

# Glut of space for smaller deals

Yes, without question, there is a glut of available space in the Ga. 400 corridor.

Our company recently went to market in the Ga. 400 corridor with a 15,000 square foot requirement and had 61 multi-story buildings, 26 single-story buildings and 24 subleases to consider. Even for me that is too much to look at.

"There are a lot of choices out there, and it's tough to make your building stand out," Childress Klein Properties partner Glenn Kolker, who handles leasing duties at their Alpharetta office buildings. "And once you do, it's equally difficult to make a deal with all the competition out there."

There is light at the end of the tunnel but it's in a pretty long tunnel. While there are a lot of opportunities for users in below 30,000 square feet, there are substantially fewer opportunities for larger blocks of space.

Eben Hardie and Mal Hill owners of Solutions Properties Group see the light. They recently purchased the 90,000 square foot completely empty one-story office building called Bluegrass Promenade located at McFarland Road and Ga. 400. Knowing these savvy real estate entrepreneurs, I imagine their play was to buy the building at a great price and bet on the fact that they will have one of the only large blocks of one-story space for one of the next big deals.

What is going to be interesting is the seemingly limited number of big deals in

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*Glenn Kolker  
Childress Klein Properties*

the pipeline right now. While there are still some out there, the big deals seem to be fewer than they were during the past 12 months. It was probably a good bet, but only time will tell.

The next problem for landlords will be getting space back to as the result of lease expirations and reconfigurations. Companies simply need less space now. If they can get a great deal to reduce their space and renew, my bet is they will stay put.

"A lot of tenants now in this market first came here between 1996 and 1999, and many of their leases are set to roll over [or expire] this year," Trammell Crow Co. (NYSE: TCC) Senior Vice President Rob Metcalf said.

According to Doreys First CLS commercial real estate database there are 299 office space leases expiring in the Ga.

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Richard Lackey  
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400 corridor between now and June of 2005. If they all gave back 1,000 square feet each, it would create enough space for two typical suburban office buildings.

However don't look for these pockets of space to blanket across

the entire market at once. Expect them to come back in one building here and another building there corresponding to the time the building was delivered to the market and leased up. The top tenant rep brokers in the market will know where these opportunities exist.

If you are going to need less than 30,000 square feet in the next year or two, take advantage of the opportunity to get really great deals that usually only the big guys enjoy.

If we can help you in anyway, please give us a call at 770-297-8000 or drop me an email at [rlackey@citycre.com](mailto:rlackey@citycre.com).

Have a great summer.

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*Rick Lackey is president of City Commercial Real Estate of Gainesville.*