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Midtown Atlanta: Fancy's out, frugal's in

Atlanta Business Chronicle - by [Douglas Sams and Lisa R. Schoolcraft](#) Staff Writers

With luxury retail in the tank, Midtown's biggest developers are trying to strike deals with moderately priced stores to anchor their Peachtree Street projects.

Selig Enterprises Inc. and **Daniel Corp.**, partners in 12th & Midtown on Peachtree, and Jamestown, the developer reshaping 999 Peachtree, continue to chase **Apple Inc.** and a new prospect, Dick's Sporting Goods, sources familiar with the market say.

CB2, an offshoot of home furnishings chain **Crate & Barrel** geared toward Generation Y, also recently confirmed to Atlanta Business Chronicle that it's considering whether to enter the Atlanta market.

Selig and Daniel have been trying to land the retailer.

CB2 is interested in West Midtown as well, sources said.

The focus on frugal rather than fancy comes as the high-end market continues to sputter, with some analysts saying it may not begin to recover until 2011.

As Midtown real estate developers have tried to line Peachtree with new storefronts in the past two years, the effort has included the pursuit of luxury clothing designer Tom Ford, whose flagship store is on Madison Avenue; Prada, famous for opulent handbags and sunglasses; and **Dolce & Gabbana**, also known for its high-end accessories.

In recent years, Selig Enterprises said it wanted luxury retailers and flagship stores to locate in Midtown.

However, many of those retailers have shelved plans for new locations, as affluent shoppers curtailed spending. Lately, **Nike Inc.**, which has also been a prospect for Midtown, says it has no new store concepts planned for Atlanta.

Any talk of an additional Nike location in Atlanta is nothing more than "conversation," a spokeswoman for the company said.

Midtown's shift in strategy comes as the **Midtown Alliance**, a group of business leaders laying the groundwork for the Midtown Mile, says it's starting to gain a "critical mass" of stores and restaurants along Peachtree. At a Midtown Alliance meeting June 16, Will Herbig, the group's director of urban design, said Midtown has added nearly 133,000 square feet of new retail during the past 18 months, primarily at two anchor projects: **Novare Group** Holdings LLC's Viewpoint, and 12th & Midtown.

The additions bring the Midtown Alliance halfway to its goal of 1 million square feet of retail on Peachtree Street between North Avenue and 15th Street — the stretch known as the Midtown Mile.

Major projects along the Midtown Mile include **Tishman Speyer's** Colony Square, 12th & Midtown, Novare Group's Viewpoint and 999 Peachtree.

"We're seeing activity in Midtown from both regional and national retailers, focusing on lifestyle and home furnishings," Michael Phillips, creative director with Jamestown.

Retailers like CB2 and Apple cater to the Midtown demographic, said Jackie Wammock, vice president of **Coro Realty Advisors** LLC, who specializes in retail leasing.

Midtown tends to be a younger demographic, and CB2, for example, focuses on a young urban shoppers with good disposable income — something Midtown definitely has, she said.

While retailers geared to 40-year-olds to 50-year-olds seem to be more affected by the economy and lower sales, moderately priced stores that target 16-year-olds to 28-year-olds "seem to be doing well," said Tisha Maley, assistant vice president of leasing for Lenox Square, owned by **Simon Property Group Inc.** (NYSE: SPG).

Retail brokers are finally starting to see improved deal activity, Wammock said.

"We're starting to see things loosen up a bit, in certain categories," she said, noting restaurants and health clubs have shown improvement.

"Deals are tougher to make, but we are seeing them getting signed," Wammock said.



Byron E. Small

12th & Midtown: The focus on frugal rather than fancy comes as the high-end market continues to sputter, with some analysts saying it may not begin to recover until 2011.

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Wammock and other brokers are also seeing some traditionally suburban retailers taking a look at space in Atlanta's urban core for the first time.

Waffle House Inc., the chain known for low-budget late-night meals, is said to be considering a new Midtown restaurant.

Hibbett Sports is also interested, sources familiar with the market say.

In the past, suburban retailers "have not come into urban Atlanta because it was too expensive, but now they are looking," Wammock said.

With the slumping economy, those retailers can get rental concessions from in-town landlords.

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