

Atlanta Property pays \$74M for Northcreek

Atlanta Property Group has acquired the more than 536,000-square-foot Northcreek Office Park for about \$72 million, as private capital continues to bet on a rebounding office sector.

The seller was Los Angeles-based **CBRE Global Investors**, which had purchased the property in 2008 on behalf of its Strategic Partners U.S. Value V fund, for about \$60 million.

Northcreek Office Park is an office project on Northside Parkway in Buckhead, a few miles from the Governor's Mansion and near some of the city's well-known private schools just north of downtown. Northcreek escaped the worst of the downturn and remains 91 percent leased to many locally owned firms, including some of Atlanta's smaller commercial real estate companies.

Houston-based **Hines Interests** carried out an extensive modernization of Northcreek in the past decade.

Northcreek becomes the largest single asset in Atlanta Property Group's portfolio.

The firm did not disclose the price, but commercial real estate executives familiar with the market said it probably paid about \$135 a square foot.

Atlanta Property Group believes Northcreek is a rarity in Buckhead, known best for its trophy towers on Peachtree. Northcreek is a campus environment next to residential neighborhoods that local executives and decision-makers call home.

Court Thomas, a partner at Atlanta Property Group, called Northcreek an exceptional asset.

Familiarity with the property was an advantage.

It's leased by many companies whose executives have existing relationships with Atlanta Property Group, Thomas said.

Atlanta Property Group was founded in 2003, and Northcreek marks its seventh acquisition since the middle of 2010.

A **Cushman & Wakefield** team of David Meline, Stewart Calhoun, Samir Idris and Casey Masters represented ownership in the Northcreek transaction.

REIT BETS ON EAST COBB MEDICAL CAMPUS. **American Realty Capital Healthcare Trust** recently bought Northside East Cobb Medical Campus for \$19.2 million, as investors allocate more capital to the medical office sector.

The three-building outpatient campus includes 69,341 square feet of medical office buildings in Marietta, Ga.

The sale was completed March 21. Lee Asher and Chris Bodnar of CBRE's U.S. Healthcare Capital Markets Group represented the seller.

The outpatient campus is almost 97 percent leased, and long-term tenants include Northside Hospital; Atlanta's largest gastroenterology group; and one of the largest OB/GYN groups in the Southeast.



REAL ESTATE NOTES
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Anchor tenant Northside Hospital houses primary care and an imaging center at the medical campus.

While an up to 2 percent reduction to Medicare provider reimbursements complicates how some health-care services are being funded, investors see strong demand and have allocated \$7.7 billion for medical office building acquisitions this year.

"The top three non-traded healthcare REITs alone have allocated \$2.6 billion toward acquisitions in 2013, with some currently raising up to \$12 million per day

through their broker dealer networks," according to a CBRE update on the national medical office sector published at the end of last year.

In Atlanta, demand for medical office space remains consistent. Northside Hospital recently recommitted to its lease at Meridian Mark Plaza, a 160,000-square-foot building developed and owned by **Cousins Properties Inc.** (NYSE: CUZ).

If you have news for Real Estate Notes, contact Douglas Sams at (404) 249-1055 or at dsams@bizjournals.com.

THE DEAL LOG

► Cassidy Turley wants to expand its Atlanta industrial services business.

Regional Managing Principal Clark Gore told Atlanta Business Chronicle that he is recruiting the local market's young and rising talent in industrial services.

St. Louis-based Cassidy Turley entered the Atlanta market in late 2011. Gore, one of the industry's best-known real estate executives, came on board to build the office.

Some of its biggest wins have come in office leasing and corporate services. Last year, SunTrust Banks Inc. awarded Cassidy Turley a five-year contract to provide transaction

management, project management, lease administration and portfolio planning for the bank's office facilities and branches.

Gore's effort to boost industrial services comes as that sector heats up again, with several companies scouting the Southeast for large warehouse and distribution centers.

► **Batson-Cook Co.** has appointed Randy Hall as its CEO.

Hall takes over for the retiring Raymond Moody Jr.

Hall has been president of Batson-Cook and has led the Atlanta division, where he oversaw projects including expansions at Northside Hospital Forsyth in Cumming, Ga.