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2012 NAIOP Awards

Regent's Concourse buy is office deal of year

OFFICE DEAL OF THE YEAR

Premium content from Atlanta Business Chronicle by Martin Sinderman, Contributing Writer

Date: Friday, December 7, 2012, 6:00am EST

A group described by its head as "a small development and investment firm" continued its long history of outsized influence on Atlanta's growth with its acquisition of one of the highest-profile properties in the metro area — and earned itself NAIOP's 2012 Office Deal of the Year award in the process.

In a \$300 million-plus deal that closed in October, **Regent Partners LLC** led a group that included Gem Realty Capital and Equity Group Investments, both based in Chicago, along with San Francisco-based Farallon Capital Management, in the purchase of Concourse Corporate Center, the highest-profile mixed-use project in Atlanta's bustling Central Perimeter submarket, not to mention the rest of the north Atlanta suburbs.

At the time of its acquisition, Concourse Corporate Center was composed of 2.16 million square feet of office space in five late 1980s/early 1990s buildings. These include Corporate Center V and VI, two 687,000-square-foot, 32-story towers, known as the "King and Queen" buildings, whose distinctive appearance defines the Central Perimeter skyline.

Located on a 63-acre campus-style site at the northeast quadrant of the Interstate 285/Georgia 400 interchange, the buildings are accompanied by an 11-acre site with a mixed-use zoning designation that allows for development of 650 for-sale condominium units and 70,000 square feet of retail space. The site is also home to the Westin Atlanta Perimeter North hotel and the Concourse Athletic Club, neither of which were included in the transaction.

History repeats itself?

The Concourse acquisition is significant in a number of respects. In addition to being one of the largest office sale transactions in the metro area over the past decade, the deal has also

been viewed as signifying a return of out-of-state investors to the Atlanta market. And, whatever direction Regent takes with the project — and there are many ways it can go — Regent has the opportunity to transform the property in a fashion that can also redefine the Central Perimeter submarket.

Judging by its experience with Tower Place, Regent obviously has the chops to pull this off. Regent bought the 29-story, 610,000-square-foot Tower Place 100, an architecturally distinctive Buckhead office building developed by [Charles Ackerman](#) in the early 1970s, in 1993.

During the next 15 years, Regent took what was then a suburban office building and created today's mixed-use Tower Place, a massive, 26-acre high-density office/residential condominium/retail community that both anchors and, to a great extent, defines the Buckhead market.

"I think Regent earned this award just by being able to tackle a project like Concourse," said [John Robbins](#), president of Granite Properties—Atlanta and 2012 president of NAIOP Georgia. "It is a major undertaking just being able to understand everything about it."

Getting the transaction completed was a major undertaking, Robbins said.

"[Regent was] able to secure equity for the deal from a third-party source — in and of itself a major accomplishment these days — and successfully jumped through a lot of other hoops to pull this deal together."

The Concourse deal has overshadowed a lot of other things Regent has going on.

At press time, work continues on the redevelopment of the site of the former AIU Building, a 60,000-square-foot Buckhead building that Regent, in a venture with Pope & Land Enterprises Inc., acquired and demolished last year. Construction of a two-story, 15,000-square-foot office building on the site, located at 3333 Peachtree next to Tower Place, is now under way, reports Regent Chairman [David Allman](#), with a mid-rise, mixed-use adjacent building in the works.

Also this year, Regent purchased a site at 50 Allen Plaza, part of the mixed-use Allen Plaza project, located along [Ivan Allen](#) Jr. Boulevard in downtown Atlanta.

The site was originally planned to be home to an 800,000-square-foot building to accompany existing towers built for Ernst & Young LLP and Southern Co., but that deal fell apart with the onset of the Great Recession. Regent has been eyeing the site for office development in the future.

"Given the quality and visibility of this site, we consider it to be one of the top candidates for a building in the next downtown Atlanta development cycle, whenever that may occur," said [David Tennerly](#), the firm's office properties and development principal.

Of all Regent's achievements, the one Allman is most proud of is how the firm has navigated both good times and bad. "I am proud that we have been conservative enough during

economic upturns and disciplined enough during the downturns to have survived as a small development and investment firm," he said.

Regent Partners LLC

- **The deal:** The sale of Concourse Corporate Center, a 63-acre mixed-use development with 2.16 million square feet of office space.
- **The location:** The northeast quadrant of the Interstate 285/Georgia 400 interchange in the Central Perimeter submarket.
- **The buyer:** A group led by Regent Partners LLC and including Gem Realty Capital, Equity Group Investments and Farallon Capital Management.
- **The seller:** TIAA-CREF
- **The price:** Reportedly in excess of \$300 million.