

## Commercial Property News

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### Mezzo Joins List of Atlanta Condominium Developments

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By Amanda Marsh, Staff Writer

Today, another luxury condominium project broke ground in Atlanta in the form of Mezzo (pictured), a \$63 million, 312,109-square-foot, 20-story, 94-unit development at the cusp of Midtown and Buckhead on 2171 Peachtree Rd. The development, which will also include street-level retail, joins a long list of mixed-use projects with strong residential components under development in the city.



Why has there been such a strong focus on residential in Atlanta? "There's a projection that there will be a substantial increase in population, and residents are pretty tired of congestion," Scott Leventhal, CEO of Tivoli Properties Inc., told *CPN*. Tivoli will be developing Mezzo in a joint venture with Kennedy Capital Group L.L.C.

As of October, employers have added approximately 64,000 jobs over the past year, according to Marcus & Millichap Real Estate Investment Brokerage Co.

Two weeks ago, a Jamestown Properties and Shailendra Group joint venture announced that it had purchased 1.7 acres at the corner of Midtown's 17th and Peachtree Streets to develop a mixed-use building, which will include higher-end residential. Shailendra Group principal and development manager Paul Shailendra had said the joint venture was drawn to Midtown due to its growth potential and chance of becoming a live, work and play environment.

With all the announced projects, is there concern about overbuilding? "There are talks of a lot of projects, but some will not come to fruition," Leventhal explained, noting that there can be difficulties with factors such as zoning and financing. "I'm not worried."

Peter Greyling, vice president of Richard Bowers & Co./TCN Worldwide, pointed out that 30 to 40 percent of planned condominium projects will not break ground in Atlanta.

Greyling also noted that he has seen a mixed bag of successes and disappointments in Atlanta's condominium market, even in high-performance submarkets. "There were eight garden-style condos where the seller had turned around and walked away," he said. However, he noted one who hedged on the Perimeter submarket, rather than Downtown, Midtown or Buckhead, and has done very well.

Leventhal said he hopes that Mezzo, which is estimated for a 2008 completion, will replicate the success of Aqua, another luxury condominium that Tivoli is currently constructing in Midtown. The 24-story, 84-unit building has been 83 percent pre-leased.

One effect the condominium construction has had on Atlanta is that rental rates and occupancy rates in apartment buildings have been increasing, since most of the multi-family construction has been condominium projects, according to Marcus & Millichap.