

Austonian to tower over downtown

Proposed 55-story luxury condo tower will be Austin's tallest building when completed in 2009.

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Austin's skyline is about to undergo its biggest change in history.

Soaring 22 stories higher than downtown's tallest existing building, a \$200 million luxury condominium tower planned for Congress Avenue and Second Street will set a new bar for height and unit prices amid downtown's residential building boom.



BENCHMARK DEVELOPMENT; ZIEGLER COOPER ARCHITECTS

Although the design isn't final, the Austonian could rise up to 700 feet, dwarfing the 33-story, 515-foot Frost Bank Tower at Congress and Fourth Street once it's finished in 2009. Construction is set to start late this year at 200 Congress Ave., which is now a parking lot.

The 55-story Austonian would eclipse the tallest residential tower under construction downtown, a 563-foot condominium tower with 44 stories that Atlanta-based Novare Group Holdings LLC and its local partner, Andrews Urban LLC, are building at Third and Nueces streets.

The developer of the Austonian, Second Congress Ltd., an affiliate of Austin-based Benchmark Development, launched its Web site to begin marketing the project Tuesday.

The Austonian's upscale units could set a new benchmark for luxury living in the city's urban core. Though prices haven't been set for the 195 units, they are expected to start at about \$500,000 for the smallest units with about 1,200 square feet, said David Mahn, vice president of Benchmark. Prices for the penthouse units would top \$1 million.

Mahn said the Austonian's prices would be "very competitive" on a per-square-foot basis with other new downtown condominium projects. Prices also are expected to start at about \$500,000 in a mixed-use condominium tower that local developer Tom Stacy plans for Fifth Street and Congress Avenue. Stacy's building, which has no timetable for breaking ground, is expected to rival Benchmark's in height.

Stacy also plans to build a striking glass tower that could rise up to 700 feet.

Mahn said the Austonian developers only recently settled on a 55-story building, which he said worked best from an economic standpoint, although a range of stories was considered during the design process.

The Austonian will have 500,000 square feet of space, roughly half the amount of a regional shopping center. A variance from the city will allow the developer to build a project with about double the square feet that existing zoning would have allowed.

Designed by Ziegler Cooper Architects of Houston, the building will be an elliptical glass and masonry tower atop a lush garden deck, with a pool area overlooking Congress Avenue. The high-rise will be topped with an illuminated architectural feature, which is still in the design stage.

In addition to a concierge and valet service, the building will offer residents workout facilities and a private area for meetings or parties on the top two floors.

With units in most of the downtown condo projects priced high, some developers have been shooting for more moderate starting prices. Prices for Novare's condo project, for example, will range from \$190,000 for a 785-square-foot unit to \$550,000 for a 1,638-square-foot unit.

Mahn said he expects the Austonian to appeal to a broad range of buyers, including many who work downtown.

"We think this is the perfect live/work/play/shop location," Mahn said.

The Austonian is one of at least four residential high-rises that developers plan to break ground on this year in downtown Austin as they seek to meet what they say is continued robust demand for urban living.

Several other condo and apartment projects are under construction downtown, and scores more are planned or under way near downtown as the condo craze spreads south and east.

That has led some to question whether the downtown condo market might be at risk of getting overbuilt, a phenomenon that has hit other cities, including Miami and Boston.

But Charles Heimsath, a local real estate expert who consulted on the Austonian project, said demand for downtown condos in Austin remains strong, "with each new project selling out in record time."

"Demand for the most expensive units in the existing projects has been slower, but none of them have been a 'super luxury' project on Congress Avenue," said Heimsath, president of Capitol Market Research. "I feel confident that the Austonian will be well-received by the market due to its extensive amenities, views and very high level of finish."

If all the planned units were to start at the same time, "then I think we might be facing an overbuilt high-end market," Heimsath said. "However, every project has its own unique attributes, pricing and market appeal, and that differentiation, along with the fact that the time between project completions is staggered, should keep the market strong."

Developers report healthy sales at their projects. At the Shore, a 23-story condo project under construction at Red River and Davis streets, only 10 of the 192 units are left, with prices ranging from \$350,000 to \$765,000, said Ian Stonington, the project's sales manager.

Seven-time Tour de France champ Lance Armstrong is an investor in the \$55 million project, which is being developed by High Street Residential, a subsidiary of Dallas-based Trammell Crow Co. Armstrong has reserved a unit on an upper floor.

At Bridges on the Park, a condo project CLB Partners is building at South Lamar Boulevard and West Riverside Drive, 47 of the 104 units are under contract with non-refundable earnest money representing 5 percent of the purchase price, said Bobby Nail, the Austin partner for CLB Partners.

Another luxury condo project, the 20-story AquaTerra next to the Hyatt Regency on Town Lake, will break ground once buyers are lined up for half of the 173 units. The developers have said they expect to reach that goal early this year. The units are priced from \$350,000 to \$1.2 million.

Spring, a condominium tower at Third and Bowie streets, has 780 reservation holders for its 240 units, said Larry Warshaw, a partner in the 41-story project.

With downtown housing largely out of reach for middle-income buyers, some city leaders have voiced concerns about the area becoming an enclave of the well-heeled.

"It becomes a challenge to justify significant taxpayer investment in downtown if it becomes an urban Aspen or Vail," said Council Member Brewster McCracken. "It is in everyone's interest, including downtown property owners, that downtown developments include a broader range of housing prices than we're seeing currently."

Mahn concedes that the Austonian's starting prices will cut out some prospective buyers.

But he said Benchmark has and continues to build much more moderately priced housing elsewhere in Central Texas, including condominium projects in East and South Austin with partner Terry Mitchell. Those will have prices starting in the low \$100,000s.

Courtesy of JB Goodwin