



Atlanta Mixed-Use Lands First Office Tenants

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By: Paul Rosta, Senior Associate Editor

After performing quite respectably in the face of a weak 2008 office market, Atlanta's Midtown district is showing early signs of picking up where it left off. The \$2 billion 12th & Midtown project has landed a pair of blue-chip professional services firms as its first office tenants.



The law firm Seyfarth Shaw L.L.P. will take 84,000 square feet in the 38-story office tower rising at 1075 Peachtree Street., the location of 12th and Midtown's second phase. The deal was the second major lease in Atlanta announced by a law firm this month. Previously, Hunton & Williams L.L.P. renewed 91,000 square feet at Bank of America Plaza, located at 600 Peachtree Street NE in Downtown Atlanta.

In a statement Friday, Paul Mattingly, managing partner for Seyfarth Shaw's Atlanta office, cited the lease as an example of the law firm's national strategy to cut costs, rationalize its real estate needs, and create offices more attractive to clients.

Also committing to 1075 Peachtree is Boston Consulting Group Inc., a management consulting firm, which is leasing 37,000 square feet.

Besides the office tower (pictured at center in rendering), 1075 Peachtree will include a 414-key Loews hotel, 52 residences and 60,000 square feet of retail space. Construction of the \$600 million, 1.4 million-square-foot phase is on track for completion next year. The development team for the four-phase project consists of Daniel Corp., Metlife, Selig Enterprises Inc. and The Canyon-Johnson Urban Funds.

Despite recording a tenant-friendly 17 percent vacancy rate at the end of the year, the 17.4 million-square-foot Midtown submarket managed to tally 35,000 square feet of positive absorption last year. Terms of the Seyfarth Shaw and Boston Consulting Group leases were not disclosed, but Class A office asking rents in Midtown averaged \$28.29 per square foot during the fourth quarter, according to Grubb & Ellis Co., which represented Boston Consulting in the lease.