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MARKET REPORT

Section C



Midtown miracle

Numbers favor amazing Midtown boom

By Allison Shirreffs
CONTRIBUTING WRITER

It wasn't that long ago that Midtown was in disarray.

Two historic hotels, the Biltmore Hotel and the Georgian Terrace Hotel, sat boarded up and dormant.

The Australian development company **L.J. Hooker** went bankrupt before its plans for a three-level mall at 10th and Peachtree streets could be realized. The land sat idle for years.

While many developers kept a cautious eye on Midtown, a few rolled the dice. G. Lars Gullstedt, the owner of **Gullstedt Gruppen** of Stockholm, Sweden, decided the Biltmore, boarded up and dormant since the 1980s, was worth saving. E. F. Howington bought and renovated the similarly discarded Georgian Terrace — most famous for hosting the Atlanta premiere of "Gone With the Wind" — and turned it into apartments.

Georgia Tech erected Technology Square, a mixed-use development a block from the now-renovated Biltmore. This several-block area now teams with students, faculty, office workers and residents as they flow through, to and from the area's offices, restaurants, bookstores and coffee shops.

Residential and mixed-use developments began popping up throughout Midtown. The Metropolis, a hip and affordable condominium complex, opened in 2002 to much success. Atlantic Station, the 130-acre mixed-use mega-development built on the former Atlantic Steel site, opened in 2005 to rave reviews.

The **Midtown Alliance**, a community-driven organization formed in 1978, launched Midtown Blue, a safety force; and Midtown Green, a landscaping and streetscaping initiative; as part of its Blueprint Midtown master plan.

► See **BOOM, 10C**

Midtown reflection:
An ever-growing
skyline rises above
Piedmont Park.

Numbers favor amazing Midtown boom

Continued from 10D

Crime dropped. The streets were cleaned up. Restaurants moved in — there are currently 88 restaurants in Midtown that are open for dinner. Retail shops continue to open.

Just last week, the Alabama-based **Daniel Corp.**, in conjunction with **Selig Enterprises Inc.**, announced plans to build a new project dubbed "12th & Midtown," a \$1.1 billion mixed-use project at 12th and Peachtree streets. In total, Daniel Corp. and its development partners are plowing upwards of \$2.5 billion into a host of residential, office and retail space under construction in Midtown.

Steve Baile, Daniel Corp.'s vice president of Atlanta operations, explained that Midtown has all the pieces for successful development.

"Seldom is there a situation where all the stars are aligned," said Baile. "You can check off almost every fundamental."

Those fundamentals? Ingress and egress — most notably via the interstate and area access to four **MARTA** rail stops, the 180-acre Piedmont Park, cultural venues such as the **High Museum of Art** and **The Fox Theatre**, established neighborhoods, strong absorption in the office market, favorable zoning, good infrastructure, civic and governmental support, and a prime location wedged between downtown and Buckhead. And there's a steady demand for housing — Midtown's 30,000 residents are predicted to have 23,000 new neighbors by 2010 for a total residential population of 53,000. Toss in Georgia Tech and its 16,000 students, and you have a Peachtree Street corridor ripe for retail.

Daniel Corp. is not the only entity with its eye on Midtown. Donald Trump, in partnership with Wood Partners and Dezer Properties Inc., plans to build Trump Tower Atlanta, a luxury, mixed-use high-rise. Starwood Hotels & Resorts Worldwide Inc. plans to convert its Sheraton in Colony Square into a W Hotel. Atlanta



Joining forces: David Tufts, president and founder of Coldwell Banker The Condo Store, and Susan Mendheim, president and CEO of Midtown Alliance.

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developer John Wieland plans to build a luxury condominium complex across from the Woodruff Arts Center that will house street-level retail and a 15,000-square-foot art gallery.

All of this bodes well for the realization of what the Midtown Alliance has dubbed the Midtown Mile: the million square feet of retail and entertainment space along Peachtree Street from North Avenue to 14th Street. A noted urban planner recently stated that Midtown has all the ingredients necessary to create something akin to Chicago's famed "Miracle Mile" or "Magnificent Mile," that city's toniest shopping district and one of its most popular tourist destinations.

"We think it will be a real highlight for the city," said Susan Mendheim, presi-

dent and CEO of the Midtown Alliance.

None of this development would be possible without the residential density necessary to support it. "Retail follows rooftops," said Mendheim.

And Midtown residents have money to spend on retail. The average Midtown resident brings home around \$81,000 a year and is college-educated.

Historically popular with first-time home buyers, Midtown is experiencing more "move-up" buyers — those looking for more space and a better amenities package. Empty nesters and luxury buyers, whether in the market for a million-dollar mansion in the 100-year-old Ansley Park neighborhood or a penthouse in one of several under-construction condominium high-rises, are moving in as well.

"People want to be near work, and walk. That bodes well for Midtown," said David Tufts, president and founder of Coldwell Banker The Condo Store,

the onsite agent for several Midtown developments. Tufts noted that only a dozen homes remain at Aqua, an 84-unit luxury high-rise developed by **Tivoli Properties Inc.**, that won't be completed until late next year. Many of the current projects won't be on line for three to five years, and that translates into a healthy resale market in Midtown.

"There's a shortage of supply," said Tufts. The office market is also going well. A recently completed Midtown office tower, 1180 Peachtree, sold in October for a reported record-setting price of \$400-plus per square foot. More than 65,000 employees work in the area and about 6 million visitors spend time at Midtown's cultural and arts institutions each year.

"We're going to be proud to say we were a part of this from the beginning," said Baile. "What's happening in Midtown is not just great for Midtown, it's good for all of Atlanta."

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Past and present: Modern office buildings and condos tower above the Margaret Mitchell House in Midtown.