

Economy takes one step back, two forward

It seems like one step back two steps forward. The economic indicators sure are confusing. The commercial real estate markets are supposed to be lagging economic indicators. Not everybody made it through recession, but everybody that is still in the commercial real estate business is busy. Last year this time standard response from prospective tenant companies was almost solely about saving money. Now everybody is talking about the future.

Although it appears that 2003 was tougher for job seekers than state officials had originally reported: Metro Atlanta ended the year with about 84,200 fewer jobs than first thought. Instead of having an increase of 67,900 jobs during the year — which appeared to make the area a national leader in job creation — we lost 16,800 jobs according to the Georgia Labor Department last

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*David Barry
Barry Real Estate*

month. While this recession hit our area harder than most, our recovery is occurring at a faster rate than the rest of the country. Local economists say that our economy entered recession in the 2nd quarter of 2000 or 3 quarters before the rest of the country and stayed in recession until the 3rd quarter of 2002, 3 quarters longer than the rest of the country. Now we are recovering faster than the rest of the country. Global GDP growth has been said to be probably in the 5.0 percent to 5.5 percent range in the second half of 2003; that's essentially doubling of the global growth rate of 2.7 percent recorded over the 2001-02 interval and probably the fastest run rate for the world economy since 1984. Metro Atlanta economy grew 5.2 percent in the 4th quarter of 2003 or more that double the growth rate of period in 2002.

Real Estate



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Even with Alltel layoffs dumping more corporate space in the market, North Atlanta commercial real estate market seems to believe the economy is getting better too.

AIG Claims Services, a division of American International Group Inc. (NYSE: AIG), has leased for 10 years, half or approximately 60,000 square feet at The Alter Group's Brookside Concourse 100, in Alpharetta. Gregg Metcalf, vice president of national development for Alter brokered the deal along with Dave Demarest and John Ferguson, both with Cushman & Wakefield of Georgia Inc.

It has also been reported that Microsoft (NASDAQ: MSFT) will be moving out of Concourse into a new 60,000 square foot space at Sanctuary Park.

Then the most recent

announcement occurred Cingular Wireless announced it was acquiring AT&T Wireless and leased another 99,000 square feet at the Nortel building. "Cingular's move represents actual net office growth for the company, which is expanding its offices from next door at the two-building, 376,000-square-foot Cingular campus" said David Barry, a director with Barry Real Estate Companies.

Nortel will still use about half of the 246,000-square-foot office building at 5405 Windward Parkway, and owned by Highwoods Properties Inc. Barry and Fischer & Co. brokered the deal for Nortel. Cingular represented itself in the deal.

During the last six months GE, New York Life, Microsoft, AIG and Cingular have all voted for GA 400 corridor with their employees' every day lives and pocket book. Don't expect it to stop. They weren't only ones that believe in the area either. Some of the most significant owners of commercial real estate in the country like St. Joe, Cousins & Koger all made significant commitments and investments in the area.

There will most certainly be more to talk about in the months to come...stay tuned!

Please feel free to contact me at rlackey@citycre.com.