

Looking for a \$3 million penthouse in Nashville? You have options.

Sandy Mazza, USA TODAY NETWORK - Tennessee Published 6:00 a.m. CT April 2, 2018 | Updated 1:53 p.m. CT April 3, 2018



(Photo: Larry McCormack / The Tennessean)

When John Megale walked into the dark, brick-lined lobby of the old Phoenix Lofts building in Printers Alley, he looked past its boarded-up windows and battered, musty 19th-century flooring.

The Virginia native was traveling the country to find the perfect real-estate investment after his family sold its audiology business.

The panoramic rooftop view, historic architecture and central location at 207 3rd Avenue North was just what he'd been hunting: This was his chance to get in on the ground-level of the city's emerging multi-million-dollar luxury penthouse market.

Spring Sale On Now

99¢ for the First Month

Subscribe Today
([http://offers.tennessean.com/specialoffer?](http://offers.tennessean.com/specialoffer?gps-source=BENBmay&utm_medium=nanobarap&utm_source=bounce-exchange&utm_campaign=SPRING18)
gps-
source=BENBmay&utm_medium=nanobarap&utm_source=bounce-
exchange&utm_campaign=SPRING18)

"It just seemed like all the factors were in place in Nashville to do a project like this," Megale said. "In downtown L.A. or Beverly Hills, it just wasn't affordable. A lot of those homes are \$5 million just for the property."

Inside a \$3M downtown Nashville rooftop home

Housing crunch: [Nashville home prices jump as wage increases crawl](#) (/story/money/2018/03/29/nashville-home-prices-wage-increases/466645002/) Fullscreen

Labor data: [Nashville's job growth third fastest in 2017 among large cities](#) (/story/money/2018/03/30/nashvilles-job-growth-third-fastest-2017-among-large-cities/473384002/)

So he paid \$1.2 million to buy the top three floors of the building he dubbed "207" in 2016, and spent the next two years investing \$2 million into a complete overhaul of the space.

His creation hit the market earlier this month for \$3.89 million — shy of the \$5 million penthouse condos for sale two blocks away at Tony Giarratana's 505 residential skyscraper and at the [Icon in the Gulch](#) (/story/money/real-estate/2015/08/07/titans-mariota-buys-gulch-penthouse-105-million/31302907/).

High-rise living takes off

Since the economic boom swept downtown Music City around 2012, demand for high-end penthouse condos has increased exponentially.
<https://www.tennessean.com/story/money/2018/04/02/nashville-condos-penthouse-downtown/463938002/>

From 2008 to 2011, 13 \$1 million-plus penthouses were sold in downtown Nashville. Since 2012, more than 70 were sold, according to real-estate Multiple Listing Service, or MLS.

"For a city our size, with the population growth and the wealth that's been generated over the last few years since the recession, we don't have a very deep supply of high-end, upscale condominiums," said downtown developer Mark Bloom. "We're just starting to catch up with cities like Seattle, Austin and Dallas in price ranges for upscale condominiums."

MLS now lists 19 condos for sale downtown in the \$1 million to \$5 million range — not including two \$5 million penthouses available on the 45th floor of 505, the tallest residential high-rise in the city.

But Megale was looking for something he could personalize and make unique.

"There are only a few historic lofts downtown," Megale said. "To have the size and space to make this investment, I felt, was a once-in-a-lifetime opportunity in Nashville. The rooftop is part of the skyline and that was a real appeal to me — to be able to create part of the skyline."

Megale meticulously recreated the entire unit, from floor to ceiling.

[Buy Photo](#)



The kitchen inside a 3-bedroom rooftop home at 207 Third Ave N is listed for \$3.89 million. Wednesday March 28, 2018, in Nashville, Tenn (Photo: Larry McCormack / The Tennessean)

The bathrooms feature sunken tubs built of Italian Carrara marble. There are nearly 20-foot-high windows in the living room overlooking downtown, clean-burning EcoSmart ethanol fireplaces, and a brand-new white rooftop lounge structure with a giant television, glass doors and a 360-degree view of downtown.

"I wanted the architecture to be the art," he said. "Anybody could hang a picture or a mirror, but when the place is the art itself, it makes it that much more special."

Riverfront homes: [Councilman: Ban residential development within 50 feet of floodway \(/story/news/2018/03/30/nashville-councilman-proposes-banning-residential-development-within-50-feet-cumberland-river-floodw/471442002/\)](#)

Growing inequality: [Can 'old Nashville' and 'new Nashville' coexist? \(/story/opinion/columnists/david-plazas/2017/04/30/can-old-nashville-and-new-nashville-co-exist/100979052/\)](#)

Since it overlooks Nissan Stadium, he hopes it will appeal to Titans players or another celebrity who wants to be centrally located downtown.

But his work didn't come without trouble. Bobby Bones, host of the syndicated Bobby Bones radio show, lived next door to the 207 project until the construction noise became too annoying.

5/6/2018 Downtown Nashville's market for multi-million-dollar condos on the rise
"I found out that he was complaining on his radio show about the construction noise and dust from his 'stupid neighbor,'" Megale said. "I sent him a whole bouquet from Edible Arrangements and a Massage Envy gift certificate."

Bones has since moved elsewhere, and Megale is searching for a second penthouse site to renovate.



The unassuming entrance to the 3-bedroom rooftop home at 207 Third Ave N is listed for \$3.89 million. Wednesday March 28, 2018, in Nashville, Tenn (Photo: Larry McCormack / The Tennessean)

Tallest penthouse in town

Giarratana is currently renovating a 4,325-square-foot penthouse for himself and his wife at 505. They will live across the hall from Texas businessman J.L. Holloway, who considered buying two units and combining them into one massive condo, but decided the single roughly 4,000-square-foot space was large enough.

Two neighboring \$5 million penthouses remain for sale there, offering dizzying panoramic views out to the rolling hills on the outskirts of town.

"This entire building represents the evolution of high-rise living in Nashville," Giarratana said. "It's the first high-rise here that would stand proud if it was on Park Avenue in New York City."

Pricey addresses: [See the 10 most expensive homes sold in Davidson County in 2017](#) ([/story/money/2017/12/29/most-expensive-homes-nashville-tennessee-2017/988049001/](#))

Giarratana has been investing in Nashville for decades, since the city first started allowing residential development downtown. He hopes to build another similar high-rise soon. The [505 building](#) ([/story/money/real-estate/2015/12/03/giarratana-releases-final-image-45-story-505-skyscraper/76741778/](#)) mixes a variety of living

options — condos, short-term rentals, and hotel rooms — with upscale amenities and ground-floor retail.

Local residential real-estate broker Chad Wohlers said there's still room for more development in this area, particularly with larger condos. The city's first high-rise went up in 2007 and the upscale condo market hasn't yet reached its ceiling, he said.

"Our high-rise market is really only about 10 years old," Wohlers said. "Obviously Nashville is a city on fire and everyone's trying to get a piece of us. With that, comes more demand. There are still only a small number of penthouses available.

"The Adelia has ten penthouses. At Twelve Twelve, there are seven. Icon in the Gulch has seven. If you're a penthouse buyer, you have options — but not a lot."



John Megale (center) with his parents, who he operated an audiology business with until branching out into real estate. (Photo: John Megale)

Reach Sandy Mazza at smazza@tennessean.com (<mailto:smazza@tennessean.com>) and 615-726-5962. Follow her on Twitter [@sandymazza](http://twitter.com/sandymazza) (<http://twitter.com/sandymazza>).

Join now
99¢ First Month

Subscribe Now
([http://offers.tennessean.com/specialoffer?](http://offers.tennessean.com/specialoffer?gps-source=BEAZmay&utm_medium=agilityzone&exchange&utm_campaign=UWEB2017)
gps-
source=BEAZmay&utm_medium=agilityzone&
exchange&utm_campaign=UWEB2017)

Read or Share this story: <https://www.tennessean.com/story/money/2018/04/02/nashville-condos-penthouse-downtown/463938002/>

<https://www.tennessean.com/story/money/2018/04/02/nashville-condos-penthouse-downtown/463938002/>

