

Demand high for downtown housing

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Carl Warren has lived in Paris, Singapore and New York City, but the former senior executive at IBM decided Salt Lake City was the best place to spend his retirement years.

Warren is not alone in choosing Salt Lake as a residential destination.

Over the next 20 years, Utah will witness a 140 percent increase in the number of people ages 65 and older, according to a November report by the Brookings Institute. This "age-wave," according to the report, will have profound effects on America's cities, shaping how and where baby boomers and seniors live.

Those changes will be felt strongly in Salt Lake City, where a rush of new residential housing is planned.

The city already has roughly 3,400 residential units in the central business district, providing housing to 6,000 people, according to James Wood, director of the University of Utah's Bureau of Economic and Business Research.

Over the next five years, The Church of Jesus Christ of Latter-day Saints' estimated \$1.5 billion City Creek Center project in downtown Salt Lake City will add five new residential towers to the skyline, with about 430 new residential housing units.

But if market conditions and demand are strong, the number of residential units in the project could be as high as 700, according to Dale Bills, spokesman for City Creek Center.

According to Wood, the demand for owning a piece of the City Creek Center is already beginning to outstrip what is planned.

About 500 people have expressed interest in the towers, according to Mark Gibbons, president of the church's real-estate arm, Property Reserve Inc. And Gibbons has noted that units will not go on sale for at least another two years.

"I've had people call me and ask, 'How do I get on the list?'" Wood said. "If you're a real devout Mormon, to have that sort of address and location is very appealing. There's not many of those around."

Wood calls the church's plans "the most significant transformation" the city has ever seen in downtown Salt Lake City.

"There certainly are a lot more people that would like that address than there is going to be available units," Wood said. "I'm sure that some of those units will be in the same family for generations."

Had the City Creek Center been finished in 2005, when Warren and his wife, Laura, were looking to buy, the couple today likely would be living in a suite overlooking Temple Square. The proposed residential towers, Warren said, could be a catalyst to get his out-of-state friends to move to Salt Lake City.

"We have a lot of close friends in the New York City and the Washington, D.C., areas," Warren said. "Most of them, when they get to retirement age, they head back here. The ones that will be coming will look very, very seriously at those apartments."

Jaren L. Davis, broker at Coldwell Banker Residential Brokerage in Sandy, said today's homebuyers are looking not only at location when purchasing a home, but also at lifestyle. Downtown's proximity and convenience to cultural and entertainment attractions, Davis said, is appealing to a new set of buyers.

"People are thinking more in terms of, 'How do I allow myself in my time off from work to be out recreating?' And it isn't in the back yard cutting the lawn," Davis said. "It used to be that the developer would look to that product as being for an empty nester, but we could see families moving down there."

Even without the City Creek Center, interest in living downtown remains strong.

At the American Towers condominiums, located at 48 W. 300 South in downtown Salt Lake City, only nine of the towers' 357 units are currently for sale on the Multiple Listing Service, according to Davis. Smaller units are selling for \$240,000 for 927 square feet of space. Larger units are listed at more than \$500,000. Two units in the tower are currently under contract in the \$350,000 to \$430,000 range.

Gibbons said the City Creek Center's condominiums will be offered at a wide range of prices. One of the towers, called Tower 2, is planned to rise 415 feet above the ground, which would make it the third tallest building in Salt Lake City, behind the Wells Fargo Center (422 feet) and LDS Church Office Building (420 feet), according to Emporis.com.

"Right now there is interest and demand for downtown, not just with the LDS Church. There are other tremendous projects that are being announced and built," Davis said.

"Yeah, there is probably going to be some overbuilding, but developers will go into that appreciating that and probably make efforts to avoid competing."

At the Metro Condominiums, currently under construction at 350 S. 200 East, 200 people last year put down \$2,500 each to get on a waiting list to buy one of the project's 117 units, priced at \$120,000 to \$510,000. The units will be completed in early 2008. In addition to the reservation holders, another 1,400 people signed a list expressing interest in the Metro Condominiums.

Andrew Pratt, branch broker and director of sales and marketing for the Metro, said people from as far away as Australia are on the reservation list.

"It's mostly local," Pratt said. "Our biggest out-of-state buyers are certainly from California. But we draw from New York. We draw from Washington, D.C."

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