

THE WEEKLY A.C.R.E. REPORT

KEEPING THE INFORMED INFORMED



COLLIERS INTERNATIONAL
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TOP ARTICLES

FROM THIS PAST WEEK

FISERV'S ALPHARETTA CAMPUS SELLS FOR \$93M

The Alpharetta corporate campus of Fiserv Inc. has sold for almost \$93 million — one of the largest real estate transactions this year in the north Fulton market. LCN Capital Partners was the buyer. The deal was a win for seller M&J Wilkow Ltd., which three years ago bought the building known as 2900 Westside Parkway, the former AT&T / Cingular Wireless regional headquarters. It partnered with a private fund managed by Wayzata Investment Partners LLC. The joint venture decided to carry out a large modernization of 2900 Westside, spending millions to renovate and upgrade the vacant building in hopes of landing a big tenant. The joint venture had paid about \$50 a foot to acquire the project. LCN recently paid about \$235 a foot, or \$92.3 million.



ATLANTA BUSINESS CHRONICLE

\$400 MILLION COMMUNITY PLANNED FOR CUMBERLAND PARKWAY

Veteran Atlanta developer George Morgan and Miami-based Morris Kaplan are planning a nearly 19-acre development off Cumberland Parkway, just south of Paces Ferry Road and inside Interstate 285. Currently dubbed Vinings Atlanta, the project would include 300 apartments, 50 condos, 200 age-restricted units (for those 55 years old and up), 225 senior housing units, 300 hotel rooms, 100,000 square feet of office and about 100,000 square feet of retail including a grocery store. The centerpiece of the project would be a central green space patterned after the historic Marietta Square, which may feature concerts and other events. The team hopes to have the approval process complete by the end of this year. Construction could start next year, with the project completed in phases through 2020 or 2021.



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EMORY SEEKING TO BE ANNEXED INTO ATLANTA

Emory University is looking into the possibility of becoming part of the city of Atlanta. Annexation into Atlanta “has always been viewed as one of the most viable and long-term options,” the university said in a statement. “Emory already promotes its location as Atlanta, is known internationally as being located in Atlanta, routinely recruits faculty and students to Atlanta, and has an Atlanta address and ZIP code,” the university said. “The prestige of Emory as an international university and Atlanta as a global city are inextricably linked.” A spokesperson with Mayor Kasim Reed’s office welcomed Emory’s consideration. However, DeKalb County Commissioner Jeff Radar has asked the communities around the university to meet to try and form a possible solution to keep Emory from leaving.

CALIFORNIA REIT BUYS ATLANTA APARTMENT COMMUNITY FOR \$55.8M

Steadfast Apartment REIT Inc. said it has acquired 1250 West, a 468-unit apartment community in Marietta, Ga., for \$55.8 million. Originally constructed in two phases in 1987 and 1995 on 49 acres, 1250 West is a garden-style community featuring one-, two- and three-bedroom apartment homes that range from 736 – 1,200 square feet. Average in-place rents are \$980. The property is currently 95 percent occupied. With 1250 West, Steadfast Apartment REIT has invested \$322 million in six apartment communities in the Atlanta area, including the 180-unit Rosemont at East Cobb; The Residences on McGinnis Ferry in Suwanee, The 1800 at Barrett Lakes in Kennesaw, Preston Hills at Mill Creek in Buford, and Park Valley Apartments in Smyrna. Steadfast Apartment REIT now owns 33 properties in 11 states acquired for an aggregate purchase price of \$1.43 billion.



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MIDICI PIZZERIA PLANNED FOR MIDTOWN'S 999 PEACHTREE BUILDING

MidiCi - The Neapolitan Pizza Co. is set to open a roughly 4,500-square-foot restaurant at Peachtree and 10th streets. It will be the first Atlanta location for the Encino, Calif.-based restaurant chain, which currently has dozens of new locations in the works across the country. In Georgia, other locations are planned for Alpharetta, Buckhead, Buford, Duluth, Lawrenceville, Mount Bethel, Norcross and Perimeter, according to MidiCi's website. In Midtown, the pizzeria is taking space that currently houses clothing boutique En Paris. MidiCi could open by the end of the year.

'VISION 2020' CAMPAIGN HIGHLIGHTS MILESTONES IN ATLANTA'S TOURISM CORRIDOR

The 2020 Vision includes expansions, additions, and renovations to the GWCC campus. The 2020 Vision plan also calls for an 800 to 1,100-room, high-end, high-rise convention center hotel to open next to GWCC building C, as has been previously reported. The addition of the hotel to the GWCCA campus aims to add increased space for larger meetings and a little more convenience for attendees. The plan also calls for adjacent exhibit space between buildings B and C. The new space would create a contiguous 1 million square feet of exhibit space, adding to the vast 1.4 million square feet currently available. In addition, Centennial Olympic Park will see a series of renovations that aim to enhance its multi-use event capability as well as make it more pedestrian friendly, officials said. Plans call for a brand new space at Baker Street and Park Place that would feature a restaurant and further expand events the park can host.

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DORAVILLE'S ASSEMBLY DEVELOPMENT LURCHES FORWARD AT LAST

The 165-acre site's redevelopment has been stuck in neutral due to infighting between Doraville and DeKalb County Schools over funding. However, the Brookhaven Post reports that Doraville officials have now found a way to forge ahead without the support of the school system. The Doraville Downtown Development Authority voted to approve \$82 million in tax incentives to allow the Integral Group to move forward with construction on the development. Plans also call for the creation of a Community Improvement District to self-tax the business community and allow for the construction of roadway and infrastructure improvements. Plans for the site include housing, offices, and retail, all connected to downtown Doraville and the Doraville MARTA station via a new tunnel under railroad tracks that currently separate the area.



Integral Group

EASTSIDE'S TROLLEY LINE TRAIL COULD SCORE MONEY FOR EXTENSION VIA TSPLOST

A path built more than 20 years ago that follows the old streetcar route through Kirkwood — and ends rather abruptly at the border of Edgewood — could soon get extended. The Trolley Line Trail is one of many projects that could soon see new life from Transportation Special Purpose Local Option Sales Tax (TSPLOST) dollars — if approved by Atlanta voters. Back in the day, trolley cars used to wind their way through Cabbagetown and Kirkwood to Agnes Scott College in Decatur on what was formerly the Atlanta-Decatur trolley line, according to the PATH Foundation's website. The site states that "PATH constructed a trail on portions of the right-of-way before the Olympics. It parallels Woodbine Avenue and Oakview Road past Coan Middle School into Kirkwood. Future extensions will connect this trail to the Atlanta Beltline near Kirkwood and Flat Shoals avenues" in Reynoldstown. That's the juncture to which the Beltline's Eastside Trail is currently being extended. If completed, the Trolley Line Trail could connect Edgewood and Kirkwood to the Beltline within a timeline of about five years.



Atlanta Business Chronicle

MASSIVE SANDY SPRINGS PROJECT WOULD TRANSFORM PERIMETER CENTER

Developers presented their plans Monday night to turn a 420,000-square-foot Sandy Springs office building and acres of surface parking lots into a walkable mixed-use project connected to a MARTA station. It was the first formal meeting between developers and the community about the project, which would transform the 13-acre, 1117 Perimeter Center West office building into a mix of stores, restaurants, office and residential towers. The site would feature sidewalks and bike lanes and connect with the Sandy Springs MARTA station. The project, designed in phases, could take at least six years to develop. The principal behind the development is In Shik Hong, a Korean investor and developer known for dense mixed-use projects in Australia and New Zealand.

MARTA'S FIRST TRANSIT DEVELOPMENT OFFICIALLY BREAKS GROUND

The transit agency celebrated a major milestone with the groundbreaking of "Spoke" adjacent to the Edgewood/Candler Park MARTA station. The \$40-million development will swallow parking lots surrounding the station, bringing 224 apartments, a performing arts center, retail, restaurants, and a park. The Columbia Ventures project should be completed in just 15 months from now. The development could soon be joined by similar projects in Avondale, Brookhaven, and Grant Park, with a truly dense, high-rise urban development being explored for Midtown at Arts Center Station, too.



Integral Group

APG BUYS TWO SUBURBAN OFFICE PROPERTIES



BISNOW

Atlanta Property Group just closed on 5871 Glenridge in Central Perimeter and Waterford Centre in Peachtree Corners. Prices were undisclosed as of press time. The four-story, 65k SF Glenridge building just near the conjunction of I-285 and Ga 400 is now a little more than 60% leased, and the 86k SF Waterford building at 5555 Triangle Parkway is nearly 90% leased.

TWO BIG RFPs COULD PLAY MUSICAL CHAIRS WITH EACH OTHER

Crawford & Co is in talks with owners of Midori, the 110k SF office building in the heart of Peachtree Corners off Triangle Parkway, as one of the preferred choices for its new global HQ location. Sources indicate other potential buildings are being eyed as well, including Powers Ferry Landing in Central Perimeter. It's a deal that could potentially impact another high-profile RFP in the market: It could free up the space to allow Weather.com to move into Crawford & Co's current home at 1001 Perimeter Summit.



BISNOW

Peachtree Corners' office market is one of the most cost-attractive in terms of rents in Metro Atlanta. Gwinnett office rents on average are just over \$20/SF for Class-A space, far below the \$23/SF average for suburban Class-A office in Metro Atlanta, according to Colliers International.

COUSINS PROPERTIES AND PARKWAY PROPERTIES STOCKHOLDERS APPROVE MERGER

Cousins announced in April it will buy Parkway in a \$2 billion-plus deal that allows Cousins to exit a Houston office market weakened by the downturn in oil prices. The companies' combined Houston portfolios are being spun off into a separate publicly-traded real estate investment trust. The deal will deepen Cousins' presence in Atlanta, Austin and Charlotte and give it a strong presence in Phoenix, Orlando and Tampa. The company's portfolio will expand to 41 properties comprising 15.8 million square feet. Cousins will remain headquartered in Atlanta and continue to be led by President and CEO Larry Gellerstedt and the company's existing senior management team. The merger is expected to close in the fourth quarter of 2016.



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BUFORD HIGHWAY IS GETTING A FANCY MODERN OFFICE BUILDING

Designed by plexus r+d, the building is far from the typical office fare found all along BuHi. With a horizontally corrugated black metal facade, angular white columns, and bold cantilevers, the office is a striking modern statement. Encompassing 20,000 square feet, the two-story multi-tenant office building above a floor of parking will be anchored by Cruz and Associates Attorneys. Pictures show that the building has just started going vertical to the north of the intersection of Buford Highway and Lenox Road, next to Green's liquor store. The building replaces a one-story midcentury structure. Look for work to continue into next year.



BURBEE



BISNOW (ALMOST) NEVER BORING

SANDY SPRINGS SAYS 'NO WAY' TO WOOD CONSTRUCTION

They're everywhere in Atlanta: five-story, mixed-use apartment developments being built out of wood. While some have questioned their longevity and quality as this development cycle chugs forward, the structures have never been limited... until now. The Sandy Springs City Council has approved a new code that prohibits all future construction of wood-framed structures of greater than three stories and larger than 100,000 square feet. The regulation effectively bans the ubiquitous housing type in a booming submarket. Wood is used in today's developments as both a time saver and a means of keeping costs reasonable in a red-hot building market. The cost and time associated with other materials can be prohibitive for making such projects feasible.

Rumblings coming from established developers in the city indicate that the new rule effectively means they will no longer view Sandy Springs as a viable place for further development of apartments. If that turns out to be the case, some in Sandy Springs could see the halting of new development — which has been going gangbusters on corridors like Roswell Road — as a positive.

STUDIOPLEX HOTEL FINALLY STARTING?

A \$35M Old Fourth Ward hotel may finally get out of the ground. Developers of 659 Auburn Ave have filed permits with the City of Atlanta to begin construction on a seven-story, 140-key boutique hotel at the corner of Irwin Street, with direct access to the Beltline's Eastside Trail. The project, in a JV among Beltway Investment International, Smart Hotels and Atlanta-based Hospitality Ventures Management Group, will include podium deck parking beneath the hotel, according to permits. The project is also connected to the Studioplex mixed-use project. Other features planned for the hotel include a rooftop bar, two restaurants and a film screening room.



BISNOW (ALMOST) NEVER BORING



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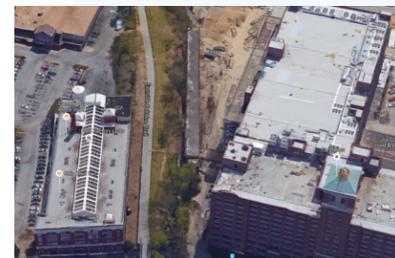
NCR ADDING INNOVATION LAB TO ATLANTA HEADQUARTERS

NCR Corp.'s new \$213 million, 494,000-square-foot headquarters in Midtown will feature a research and development hub, which will focus on cross-functional research, innovation, and design-thinking. The company reported Aug. 23 the NCR Innovation Lab will bring together NCR's R&D teams with its global innovation labs.

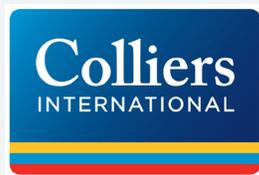
UPGRADES PLANNED FOR FORD FACTORY LOFTS

Poncey-Highland's Ford Factory Lofts could get new commercial space that fronts the Atlanta Beltline's Eastside Trail. Atlanta developer Jim Irwin of New City LLC recently filed for a building permit in Atlanta to alter the circa-1914 building as part of his \$155 million 725 Ponce project that includes a 12-story office building and a redeveloped Kroger. A renovation would come as that section of the Beltline buzzes with activity. The new retail space — which could be around 6,000 square feet, according to the permit — would sit across from The Shed at Ponce City Market, an open-air gathering space that hosts events such as a weekly farmers market. Irwin has yet to break ground on the 725 Ponce project. But, since March he has filed for a variety of permits in Atlanta, including a demolition permit to tear down the grocery store, commonly called "Murder Kroger" and a land development permit to construct the office building.

The 5.5-acre project will include a 50,000-square-foot Kroger and 350,000 square feet of office space that overlooks an area where several intown Atlanta neighborhoods converge, including Poncey-Highland, Old Fourth Ward and Midtown. In August, Invest Atlanta board members approved an inducement resolution stating the agency's intent to issue \$155 million in bonds for the project. It's expected to generate 1,670 construction jobs and an estimated 1,900 permanent office and retail jobs.



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