

Commercial real estate moving again along Ga. 400

In addition to Newell Rubbermaid, the national brokerage and economic development community have indicated there are more relocations in the pipeline. All businesses are looking for ways to improve their bottom lines including major relocations.

There will be a lot of speculation and competition to follow as the Newell Rubbermaid deal comes into focus. The rumor is they will make a decision by the end of April and it is down to four sites.

They are: Sanctuary Park, Preston Ridge, land along Old Milton Parkway controlled by Barry Real Estate Cos. and land controlled by Cousins Properties Inc. near North Point Mall. The word is the company abandoned any idea of leasing or buying an existing office building. The size of the office building is expected to be 200,000 square feet to 250,000 square feet, and the company is expected to reach a decision in the next three to four months.

AIG is said to be in the market for a bigger block of space for their AIG Specialty Auto insurance group to replace their 130,000 square feet at 4501 North Point Parkway. AIG said the company is

seeking to build a 250,000- to 300,000-square-foot office building. While it would dump another 130,000 square feet of supply on the market, we would get a net gain of some 120,000 to 150,000 square feet of positive demand. Sources said that AIG is eyeing many of the same properties that Newell Rubbermaid Inc. is contemplating for its new headquarters.

In addition to AIG there is more news to support the filling pipeline theory.

New York Life Insurance Co. is supposed to be looking around the Alpharetta market for a 100,000-square-foot data center that would employ up to 100 people. Market intelligence says, the company is looking at existing buildings that it would buy instead of leasing. Still, Atlanta hasn't officially snagged the deal yet.

We can't consider this a done deal yet because New York Life is still considering Charlotte, N.C., and one other unnamed city for the possible data center

And what about Cousins Properties stepping up to improve the community as well as the business environment on the west side of GA 400. Cousins is currently working with the city of Alpharetta to rezone 219 acres the developer owns across Ga. 400 from North Point Mall for a mixed-use community that offers an array of lifestyle options to put people on foot instead of in cars.

The plan is for 1.8 million square feet of office space, 311,000 feet of retail, more than 2,000 apartments and town homes and – perhaps most intriguing – 2.5 million square feet for a privately funded 2,000-seat performing arts center, plus an outdoor performance venue similar to an amphitheater.

Cousins is offering to sell the land for the arts center to a non-profit group that is trying to round up \$4 million for the purchase. In addition to a performing arts center and amphitheater, that segment of the land-use plan also includes a community center and an educa-

tion center.

If that wasn't enough the commercial real estate services business is getting ready to morph its first 800-pound gorilla. The already largest player in the market, CB Richard Ellis is acquiring Insignia ESG (IFS: NYSE) for \$415 million.

This widening of the gap between large companies and boutiques is creating a great opportunity for some companies and is going to be trouble for others. When CB Richard Ellis irons out the post merger wrinkles it will become the company choice of corporate users and institutional owners who need to execute large volumes of transactions in a consistent, cost effective and timely manner.

While on the other end of the spectrum it provides great opportunity for the boutiques to further differentiate their high quality and ability to deliver a customized service delivery model that will become more difficult for the giant.

Look for the companies in the middle to get squeezed. If the merger does occur and all indications are that it will, there will be a lot of other changes in the industry. Not the least of these will be

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another round of musical chairs between the brokers at the respective firms and reactive responses from the other big guys in the industry like Cushman Wakefield, Jones Lang LaSalle, Trammell Crowe and Grubb & Ellis.

The best news in the commercial real estate market is there is again a buzz in the market. There is activity. As a friend recently told me, "it's just nice to be busy again."

While we are all concerned about the issues that our country faces internationally, domestically and economically, it is still great to be an American living in Metro Atlanta. Smile, the azaleas and dogwoods start blooming soon!