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From the Atlanta Business Chronicle:

<https://www.bizjournals.com/atlanta/news/2022/05/25/jpx-works-secures-financing-for-1405.html>

Developer of 31-story 'twin tower' aims to raise the bar of Atlanta architecture

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Give Atlanta's JPX Works one-third of an acre and the developer will build 25 stories of residences that resemble a towering glass puzzle.

Give the developer half of an acre, however, and it will attempt something grander: a twin tower skinned in black and white metal.

Construction will soon begin on JPX Works and Zeller Real Estate's 31-story project at Spring and 18th streets, one of the busiest corners in the city. The joint venture has secured financing for the tower known as 1405 Spring from Manulife Investment Management, the global wealth and asset management arm of Manulife Financial Corp. The amount was undisclosed.

The tower is planned to include 326 studio, one, two and three bedroom residences, along with penthouses above a 326-space parking garage. It follows Lilli Midtown, the 25-story residential tower, which was recognized

by the Atlanta chapter of the Urban Land Institute in 2019 for excellence in housing development.

The new tower will rise on half an acre in a densely concentrated corridor that has attracted a frenzy of investment over the past few years.

Just next door, the costliest piece of land in the history of Atlanta sold in December for \$555 per land square foot. Midtown Union, the 8.5 acre mixed-use development helmed by Granite Properties, is less than a quarter of a mile away. The freshly redeveloped Colony Square office, retail and entertainment district, is a few blocks south.

Developers building new towers in this area are raising the bar of the city's architecture. No longer are "cereal boxes" the norm, a term New City Properties President Jim Irwin uses to refer to commoditized towers. If Atlanta wants to leverage its skyline to continue attracting major corporations from cities with great architecture, it has to be exceptional, business leaders say.

Design for the 1405 Spring tower incorporates inboard balconies with stacking and shifting terraces, a contrast to some of the towers that surround the property. JPX Works designed the project, but Atlanta's Rule Joy Trammell + Rubio is serving as architect of record.

Manulife's investment in 1405 Spring continues the trend of life insurance companies financing the biggest projects in the city. Just down the street, MetLife Investment Management, as an example, is backing Midtown Union.

This isn't Manulife's first venture in Atlanta. It owns and manages Midtown's The Proscenium and 1100 Peachtree Street offices, among other properties.

Manulife's involvement in 1405 Spring comes nearly a year after the project was first proposed. Last November, JPX and Zeller, a Chicago-based real estate investment company, acquired the site for \$10 million, or roughly \$425 per land square foot.



JPX WORKS

Rendering of JPX Works and Zeller Real Estate's 1405 Spring Street project.

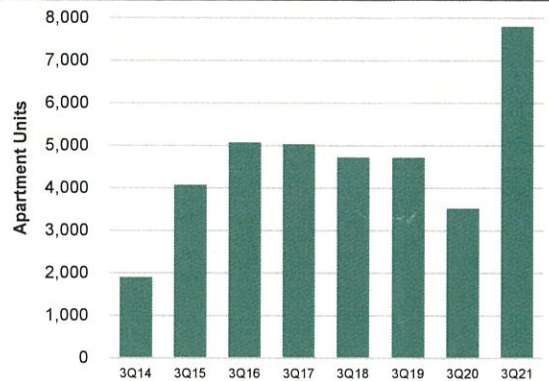
SOARING APARTMENT RENTS

What a difference a year makes for Atlanta's intown apartment market. One year ago, rents were declining, lease-up velocity had stalled, and investment activity had slowed. Market conditions have improved dramatically over the last 12 months, with the average monthly asking rent jumping 16.7%. While asking rents have risen significantly, in-place rents are growing at a slower pace due to the high occupancy rate. The outlook for the intown apartment market is very favorable, but the explosive growth in asking rents should subside. For now, developers and investors are utilizing asking rents to value apartment assets, which has resulted in record sales prices and a growing development pipeline.

AVERAGE RENT PER SQUARE FOOT



ANNUAL NET ABSORPTION



BY THE NUMBERS: INTOWN ATLANTA APARTMENT MARKET

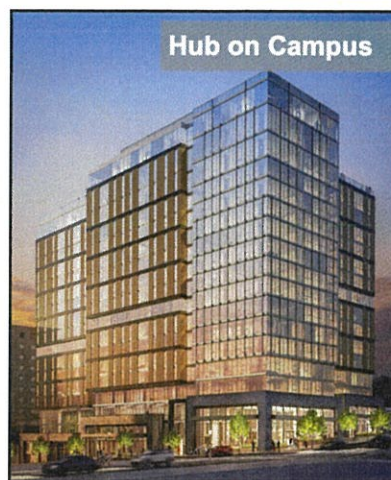
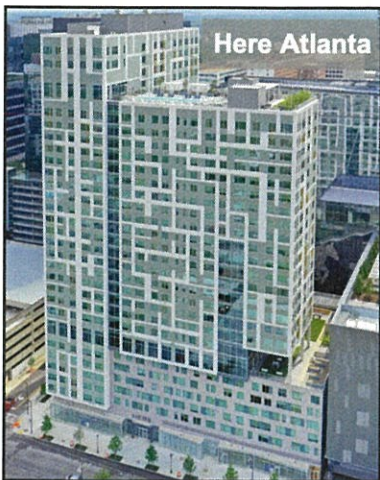
Existing Class A Units	51,950	Average Monthly Asking Rent	\$2,054
Units Under Construction	10,122	Average Unit Size (Sq. Ft.)	915
Units Proposed	9,501	Average Rent Per Sq. Ft.	\$2.24

Note: Class A Apartments are defined as projects built in the last 15 years. Projects with less than 30 units are not tracked.

For more information on the intown Atlanta apartment market, [click here](#).

PRIVATE STUDENT HOUSING BOOM

The private student housing sector has exploded nationwide, and intown Atlanta is no exception. Deliveries have picked up substantially in the past few years. A total of 3,285 beds were built from 2007 to 2018, compared to 5,096 beds from 2019 to 2021. Additionally, there are another 4,184 beds slated to deliver in the next two years. Student housing developers are paying a premium for intown sites. A sample of three high-rise land sales in the past 12 months show an average sale price of more than \$18.5 million per acre and an average site size of 0.64 acres.



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