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# CRE in the News

March 30, 2020



## *Construction Sites Shutting Down Even As Most Cities Deem Them Essential*

- › Construction was deemed an essential business under the shelter in place order, giving the green light for more than 2.6M SF of office projects and the thousands of apartment units to continue on.
- › It is reported that most construction shutdowns are coming because owners are halting and delaying their projects more so than government officials mandating orders.
- › Preliminary results of an AGC survey show up to 40% of respondents were experiencing stoppages or delays as of March 24, with 10% being governmental work stoppages
- › Even in an open-air construction site, construction firms are limiting the number of people on a site at any given time, likely threatening delivery dates with monetary incentives

## *Before You Break That Lease Over COVID-19, Negotiate First, Brokers Say*

- › This article quotes experts who survived the last recession, who suggest a lease modification strategy instead of going to court over nonpayment of rent, force majeure or business interruption insurance.
- › “We are seeing a growing number of small to mid sized businesses try to figure out how they are going to stay in business”
  - › Strategies the leasing team is seeing includes negotiating rent forgiveness, a partial modifications or restructuring of the lease, or a facilities abatement (parking).
- › Experts were quoted saying to this point they have seen landlords showing signs of wanting to keep their own tenants afloat for as long as possible.

## *In The Time Of Coronavirus, Affordable Housing Could Become Harder To Find*

- › Social distancing, a rapidly retracting job market, and the rise of eviction and foreclosures in various states and cities all point to reduced population mobility.
- › Experts anticipate limited upward movement of tenants from affordable housing to higher-end properties in the near future, which will hurt the availability of affordable housing stock.
- › This comes after The number of U.S. households that were paying more than 30% of their income toward rent increased to 49.7% in 2018.
- › With fewer people choosing to move because of economic uncertainty, even if they have the means, it will intensify the shortage

## *Amid uncertain market, Midtown's largest new condo building announces completion*

- › Marketing officials for J5, located on Juniper, announced that luxury condo options are officially complete, with closings still slated for next month.
- › The six-story building by Dezhu US is offering 150 condos total, each with outdoor space. The project has been billed as an alternative to an increase in high-rise condo living in the area
- › New offerings range from \$550,000 (with \$251 monthly HOA fees) to \$975,000 (\$572 HOA fees).

## *Gold Kist site sells for \$42 million*

- › The Georgetown Co., along with its affiliate RocaPoint Partners bought the old Gold Kist Foods headquarters in Dunwoody for \$41.7 Million or \$159 a foot.
- › By today's standards, it's an extremely low investment basis, considering new office towers built in areas within walking distance of captivating amenities can cost \$400 a foot to more than \$500 a foot to develop. The site is located next to the Dunwoody MARTA station and Perimeter Mall.
- › Phil Mays, a RocaPoint principal, described the revitalization as "something that has not been seen in the Central Perimeter."