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Icon hopes to be image of success

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Gulch's first condo tower gets ready to open

Developer Dan Daniel peered down from a sixth-floor balcony to a clutch of diners on the roof of the restaurant below.

A group of men wearing dark suits lounged around a circular table — drinks in front of them — on a late spring afternoon. "It's a room with a view," Daniel said, pausing for emphasis, "of the social scene in Nashville."

That social scene will be the key to the success of the latest project from Daniel and his partners in Bristol Development Group. Within the next few days, the firm will open the massive Icon in the Gulch, a 22-story condominium building that towers over the industrial-chic Gulch neighborhood near downtown.

Bristol launched the project more than two years ago, when the economy was strong and condo living was fresh and hot. Bristol is banking that there is still enough energy in the Gulch and downtown Nashville to sustain their project, the biggest so far in the urban core.

With 417 units, the project will serve as a bellwether of the Nashville condo market, helping other developers judge how deep a market demand remains for downtown living.

It also will be critical to the success of the Gulch itself. If it works as planned, the building will pour hundreds of new residents into the area, fostering more development and turning a small district of trendy restaurants, music clubs and a few dozen apartments into a vibrant residential neighborhood.

Icon was designed with that goal in mind.

A joint venture between Bristol and MarketStreet Enterprises, one of the firms that came up with the idea of creating a neighborhood out of the Gulch more than a decade ago, the building is aimed squarely at the crowd that populates the area's bars and eateries.

Even as he gave a tour of the building, Daniel kept an eye trained on the gathering social scene below.

"We will have a service where you can call down and make a reservation, and they'll tell you when your table is ready," Daniel said, as he recited a list of Icon's amenities.

"You won't even have to leave your unit."

Building sets tone

Icon is in many ways just that — an icon of the flurry of condo development in and around downtown.

The project was launched in the spring of 2006, the height of the condo boom, with so much buzz that it sold out its initial run of 217 units in just two days.

The blitz prompted Bristol to turn its midrise section, which the firm had planned to market as apartments, into condos, too. Those sold out in two weeks.

"The Icon is a giant leap toward attaining the goal we had of trying to create an urban neighborhood," said Jay Turner, MarketStreet's managing director. "The addition of all those people is going to be a dramatic change."

From the outset, however, some real estate agents, potential buyers and local developers have questioned whether the brisk sales grew from the building's appeal or from its unusually low security deposits.

Bristol asked for only a flat fee of as little as \$5,000 to hold a unit. Competitors demanded that buyers put down 5 percent to 10 percent of the purchase price, about two to six times more money.

Now, with the condo market slower and mortgage standards tougher, some people fear Icon's buyers will simply walk away from units, rather than produce the money to close. Sales prices for the building's units range from \$139,000 to \$2 million.

"Obviously, there's been some speculation in the blogs and some of the publications about whether or not buyers will show up," said Ray Hensler, president of Corner Realty, which developed the Adelia condo tower that opened in December. "I don't think you will know until it happens."

Skeptics acknowledged

Bristol officials acknowledged the skepticism toward their project. But they also said that Icon had 402 of its units under contract as of last week and that they expect most of those buyers to close.

"We're pleased so far," Daniel said. "This environment, what you hear about the difficulty in getting a mortgage, in our experience, is overstated. If people have got a job and good income, you can get a mortgage."

"We just think we're lucky in Nashville. We continue to be optimistic that this city is in pretty good shape."

Bristol and its lead contractor, Choate Construction Co., have raced to beat a two-year deadline to complete Icon, a deadline that they will miss to some extent.

The tower will open in phases, with the first buyers closing on units on Icon's lower levels either this week or next, Bristol officials said. Workers will continue to finish the upper floors — Choate took out building permits for the 21st and 22nd floors on May 16 — and Bristol plans to move people in below them as it receives occupancy permits from the city.

The entire process will take until the end of the summer, Bristol officials said.

Some amenities have already been finished or are near completion.

The fourth-floor fitness center, one of two in the building, was already stocked with weight machines and cardiovascular equipment last week. Outside, several dozen lounge chairs with plush cushions were arrayed around a swimming pool and a water feature.

Icon has a modern, industrial-inspired design, with open lofts, concrete floors, large windows and balconies. In style and feel, it's almost an extension of the businesses below. Residents on its western side gaze directly down on the Sambuca and Watermark restaurants, the Station Inn and several other of the neighborhood's popular entertainment spots.

Economy slows night life

Those businesses hope to get a boost from Icon, said David Bohan, a director for the Gulch Business Improvement District and owner of a Gulch advertising agency. Business activity in the Gulch, like that at bars and restaurants nationwide, has sagged because of a slower economy.

"The good news is the number of people living within walking distance is going to start to rise soon with the units in the Icon beginning to close," Bohan said.

Before Icon, only two apartment buildings with a combined 80 units, Mercury View Lofts and Laurel House, had been built in the neighborhood, forcing businesses to draw customers from other parts of the city. On the heels of Icon, two more major condo projects, Crosland LLC's 109-unit Terrazzo and Bristol's 264-unit Velocity, are under construction.

Icon's backers also hope developments in the Gulch's retail district will help bring buyers to the closing table. Though the nightlife may have slowed somewhat, the neighborhood recently signed its first clothing store, Philadelphia-based Urban Outfitters, which will open next spring in a space that had been rented by the City Hall music club.

"As the economy gets tougher, what you want to do is be a unique product," Turner said. "What makes Icon unique is the Gulch itself."
