

From the Atlanta Business Chronicle:

http://www.bizjournals.com/atlanta/blog/on_the_market/2011/07/dewberry-buys-1400-peachtree-for-6m.html

Dewberry buys 1400 Peachtree for \$6M

Atlanta Business Chronicle - by Doug Sams

Date: Sunday, July 3, 2011, 2:17pm EDT



- Doug Sams
- Email: dsams@bizjournals.com

Atlanta real estate investor and developer Dewberry Capital now owns Midtown's 1400 Peachtree, where **InterContinental Hotels Group Plc** once planned to be part of a skyscraper that could have risen up to 70 stories.

An affiliate of **Dewberry Capital Corp.**, Dewberry 1400 Peachtree LLC, bought the nearly 1.7-acre site for \$6 million, according to Fulton County records. The transaction closed June 27.

The seller was United Community Bank, which had foreclosed on the property in January for \$12 million, according to Databank Inc. The site fetched \$17.7 million in 2006.

Atlanta-based developer Shailendra Group LLC and the New York office of architect Skidmore Owings & Merrill LLP had reached the design phase on 1400 Peachtree at Peachtree and 17th streets. One concept had 1400 Peachtree eclipsing the 55-floor Bank of America Plaza as the tallest building in Atlanta. Another resembled the dual-towered Time Warner Center.

That was September 2008. Soon after came the financial meltdown.

The economy slipped deeper into recession, construction lending froze, Atlanta's legal and financial sectors shed jobs, and plans for 1400 Peachtree never went forward.

Dewberry Capital, though, has managed to maintain momentum, despite a few setbacks.

It worked with State Bank & Trust to restructure the debt backed by One Peachtree Pointe, after losing anchor tenant Seyfarth Shaw LLP to **Daniel Corp.**'s and **Selig Enterprises'** 1075 Peachtree tower. Dewberry Capital also spent the past three years expanding its Midtown real estate holdings, with 1400 Peachtree becoming its latest example.

It purchased the tracts at such a low price that if Atlanta's job growth improves next year it could be one of the first Midtown developers to launch a building.

The 1400 Peachtree site is a key addition to Dewberry Capital's land between 17th Street and the Brookwood retail district, an stretch along Peachtree it calls Uptown.

Peachtree Pointe is its centerpiece.

Farther south on Peachtree, within the heart of the proposed "Midtown Mile," Dewberry Capital already posted a big win. It outbid other investors last year for The Campanile, buying the 20-story building for about \$36 million, or \$80 a foot. The law firm Morris Manning and Martin plans to relocate to Campanile from Buckhead.

Previous Campanile owner Transwestern Investment Co. bought the 439,000-square-foot office tower at Peachtree and 14th streets, the former BellSouth Corp. headquarters, for \$98 million in 2007.

Dewberry Capital was founded by John Dewberry, the former Georgia Tech quarterback who had a short stint in the Canadian Football League before turning to commercial real estate.