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'Midtown Mile' takes shape
Developers add retail space

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Efforts to create a "Midtown Mile" filled with upscale stores, restaurants and services are gaining momentum with developers, who are so encouraged by early discussions they are adding new street-level space to their projects.

With the kickoff last week for residential sales in Viewpoint, Novare's newest condo tower at Peachtree and Sixth streets, the company also announced the addition of another 20,000 square feet of retail space along Sixth. That's beyond the 50,000 square feet along Peachtree included in the original design.

Already Novare projects Metropolis and Spire support more than 60,000 square feet of retail space with six restaurants, a bank and a number of boutique shops. Along the entire mile stretching from the Fox Theatre to the Woodruff Arts Center, the district now includes 230,000 square feet of shopping, services and restaurants.

Conor McNally, Novare's developer for Viewpoint, said his negotiations for space in Midtown are generating widespread interest.

"We can really get an extra bang for the buck by adding an extra 20,000 square feet," he said.

And the new space is being designed with different retailers in mind. Novare is creating two-story spaces and courting upscale chains "similar to something you would find in Lenox [Square] or Phipps [Plaza]."

"From Day One, we've tried to create larger spaces than we've done in the past," McNally said.

Viewpoint also will boast a signature corner front at Sixth and Peachtree for its anchor tenant.

Up the street at Peachtree and 10th, Jamestown Properties is proceeding apace with plans for addition of 20,000 square feet to 999 Peachtree, the office building it purchased at the beginning of this year.

"Over the long term, we just think it's a good place to be," said Matt Bronfman, Jamestown's managing director.

Midtown boosters are brimming with optimism that Atlanta's growth, combined with Peachtree's brand

recognition, is proving a powerful lure to national retailers looking to cluster in the next hot location.

David Birnbrey, chairman and chief executive of the Shopping Center Group, which brokers space for retail clients, said Midtown's straight, level trajectory makes it a natural setting for retail development.

"One of the beautiful things about Midtown Atlanta," said Birnbrey, who serves on the Midtown Mile Retail Advisory Committee, "is that it's an almost perfect mall."

But more important is Midtown's explosive growth, providing merchants with a ready market of affluent homeowners just a stroll away.

By 2010, according to a study commissioned by the Midtown Alliance and conducted by Buxton Co., more than 13,000 households will be within walking distance of the Midtown Mile and more than 62,000 office workers will spend their workdays in that zone.

More important, Midtown residents will have a median age of 34.8 and a median income above \$80,000 annually. Most will be singles or couples without children.

Court Stockton, who moved his H. Stockton shop from downtown Atlanta to 1180 Peachtree last October, said his sales have increased at least 20 percent.

"We just have a lot more walk-in customers," Stockton said. In addition to area residents, Stockton said he gets a lot of business from nearby offices in Atlanta's intown live-work-play community.

"It reminds me of the downtown of the past," Stockton said.

Although Midtown's retail prospects are rising, a pair of real estate economists said its success is not yet sealed.

"The question is will people come," said Suzanne Mulvee, real estate economist with Property and Portfolio Research in Boston. "I would say yes in Atlanta."

Midtown's goal of adding 1 million square feet of retail over the next five years is ambitious, said Clint Myers, also a real estate economist with Property and Portfolio Research. That is the equivalent of building a major new mall.

But he said demographic research shows growing demand for goods and services in Midtown, and national retailers are taking notice.

"We believe there is demand," Myers said. "The depth of the demand is kind of the question."

As far as Midtown Alliance President Susan Mendheim is concerned, that question is long since settled. As the Midtown Blueprint set out decades ago the contours and vision for a revitalized urban district, the second phase aims to satisfy the retail capacity of a district growing daily in sophisticated residents with lots of discretionary income.

"It's not just density," Mendheim said. "The affluence and education of this group is very high."

Mendheim said Midtown developers are in talks with some upscale retailers that will be new to Midtown, and even some that will be new to the city.

"The developers are negotiating with some really exciting brand names, national and international retailers, some of whom are not even in Atlanta right now," she said.

Plans for improved streetscapes and a streetcar system on Peachtree will further entice retailers looking for the next hot shopping destination. So will planned and existing upscale hotels such as W, Palomar and Four Seasons, which attract well-heeled business and leisure travelers to the district, Mendheim said.

Developers are bullish on the retail/residential mix because it boosts the potential cash flow needed for expensive urban construction, Mendheim added.

"Everybody gets it, and everybody knows what it adds to the project," she said.

But retail birds of a feather flock together.

"What it's really going to take is for a handful of retailers to come in and do really well," said Novare's McNally.

And it starts with the first announcement, said Birnbrey. The quest for retail helps to foster cohesion and a strong sense of camaraderie among the developers with projects in Midtown.

"I think all of these developers have come to the realization that if one developer gets a huge retailer, it's a win for all of them," Birnbrey said.

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