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Prominent downtown Atlanta block bought for almost \$11 million

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An Australian real estate company that's expanding its intown Atlanta portfolio has picked up an entire city block near Bank of America Plaza, the latest momentum for the SoNo district that bridges Midtown and downtown.

Drapac Capital Partners has acquired 129 North Avenue, today the home of long-time Atlanta restaurant the Original J.R. Crickets.

Drapac Capital paid \$10.75 million for the 1.7-acre site that's bordered by North Avenue, Courtland Street, Linden Avenue and Willow Street. The deal closed July 30.

For Drapac, it's another trophy asset on its quest to acquire urban, infill sites in Atlanta. The site is catty-corner to the Emory Proton Therapy Center, which is set to open later this year. It's also near the Fox Theatre and about a mile from Ponce City Market.

"I think Atlanta is quite immature from an urbanization perspective," said **Sebastian Drapac**, chief operating officer of Drapac Capital. "You are seeing all these very potent urbanization drivers pushing people back into the city ... I think downtown is primed for serious growth."

The 129 North Avenue site could be redeveloped as a substantial high-rise project with one or two towers and potentially 500,000 to 600,000 square feet. The site has no



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Drapac Capital execs (from left to right) Costa Alexiou, Max Cookes, Sebastian Drapac and Alex Hay.

height restrictions.

Drapac is working with Atlanta's **ASD | SKY** to design the project, along with another international architect. There are no immediate plans to start construction.

"Nothing is off the table," Drapac said. "We are doing a highest-and-best-use study at the moment. We will be patient."

The area around Bank of America Plaza, sometimes referred to as the SoNo district because of its location south of North Avenue, has seen a recent resurgence.

"The east side of Peachtree Street between Pine and North, and running east to Piedmont, is a real opportunity for the development community," said A.J. Robinson, president of Central Atlanta Progress. "It has been somewhat overlooked in the past but that is rapidly changing ... Well located, urban Atlanta property is still highly in demand."

Karl Smith-Davids, senior project manager for **Midtown Alliance**, said several factors are helping the SoNo area.

"I think it is a confluence of many positive happenings," he said. That includes the long-awaited opening of the Emory Proton Therapy Center, an advanced cancer treatment facility first envisioned in 2011.

San Francisco-based **Shorenstein Properties LLC** has been investing in its Bank of America Plaza since it acquired the trophy tower in early 2016. The landlord has focused heavily on attracting technology companies. The latest is San Francisco fintech company Revel Systems, which will create 170 jobs over the next few years. Shorenstein has also upgraded the building's amenities.

Investors are also starting to acquire properties around the Peachtree-Pine homeless shelter that closed last year.

Other small mixed-use and residential projects are opening or are in permitting in SoNo, Smith-Davids said. And there are transportation improvements in the works along North Avenue, "including a self-driving autonomous shared ride shuttle and a Bus Rapid Transit (BRT) project to connect the west and east BeltLine corridors," he said.

Drapac Capital entered the U.S. in 2011 and opened an Atlanta office in 2013.

It was first focused on acquiring distressed, bank-owned assets following the financial crisis. "We are across 13 states and we built a pipeline of about 25,000 residential lots," Drapac said.

Now, it has turned to urban, infill sites. It plans to invest \$60 million to \$70 million this year in Atlanta, Denver and Philadelphia.

In Atlanta, Drapac has acquired 50 Ivan Allen Jr. Blvd., another entire city block. The site was once planned as the centerpiece of downtown's Allen Plaza mixed-use project. It offers 1.4 million square feet for future mixed-use development.

Drapac also owns 323 Spring Street, 245 Auburn Avenue and 505 Courtland Street. In total, it has control of about seven acres in downtown Atlanta.

"We have been building our development pipeline," Drapac said. "We are very bullish on the future of Atlanta, particularly with the downtown market ... We definitely want to bring an international flavor to our projects and a level of quality and uniqueness we feel many developments are missing."

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