

Albany Road Buys Single-Story Business Park Near Home of Atlanta Braves

Boston Investor Pays \$38.5 Million for Industrial Property in Cobb County



Albany Road Real Estate Partners paid \$38.5 million for Interstate Northwest Business Park near Truist Park outside of Atlanta. (CoStar)

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Albany Road Real Estate Partners has added a business park near Truist Park in Atlanta's northwest suburbs to its growing collection of single-story flex space that's attracting more interest from investors and tenants during the coronavirus pandemic.

The Boston-based firm that works with family offices and high net worth individuals acquired 120 Interstate Northwest Business Park, a 281,677-square-foot multibuilding complex with business-service and flex office space at 120 Interstate Northwest Parkway just over a mile away from the ballpark that is home to the MLB's Atlanta Braves.

The seller was a joint venture among The Ardent Cos., Taconic Capital Advisors and Axonic Capital. Albany Road paid \$38.5 million for the business park, according to CoStar data.

Albany Road said it likes one-story, flex office and light-industrial buildings such as those at 120 Northwest and plans to buy more of them in the Southeast. The company expects to close on a similar property this week in Tampa, Florida, said Scott Cloud, the Nashville, Tennessee-based managing director of Albany Road.

"120 Interstate West has got some COVID benefit because tenants can park and walk to their spaces," Cloud said in an interview. "It's super well located and, in its competitive set, has performed pretty well."

Low-rise offices, especially single-story buildings, are expected to gain popularity as workers return to the workplace during the coronavirus pandemic because they don't require use of elevators and allow for easier social distancing. However, single-story offices won't work for every tenant, according to Robert Fields, president and CEO of Houston-based development and investment firm Patrinely Group.

"That's going to be driven by land utilization at the end of the day. If you have a tenant that has a requirement downtown, we're not doing a one-story office building, right?" Fields said during a panel last week at the National Association of Real Estate Editors' virtual conference. "But I think in the suburbs ... it's an interesting idea. Ultimately I don't know if it leads to everything becoming one story as much as it does a rethink of what the optimum office design is in the suburban environment so there's less reliance on an elevator."

At Albany Road in Atlanta's northwest suburbs, single-story buildings "have been a pretty good product for us so far," Cloud said.

The 120 Interstate Northwest Business Park is 87% leased to 36 tenants, according to JLL, which represented the seller in the transaction. The 43 suites average 6,545 square feet in size.

The business park is located in a corridor that had seen a building boom before the pandemic thanks in large part to the development of The Battery mixed-use project anchored by Truist Park.

"120 Interstate Northwest is a survivor that has escaped redevelopment," JLL capital markets broker Dennis Mitchell said in a press release.

Albany Road acquired the business park through its latest fund, Albany Road Fund III, which has about \$240 million in committed capital.

"We're going 50-50 on office and industrial with the third fund spread out geographically," Cloud said. "Atlanta absolutely is a focus."

For the Record

In addition to Miller, Matt Wirth, Britton Burdette and Crosby Taylor of JLL capital markets represented the seller.