

## I-85 North office submarket turning the corner

by Martin Sinderman

Running along DeKalb County's I-85 corridor between the Fulton County line and Interstate 285, the low-profile Atlanta office submarket now perhaps best known for being an economical alternative to nearby Buckhead and Midtown may be on the road to becoming a powerhouse business location in its own right.

I-85 North/Inside I-285 landlords have traditionally relied on a heavy presence of government-related space users and an accompanying cadre of consultants and vendors to create a reasonably priced, well-occupied market that has never really made waves when it comes to absorption or snazzy new development.

It's going to take a while, but changes in this mild-mannered market are likely to send it on its way to becoming another inside-the-Perimeter office hot spot.

A massive redo is on tap for the 1.1 million-square-foot Executive Park, originally developed in the mid-1960s as Atlanta's first suburban office park. As previously reported, owner HRPT Properties Trust, a Massachusetts-based real estate investment trust (REIT), has come out with plans to replace existing park buildings with 1.1 million square feet of new office space, adding 772 multifamily units, 693,000 square feet of retail space, and 57,000 square feet of restaurants.

Meanwhile, nearby across Briarcliff Road, Florida-based The Sembler Co. has big things planned with The Park at Briarcliff, a \$1 billion mixed-use project on 103 acres. Also subject to state/regional review, as well as negotiations with community groups and other stakeholders, plans here include development of about 1.5 million square feet of retail space, 600,000 square feet of office space, a 300-room hotel and about 3,700 residential units.

Add the eventual redevelopment of the I-285/Peachtree Industrial Boulevard/Buford Highway General Motors automobile plant site, "and all the signs are pointing to a market that's eventually going to be experiencing significant growth," said Richard Bowers & Co. Vice President Ryan Cone.

In the meantime, I-85 North/Inside I-285 "is a good market for people that need to travel back and forth to Buckhead a lot,"



*Spaghetti Junction - Intersection of I-285 and I-85*

said Cone, part of a Bowers team that brokered the \$4 million sale of a 29,000-square-foot office building near Mercer University to Sophia Academy last year.

Medical professionals, and small design and marketing companies that want to be close to larger shops in nearby major submarkets comprise most of the recent activity at Druid Chase office park at Buford Highway and North Druid Hills Road, according to Duke Realty Corp. leasing representative Akiva Freeman. "This market is a reasonable alternative for people that are price-conscious, live in the area, and/or want to be close to Midtown or, especially, Buckhead," Freeman said. The most recent deal at Druid Chase was a 12,000-square-foot lease with the Salvation Army, "a long-term lease based on economics."

Activity from private companies that work with government agencies has led to a tightening of this market over the past 12 to 18 months, according to Peter McGuone, who, along with Transwestern Commercial Services colleague Kristie Abney, leases Park Central, on Clairmont Road near Century Center.

Along with free parking, lower rental rates are this market's ace in the hole when it competes with Buckhead and Midtown for tenants, said Jim Bacchetta, Atlanta division vice president for Raleigh, N.C.-based Highwoods Properties Inc., whose metro-area holdings include the 1.5 million-square-foot Century Center, just off the I-85/Clairmont Road interchange.

"A company may find it more prestigious to have a Buckhead or Midtown address," Bacchetta said, "but, when they ask themselves if it's worth \$10 per square foot to be there instead of here -- they may decide that prestigious location is not as important as the bottom line."