

COLUMBUS BUSINESS FIRST

Condo buyers take liking to Arena District projects

By Brian Ball – Business First - Jan 30, 2006

Three condominium projects in or on the fringe of Columbus' Arena District have experienced robust sales, even as their owners pursue divergent selling strategies.

The developers of Burnham Square, Eclection Lofts and the Buggyworks have begun closing sales of their residences as construction on the projects enters the final few months.

Bill Shelby, president of Spectrum Properties Inc., said the company's 57-unit Eclection Lofts at 221 N. Front St. has five units unsold, including two penthouses it will begin building soon.

"We're pretty strategic about (the marketing,)" Shelby said. "I like to think it's more than just a hot market."

Spectrum's marketing emphasizes what Shelby calls "velocity pricing."

"We study the market, try to figure out where we need to be and what kind of product we can offer for that price," he said. "We then design to the product demand."

The developer began gutting the former office building a year ago and started putting units in contract last March. Sale closings began in December for Eclection's condos, which range in price from \$159,900 to \$299,000.

"We really focused on pricing so we can sell them quickly," Shelby said. "We haven't been intent on raising prices. We think we're getting a fair price for the product."

Going another way

Spectrum has kept its marketers busy in part because the developer has other projects in the pipeline. It completed the sale of condos in the Connexions Lofts on North Third Street just before embarking on construction of Eclention.

Its CityView on Third project at Chestnut Street is under construction, but the firm hasn't begun converting reservations into purchase contracts.

"Once in reservation, we honor the price," Shelby said.

In contrast, Nationwide Realty Investors and Katz Interests haven't been shy about raising prices on their housing ventures.

Kyle Katz, president of the developer of the 68-loft Buggyworks at 440 W. Nationwide Blvd., said purchases of 28 condos have closed since November, with 37 of the remaining 40 units in contract to close by late March.

Katz said the developer has sold a few of the entry-level residences, which were priced in the \$150,000s a year ago, at 30 percent premiums.

Buggyworks priced its lofts from the \$160,000s to \$600,000.

"We let the market dictate the price," he said. "We weren't afraid to say 'no' if someone wasn't willing to pay what we were asking. We found someone else to buy it."

High-end units sell

Erin Uritus, sales manager for Nationwide Realty, said the Arena District developer has exceeded its sales goals for the 98-unit Burnham Square. It has closed on 20 of the 70 condos sold.

"We continue to be way ahead of where we expected to be," she said.

Condos at Burnham Square have been priced from \$229,000 to more than \$650,000.

Ken Danter, of the Danter Co. real estate consulting firm, had suggested 30 condos might be sold at Burnham Square by the time construction ended, an estimate Uritus now calls conservative.

"With all of these other projects and ... (Burnham Square's) higher price point, (Danter) was probably a little scared if the market was going to be there," she said.

But demand at Burnham Square has freed Nationwide Realty to levy two 3 percent price increases on the condos in the last year.

In one case, a buyer in contract for a penthouse priced at \$430,000 walked away in December after being relocated to another city, Uritus said. Nationwide Realty released the buyer from the agreement and promptly raised the condo's price by \$30,000.

Uritus said two prospective buyers are interested in the residence.

"It was cool to have it come back because of the high demand (for penthouses)," she said. "We'll sell that out twice."