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From the Atlanta Business Chronicle:

<https://www.bizjournals.com/atlanta/news/2018/05/07/developershines-to-start-construction-on-new.html>

Developer Hines to start construction on new Atlantic Station office building later this month (Video)

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A development partnership led by Hines will start construction this month on a new Atlantic Station office building, a sign of growing confidence in the market's fundamentals.

Known as T3, the \$80 million project will feature a design that echos the industrial roots of Atlantic Station, a former Midtown steel plant.

Hines, along with partners Invesco Real Estate and the nation's second-largest public pension fund, California State Teachers Retirement System (CALSTRS), will begin work on the 230,000-square-foot building amid a historically restrained level of spec development, or projects started without office tenants signed to leases. In Midtown, only 725 Ponce — aka the former Murder Kroger — is underway as a spec office development. It includes 360,000 square feet of office space.

In recent years, Midtown has lured big corporate expansions, including [Anthem Inc.](#) and [NCR Corp.](#), along with numerous research and development centers around Technology Square. Midtown's office fundamentals have responded. Quoted office rents have jumped to more than \$36 per square foot, a 21 percent year-over-year increase, said [John Heagy](#), a senior managing director with Hines. In the first quarter of this year, office rental rates climbed more than 5 percent.

Midtown vacancy is hovering around 9 percent.

"We are seeing unprecedentedly low vacancy and an increase in rates that justifies new construction," Heagy said.

T3 will officially break ground May 17. Hines wants to complete the building by summer of 2019.

Douglas Sams

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