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NETWORKING THE COMMERCIAL REAL ESTATE INDUSTRY

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Brian Johnson is owner of JCAT General Contractors & Maintenance. JCAT is a licensed General Contractor / Unlimited in the state of Georgia and provides tailored commercial property maintenance services, tenant and capital improvements, and insurance restoration. Started in 2003, today JCAT has more than 70 clients servicing over 250 buildings in greater Atlanta, and was named "Contractor of the Year" by IREM in 2005, 2007 and 2009. Brian earned his undergraduate degree from the University of Tennessee and completed his graduate work through the Villanova University Executive Program with honors in Project Management. He holds certificates in Project Management Essentials, Project Management Applied Knowledge, and Mastery of Project Management. More info at www.jcatgcm.com.



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Neeley Kolsch is account manager for Munters Moisture Control Services (MCS). Kolsch has more than seven years experience in the disaster restoration services industry participating in recovery projects for Hurricane Katrina, Hurricane Dolly, and after flooding in numerous states. Kolsch is an active participant in IFMA Atlanta, ARMA, BOMA, RIMS and the Atlanta Apartment Association. She holds a Project Management Certification, IICRC-WRT, AMRT, and is a Fire and Smoke Damage Technician. For additional information please contact Kolsch at 1-800-Munters or neeley.kolsch@munters.com.



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Alan Joel, a native of Atlanta, attended the University of Georgia on a swimming scholarship and was selected as a member of the U.S. team in the Maccabiah Games in Israel. Alan graduated with a degree in Finance from the School of Business where he was a member of the Phi Eta Sigma Freshman Honor Society and a Dean's List student. He obtained his Masters Degree in Real Estate from Georgia State University and has received his CCIM designation. In 2004, Alan received the prestigious Atlanta Commercial Board of Realtors Alvin B. Cates Award for the most outstanding real estate transaction of the year. Within the past two years, Alan has closed over 100 transactions totaling over 200,000 square feet.



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Atlanta's Office Market 1st Half 2010 A BROKER'S PERSPECTIVE

It is the best of times, it is the worst of times, it is the time of free rent, it is the time of big TI's, it is the time of lease concessions. Perhaps this is not the exact perspective Charles Dickens had in mind when he created this quote, but it certainly fits the current Atlanta office market. So what is it? The best of times or the worst truly depends on which side of the table you're sitting on.

For tenants looking for space and who can commit to long term leases, it is the best of times. Concessions packages unheard of 24 months ago are the norm now. Most mid-to-large size tenants are not only negotiating tough deals for Landlords, but they are also negotiating tough deals with the Landlords lenders. Forward commitment of TI and leasing commissions, subordinated non-disturbance agreements and rights to cancel typically asked by the Landlords to the lenders are now being required by the tenants from the lenders. For landlords and lenders it is the worst of times.

SO WHAT DOES THE NEXT 12 MONTHS LOOK LIKE?

Much the same, but tenants beware the pendulum will change...here are the reasons why:

1 For the first time in 30 years there are no speculative office buildings (>100,000sf) under construction in the metro area and none scheduled for construction to begin in the next 12 months.

2 The new health care plan proposes to require or subsidize over 32,000,000 Americans with health insurance.

SO WHERE ARE WE NOW?

A brief synopsis of the Metro Atlanta office market looks like this . . .

	2007	2008	2009
INVENTORY	120,000,000	123,000,000	125,000,000
OCCUPANCY	83%	80%	78%

Who is going to issue these policies? It's going to be issued by the current health insurance carriers and drive demand for office space. By some estimates, with this increase these insurance companies could need more space to the tune of about 1.9 foot of office space per policy, which totals an astounding 64,000,000 square feet nationwide. While this growth would be felt across the U.S., Atlanta will see its fair share of this expansion.

3 The economy will get better over time and with increased confidence (and income) tenants will be expanding — something very few have done over the past 2 years.

4 Atlanta is still one of the top 10 cities to live in and the region will continue to lure corporate tenants like NCR and Newell Rubbermaid.

So if you're a tenant in today's market enjoy these best of times (and use it to help your business) for surely within the next 24 months these best of times will be a faded memory.

ALAN JOEL

THE TOP LEASES OF 2009

PROPERTY	SUBMARKET	TENANT	OWNER	SIZE SQ. FT.
3003 Perimeter Summit	Central Perimeter	AutoTrader.com	Hines	350-400K (TBD)
Peachtree Center	Marquis II Downtown	SunTrust	Eola Capital	252,833
999 Peachtree	Midtown	Sutherland Asbill	Jamestown	240,906
Piedmont Center 9-11	Buckhead	Kaiser Permanente	PC Management Co.	212,105
Two Alliance	Buckhead	Novelis	Tishman Speyer	100,000
Terminus 200	Buckhead	Greenberg Traurig	Cousins	90,000
1001 Perimeter Summit	North Central	Cox communication	Seven Oaks	115,000