

# 1000 PARKWOOD

| CASE STUDY



## | PHYSICAL ASSET

<b>Description</b>	Ten-story office building with a four-story parking deck
<b>Size</b>	212,705 rentable square feet
<b>Location</b>	Cumberland/Galleria submarket in the northeast quadrant of the I-75/I-285 interchange
<b>Land Area</b>	7.15 acres
<b>Year Built</b>	1985

## | CAPITAL STRUCTURE

<b>Total Investment</b>	\$28,700,000	Includes acquisition costs, working capital and fees
<b>Equity</b>	\$9,200,000	JV with Angelo, Gordon & Co.
<b>Debt</b>	\$19,500,000	Life company loan at 67% loan-to-cost

## | VALUE CREATION

	<b>Purchase</b>	<b>Sale</b>
<b>Date</b>	June 2013	May 2016
<b>Purchase Price</b>	\$28,000,000 (\$132/sf)	\$38,900,000 (\$183/sf)
<b>Occupancy</b>	87.0%	94.3%
<b>Avg. Lease Term In-Place</b>	6.5 years	4.7 years
<b>Net Operating Income</b>	\$1,965,771 (Yr 1 Proforma)	\$2,614,641 (CY 2016 Budget + add back of contractual free rent)

## | EXCEPTIONAL RETURNS

<b>IRR (3-year hold)</b>	30%	After all fees, before promote
<b>Investment Return Multiple</b>	2.2x	After all fees, before promote
<b>Distributions and Amortization During Hold</b>	\$1.2mm	13% of equity invested

## | EXCELLENT REAL ESTATE

Located in the NE quadrant of the I-285/ I-75 interchange in the heart of the Cumberland/Galleria submarket

Location provides great access to tenants with sweeping views of the surrounding submarket, adjacent to Wildwood development

Functional asset with efficient floorplates, 9' ceilings, full-height glass, and ample parking of over 3.1 spaces per 1,000 SF

Within a short drive of an endless list of restaurants, hotels, retail stores and the new \$1.1 billion SunTrust Park (Atlanta Braves)

## | OPPORTUNISTIC PURCHASE

Purchased at onset of strong Atlanta and Cumberland/Galleria office market recovery and rental rate growth

APG was able to purchase the property at attractive pricing after two previous groups failed to close, creating a broken sales process and urgency by the seller to transact. APG was awarded the deal because of its ability to close all-cash, 25 days after LOI

Acquired the Property at a purchase price of \$132/sf, a slight discount to the 2004 acquisition price (\$134/sf) and over a 60% discount to replacement cost

## | VALUE ADD OPERATING STRATEGY

Used extensive renovations as well as a strong reputation in the brokerage community to reintroduce the Property to the marketplace and create strong leasing momentum which led to a 20% increase in rents over the hold period

During the first year, renewed the only large, near-term tenant expiration (11% of Bldg.) for six years, and stabilized the rent roll

Invested significantly in common area renovations and completed a full elevator modernization to increase the aesthetic appeal and functionality of the building

Marketed and received offers for a 1.66-acre undeveloped retail parcel to justify the potential land value prior to sale

## | OPPORTUNISTIC SALE

Sold for nearly \$183/sf, which equates to approximately a 7% cap rate, after achieving 94% occupancy and an average remaining lease term of over 4.7 years

Exited thru an extremely efficient, off-market sales process to an international investor focused on income generating assets, looking to grow quickly in the Atlanta market