

BUSINESS BOOM FOR DOWNTOWN LIVING

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Downtown boosters are desperately working to position the neighborhood as a destination for tourists from around the region.

But the buzz surrounding downtown might also bring a long-desired component -- residents.

The neighborhood now has 25,000 residents and the daytime population swells to 200,000, by some estimates, when workers are in their offices.

Developers are taking notice of downtown's strength. Since 2003, 19 residential developments have been planned, announced or are under construction downtown, according to Central Atlanta Progress research. These projects range from the \$1 million renovation of Peachtree Towers to the \$150 million Georgia State University student housing complex.

Indeed, the downtown residential market has shown signs of impressive strength. Dale Henson, president of real estate tracking firm [Dale Henson & Associates](#), compiled statistics that show the central area of the city received 1,258 new apartment units in 2004 and 1,168 of these apartments found renters. It is important to note, however, that Henson's definition of the central area of the city is larger than the traditional "downtown," extending east to the DeKalb County line, north to North Avenue and south to Interstate 20.

Perhaps more important, rents in downtown are outpacing other neighborhoods, according to Henson's data. The average rent, before concessions in downtown, was \$1,058 per unit last year. That compares with \$920 in Midtown and \$905 in Sandy Springs and Dunwoody. Only Buckhead, with an average "street rent" of \$1,153, is more expensive.

Henson's data includes only garden apartments, not high-rises, which would likely drive the average rents up in many neighborhoods. It also indicates that although the central submarket might be strong, downtown's core is suffering.

"We're not seeing any new products there. It will be a while, because the tendency is to build out the surrounding area and frankly [downtown's core] is just not as conducive to living as other parts of downtown," Henson said.

Downtown resident Ivy Rieger agrees. A recent Georgia State University graduate, she left Midtown in January to move to the Muses building near Five Points, across from Woodruff Park. She lives with two roommates and said she worries about her safety.

"The comfort level here is nothing like Midtown," she said, complaining homeless people yell at her when she walks her dog.

Rieger said she wishes the city would stop allowing additional development downtown until there are more services available to current residents.

"The city should stop gentrifying and make amenities for the residents to use. ... There's not even a grocery store or convenience store near here," she said.

Beth Haynes has had a different experience. The director of marketing and development for the downtown theater Theatrical Outfit has lived in the Fairlie-Poplar district for nearly five years.

"I've loved it since the minute I moved here. I've been comfortable with the whole environment. It has the best sense of community I've ever experienced," she said.

Debbi Starnes, whose City Council district includes downtown, said leaders are working to make sure the city's core is hospitable to residents. But she admits success will take time.

"I think there will continue to be a focus on the residential component and that's important," she said. "But in the next phase, I think you'll see that all the services will follow the residents and we'll have more cafés and basic services show up to make things better."

While reviews of downtown's core district may be mixed, other markets nearby are very strong. Henson said the Central Park neighborhood near North Avenue is doing well, as is East Atlanta.

Jim Borders, CEO of Novare Group, sees a successful market growing along the northern fringe of downtown. He plans to build a 500-unit condominium near the Downtown Connector and Alexander Street, just blocks from the new tourist attractions at Centennial Olympic Park. The development will sit near three office towers which are being built by [Barry Real Estate Co.](#)

The city has helped developers looking to build downtown cut costs, a strategy that makes the neighborhood very attractive, Borders said.

"Downtown is the only place you can get tax allocation district subsidies. That helps with cost control," he said.

But there are other nonfinancial benefits that continue to lure Borders downtown.

"There's good infrastructure with transportation and Centennial Park. There's a lot of restaurants downtown and many are supported by the office workers and the nighttime hotel trade. The sports franchises are downtown and that's a big quality-of-life bonus," he said.

Still, he agrees that while the downtown submarket is showing strength, the city's core is lackluster at best.

To Borders, downtown may never find a perfect image to attract residents. But that would not necessarily be a failure, he said.

"I think that people will think what they think. There are three major submarkets in Atlanta -- downtown, Midtown and Buckhead. Midtown until five years ago was considered unsafe. Downtown has had different issues, but we've been able to develop in all three markets. I look at it as each market is not going to be perfect," he said.