

The Appeal of High Rise

Residents want views; developers love the ROI

By Diana Mosher, Editorial Director

Apartments with city views command the best prices. But that's not the only reason urban high-rise living is so popular with prospective residents. A major problem facing most Americans, says Adrienne Albert, CEO and founder of The Marketing Directors, Inc., is that there isn't enough time in the day. "So how do you want to spend your hours? People are choosing to spend them on the things they find most satisfying. It might not be driving half an hour for a loaf of bread. I don't care how many books on tape you have," adds Albert.

Considering the prices of gas, cars and car insurance—and the time it takes to drive everywhere—Albert thinks the popularity of higher density living is a trend that's going to continue in this country. Through her firm, The Marketing Directors, Inc., Albert has been responsible for the marketing and sales of over \$29 billion in properties. Over the past 30 years, The Marketing Directors has served dozens of clients on a range of projects, from single-family homes to high-density multi-use development in locations from Canada to California.

Planned urban developments in suburban locations offer larger living spaces along with amenity centers and club houses. "That could be a lovely experience, but unless you live very close to the clubhouse, you have to get into your car to drive there," says Albert. She notes that the interest in walkability scores has increased significantly, especially in the past year, and that this change speaks to the demand for high density living.

"Before the recession it was very clear to me that the suburbs were urbanizing," says

Albert. "There were more infill projects. The infill sites in cities were being grabbed up. And there seemed to be a movement toward density born not only out of economic capabilities to have these [developments] pay off, but also a market demand to be able to 'walk to something.'" Today these transit-oriented and higher density applications have more traction just as they did before the recession.

Why do people choose high rise specifically over mid or low rise in a high density environment? Most high rises are in urban centers. Living in an urban center has certain advantages, says Albert, like knowing there's a dry cleaner nearby and having easy access to public transportation.

"You stick your hand out and you get a cab in Boston, Washington, New York, Atlanta. Restaurants and cultural activities are really quite close and quite accessible. You can have a very enriched life in an urban high rise. And you also get that special thing everyone wants: a view. And that's critical. Everybody wants a view. It can be a city view, it can even be a rooftop view (if it's a nice rooftop) that has a kind of romantic feel to it."

Not all residents want to socialize with



The Marketing Directors helped position the apartment homes at The Visionaire, a LEED platinum condominium developed by the Albanese Organization in New York's Battery Park City. *Image courtesy of The Marketing Directors*

their neighbors, but they do want active spaces as well as passive spaces where they can leave their apartments and have a different environment to read a book, paint a watercolor, or meet a neighbor to plan a social event. “It’s nice to have that alternative to Starbucks,” explains Albert.

High rise is appealing to developers, too, despite the fact that it’s a riskier model. A developer building low rise can deliver 20 homes or 100 homes, points out Albert. In high rise development you have to deliver all the units, so high rise is riskier. “That’s a huge difference,” she adds. “The complexity of the design issues is another huge difference. Building a high rise can be extremely complex. Building single family home is not nearly so complex. Anything that’s stick built is significantly simpler to build, and you don’t have to build them all at once. You can build them to meet demand.”

Also, most urban rentals are more stable than most suburban rentals, says Albert. In suburban rentals, when a piece of land becomes available down the street and someone builds a new rental, there’s a good chance you’ll lose your tenants. This scenario is less likely to happen in a dense urban environment.

In most cities the return for developers is going to be higher for an urban condominium than a suburban condominium. “Because, once again, if somebody builds down the road, your value may not go up,” adds Albert. From a development point of view, urban high rise may be more lucrative, but also a much higher risk. The dollars involved in building urban high rise are significantly higher than any other building format. There are certain barriers to entry. Not only a specific expertise, but a higher dollar involvement, according to Albert.

“For a developer there are significant differences in building low rise and high rise,” says Albert. “Both can be extremely profitable, although I think most suburban rentals don’t yield the kind of dollars that a successful urban high rise development does.”

Kensington creates views in Boston

In October 2013 Boston Mayor Thomas M. Menino and the Lewis family—a local developer that teamed up with partners Northwestern Mutual and National Development—celebrated the grand opening of The Kensington. Boston’s newest luxury residential tower, a LEED Gold certified property designed by The Architectural Team (TAT) with interior design by RD Jones & Associates, is located in the Washington Street corridor. The Kensington’s tagline “Smart Apartment Living” is designed to appeal to Boston’s influx of young, skilled workers downtown.

“Incredibly well-detailed, high-style interiors with a warmth and individualized character triggers the passion for which residents select a place to live,” says Rebecca

Jones, principal + founder, RD Jones & Associates. “Great design delivers bottom line results by creating extraordinary lease ups.”

TAT Vice President and Principal Michael Liu, AIA, NCARB, who served as principal in charge of the project, started working with the developer 12 years ago, but the project was shelved in the last down cycle. The architectural design of the tower and its program have been reconceived several times over those 12 years, according to Liu. The players have changed as well. The developer, Kensington Land Company, has owned the land for quite some time, and over 10 years ago they bought out the other land owners. Before the recession Kensington was developing the land on their own; but, when the project later resumed, they partnered with National Development.



The Architectural Team and RD Jones designed common areas at The Kensington in Boston to create curb appeal and convert pedestrians into leasing prospects. *Photo courtesy of The Architectural Team*



cord of getting projects built. Their particular interest was in making sure you had a very marketable project, and, from a budget point of view, a very buildable project. So I think it was a combination of vision and practicality that resulted in the successful partnership of these two entities.”

As Liu observes, the urban luxury tower rental product tends to have a menu of amenities that is often quite rich and luxurious and also varied in terms of the spaces and activities that go on in them. “That, of course, is true in the Kensington,” says Liu.

But the developer broke up the amenity package so that a portion of these spaces are highly visible at street level from a soaring two-story space with a glass wall.

“This is a little bit unusual,” explains Liu. “I haven’t seen other multifamily buildings that allow you to get a glimpse of the amenity package right from the street. Most [of The Kensington’s] amenities are actually above, on the sixth floor,” adds Liu. “But at the lobby level (which is really a very large volume of space), because of the way that the lighting and the windows are handled (they are very large sheets of glass), it’s really almost like looking into a terrarium. You see a very warm space, particularly at night. It’s a draw and an intro to the amenities package beyond.”

The fitness center is larger than a typical fitness center, so many residents can use it at any given time, according to Alexander Donovan, project manager, The Architectural Team. “There is also an outdoor pool on the sixth floor,” adds Donovan. “A lot of the decisions in the project were based on sustainability and also the idea of health.”

Liu notes that the fitness ethos is pervasive now in our culture and can also be seen in senior living. “In an urban project of this kind the demographic is typically a younger professional, often single, and so the whole fitness aspect has got a social component to it which ties into all of that amenity program.”

According to Liu, what is always appealing about urban high-rise projects is that



The Kensington is wowing Boston’s influx of young, skilled workers. Photos courtesy of The Architectural Team

“Kensington [Land Company] had a vision,” says Liu. “It’s a company that has a build-and-hold approach to development. It’s a family owned company; and I don’t want to speak for them, but my perception is that they really want to build a family legacy of projects. So it was important to do projects that have real lasting power and that they can be proud of as a family. National Development has a long track re-

they're really urban design projects that have to be seen in the context of the buildings that surround them, many of which are also tall buildings. Once you get above the 8th or 10th floor, the buildings become "object" buildings as opposed to streetwall buildings. But, at lower elevations, they have multiple functions.

"At street level they have important work to do in terms of maintaining pedestrian activity and enlivening the street," explains Liu. "Then, on a whole other level, these buildings are seen from far away, from many different vantage points and by many people. So there's a kind of public or civic obligation in terms of the design, because you really are creating a kind of sculpture which everyone is going to have to live with for a long time."

And, from a social point of view, a multifamily building like The Kensington that has 381 units, and between 500 to 600 residents, is the size of some small towns. So, according to Liu, these buildings have a significant social and commercial impact that can be transformative.

At its lower stories, the Kensington responds to its historic neighbors. It doesn't look like an older building, but through its massing it's maintaining and mediating an existing historic streetwall. Above that, however, the massing is broken up to make it as slender and elegant as possible when seen from a distance.

The shape of the taller portion of the building also maximizes the South, West and East exposures for the greatest number of apartment units—and also the views from the building. Its distinctive profile and shape have resulted in varied unit types and shapes. "In some projects there's a drive to making all the units the same and there are benefits to doing that," says Liu. "But, in other projects, there's a certain appeal that results from a variety of unit configurations and that's what we have here." MHN

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