

## Microsoft Inks 500 KSF-Plus Office Lease in Atlanta

At one stroke, the company's move fills all of Hines' two-building Atlantic Yards project in the West Midtown neighborhood and brings 1,500 new jobs to the city.

By **Scott Baltic** | May 19, 2020

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Atlantic Yards. Image courtesy of Microsoft

Microsoft has leased more than half a million square feet of **office space in Atlanta's** West Midtown submarket, according to an announcement by Georgia Gov. Brian Kemp.

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The new facility will occupy all 523,000 square feet in Hines' Atlantic Yards complex at Atlantic Station. It's described as "a client-facing workplace that will focus on artificial intelligence and cloud services, including retail space for engaging directly with customers."

The two buildings, at 170 and 200 17th St. NW, are expected to be completed in time for Microsoft's move-in next summer. The lease's value is pegged at \$75 million, and the facility is anticipated to create 1,500 new high-tech jobs across multiple skill sets.

Microsoft currently operates a cloud computing engineering center in the Coda Building at Technology Square and maintains offices in Alpharetta and Buckhead.

In 2017, Hines and Invesco Real Estate undertook a joint venture on behalf of one of Invesco's institutional clients to develop the two progressive office buildings. The project's planned amenities included fitness, dining, roof-top terraces, bike storage and collaboration areas, in addition to the retail offerings of Atlantic Station. The design architect is Hartshorne Plunkard Architecture, and the architect of record is Wakefield Beasley & Associates.

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The West Midtown Class A office submarket had an average vacancy of 11.7 percent on an inventory of 21.4 million square feet in the first quarter of 2020, according to a report from Avison Young. Year-to-date net absorption was about 680,000 square feet, and nearly 3.1 million square feet of office space was under construction in the submarket, Avison Young noted. The average asking Class A rent was \$41.49.

In the continuing build-out of the \$2 billion Atlantic Station, in August Horizon Hospitality Management **obtained construction financing of \$38.7 million** for its Embassy Suites Atlantic Station, a six-story, 181-key full-service hotel at 17th and State streets. And in November, **Square Inc. nearly doubled its lease**, from 29,000 to 55,000 square feet, at Lionstone Investments' BB&T Tower, the tallest office building in Atlantic Station.

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