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Condo craze gets all wet

The Pearl is yesterday's news as focus moves to river

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The construction cranes have decamped from the Pearl District for waterside sites as Portland's residential aspirations shift ever so slightly to the east.

At last count, there were some 1,439 condominium units in development along the west bank of the Willamette River. When built, they will occupy 10 separate towers at five separate locations. Four separate sets of developers are driving the waterfront construction boom.

They all have this in common beyond their waterfront location: Buyers have snapped up units almost as soon as they hit the market.

Riverscape, on Front Street near the western terminus of the Fremont Bridge, is closest to completion of the five projects in development. The first 34 units will be ready for residents this fall. The project will eventually boast about 500 units, including 104 townhouses.

Not far to the south, Waterfront Pearl is the most recent project to get going. Offered by the [Naito Properties LLC](#) and its development partners from Vancouver, British Columbia, and Seattle, it will include 192 units in two towers in the former River Queen parking lot, just north of the Broadway Bridge.

Two additional towers may be developed in the future on the adjacent site, which is owned by a separate branch of the Naito family.

The first phase opens in two years. Buyers reserved about 80 percent of the first building when it was put on the market earlier this summer.

The second building will be available in a month or so and its builders expect a similar reception.

There's no secret why some of Portland's most prominent condominium developers -- Gerding/Edlen, Homer Williams and Jack Onder -- have turned their attention to the waterfront. The Pearl District is nearly built out and high-end buyers have a seemingly unending appetite for luxury condos.

"The market is ravenous right now," said Kirk Taylor, senior vice president for investment sales at [CB Richard Ellis](#). Taylor helped usher Waterfront Pearl to fruition when he

introduced Sam and Verne Naito, who own the property, to a team of out-of-town developers, [Pemcor Development Corp.](#) of Vancouver, British Columbia, and Grancorp Holdings LLC of Seattle.

Builders aren't the only ones taking advantage of the ongoing appetite for condominiums and waterside living, Taylor said.

Almost every apartment complex along the river has converted to condominiums and very little developable land remains between Portland and Lake Oswego outside of the South Waterfront area.

Demand for luxury condominiums remains strong and mortgage interest rates remain low. And compared with other cities along the West Coast, Portland remains a bargain -- buyers would have to pay twice as much elsewhere to afford the kinds of properties available in Portland.

Builder Jack Onder got his start in the Pearl District and notes that district continues to go strong and several new projects are in the offing. But there aren't many spots left in there, which means builders are looking elsewhere.

Now, years of effort to build in the River Place urban renewal area are coming to fruition. The Strand was originally conceived as a hotel, but morphed into a residential project with the twists and turns of the economy. The 216-unit project will include three towers and is in mid-construction. The first units will be ready for residents a year from now.

[RiverPlace Partners](#), which consists of Onder's company and Williams and [Dame Development Inc.](#), has been working on its piece for five years.

The Strand occupies one of the last sites available in the district between the Hawthorne and Interstate 5 bridges.

Developers didn't discover the river, Onder said. They work with the sites that become available. And right now, that means the river.

So far, the sales crew at The Strand has released 137 units in the first two towers to buyers. Most have been reserved.

Buyers will be asked to sign binding purchase agreements starting this weekend and, based on the conversion rate of similar properties, Onder and his broker say most reservations will convert into actual sales. Buyers are expected to occupy their units and speculative investors are turned away.

Onder describes the projects strung along the waterfront in chain-like terms -- the pieces will eventually be linked. To a large extent, they already are -- by the riverwalk that extends from the Broadway Bridge south to RiverPlace.

He believes it will eventually find its way further south and will eventually connect the northern sections of the river with the South Waterfront, where Gerding/Edlen is building the Meriwether and John Ross condominiums.

Buyers are drawn by the green aspects as much as by the river and its endless parade of pleasure boats as well as working ships, developers agree.

At the north end of the Willamette, builders of the Waterfront Pearl use terms like "working riverfront" and "retro industrial" to market their projects. It is a quaint caution to would-be buyers that Portland's riverfront is a busy -- and loud -- place to live and perhaps not suited to those who cherish silence.

Oceangoing vessels, trains, freeways, city streets and even pedestrian trails contribute decibels.

At Waterfront Pearl, which faces the [Amtrak](#) station, builders are hedging against the sound of whistle blasts with triple-glazed windows on the walls that face the tracks. An extensive water feature is being engineered to produce soothing sounds to mask the background racket that reverberates around the area, such as the hum from a grain elevator on the opposing shore.

At RiverPlace, designers addressed a different noise challenge.

There are no nearby train tracks, but an elevated bridge carries Interstate 5 across the river and past the construction site on the south.

"It is urban," agreed Onder, who said extensive noise studies indicate freeway noise drifts south and away from his project. Overall, the noise levels at RiverPlace are comparable to those in downtown. If quiet is important, he gingerly suggested that perhaps the waterfront isn't the right place to live.

Brian Ramsay, a broker with [Realty Trust Group](#) and listing agent for Riverscape, said the 104 townhouses (average price \$704,000) have been well received, especially by current Pearl District residents who want more space and don't like the commercialization of the once industrial neighborhood. Of the 54 put on the market, 44 have sold.

Last week, the real estate company launched a Web site to register interest for the condominiums that will be contained in two towers. Within days, it had taken 200 names for the waiting list. Realty Trust also is the selling agency for Gerding/Edlen's Meriwether and John Ross projects at South Waterfront. Both had similar sales patterns.

Ramsay's theory about why developers are concentrating on the shoreline is simple: demand.

To paraphrase Mark Twain, he said, they're not building any more riverfront property.

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