

After shakeup, south downtown project has new leader, tenants

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The German real estate fund that plans to revive south downtown has a new leader in place and tenants on board.

Newport US RE led a media tour Tuesday afternoon to share its timeline for renovating its portfolio of nearly 50 properties. Newport spent millions to acquire some of the city's oldest buildings, covering eight blocks along Peachtree, Mitchell, Broad and Forsyth streets.

Its plan is to resuscitate a once thriving part of downtown, transforming the historic buildings into a walkable mix of offices, shops and restaurants, and housing stretching to Mercedes-Benz Stadium.

But even [Olaf Kunkat](#), Newport CEO and founder, will admit it's ambitious.

"People consider me as naive," he said. Kunkat, however, said he sees potential in sprawling footprint of Newport's acquisitions.

The project has already faced headwinds, this year losing several of its Atlanta executives. That included [Jake Nawrocki](#), who served as president, and [Katherine Kelley](#), who lead development.

Kunkat, fresh off a plane from Germany, on Tuesday introduced [Kevin Murphy](#), who will now lead the project in Atlanta. Murphy, a Georgia Tech grad, earned a masters degree from Columbia University and worked for Manhattan firms such as Copperwood Real Estate, where he oversaw adaptive reuse projects and historic renovations.

Kunkat shared his belief in the long-term potential of Atlanta's historic urban core. He said Newport has "no exit strategy" and doesn't expect to see compelling revenue immediately.

"I've seen this already," Kunkat said, comparing his work in East Berlin to the potential of transforming south downtown into a vibrant neighborhood. "You can't do that in just five years ... This is not an investment for someone who wants to make money right away."

Newport will focus first on Mitchell Street, renovating 10 buildings that made up the former "hotel row." That will create 10 retail spaces, including seven spots for food and beverage, and about 40,000 square feet of loft office space.

One of the first targets is the Sylvan building at 233 Mitchell Street, which has striking views from the top floor of Mercedes-Benz Stadium.

That particular portion of south downtown is already seeing momentum. CIM Group, the developer that plans to transform the Gulch, is underway renovating the former [Norfolk Southern](#) buildings into residential and retail space.

Newport said it has three letters of intent (LOIs) for retailers. Sticky notes on the walls of the leasing office listed those tenants as "yummy fast-casual food," a local soft goods merchant and a soft beverage group.

Its next target would be 222 Mitchell, a collection of tank-like buildings that have sat vacant for years. Newport paid \$12 million for the property that many others shied away from due to its size.

When asked about the retail market in downtown, which hasn't been vibrant in years, Kunkat said they would consider "creative lease structures" in order to fill the spaces with the right tenant mix. That could offer affordable rents for budding restaurateurs and retailers.

"For me personally, it is one of the most exciting projects I can do — to create a neighborhood, to put it back to life," Kunkat said of the overall vision. "We have the chance to create part of the identity of Atlanta. That's something you do just once in your life."



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Newport US RE will focus first on Mitchell Street, renovating 10 properties (at right) into retail and loft office space.

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