

BISNOW

December 21, 2021

McDonald Sells Georgia Industrial Portfolio For Nearly \$400M

Five months after its acquisition with a major industrial REIT, Ares Management Corp. has shelled out hundreds of millions of dollars for part of McDonald Development's Southeast industrial portfolio.

McDonald sold 14 buildings across five industrial parks it developed for \$395.5M, Cushman & Wakefield announced Tuesday. C&W Vice Chairman Stewart Calhoun and Senior Director Casey Masters brokered the sale for McDonald.

Sources familiar with the transaction told Bisnow a fund managed by Ares, which acquired Black Creek Group's U.S. business, including its \$11.6B in assets, in July, was the buyer of the 2.7M SF portfolio.

Roughly 1.8M SF of the properties acquired are within 15 miles of Hartsfield-Jackson Atlanta International Airport: 1.1M SF across five buildings at WestLake industrial park, two buildings totaling 490K SF in the Southpark industrial park and a 210K SF in Southmeadow industrial park, according to the release.

Ares also acquired 310K SF in four flex buildings at Windward Ridge in the affluent North Fulton County area of Metro Atlanta and two buildings totaling more than 500K SF at Georgia Commerce Center, adjacent to the Port of Savannah.

During Bisnow's Southeast industrial event on Dec. 15, McDonald President Austin McDonald said his firm was in the process of selling its portfolio, which was an average of 12 years old and 95% leased. McDonald also said the portfolio would sell at a 3.45% capitalization rate.

McDonald told Bisnow Tuesday that the firm sold the portfolio given that values for industrial buildings are "at all-time highs." But the firm is ramping up its development pipeline again, with the potential for 4M SF of new projects, some of which could rise in the same industrial parks next to the buildings it just sold.

"We didn't sell any of our existing land," McDonald said.

Jarred Schenke, Bisnow Atlanta



Courtesy of Cushman & Wakefield of Atlanta - One of the industrial buildings developed by McDonald Development at its WestLake industrial park.