

Out Of The Shadow

One of Atlanta's hidden gems, the Shops Around Lenox, is redeveloped with a twist — and a major anchor.

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Crate and Barrel is anchoring the Shops Around Lenox in Atlanta's Buckhead market. After a major redevelopment, the center is now home to a number of premium retailers.

Three years ago, Healey Weatherholtz Properties (HWP) had an incredible opportunity: the privately held Atlanta-based developer got to buy one of Atlanta's hidden gems. In the center of an area surrounded by Lenox Square Mall, the Atlanta Financial Center office complex, and the Westin Buckhead and W Buckhead hotels was a small center that was almost dwarfed by its neighbors. The Shops Around Lenox shopping center was originally built in the 1970s as a typical mall-periphery strip center with retailers like CompUSA, Tower Records, and Bennigan's. As the surrounding Buckhead submarket embarked on a dramatic 30-year gentrification and urbanization, premium retailers began seeking space in the market. While these top brands saw Shops Around Lenox's location next to the Neiman Marcus store at Lenox Square as unparalleled, the existing middle-market tenancy could not be overcome, and the center never really rose to its true potential.

"Historically, everyone loved the location, but the top brands couldn't get past

the co-tenancy," says Eric Weatherholtz, principal of Healey Weatherholtz, who partnered with Alex. Brown Realty to acquire the property in 2009.

Moreover, the center was always planned as a high-density office and hotel redevelopment play with little credence given to the concept of a low-density walkable retail environment. A confluence of events — the bankruptcy and subsequent liquidation of CompUSA, the relocation of Tower Records, and the financial market's malaise — provided the opportunity for HWP to acquire the center, which was 40 percent occupied.

"The good news was the property wasn't really encumbered with any leases, and the bad news was the property wasn't really encumbered with any leases," says Quill Healey, HWP's co-founder.

"There was always a lot of demand for space, but not with the existing anchors," says Weatherholtz. "Once that was resolved, it unlocked the entire center and allowed us to re-merchandise the property."

Although the center lacked revenue, all the other pieces were in place — it was sur-

rounded by six department stores, 3,000 hotel rooms, and 4.5 million square feet of office space. Shops Around Lenox was a blank slate, allowing Healey Weatherholtz to undertake a comprehensive redevelopment that began in 2011.



Murals, like the one at left in this photo, bring color and a modern touch to the wood, glass and modern feel of the Shops Around Lenox.

“Our idea was to create a streetscape connecting one of the great fortress malls with the Southeast’s premier commercial district,” says Mark Lindenbaum, project

director for the Shops Around Lenox.

HWP kept sustainability in mind when renovating the center, redeveloping existing structures rather than constructing

new buildings. New, energy efficient facades were installed that allowed more interior visibility. The company added mature landscaping to enhance the experience for shoppers; it also focused on a walking environment to link the existing hotels with Lenox Square. Accenting the center’s unique feel are local artists’ murals that enliven the pedestrian areas and add a touch of color to the concrete, wood and glass facades at the center.

After acquiring the center, HWP first sought to fix its occupancy rate. It divided the former CompUSA space into several smaller retail spaces. The company won a Development of Excellence Award from ULI for its creative reuse of the big box space and for the sustainable methods used in reusing the existing structures. While the center now seems expansive, it has a relatively small footprint with 126,000 square feet on a compact 7 acres. Using a base of successful tenants, it began to attract more retailers who wanted to be close to the success of Lenox Square, but who might not be willing to pay the costs associated with the mall or who preferred an open-air environment.

The center is now leased to a mix of high end local and national tenants like Cosabella, lululemon, Fab’rik, Paper Source, Tootsies, Swank, Roche Bobois, Deka, and Bill Hallman.

Because an entire mixed-use neighborhood had grown up around Shops Around Lenox — the hotels and office buildings were mostly added after the center’s development — HWP was able to reposition the center as a hub for the area, not an afterthought of shopping at Lenox Square. Now, with its strong one-of-a-kind retailers, the center stands on its own as a destination.

As most new tenants were getting in place at the renovated center, HWP filled a large vacancy with Crate and Barrel, who is relocating its store from Lenox Square to the Shops Around Lenox. Crate and Barrel is developing a new, full-line store that will have visibility from Georgia Route 400, one of the major arteries from downtown to the north Atlanta suburbs. The Crate and Barrel location will contain the retailer’s full line of goods.

“Crate and Barrel is getting what it wanted in a store: an iconic building next to the best mall in the Southeast,” says Lindenbaum. “It allows them to both express their brand and have a more functional store.”



Mature landscaping and modern touches, together with sustainable development practices, have given the Shops Around Lenox a new look.



Today, DEKA and lululemon are housed in part of the old CompUSA space, as seen in the older photo below.



Shops Around Lenox, as seen around 1995, when CompUSA and Tower Records anchored the center.



Healey Weatherholtz Properties has been able to attract a number of premium local, regional and national tenants to Shops Around Lenox.

Crate and Barrel designed the store from the ground up, using a combination of cedar, brick, and stucco. Its space is L-shaped, taking parts of the back of the center, which it will open up using glass curtainwall. Signage at the top of the rear of the store will be visible from Route 400, making it one of the more visible retailers in Buckhead.

Even with Crate and Barrel on board, HWP isn't through with its transformation of the center. The company is adding boutique chef-driven restaurants to the center with one-of-a-kind outdoor dining terraces that will open this spring. Other retailers are also planned; HWP has been holding some space vacant while courting slower-moving fashion and accessories brands.

HWP looked at a number of centers in the U.S. as inspiration for the look it wanted for Shops Around Lenox. While smaller in scale, the modern comes from centers like the Lab in Costa Mesa, California, while the inspiration for the tenant mix came from Malibu Country Mart in Malibu, California. Some of the landscaping ideas came from New York City's High Line project.

Healey Weatherholtz also borrowed expertise from the success it's had at its other properties. The firm owns several shopping centers and urban retail properties, and drew on experience with its redevelopments for Tiffany & Co. in Los Angeles, and Hard Rock Café in Waikiki. The company specializes in redeveloping iconic locations for premium retailers.

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