

MetLife Invests in New Phase of \$1 Billion Atlanta Project
2007-04-09 15:27 (New York)

By Brian Louis

April 9 (Bloomberg) -- MetLife Inc., the largest U.S. life insurer, will invest an undisclosed amount in the second phase of a \$1 billion development to revitalize three blocks of Atlanta's Midtown area, known as ``12th and Midtown.''

Construction is scheduled to start this summer on a 725,000 square-foot Class A office building at Peachtree and 12th Streets, developers Daniel Corp. and Selig Enterprises Inc. said in an e-mailed statement today. That portion of the development will also include a 400-room luxury hotel and retail space.

``We're looking for strong partners and great markets like this to grow our portfolio,' ' Tom Coakley, head of real estate investments in New York-based MetLife's Atlanta office, said in an interview.

MetLife's investment in the Atlanta project, is separate from the phase of the project being developed in part by a group that includes basketball Hall-of-Famer Earvin ``Magic'' Johnson.

Johnson's venture, closely held Canyon Johnson Urban Funds, along with Daniel and Selig are developing a condominium tower. Workers have poured the concrete for the fifth floor of the 35-story, 443-condominium building that is scheduled to open in 2008.

MetLife's Coakley declined to disclose how much money the insurer is putting into the office and retail project.

The Atlanta development calls for 1.2 million square feet of office space, more than 500 hotel rooms and more than 600 condominiums. Plans include 150,000 square feet of retail space.

The office vacancy rate in Atlanta's Midtown-Brookwood area was 16.9 percent in the fourth quarter, according to a report by Chicago-based commercial brokerage firm Grubb & Ellis Co. For Class A office space, the most modern space, the vacancy rate in Atlanta was 18.1 percent, Grubb & Ellis said in a report.

Atlanta May Grow

Grubb & Ellis, which represented MetLife in a lease transaction in Atlanta in the fourth quarter, said strong population and job growth should help boost demand for office space in Atlanta.

The national office vacancy rate for all classes of buildings was 13.6 percent the fourth quarter, Grubb & Ellis said.

Birmingham, Alabama-based Daniel develops office and residential properties in the Southeast and Mid-Atlantic regions. Selig, of Atlanta, builds and develops shopping centers and office complexes.

--With reporting by Sharon L. Crenson in New York. Editor