

# ATLANTA BUSINESS CHRONICLE

## Developers think small with two new condos

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A small slice of Peachtree Road is getting two new condominium projects.

**Tivoli Properties Inc.** plans a 20-story, 94-unit project called Mezzo and **Kairos Development Corp.** plans a 16-story, 77-unit project called The Astoria at The Aramore. The two projects are less than a quarter mile apart.

The \$63 million Mezzo, a joint venture with **Kennedy Capital Group**, is planned at Colonial Homes Drive and Peachtree Road on the site of the former MacArthur's restaurant, 2171 Peachtree Road. The \$50 million The Astoria is planned at 2233 Peachtree Road.

While Atlanta's **Novare Group Inc.** has helped reshape the city with high-rise condo developments of more than

300 units, other developers think small is big, too.

At the higher price range, fewer condo units in a project "is a paramount element," said Tivoli CEO Scott L. Leventhal. Just several months ago, Leventhal contemplated building Mezzo with 112 units. But at the 11th hour, he and his team redesigned it to decrease the number of units.

"People don't want to spend \$700,000 and have to go to the pool with 399 of their closest friends," he said.

Larger, high-rise condo towers also have huge price disparities, from \$180,000 for small units, to \$600,000 to \$700,000 for larger, upper floor units, said Craig Dodd, associate broker of **The Dodd Group**, which caters to the condo market.

"If I'm going to pay \$700,000, I don't want to be the most expensive owner in the building," Dodd said.

There is a dearth of high-end condos, particularly in Midtown, he said.

"There were no million-dollar sales in condos last year [in Midtown]," Dodd said. "I just did the report. There is no supply."

As a whole, condos with more than 2,000 square feet are in very limited supply in Midtown, he said.

In Buckhead, there were 54 \$1 million-plus condo sales. "But Buckhead has typically been a sure bet for higher-priced condos because

more expensive [single-family] homes are there."

Developers find that with "boutique condos," they must have at least 65 to 75 units with more expensive finishes and higher price points to support the basic services: a concierge or pool. "Anything below that is going to be ultra exclusive because it is going to be so expensive."

Condo units at Mezzo, which will have 3,000 square feet of ground-level retail, will range from the mid-\$300,000s to more than \$1 million, with an average of \$650,000, Leventhal said.



**Leventhal**  
 Tivoli  
 Properties Inc.



**Williams**  
 Kairos  
 Development Corp.

As condo living becomes a lifestyle, not just an "I bought a condo because I couldn't afford a house," there needs to be diversity in the market, said Jack Williams, business director at Kairos Development, which is building The Astoria.

Prices there range from \$400,000 to \$1.4 million for the penthouses, of which two have already been sold, he said.

"This part of town is the living room of Atlanta," Williams said. "We're surrounded by historic homes."

Condo buildings with fewer units, at higher prices with square footage ranging from 1,163 to more than 2,500, fit in with the area, he said.

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The Astoria, phase three of The Aramore project, also will include 30,000 square feet of office space on the second and third floors, as well as 6,000 square feet of ground-level retail. The first condo units should be delivered in the third quarter of 2007, he said.

Tivoli hopes to start construction in 60 to 90 days, with the first condos delivered in December 2007, he said.

Tivoli Properties also is building Aqua in Midtown and DUO in downtown.

Aqua, a 25-story, 83-unit condo tower with 3,400 square feet of ground-floor retail, is under construction at West Peachtree and 10th streets. The \$60 million project is expected to be complete in the fall of 2007. Units there range from \$400,000 to \$1 million.

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**\$63 million deal:** Tivoli Properties and Kennedy Capital plan a 20-story project.