

THE WEEKLY A.C.R.E. REPORT

KEEPING THE INFORMED INFORMED



COLLIERS INTERNATIONAL
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TOP ARTICLES

FROM THIS PAST WEEK

COBB GALLERIA CENTRE IN TALKS FOR NEW HOTEL

Atlanta-based Regent Partners is in talks to build a 300- to 350-room hotel on the 88-acre convention center campus. The full-service, four-star hotel would take a portion of the existing retail mall, which today is just 50 percent leased. The 320,000-square-foot Cobb Galleria sits in the middle of the action with a multi-use pedestrian bridge under construction that will span from its parking deck to the stadium. The convention center already connects to Cumberland Mall. The hotel would join several others surrounding the Cobb Galleria, including the 522-room Renaissance Atlanta Waverly Hotel, which has a direct connection to the convention center.



ATLANTA BUSINESS CHRONICLE

FUQUA DEVELOPMENT, TPA GROUP PLAN 62-ACRE MIXED-USE PROJECT IN ALPHARETTA

Fuqua Development LLC and TPA Group recently submitted plans in the city for a 62-acre project at Haynes Bridge Road and Ga. 400. The development would include 430 apartments, 70 townhomes, 78,800 square feet of retail, 36,800 square feet of restaurants and 500,500 square feet of office. There would also be more than 17 acres of greenspace, according to documents submitted in Alpharetta. The land currently houses three six- and seven-story office buildings. The hope now is to blend office and residential uses with an entertainment district, nearly 14-acre lake and park space. The project is seeking a rezoning and variances. It's set to go before Alpharetta's planning commission on Oct. 6.



ATLANTA BUSINESS CHRONICLE

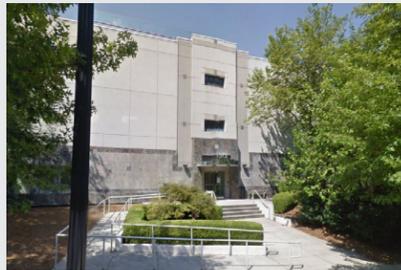
DESIGNS UNVEILED FOR BUCKHEAD'S PARK OVER GEORGIA 400



ATLANTA BUSINESS CHRONICLE

The initial concepts for the project, formally known as "Buckhead Park Over GA400," are being unveiled to the Buckhead Community Improvement District board. The board includes major commercial property owners such as Cousins Properties Inc., Simon Property Group (NYSE: SPG) and Regent Partners. Cost estimates for the linear park range from \$190 million to \$245 million. A combination of public and private funding would pay for the project, which could take shape in phases over a number of years. The board will decide in October whether the proposal should move into a \$300,000 second phase that would include studying a funding strategy. The project's linear design is meant to connect the district with three commercial nodes: The Commons, the Plaza and the Gardens. The park would offer direct MARTA access. It would link to and expand the PATH400 Greenway, along with serving as a magnet for new commercial real estate investment and development.

DATED PEACHTREE STREET OFFICE SET FOR MAJOR OVERHAUL



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The latest building destined for a spruce-up is 1372 Peachtree St., sandwiched between Midtown Plaza and an old house-turned-office at 17th Street. Built in 1960, the structure is rather diminutive compared to many of its high-rise neighbors, with just three stories and a total of 39,000 square feet, according to Midtown Alliance. Long vacant, the building isn't much of a looker from the street. Permits indicate the work will be extensive, however, leaving just the "foundation and exterior walls" untouched. According to a source familiar with the building, work will get underway Tuesday to gut the place in preparation for a complete re-envisioning.

SHORTAGE OF CONSTRUCTION WORKERS DRIVING UP COSTS, SLOWING PROJECTS

Nationwide, there are 17 percent fewer people working in construction than at the market peak, with some states — including Georgia, Arizona, California, and Missouri — seeing declines of 20 percent or more. The association estimates that there are approximately 200,000 unfilled construction jobs in the U.S. — a jump of 81 percent in the last two years. The ratio of construction job openings to hiring, as measured by the Department of Labor, is at its highest level since 2007.



ATLANTA BUSINESS CHRONICLE

HOW A FAMILY BUSINESS MIGHT SAVE SOUTHLAKE MALL

In early 2014, Mark and Shelly Wilson went shopping for a site for their newest business venture - a giant customer service call center - and ended up at the mall. Opening Chime Solutions in the former J.C. Penney at Southlake Mall in Clayton County made sense, they decided. Their move was not only a creative use of empty mall-space, it was also the largest job-generating venture in two decades in Clayton County, prompting Gov. Nathan Deal to trumpet the deal on the steps of the Capitol. Two years later, the Wilsons' enterprise - which include children Ryan, 26, and Lauren, 22 - is intent on keeping its promise to provide jobs in a part of metro Atlanta that needs them most. Chime now has about 600 workers in a beehive of state-of-the-art on two floors that once housed women's wear, household appliances and power tools. They expect that number to grow to nearly 2,000 by the end of this month as more space is converted. The facility will balloon from 67,000 square feet to 115,000 square feet of space - a bit bigger than two football fields.



THE ATHLETE'S FOOT MOVES HQ TO WEST

The Athlete's Foot just inked a deal to relocate its US HQ from Wildwood Towers in Cumberland/Galleria to the Ellsworth, a 91k SF adaptive loft office project by Stream Realty. While The Athlete's Foot has roved the metro area with its HQ throughout its history—Norcross, Kennesaw and finally Cumberland—this is its first foray ITP, especially the coveted West Atlanta area. Colliers International's Jeff Kelley and Drew Levine brokered the deal.



BISNOW
(ALMOST) NEVER BORING



IN MIDTOWN, STUDENT HIGH-RISE CLAIMS SINGLE-STORY SHOPFRONTS

Demolition of a row of one-story buildings on Spring Street at Third Street means development of The Standard, just south of Tech Square, has begun. The high-end student residence is projected to feature 280 units and 11,200 square feet of retail space across 19 floors. Developers Landmark Properties and Selig Enterprises have not released a timeframe for construction, but demolition this week signals that the project has begun. Given the pace of construction, however, smart money says students probably won't move in until fall 2018.



GWINNETT PLANNERS VOTE 'NO' ON APARTMENT PROJECT

The Gwinnett County Planning Commission has recommended denial of a controversial 56-acre development that would include a 300-unit apartment complex. JLC Holdings LLLP as proposed a 99-unit traditional neighborhood development and 300 apartment units on 56 acres on Webb Gin Road near its intersection with Scenic Highway in southern Gwinnett. The property is just east of Scenic Highway and borders Snellville Exchange shopping center. The Gwinnett County Board of Commissioners is expected to consider the project at the end of September.



ATLANTA BUSINESS CHRONICLE

3 PERKS FOOD TRUCKS OFFER CRE OWNERS HIGHTOWER

The evolution of the food truck has largely coincided with the rise of fast-casual restaurants, which has shown that the American public is looking for higher-quality ingredients in their quick meals.

Many landlords have taken note of this trend, especially when they see the type of foot traffic a group of food trucks can generate. In urban settings, collections of food trucks in public spaces have become serious destinations for consumers.

The draw could be twofold: either draw in new retail tenants because the nearby food trucks are guaranteed to deliver a certain amount of foot traffic, or turn the food trucks into tenants themselves.

BELTLINE SEEKS \$50 MILLION IN BOND FUNDING

ATLANTA BUSINESS CHRONICLE

The Atlanta Beltline is looking for \$50 million in new funding. The Beltline, a planned 22-mile loop of trails and parks that has sparked hundreds of millions in new development, is going to Wall Street to ask for \$50 million in new bond funding, \$7.5 million of which would help pay for affordable housing. Approximately \$2.5 million of that cash would go toward an economic development program for communities near the Beltline. The remaining \$40 million would help pay for projects already on the books and waiting for funding. A separate series of bonds would pay back \$19 million to the city and Atlanta Public Schools under an agreement the three entities brokered last year to resolve a long-running dispute over payments the Beltline owed the school system. The city and Invest Atlanta, the city's economic development arm, must approve the bond package before it can move forward. The city would issue the bonds.



PEACHTREE OFFICE MAKEOVER IN SOUTH MIDTOWN MOVES TOWARD COMPLETION

When completed, 715 Peachtree Street will feature fancy new office space, street level retail, and a nice new plaza on Peachtree Street. The project website heralds the 15,000-square-foot plaza as a practical urban oasis to include things like trellis-shaded gathering areas, spruced-up landscaping, and access to a cafe that will serve coffee in the mornings and alcohol in the evenings. Built in 1972, the 10-story structure served as offices for JC Penney for four decades. Abandoned since 2012, the old office was purchased by Carter for a reported \$50 million. The lot across the street is being transformed into lilli Midtown, the apartment tower by JPX Works, as the area around the Fox Theatre experiences the growth that's been happening farther north in the neighborhood.

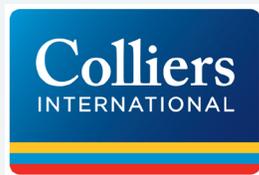
WHAT HAPPENS TO RIO'S OLYMPICS REAL ESTATE? HIGHTOWER

The area which housed the Olympics Village--the largest yet in the history of the Games--is being handed off to billionaire real-estate developer Carlos Carvalho. The \$800 million, 31 tower blocks are prepped to become Rio's newest community. But as of last month, developers had sold just 240 of the 3,600 apartments that run between 750,000 and 3 million reais (\$230,000 to \$925,000). Thank Brazil's worst recession since the 1930s for the current slow sales of luxury units.

Three of the Olympic sports arenas are destined to become a training center for athletes and a public school.

The Rio Olympics came in 51% over budget and The Rio Olympic Committee, which already received a \$900 million bailout in June, has applied for more bailout funds. While London hopped on the chance to erect affordable housing after their Olympics, Rio is being criticized for not doing enough to help accommodate the 20% of its metropolitan area's 12 million people who reside in slums.

The host city has seen the strongest residential price growth among six Olympic host cities since 2008, according to Savills World Research. Despite the economic slowdown, the city recorded an increase of 216%, from \$40 per square foot in 2008 to \$130 a foot in 2016. It is still the lowest-cost among the six Olympic host cities cited in the report (including Sydney, Athens, Beijing, London and future host Tokyo). The prices listed are a blend of prime and mainstream properties. Sydney, the 2000 Olympics host, has seen the second highest growth of the cities with a 125% increase to \$610 a foot, but is now leveling. Not all have bounced back from the 2008 recession. Athens, for one (which hosted the Olympics in 2004), has continued to see prices dip since its host year.



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