

Friday, June 13, 2014

CWCapital Offers Soured CMBS Loan on Atlanta Office

CWCapital Asset Management is offering for sale the \$50 million nonperforming loan against the Forum at West Paces, a 222,246-square-foot office building in Atlanta's Buckhead area.

The Bethesda, Md., special servicer is offering the loan through Mission Capital Advisors, which last week started distributing offering material. The loan is held by CD, 2007-CD4.

The New York loan-sales adviser did not identify the loan it was selling other than to say it had a \$50 million balance and was backed by an Atlanta office building. But individuals familiar with the offering confirmed the loan is secured by the Forum building, at 3290 Northside Parkway NW.

The loan has been in special servicing since last September because it was expected to default as a result of a major tenant departure. It is now classified as being in foreclosure and its collateral is overseen by a receiver.

Law firm Greenberg Traurig, which had occupied 87,352 sf, had vacated its space when its lease matured in May 2013. It moved to the Terminus 200 building.

The year before, the property had generated \$3.9 million of net cash flow, according to servicer data compiled by Trepp LLC.

Now, the nine-story building is only 48.2 percent occupied. Remaining tenants include BNY Mellon Bank, which occu-

pies 18,313 sf through 2018, and residential broker Atlanta Fine Homes, which leases 14,500 sf through 2020.

The building was appraised last October at a value of \$38.4 million, nearly half the \$71.6 million value pegged to it in 2006. Morningstar Credit Ratings pegs a value of \$34.6 million on the property and estimates that the loan's liquidation would result in a loss severity of nearly 34 percent.

The building was developed in 2001 by Ben Carter Properties as the first phase of the Piazza at Paces complex, at the corner of Northside Parkway and Howard Mill Road.

Ronus Properties, which is capitalized by European investors, was Carter's partner and took ownership of the property. Two years ago, it sought to sell the property as an effort to sell all of its U.S. holdings. It wasn't successful selling it, but since has sold a number of other assets, including Blue Back Square, a 448,877-sf mixed-use complex in West Hartford, Conn., that was purchased by Starwood Capital Group for \$106.3 million.

Vacant space at the Forum has been offered through Cassidy Turley for \$21.50/sf. It includes a five-story parking garage with 646 spaces, a highly ranked restaurant, Local Three, and a fitness center.

Mission Capital is inviting prospective investors to turn in indicative bids on June 25. It will then host a final round of bids on July 9. It aims to complete a transaction by July 25.

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