

Transwestern to launch Equinox at Campanile



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STAFF WRITER

Equinox, the trendy fitness chain based in the Big Apple, is considering a new site in Midtown Atlanta.

Equinox Fitness Clubs is close to announcing its first Georgia location in Midtown's Campanile building, according to commercial real estate brokers.

Equinox would be a huge catch for Campanile, where the occupancy rate has been hovering around 25 percent.

But Equinox would be an even bigger catch for Midtown, where residents and workers would have a sought-after high-end fitness amenity — one that

Working out: Equinox is considering Midtown's Campanile building for its first Georgia location.

could benefit both the residential and office markets, commercial real estate brokers say.

The luxury fitness company has locations in Boston, Chicago, Miami and New York, among other cities.

Chicago-based **Transwestern Investment Co.**, which owns Campanile, declined comment about Equinox.

Transwestern acquired Campanile, a 439,388-square-foot office tower at Peachtree and 14th streets, last September. Transwestern paid about \$98 million, or \$223 per square foot — a bargain, commercial real estate brokers said, considering its location.

Campanile rises in the heart of Midtown, an area at 14th and Peachtree known as "Main and Main," where future retail development is expected

to blossom. Campanile also makes up part of an arts and entertainment district that houses the city's best-known office towers, such as 1180 Peachtree and One Atlantic Center.

But Campanile has faced challenges in luring tenants over the past year.

Law firms, which Midtown is known for, have been interested in the building.

Seyfarth Shaw LLP was considering a move to Campanile, according to brokers.

But Transwestern is at a disadvantage when trying to lure tenants until it's able to complete improvements that include retrofitting the building for retail.

Campanile's only tenants are **Georgia's Own Credit Union** and law firm **Jackson Lewis LLP**.

Equinox will help the building attract tenants, brokers said. It would also give a boost to nearby mixed-use projects, including

Daniel Corp.'s 12th and Midtown.

"[Campanile] has a great location," said Steve Baile, senior vice president for Daniel Corp.'s Atlanta operations. "It just needs to finish the picture."



Baile
Daniel Corp.

Another challenge

is the rent Transwestern is asking tenants to pay, brokers said. Midtown's prime office space can rent for as much as \$35 a square foot.

Transwestern is asking about \$34 per square foot at Campanile, before completing its improvements.

However, another potential challenge hasn't materialized.

Many expected Midtown traffic congestion to increase after the 14th Street Bridge was closed for improvements, a trend that would have hurt Campanile's chances to fill up the building.

But, rising gas prices have forced more Midtown workers and shoppers to use carpools and MARTA, Transwestern said.

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