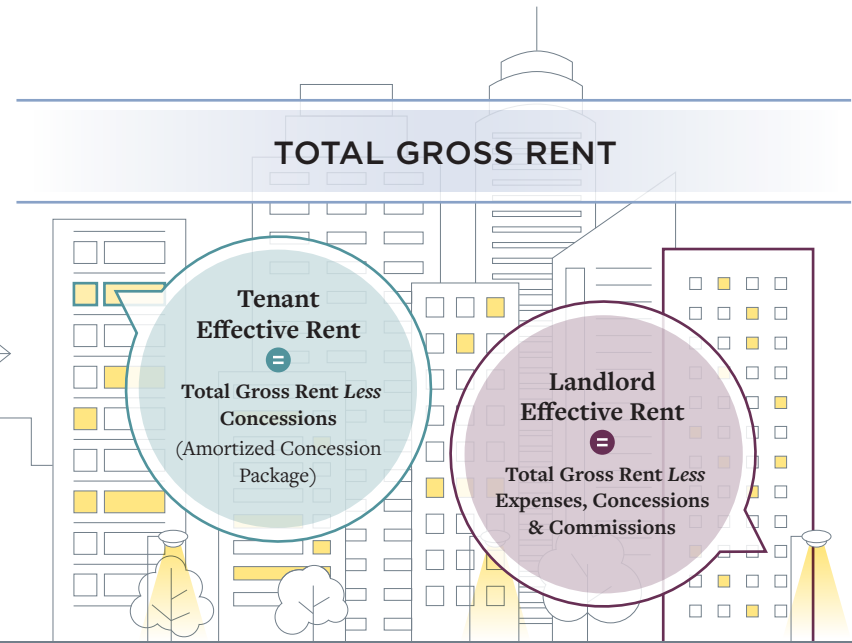
\$8.15 ▲ 1.2% OPEX
\$4.35 ▲ 3.6% RE TAXES

Landlord Effective Rent

\$11.00 ▲ 38.8%



RENT SENSIBLY.
DO YOU KNOW WHERE YOUR RENT GOES?



METHODOLOGY

The *Effective Rent Index* tracks what tenants truly pay for top tier Class A office space (tenant effective rent) and what landlords ultimately walk away with (landlord effective rent) once building expenses and leasing costs are deducted from net rent. Derived from negotiated office leases, the index provides critical insight into the health of each market and its position along the 'landlord-tenant favorable' spectrum. For more information about the report or detailed methodology visit: www.savills-studley.com/research/us/effective-rent-indexes.aspx.

