

# New year brings reality, optimism into focus

The general sense in the commercial real estate is the market will remain soft for smaller tenants, but the big guys had better get while it lasts. In the GA 400 submarket what was once the softest in Atlanta, if you need 5000 SF there is space in 140 buildings, if you need 100,000 SF, there are less than 5. Many landlords that once had 2 or 3 large blocks of space no longer have them. If Newell Rubbermaid, Rayovac, the rumors of additional new corporate HQ's and other big deals in the market come true the others will be gone before you know it too. The same thing happened the last cycle when Holiday Inn's HQ (now Six Continents), UPS's HQ and MCI's marketing HQ all relocated to north Atlanta and snapped up the great deals of for large blocks of space.

David Barry of Barry Real Estate Companies said put it

## Real Estate



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well, "we should see significant improvement in the North Fulton Market throughout 2004. There are several significant deals in the market that are waiting to land and no new inventory is being added. We should have a couple of close to empty buildings get taken off the market due to the activity. Tenants will remain in the driver's seat through 2004

and well into 2005. The positives are a rebounding economy, more dot com fallout, reviving deal activity and no more new product being delivered."

### Metro job growth

In 2003, metro Atlanta added more jobs than any other major metro area in the United States. Professional and business services dominated the job gains. While the growth is not quite what is once was, it sure beats where we were. These new jobs absorb space vacated by employees that were right sized during the recession. So how does this affect business in North Atlanta? It means that the best properties offering the best deals have begun to lease their space.

Don't get me wrong, there are still great deals for good tenants and likely will be through at least most of the year. However, now more than ever, it is important to

know who you are doing business with. We are beginning to see some of the smaller landlords with high vacancy giving their properties back to lenders. These properties while desperately offering great deals to prospective tenants, may also offer a corresponding low quality in terms of service. See, it really doesn't matter what your lease says unless the landlord performs or the tenant is prepared to enforce its rights legally. The very best negotiated lease document can't help you when a struggling landlord can't perform. It just doesn't seem to matter "how good the deal was" when the bathroom plumbing doesn't work properly or the cleanliness of the building is not what you expected and the off site management office is slow to respond.

How do you know the difference? The easy self serving answer is having good tenant rep-

resentation. Other tips include asking the landlord for non disturbance agreement with your lease. This document will essentially ensure your lease stays intact with the lender, if the building goes back to the lender. Ask the landlord's leasing agent about the status of the buildings ownership. He or she will delightfully brag about it if it's strong. Look closely at the cleanliness of the grounds and the interior of the property. Strong landlords keep their properties looking good virtually all the time. Remember just because a building is vacant does not mean the owner is in trouble; most of the owners of the larger buildings are strong enough to ride out the ending of the storm. Most importantly remember you get what you pay for.

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