

Demand for condos growing as buyers continue to snag what's available

BY LAINIE RUSCO

If there was a question a couple of years ago about the demand for downtown condominiums, the answer is becoming more clear as a growing number of buyers are opting to invest in condos.

The WaterWalk is a prime example.

With no infrastructure in place and only word-of-mouth advertising, 10 of the planned 48 units have been reserved. They would likely be sold already, but the contract paperwork isn't done yet, says WaterWalk President Tom Johnson.

"We're very pleased, seeing as how we don't have our brochure and marketing ma-



Johnson

See **CONDOS**, Page 29

CONDOS: Burk's condo experience will influence design of units at the WaterWalk

FROM PAGE 1

materials finalized," he says. "Response has been good, and interest has been high."

Downtown developer David Burk is involved in the planning of those condos. And he has proved he knows how to attract buyers. In his Old Town condo buildings, the Rumley and the Grant Telegraph Centre, 39 of the 41 units have been sold. Six were purchased as investments and are being leased out.

The only other available condos in downtown are the Lofts at St. Francis, developed by Minnesota group Real Development. Only four of the 27 units there remain unsold — and two of those have purchase agreements. Three of the units that have been sold were bought as investments and are up for lease.

Real Development's Michael Elzufon says it was tough to attract buyers at first, but with the success of the Rumley and Grant Telegraph Centre — and more downtown amenities — there's finally a real demand for condos.

"The interest level of the community as a whole has certainly been ever-increasing," Elzufon says. "A couple of years ago, there was kind of demand. Now there is demand. It's solidified itself."

For Duke Naipohn, CEO of health care company Somnograph, it was a no-brainer. Once the condos in the Lofts at St. Francis — which range from \$90,000 to \$499,900 — became available, Naipohn jumped at the opportunity. He had been living in a house in Lakepoint.

Real Development's Michael Elzufon says 23 of the 27 condominiums at the Lofts at St. Francis have been sold.



LAINIE RUSCO / WBJ

"I travel a lot, so I didn't have time to maintain quarters," he says. "I lived in a loft in Minneapolis and was familiar with the concept. It was easy, and it felt secure."

RIISING PRICES

Because there are so few condos available to buy now, those that are for sale aren't cheap. Hilb Rogal & Hobbs President Dave Cavenah, who lives in a condo at the Grant Telegraph Centre, also bought one in the Rumley as an investment, in December 2005.

At the time, he paid about \$150 a square foot. Now he's asking \$200. At 2,200

square feet, that's a little more than \$400,000. The large increase in a short time period, Cavenah says — and Burk agrees — illustrates the demand in the market.

"My feeling is there's only a finite number of loft condos in downtown," Cavenah says. "I think no matter what, it's going to turn out to be a good investment."

WaterWalk officials aren't releasing details of their condos until mid-April, but Johnson says there will be some influence from Burk's other properties, including pricing and marketing.

"We've taken advantage of his experience and learned from that," Johnson says.

The units will range from \$180,000 to more than \$700,000 and will be 1,459 square feet to more than 5,000 square feet. Construction is expected to be complete in May 2008. A sales team headed by Scarlett Stomberg will handle leasing.

'PENT-UP DEMAND'

Along with the WaterWalk, the next new condos to come online will be at the Exchange Place and Michigan Building, at Douglas and Market Street. It is also developed by Real Development.

The plan includes 92 condo units, for which Elzufon believes there's plenty of demand. But it hasn't been easy convincing people to invest in the \$25 million project.

This week, Elzufon and his fellow developers asked the city of Wichita for help. They want the city to buy the two buildings and include the project as part of a tax increment financing district that the Wichita City Council is considering.

Burk says he's in favor of the TIF and thinks it could only help increase the number of condos downtown, making it easier for developers to continue building them.

"I think that's a good mechanism the city's used throughout the years to equalize the additional costs you incur downtown," Burk says. "My perception is that we haven't even tapped the market. I think there's a real pent-up demand."