

The Next Big Thing

DOUG SMITH ON COMMERCIAL
REAL ESTATE AND DEVELOPMENT



PHOTOS BY PETER WEINBERGER - SPECIAL TO THE OBSERVER

Looking north toward uptown, the 80,000-square-foot 1927 South Tryon Street building (right) - which will be completed in October - is one of the projects at the forefront of escalating development along South Tryon Street.

SOUTH TRYON ON THE RISE

Uptown accessibility and
light rail spawn desirability.

*Ian Bertolina successfully represented GoodMortgage.com with the purchase of their building.

The Lynx light rail line is bringing prosperity to South Boulevard in South End, but the other side of the tracks – the South Tryon Street side – is starting to get attention, too.

Two projects nearing completion south of the center city illustrate the renewed interest in property along the major traffic artery.

CEO Keith Luedeman of goodmortgage.com, for example, needed space for the Internet-based mortgage lender to grow, but he wanted to stay in the South End area, where it has operated for nine years.

Now his employees are settling into a renovated 44,000-square-foot warehouse on South Tryon Street between the Charlotte Area Transit System's bus operations/maintenance facility and the Clanton Road intersection.

That puts goodmortgage.com just beyond the southern edge of South End on the opposite side of the rail line from where most of an estimated \$1 billion-plus in commercial and residential redevelopment is under way or planned.

But South Tryon, like South Boulevard, is within walking distance of rail transit service.

Luedeman said access to the line, the availability of parking, and the size of the building that goodmortgage.com could afford on South Tryon versus South Boulevard persuaded the company to invest \$4 million in the renovation and relocation.

He's not the only one singing South Tryon's praises.

Keith Pehl, president of Optima Engineering, is preparing to move his firm by early November into an 80,000-square-foot office condo building nearing completion near Tremont Avenue.

He made the decision to buy the third floor of 1927 South Tryon Street a year ago when developer Merrifield Partners announced the project.

Now, Pehl said, "the longer we've had it, the better it seems to have gotten. So many of our clients in South End are within walking distance of where we will be."

What's happening there "is a natural evolution," said James Mathis, director of Historic South End. "What I'm seeing is a lot of interest in redeveloping old manufacturing buildings into commercial space, and people wanting to relocate and own as opposed to renting."

Combine that with the accessibility of South Tryon to uptown, the appeal of light rail to the public, and the views of the skyline, and this becomes a Next Big Thing in the making.

South End pioneer Tony Pressley of MECA Properties,



Keith Luedeman and his company, goodmortgage.com, now occupy colorful new offices after renovating an old warehouse.



At the 1927 South Tryon Street condominium office building, Optima Engineering has bought the third floor.

which developed Camden Square Village West along South Tryon near West Boulevard, refers to the street as "the last frontier" of South End.

"There is not only suitable land for development, but some catalyst projects already have occurred," he said. "And the neighborhood to the west (Wilmore) has made tremendous strides in bringing up their side of Tryon Street."

The next step, Pressley said, is creating a neighborhood center for people living in Wilmore and the nearby condos and apartments along the Lynx Blue Line.

"All the things you need with more rooftops, they need – a grocery store, convenience stores, dry cleaners and bank services," he said. "It's a perfect corridor for neighborhood services."

Near Camden Square Village West, Mark Newell of Merrifield Partners is spearheading development of the \$16 million 1927 South Tryon Street office condo building as an investment for Crosland.

"I think the South Boulevard concept has stretched over to Tryon and is going to continue," he said. "Several sites in this area have been assembled. The corridor is really going to

take off when the economy turns around."

Buyers, including Optima Engineering, have contracts on about 55,000 square feet of the building.

Optima plans to occupy 16,000 square feet of its space starting in early November and lease out 11,000 square feet until it's needed for expansion.

Across Tryon at Tremont Avenue, an earlier arrival – Citispace in South End – is getting a third building, bringing the size of the office-showroom complex to 40,000 square feet on three acres.

Gregg McAllister's company is developing the new 10,500-square-foot building. He said it plans to occupy the second floor and sell the first as office condos.

McAllister and Citiline Resortline Cos. created Citispace about 3½ years ago by renovating an old industrial building and combining it with a new 12,000-square-foot structure.

"We feel somewhat vindicated with everything that is happening on South Tryon today," he said. "When we came here, it seemed kind of like we were at the gate of South End."

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goodmortgage.com

Charlotte's goodmortgage.com needed space to grow, but employees got much more in the Internet-based lender's new headquarters at 3325 S. Tryon St.

The 44,000-square-foot renovated warehouse, designed to accommodate 120 employees initially and 280 ultimately, is about six times larger than its former space in the Atherton Mill complex in South End.

The interior, featuring natural light and vibrant colors, includes ergonomic work stations, new communications technology, and health and fitness amenities.

Employees, for example, can shoot hoops at a small indoor basketball court or exercise in a workout facility that includes a punching bag, weight and cardio-training machines, showers and locker rooms.

They also have an outdoor green space, a lounge area, funky rounded interior walls and abundant natural light.

The building's workspace includes call-center areas, flex offices and small "huddle" rooms for meetings.

"The ability to break away – even if briefly – to immerse themselves in a book or physical activity gives employees renewed focus when they return to their work areas," said CEO Keith Luedeman. "The difference in attitude, performance and individual job satisfaction is tremendous."

The company worked with Nelson, an architectural firm, and McAllister, a contractor, to convert the former dental company warehouse to offices.

Founded nine years ago in Charlotte, goodmortgage.com is a direct mortgage lender focused on Internet accessibility to customers in 16 states.

Mortgage Technology magazine recently named it one of the Top 25 Tech-Savvy Lenders.