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Submarket Spotlight

Tenants take note of downtown activity

Atlanta Business Chronicle - by [Martin Sinderman](#) Contributing Writer

A variety of high-profile development and redevelopment projects, a hugely successful new tourist attraction -- and the enduring appeal of central location and reasonably priced space -- is generating new activity in the downtown Atlanta office market.

Hot spots include the bustling Centennial Olympic Park area, where TWELVE Centennial Park, a mixed-use project by [Novare Group Inc.](#), is slated for an early 2007 opening. Nearby, the Georgia Aquarium is homing in on the 3 million-visitor mark during its first year of operation.

Also in this area, [Southern Co.](#) and Allen Plaza developer [Barry Real Estate Companies Inc.](#) moved their headquarters to the newly completed, 30 Allen Plaza earlier this year, and [Ernst & Young LLP](#) will move its Southeast offices to the accompanying 55 Allen Plaza when this 349,010-square-foot tower opens in May 2007.

Meanwhile, high-profile downtown buildings with a history have also been in the news. An affiliate of [Harbor Group](#) International has acquired the 18-story, 436,340-square-foot, circa 1913 Hurt Building and its adjacent parking structure.

The Norfolk, Va.-based global real estate investment group paid \$40 million to [Atlantic Investment Co.](#) for the building, designed by and named for iconic Atlanta mixed-use developer Joel Hurt, and announced plans for a \$500,000 interior/exterior fix-up.

At the corner of Peachtree and Ellis, another 1913 building is getting a remake. Basically unused since the famous fire of 1946, the Winecoff Hotel will be redeveloped as The [Ellis Hotel](#), a 127-room boutique lodging facility, in a yearlong project recently announced by the developer [Kelco/RD Management](#) and the Atlanta Development Authority.

Combine all of the above with downtown's central location, and well-developed highway/public transportation infrastructure, "and you've got the best office submarket in the city -- particularly when you add in the economics of office space here," said Richard Bowers, president of [Richard Bowers & Co.](#)

A goodly amount of top-tier vacant space complements the growing commercial/residential/entertainment array downtown, making this market "a great value when compared with other urban markets," added Bill Hollett, vice president of leasing for Equity Office Properties Trust. In a move from the nearby Equitable building, the Thomas, Means, Gillis & Seay P.C. law firm recently inked a deal for 6,186 square feet here.

Meanwhile, [Colonnade Properties LLC](#) Managing Director Craig Flanagan sees a change in the type of tenants signing new deals at Peachtree Center, where some 128,000 square feet has been leased in 16 transactions during the first four months of 2006.

Historically, about 20 percent of the new leases at Peachtree Center are with tenants moving here from outside downtown, according to Flanagan. But so far this year, that number has jumped to

more than 60 percent.

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