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Editor's Note: The country's trophy malls are generally doing well because their owners are reinvesting in them. For others like Gwinnett Place, local governments may be the spark for revitalization.

From the third floor of his suburban Atlanta office building, [Joe Allen](#) feels surrounded by a sea of asphalt.

Eight hundred acres of parking spaces sprawl around Gwinnett Place, a 39-acre mall in Duluth, Ga. that hasn't been a vibrant retail property in decades.

“A positive anchor for us years ago, now an anchor that had been pulling the area into the abyss,” said Allen, director of the Gwinnett Place Community Improvement District since 2006.

Over the past decade, Allen has joined his colleagues from Gwinnett County on trips to Denver, Austin, Salt Lake City and other metro areas to see the successful repurposing of dying U.S. malls in those cities. In his imagination, he applied those concepts to

Gwinnett Place, transforming it into an “internationally diverse, walkable, urban community,” with concerts and food trucks and “people having a picnic on a green.”

Today, Allen said, the Gwinnett Place district has “none of that.”

Like others who chose economic development as a career, Allen blends focus with patience. Still, even Allen’s patience has limits. After waiting several years for the mall’s previous owner to reinvigorate the property, he is no longer interested in “vision studies” with “pretty pictures.”

“I’ve got tons of those,” Allen said. “I want something that’s real.”

This April Gwinnett County spent \$23 million to buy the mall from an affiliate of Moonbeam Capital Investment. The deal is already showing potential as a catalyst.

A request for proposals to create a master plan for the mall generated 12 responses from across the country, including national real estate and architecture firms, Allen said.

“These are not visions,” Allen said. “These are gameplans.”

The haves and have-nots

Gwinnett Place is part of the so-called U.S. retail apocalypse, a story the media has covered for years. The pace of the narrative has accelerated during Covid and the rise of e-commerce.

But, it’s the malls on the fringes of central business districts, like Gwinnett Place, that have struggled most. The country’s trophy malls are generally doing well because their owners are reinvesting in them.

In Buckhead, Simon Property Group, owner of Phipps Plaza, knocked down a Belk department store and parking deck and replaced it with amenities. The redevelopment just landed the North American headquarters of aluminum giant Novelis Inc. as an anchor tenant for the new office tower.

The project also includes a new hotel and food hall. Construction had stopped during Covid, but Simon Property Group CEO David Simon recently told Wall Street analysts “We are all systems go.”

Across Peachtree Road, another Simon-owned Buckhead mall, Lenox Square, received a multi-million dollar upgrade to its façade. A new hotel also towers over the mall. Lenox and Phipps are also surrounded by a sea of parking, yet Buckhead is still one of the South’s premier commercial districts. It is a center for wealth management and commercial real estate companies.



[Enlarge](#)

Lenox Square Mall.

BYRON E. SMALL

Even though a recent crime wave sweeping through Atlanta has prompted a movement for Buckhead to break away as CoStar's [David Kahn](#) call B and C locations. Many of those malls are in oversaturated retail areas.

Investment from private equity firms and the real estate arms of giant pensions and insurance companies are instead targeting mall properties and surrounding areas within thriving urban districts, including those in Atlanta's Central Perimeter. "The Gwinnett Place efforts are definitely a microcosm of a broader nation-wide trend," Kahn said. "Mall owners know that they need to adapt to survive."

Washington Prime Group illustrates the challenge mall owners with older properties face. The company filed for Chapter 11 bankruptcy protection, saying Covid-19 was a primary reason for its decision. It joins other national mall owners filing for bankruptcy protection including CBL & Associates Properties Inc.

This follows the bankruptcy filings of multiple department stores last year including Neiman Marcus, Lord & Taylor and JC Penney.

"The department stores led the malls into the abyss," said [Mark Toro](#), a longtime Atlanta developer. "Some have yet to capitulate. But it's happening as we speak."

'We've been waiting for this'

Now, more mall owners are working with developers to transform “purely retail-centric malls,” Kahn said. Toro offers a local example.

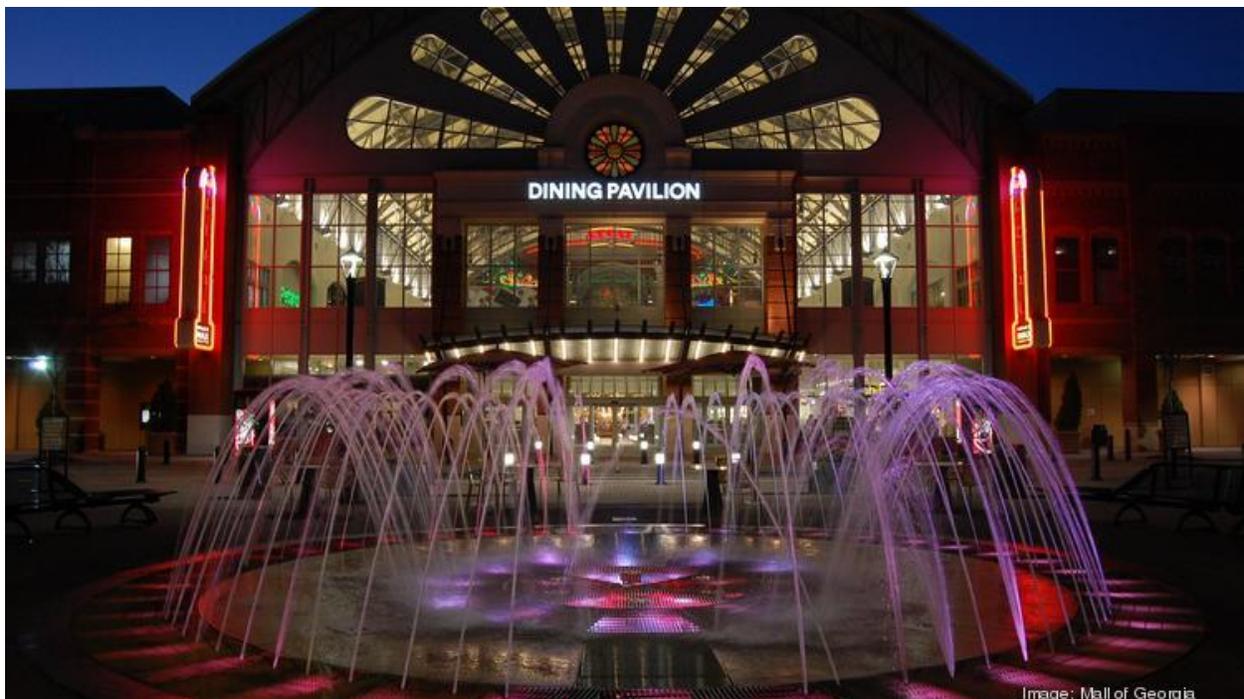
After 25 years with real estate company North American Properties, he just formed Toro Development Co. It’s backed by private equity investors including Four Stones Real Estate, led by [Andrew Cathy](#), executive vice president of operations with Chick-fil-A. Lubert-Adler, a Philadelphia value add investor, is also a partner in the new venture.

Toro has identified 17 malls across the Sunbelt that it may try to buy and redevelop. And more opportunities keep coming.

“I’m looking at a mall deal today,” Toro recently told Atlanta Business Chronicle on his way to see the property. “And I was just presented with another one driving to the mall I’m looking at now.”

Toro added, “We’ve been waiting on this for more than a decade.”

In Duluth, Allen has been waiting, too. Gwinnett Place enjoyed its heyday in the 80s and early 90s, when it was the only mall in Gwinnett, one of the fastest-growing counties in the nation. It stayed that way until the late 1990s when Mall of Georgia in Buford was completed. Two years later Discover Mills — now known as Sugarloaf Mills — also opened in Gwinnett.



[Enlarge](#)

Mall of Georgia

MALL OF GEORGIA

“Even with the strong demographic growth in Gwinnett County, that’s a lot of mall inventory along that stretch of I-85,” CoStar’s Kahn said. There was hope when former Gwinnett Place mall owner Moonbeam Capital Partners bought the property it would spark revitalization, but no major investment came.

When Moonbeam put the mall on the market, Allen told Atlanta Business Chronicle, “We have a saying here that hope is our strategy. ... We are tired of hoping.”

This time it’s real

When Gwinnett County bought the mall this year, Allen noticed a difference.

Residential developers he chased after for years started calling him. Greystar Real Estate Partners just submitted plans to turn a parking lot near Gwinnett Place into a 350-unit apartment building.

Gwinnett transportation officials are studying how they might turn the mall into a hub for a new bus rapid transit system. Planners are working on a trail network that links to the mall and surrounding retail area.

Allen spent his recent vacation looking over all the proposals rolling in from commercial real estate and architecture firms across the country.

He didn’t mind working on his break. Along with his colleagues, he just narrowed the list of master planners for Gwinnett Place to three.

“Change is coming,” Allen said. “And this time it’s real.”

BY THE NUMBERS

Of all type of retail properties, U.S. malls may be faced with the most urgent need to adapt. Even malls in affluent suburban areas such as Alpharetta have been turned back over to lenders. For NorthPoint Mall, one challenge was a more modern, urban concept in the nearby Avalon project.

10.4% Mall vacancy, metro Atlanta

5.1% Overall metro Atlanta retail vacancy

6.9% Average retail vacancy since 2000