

Developer H.G. Hill Realty aims to create 'downtown Brentwood'

Jun 23, 2015, Nashville Business Journal



Hill Center Brentwood will encompass 17 acres and 600,000 square feet of buildings

On Tuesday, one of Nashville's most prominent developers officially kickstarted a mixed-use development intended to be "downtown Brentwood."

[H.G. Hill Realty Co.](#) was to formally break ground at 4 p.m. on a 17-acre site at the prominent intersection of Franklin Road and Maryland Way. The ensuing Hill Center Brentwood development will cost \$150 million to \$200 million to create, encompassing 600,000 square feet of office, retail and restaurant space. The first buildings could open in fall 2016.

"This will be downtown Brentwood. There is no town center today," H.G. Hill Realty Co. CEO [Jimmy Granbery](#) told me in an interview this spring. "It's going to have that Main Street feel."

Here are four things you need to know:

The biggest yet. H.G. Hill started as a supermarket chain just before the turn of the 20th century. Just before the start of this century, the Hill family sold the grocery business and dove into redeveloping all the real estate it owned. Hill Center Brentwood — [by any measure](#)— is the biggest project the company has taken on, according Granbery. That includes work in the neighborhoods of Green Hills, Hillsboro Village, 12South, Belle Meade and 100 Oaks, as well as an ongoing development on Charlotte Avenue.

It's pricey. Whether for office tenants or retailers, Granbery is seeking rent that pushes the top end of the Brentwood market to new heights. For instance, Granbery's asking rent for office space is \$34 per square foot — which is \$10 per square foot (37 percent) above the average

asking rent for available top-grade Class A space in Brentwood today, according to market stats tracked by the real estate brokerage firm DTZ.

The prices, of course, reflect supply and demand.

Supply: The price tag for materials to build buildings keeps growing, and the region has a shortage of skilled laborers, especially with so many other projects underway. Turner Construction is building this one, with a more generous ratio of parking spaces per square feet of buildings than other options in Brentwood.

Demand: Brentwood's population has grown 52 percent since 2000, topping 40,000 residents. The city is ideally positioned between Nashville and Franklin, yet it has an infinitesimally small amount of unoccupied office space. Just 0.9 percent of all Class A space is available to rent, according to DTZ, a number well below the typical tipping point that pushes developers to build more buildings.

"A lot of the existing buildings aren't equipped to handle today's parking demands," Granbery said.

This is the 2.0 version. Granbery previously tried to develop the same 17-acre site a couple of years ago, in tandem with Brentwood-based GBT Realty Corp. The duo proposed Streets of Brentwood, which involved 67 percent more square feet of buildings and included condos. That provoked backlash from residents. The chief complaints: The project was just too big; it would cause too much traffic; and the presence of condos (or any residential option).

It all prompted Granbery to pull back and shrink his plans, in part by stripping out the residential component. This year, Brentwood [officially ended its brief experiment](#) with an expanded "Town Center" district that featured more concentrated and intensive residential development.

In need of tenants. To date, the only announced tenant is the headquarters for Brentwood-based LBMC, formerly known as [Lattimore Black Morgan & Cain](#). The CPA and business consulting company, occupying 65,000 square feet, will anchor the first of the office buildings to be built in Hill Center Brentwood. LBMC will house about 340 employees there.

On the retail side, Hill Center Brentwood will headline two upscale restaurants not currently in the market, according to Susan Gorney, the broker Granbery has retained to lease the development's retail space.

Overall, Hill Center Brentwood is scheduled to contain up to 450,000 square feet of offices, another 120,000 square feet of retail, and 30,000 square feet of restaurants.

No additional tenants were scheduled to be announced at Tuesday's groundbreaking ceremony.

One of the planned future planned office buildings could instead become the place for a hotel, Granbery said. Most hotels in Brentwood today target the business traveler. Granbery said a hotel at Hill Center Brentwood would be a boutique hotel, which likely would draw more of its business from leisure travelers visiting the region.