



PRESS PHOTO/J. HAMILTON

Close family: Tiffany and Anne Nieuwenhuis stand on the pool deck of Union Square condos in Grand Rapids, where they live. Their parents, John and Jean Nieuwenhuis, below, are nearby at Cityview Condominiums.

AT HOME DOWNTOWN

YOUNG PROFESSIONALS, EMPTY NESTERS FLOCK TO CONDOS



PRESS PHOTO/ROEL L. WERLEY II

BY LINDSAY VANHULLE
THE GRAND RAPIDS PRESS

GRAND RAPIDS — John and Jean Nieuwenhuis' seventh-floor downtown condominium offers breathtaking views of Grand Rapids' city center.

And the couple is just a short elevator ride to the rooftop deck at Cityview Condominiums, 60 Monroe Center NW, where the tops of skyscrapers are at eye level.

It's a different world from the suburban Rockford home where the Nieuwenhuises raised their two daughters — now in their 20s and living in their own downtown condos.

And that's why they like it. "When we got home from work, we tended to work on the lawn or stay in our area," Jean Nieuwenhuis said. "Now, we're here in the city. It

“When we first looked at this place, it was somebody's office. After they gutted the whole place, we had the drawings, and we started drawing lines in the dust.”

— John Nieuwenhuis about his 1,200-square-foot unit in Cityview Condominiums.

is our home.

"It truly is a lifestyle change, not just an address change."

The Nieuwenhuis family is a fine example of what downtown developers and market analysts say is the face of the 21st century condo market: empty nesters of the baby-boom generation and their children, 20-something millennials.

Both groups want to be close to

shopping, dining and recreation, as well as for the numerous amenities developers add to compete for buyers.

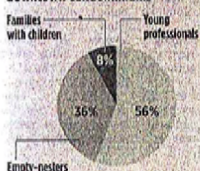
"You don't have as many families looking for the single-family, detached house in the suburbs anymore," said Laurie Volk, a Clinton, N.J.-based market analyst who has studied Grand Rapids. "It's a renaissance."

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Living downtown

Market research shows young professionals make up the biggest share of the downtown Grand Rapids condo market.

Potential market for downtown condominiums



SOURCE: Zillow/Trulia/Red Associates

PRESS GRAPHIC

DOWNTOWN CONDO DEMAND OUTPACES NEW UNITS

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sauce of the city across the United States."

The downtown residential development push began here in the 1980s with the formation of the Grand Rapids Downtown Development Authority, leading to the construction of Plaza Towers on West Fulton Street.

Known then as Eastbank Waterfront Towers, the 32-story project — which now includes a Courtyard by Marriott hotel, nearly 130 condominiums and about 130 apartments — was particularly groundbreaking when it opened in 1991.

"That really was a project that the DDA put most of its effort into for the first 10 years," said Jay Fowler, DDA executive director. "That's ancient history now."

The growth in the downtown housing market the past 15 years has offered potential buyers options that range from new steel-and-concrete towers to refurbished remnants of Grand Rapids' furniture history, as well as a wide range of prices and number of units.

Even this boom won't be enough to satisfy demand, experts say.

The DDA commissioned Volk, the co-managing director of the New Jersey market research firm Zimmerman/Volk Associates, to study Grand Rapids' housing potential.

Among the findings in 2004 were:

- About 4,060 households in the city would be inclined to move downtown, of which 620, or 15.3 percent, would consider condos.

- Of potential condo buyers, 56 percent are young professionals, both single and married. Older adults, many with grown children, compose 36 percent of the market, and families with children are just 8 percent.

- Downtown could support an additional 355 housing units, 93 of them condos.

"So many households don't have children, the schools are not an issue, and it's changing lifestyles that have really made the downtown and the urban environment much more attractive," Volk said.

People want to be within walking distance to city centers, she said, and rising gas prices are only going to add to the appeal.

Many younger people who are moving to cities were raised in the suburbs and commuted to downtown for work or play, she added. And their parents are increasingly moving into smaller dwellings in cities as their children move out.

Such was the case with the Nieuwenhuis family.

Their Rockford home was in a subdivision, with a garden and swing set in the backyard. It was the perfect location to raise daughters Tiffany, 28, and Anne, 21.

But when the girls became adults, the house in the suburbs seemed less desirable.

When they learned of the Cityview project about four years ago, the Nieuwenhuises were excited to make the move.

"When we first looked at this place, it was somebody's office," John Nieuwenhuis said of his 1,200-square-foot unit. "After they gutted the whole place, we had the drawings, and we started drawing lines in the dust."

Their location lets them park their car on the weekends and walk to the market, along the Grand River or to museums. And they have been in a prime spot to watch more downtown projects rise in the past three years, including other condos.

Drawing them in

Developers find themselves scrambling to come up with condo projects unique to the downtown market to entice buyers.

Although a number say they do not aim at any specific demographic, they have noticed the new class of young professionals and their parents are the most likely to move in.

But to attract an even broader market, developers do that they can to stay competitive, everything from adding amenities to keeping units affordable.

Features that marketing firm Parkland Properties has added to four of its developments include balconies, courtyards, pool decks and fitness rooms, owner Jon Rooks said.

Rooks' firm oversees Cityview Condominiums, Boardwalk Condos at 940 Monroe Ave. NW, Union Square at 600 Broadway Ave. NW, and Monroe Terrace at 600 Monroe Ave. NW.

Units in the four buildings range from nearly \$70,000 for a studio at Boardwalk to \$1.2 million for a penthouse at Cityview.

Rooks said a wide span of ages and generations in the buildings fits his firm's goal to attract a diverse group of residents.

"We don't see a problem with somebody in their 20s living next to somebody in their 50s or their 60s, because we've heard and observed so many friendships form between the wide variety of ages," he said. "We like to have a little bit of every buyer type in the building to make it an interesting place to live. That's part of why people move downtown."

Tiffany and Anne Nieuwenhuis, whose parents live in the Cityview building, both live in condos in Union Square. They said they enjoy the mix of ages attracted to downtown.

"I think people are just curious about it," said Anne Nieuwenhuis, 21, who lives in a third-floor unit her parents purchased as an investment. "Once they see it, it's really fun."

Tiffany's condo is her first home purchase.

Some developers face challenges, however. Sam Cummings, president

of Second Story Properties, initially had difficulty attracting buyers to his newest project, the Fitzgerald.

The development, in the old YMCA building on Library Street NE, originally was intended to have 50 units. Cummings had to modify his plan after none of the 56 reservations materialized into purchase agreements.

"We had to start all over again," he said. The Fitzgerald now features 42 units ranging from about \$200,000 to \$600,000. Of those, 22 have sold. Construction began in June, said Cummings hopes residents can move in by June 2006.

George Bradshaw will be one of them. Bradshaw has owned a home on the city's Southeast Side for 20 years and has wanted to make the move downtown for awhile. He and his wife enjoy going to dinner and attending art events in the city.

And with his sales marketing agency moving downtown, he will spend more time there.

When his 19-year-old son left for college, Bradshaw said, it made perfect sense to move.

"We want to downsize a little bit and have a different life," he said.

Effect on the city

The trend to downtown housing is only going to increase in the next decade, analysts say.

want to shell out top dollars.

"The lifestyle that people are after — fun, exciting, the whole downtown thing — we're trying to create a plan that reaches out to that buyer," Spaugh said.

Construction likely won't begin until next year.

Other condo developments near downtown are rehabilitating buildings. Boardwalk, for instance, is the old Berkey & Gay furniture factory. Union Square is the old Union High School building.

Moving people into these revamped buildings has an added benefit of improving some of the city's older neighborhoods, Fowler said.

"These old factory buildings are no longer efficient as factories," he said. "Rather than have them sit empty or be demolished, I think the reuse of them really adds a lot of vitality to the city."

With growth of the medical community, more people are likely to move downtown, said Bradshaw, the future Fitzgerald resident.

And it will only be a matter of time before there is growth in other ways, he said.

"I'll bring a nice amount of traffic downtown, which I think sometimes downtown is missing in the evening," Bradshaw said. "And with that, I think there will be more cultural events."

"I think you'll see more positive things come out of downtown Grand Rapids."

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PHOTO BY GAVIN BACZEWSKI

Waiting to move: George Bradshaw and his wife, Lee Bowen, are eager to get into the old YMCA building when its conversion to The Fitzgerald condos is completed next year.