

## Office Market Lures Tenants

By Martin Sinderman

### Contributing Writer

Though vacancy rates still hover in the high teens, a recent uptick in activity bodes well for the Midtown office market in 2004. The big news in 2003 revolved around moves by major law firms from Atlanta's central business district. In March, **Jones Day** announced its move to 120,000 square feet at **Pershing Park Plaza**. Later, King & Spalding LLP inked a 15-year lease to anchor about 416,000 square feet of a 680,000 square foot tower to be built by Hines Interests LP, at the corner of Peachtree and 14th streets. Shortly thereafter, Powell, Goldstein, Frazer & Murphy, LLP signed a 15-year lease for about 190,000 square feet at One Atlantic Center. "Who would have thought 10 or 15 years ago that these law firms would be moving their businesses to Midtown from downtown?" said Carter Senior Vice President David Kilborn, who represented Acuity Brands Inc. in its lease of 26,000 square feet of headquarters space at The Proscenium last year. Even though it is slightly more expensive, Midtown is more attractive than its neighbor to the south, Kilborn said. At the same time, it's a mistake to overemphasize the northward migration of law firms, said Duncan Gibbs, senior vice president at The Staubach Co., who represented Powell Goldstein in its move. "I wouldn't read too much into the Powell Goldstein deal as far as the dynamics of one market versus another," Gibbs said. "A deal of this magnitude is good for the Atlanta office market as a whole." Nonetheless, the impact of the law firm deals is very significant for the Midtown office market, said Walter Fish, vice president of Cousins Properties Inc., whose holdings here include One Georgia Center and the 10 Peachtree Place headquarters of AGL Resources Inc. Activity has picked up dramatically lately said Greg Kindred, vice president of office properties for Lincoln Property Co., who handles leasing at the 212,000 square foot 730 Midtown building. We've seen as much activity in the past 30 to 45 days as we have since we opened," said Jeff Mixson, associate vice president at Holder Properties Inc., which leases space at the 410,624 square foot Millennium. With existing Midtown vacancies and new product coming on line in the form of the 508,000 square foot building at Atlantic Station, area landlords "have a lot of space to fill and a lot of work to do," Mixson said. There's space to be had in midtown, and its getting absorbed at an accelerated pace, said Pope & Land Enterprises Inc. leasing consultant Marianna Land Taylor from her vantage point at the 500,000 square foot Atlantic Center Plaza. "[Rental] rates are starting to edge back up but there are some concessions available, because the market isn't going to bounce completely back immediately," Taylor said.