

Welcome to the urbs

Many families are skipping the suburbs for a downtown condo

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At the Villas of Lost Canyon condominiums at 1529 Barton Springs Road, Julie James and her neighbors know they'll be popular with their friends and family when it comes time for Fourth of July fireworks, or the Trail of Lights at Zilker Park.

James and her neighbors live only a five-minute walk away from Zilker. They have good views of the fireworks from their balconies and courtyard, as well as prime parking spaces for friends who want to see the holiday lights.

"There's so much to do within walking distance," James said. "First thing in the morning I walk over to Flipnotics across the street. We're near Dougherty Arts Center and Barton Springs, too."

The downtown and near-downtown condo and townhouse market is exploding. And most of those units aren't selling to millionaire single guys who bought condos just to be near Sixth Street. Instead, empty-nesters who are retired and looking to downsize from large homes, couples and even some young families are increasingly calling condos within a 3-mile radius of the Capitol home.

This reflects a national trend toward more interest in living in the center of a city, instead of in the suburbs, say real estate experts.

"There's a general shift going on in the United States. People are looking for an urban lifestyle," said Jim Gaines, a research economist at the Real Estate Center at Texas A&M University. "There's an interest in living closer in to downtown, where a lot of the activities are. People are giving up suburban shopping centers and making a lifestyle switch. They are looking for cultural and entertainment options, and all of that in Austin is primarily concentrated downtown."

While most condo and townhome purchasers are people whose children have grown, or couples who have not yet had kids, some families are finding Central Austin to be very family-friendly.

The developer of a 305-unit downtown high-rise condo project says the larger units "are the ones that are quick to go," said John Faulk, the development manager for ZOM Texas Inc.

The most spacious units in ZOM Texas' Monarch, on West Fifth Street near Whole Foods Market, will have 3,530 square feet. The project switched from apartments to condominiums.

Faulk said he anticipates that demand for the larger units will come from both a "meaningful" number of buyers who will raise their kids in the building as well as empty-nesters who want the extra room when their children or grandchildren visit.

"As the Austin market transforms itself, you'll get more of a cross-section of society that lives there, not just the hipsters," Faulk said. "That's the true sign of a mature market, if everyone is represented."

A case in point: Kevin Burns, the founder and owner of Urbanspace Realtors, lives with his wife and their two young children in the Milago condos at 54 Rainey St.

Burns said people are often surprised to hear that more than 25 young children live in the Milago. Their parents, he said, chose a desire to live in Central Austin over the suburban appeals of a large yard with a playscape.

"Our kids play at the pool and at the playgrounds in Zilker Park," Burns said. They take their children for strolls on the hike-and-bike trail by Lady Bird Lake. The Austin Nature and Science Center is nearby, too.

"It's a better backyard than I'd ever have in a single-family home," he said, "and I don't have to mow the yard."

For James, 58, not having to worry about the maintenance and upkeep of a house is appealing. James is retired from a career in fashion and public relations; her daughter is grown and lives in California.

"They do all the maintenance here, and it's safe," she said. "I can lock it up and go." James used to live in a single-family home, but "this convenient location, plus easy airport access, make the villas a perfect fit for my lifestyle now."

The increasing cost of land in downtown and near-downtown Austin is a major factor in spurring denser development, Gaines said.

When developers and builders are looking to profit from a project, but the land itself is highly priced, it makes more economic sense for them to put as many units as possible on the land they have bought.

"If you are going to pay that much for a lot, it's more profitable to build more units," Gaines said. Condos and townhomes "are vertical subdivisions."

Dallas and Houston are seeing more downtown condo developments. San Antonio is also, to a lesser extent, Gaines said.

The sky is the limit for wealthy buyers interested in a downtown Austin condo. The luxury units at the 5 Fifty Five Condominiums on East Fifth Street currently go for about \$1 million to more than \$3 million.

The Austonian, at Congress Avenue and Second Street, has units priced from \$550,000 to \$3.8 million.

The Villas of Lost Canyon condominiums on Barton Springs Road have units priced at \$675,000 and \$690,000, with options such as an elevator or ground-floor level available for an additional fee.

Some developments are priced closer to Austin's median home price. The condos at the Magnolia on South Lamar Boulevard start in the \$220,000s. There are units at the Sabine on 5th development costing \$229,900; resale units at the Milago can be had for \$250,000.

Still, those prices are high compared with the prices of many single-family homes, Gaines points out. The median price for a single-family home in Austin is about \$191,000. A \$300,000 condo near downtown will probably have one bedroom and one bathroom; for \$300,000, you could buy a house in Southwest Austin with five bedrooms and three bathrooms.

But for Burns and his family — and the clients he meets selling properties for his real estate company — the accessibility by foot or bicycle to places and events in Central Austin is compelling.

"It's for people who want to share their time with other people," he said. "It's for going to restaurants, the theater, to hear music. Austin is a lifestyle."

Courtesy of JB Goodwin