

# designing times

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## Opportunities and Challenges in the Residential High-Rise Market

While urban condominium living is nothing new to markets such as New York City, Chicago or San Francisco, it is now prevalent in areas like Southern California, Las Vegas, Denver, Phoenix/Scottsdale, Atlanta and South Florida. Over the past few years this urban lifestyle has continued to attract a more diverse group of buyers who want the convenience of city living, minimized commute time and the amenities and luxuries offered by most condominiums.

"I have witnessed the condominium market in downtown Chicago rise over the last year. With a declining single family homebuilding market, there is tremendous opportunity for designers in the condo market," said Hunter Johnston, builder account manager of the Greater Chicago market for INVISTA. "Empty nesters are moving back into the city where luxury condominiums are being built, offering designers a much greater opportunity to sell upgrades."<sup>1</sup>

Chicago has seen substantial growth in the construction of luxury condos over the past year and a half with a mix of empty nesters, baby boomers and young professionals purchasing them. "Many buyers are looking for luxury products they may not have been able to afford in their past home," said Johnston.<sup>2</sup>

The Las Vegas condominium market has also exploded. Rob Schnakenberg, division manager for the Pacific North Division of INVISTA, said, "At one point in 2006 there were 19 proposed residential high-rise sites. The condominium market offers designers the opportunity to work in a non-traditional option selection setting. A large percentage of urban

design centers in Phoenix and Las Vegas are located in high-rise buildings."

While there are opportunities for designers in new construction, remodeling and furnishing projects in the condominium market, there are several obstacles to be aware of. "Home buyers often have to visualize their condominiums based on the blueprints and are not able to look at a model home. Also, coordination and access restraints in downtown high-rises are significant factors for builders. Issues such as parking, elevator usage and the loading and assembling of materials add additional time constraints that lead to an increase in costs for urban development," said Jaimi Julian Thompson, president of Artisan Design Group, an exclusively urban design center in San Diego, California.

"When designers understand the challenges they will face with urban development they can educate home buyers to make the right decision for their homes the first time, avoiding costly renovation projects."

As the high-rise market tightens, builders will begin to offer more options and the need for urban options will grow. "We have the same resistance in the condominium market today that we had from contractors with single family home building 20 years ago; however, now options are the builder's cost of admission into the new home construction market. We will begin to see similar options in the downtown high-rise market," said Thompson.

"When designers are introduced to this market they have to be willing to learn the differences and the needs of urban homeowners and they will find great potential for growth. Urban living is a choice that is becoming increasingly popular for first and second homes. This is a trend that is here to stay," said Thompson.

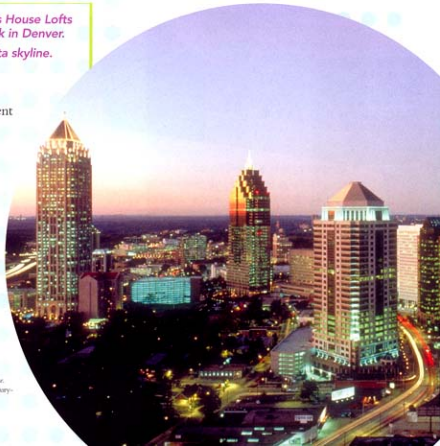


Left: The Glass House Lofts at Riverstone Park in Denver.

Right: Downtown Atlanta skyline.

According to Schnakenberg, "Designers must be able to present the value of the materials and design to the high-rise home buyer to address the challenges that arise due to the growing cost of high-rise developments."

These challenges can also be met by a designer who is intimately familiar with the urban high-rise process. "Take advantage of the things that you can do in pre-construction," said Thompson.



Sources: 1. Chicago Taxi Truck Building Booms [http://www.chicagoapartment.com/forums/articles/451024024061116699661\\_print.asp](http://www.chicagoapartment.com/forums/articles/451024024061116699661_print.asp), Chicago Tribune  
2. Empty Nesters Up the Ante in the Luxury Condo Market, <http://www.stanfactors.com/index.php/2006/11/empty-nesters-up-the-ante-in-the-luxury-condo-market/>, Stanford Magazine  
Denver photos courtesy of Debra Uvied and Pam Lucello of Saffordback Design. Atlanta skyline courtesy of the Atlanta Commission & Victor Burton.