

## Lender shows patience with Aberdeen project

Atlanta's luxury condo market got sucked into the downward spiral of the real estate crash, and several developers behind the region's biggest projects couldn't save their towers from going back to the lender.

But, The Aberdeen, a 55-unit luxury condo tower in Vinings, has avoided that fate, even though it struggled for sales just like all the rest.

In fact, almost a year after it opened, just seven units have closed, yet it's in no danger of foreclosure.

The pension fund that financed the 14-story tower, where a three-bedroom unit sells for \$1.3 million, has given Aberdeen developer **Taz Anderson Realty Co.** time to turn things around.

"We believe in this project, and in Vinings," said Dan Butler, director, asset management, for **National Real Estate Advisors**, which has provided the debt or equity for dozens of projects from California to Texas to New York.

The Aberdeen is its only project in Georgia. It provided \$57 million in financing, a loan originated in 2008, according to Databank Inc. The loan has been extended until 2012.

Other lenders that financed luxury towers haven't been as patient.

An affiliate of **Starwood Capital Group** foreclosed on The Brookwood, a 20-story luxury tower on Peachtree. A subsidiary of **iStar Financial** foreclosed on The Mansion on Peachtree. The site for the proposed Trump Towers in Midtown was also sold at a foreclosure auction.

Pension funds, in general, can wait longer for a property to gain momentum. Pension funds will not feel the pressures of the **Federal Deposit Insurance Corp.** and loss-share agreements, which played critical roles in some foreclosures.

Some banks entered those agreements when they took over distressed loan portfolios. Any bank that entered a loss-share agreement with the feds was charged with ensuring the best deal for the government, and sometimes that meant speeding up the foreclosure process.

The Aberdeen is a signature project for Taz Anderson Realty, a company that's been a part of Atlanta real estate for 30 years.

It had its eye on the site for the condo tower on Paces Ferry Road for years. The land overlooked the rolling wooded hills that lined the Chattahoochee River. The company bought the land in 2004, a few years before the apex of the real estate

boom.

It projected that luxury condos would appeal to the so-called empty nesters, whose kids had left for college, who had lived in big homes outside the Atlanta Perimeter, who wanted to downsize and who didn't necessarily want to live on Peachtree Street.

But a long zoning process pushed the opening of the project to the end of 2009, and by then the luxury condo market had crashed.

What seemed like a setback may have been a



**REAL ESTATE NOTES**  
Douglas Sams

blessing.

An agreement with a traditional lender to finance construction fell through. The pension fund later stepped in and provided the debt to see the project to completion.

The Aberdeen has three more units under contract.

"We always felt like we had a great property," said Geoff Anderson, president of Taz Anderson Realty. "And we know our lender isn't going anywhere."

**ON THE MARKET.** **Regent Partners** is marketing 3344 Peachtree, its 50-story mixed-use tower, perhaps a sign of confidence in Buckhead's beleaguered office market.

Regent has brought 3344 Peachtree to greater than 90 percent leased in Buckhead, where total vacancy is almost 25 percent. That's the third-highest vacancy level in the metro region, behind South Atlanta and Midtown.

The office tower could fetch offers of at least \$300 a square foot, Atlanta's commercial real estate insiders say. Regent Partners is offering only the office component of the building. The Sovereign condos would not be included.

Regent Partners has played the real estate development game well in Buckhead.

It finished its project ahead of Two Alliance Center (**Tishman Speyer**) Terminus 200 (**Cousins Properties Inc.**) 3630 Peachtree (**Duke Realty Corp.** and **Pope & Land Enterprises**) and Phipps Tower (**Manulife** and **Crescent Resources**).

It lured tenants from other Buckhead towers, and quickly leased up its building, while others struggled to generate demand amid the poor job market. Regent's biggest hurdle may be Buckhead itself.

The office market has been the subject of several national stories showing Atlanta's penchant for overdevelopment.

The Aberdeen: The 55-unit luxury condo tower in Vinings is not in danger of foreclosure even though only seven units have sold.

