

Business

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LOFTY EXPECTATIONS



Jeffry Scott / Arizona Daily Star

Randi Dorman goes up the stairs of her family's loft in the Ice House Lofts at 1001 East 17th St. The 51-unit complex opened for occupancy in April and only one unit remains unsold. The building is the former Arizona Ice and Storage Co. warehouse.

Developers seeking warehouses, other buildings, land to meet demand for unique living spaces

By Thomas Stauffer
ARIZONA DAILY STAR

This historically horizontal city is going vertical — into loft living.

Until April virtually no lofts were available in Tucson, but developers have discovered a demand. Now they are planning, building and selling a dozen different projects in central Tucson.

As the area's broader housing market shows signs of leveling out, lofts, "loft-style apartments," "town lofts," and nearly everything else associated with the word "loft" are fetching premium prices — \$200 to

MAP INSIDE

See where developers are putting up loft projects — and how much people are paying for them.

\$300 a square foot. That compares to about \$143 a square foot for the average Tucson-area home.

"It's a product no one really provided here in any real sense until the Ice House Lofts," a project that opened in April, said Greg Shelko, director of the Rio Nuevo Downtown revitalization project.

About 500 loft units have been built or are under construction or in planning, but no developer fears that the rush of loft-building will lead to an oversupply.

To the contrary, developers are seeking more warehouses and other buildings to convert into the high-ceilinged, industrial-style, flexible living spaces, or just looking for the right space to build their "loft-style" projects from scratch.

It's a national trend, said Cleveland economic development expert

LOFTS

51-unit project helps transform industrial area

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Ed Morrison

"People are making the choice to move back into more diverse and unique living spaces, seeking out things like density that they used to try to escape," Morrison said.

A pioneering project

To see what he's talking about, look no further than a pioneering project in what had been a bleak, industrial setting southeast of Downtown.

The Ice House Lofts succeeded to a degree that opened a lot of eyes, said City Councilman José Ibarra. Deep Freeze Development LLC transformed the 1920s Arizona Ice and Storage Co. warehouse at 1001 E. 17th St. into 51 lofts. Nine more free-standing loft homes have been built across the street as the accompanying Barrio Metalico.

"This is downtown redevelopment and infill and all these other things we're always talking about wanting to promote, and the people at Ice House did it without any help from the city whatsoever," Ibarra said.

Ibarra added two more loft projects to the list of those proposed in or near Downtown — a loft and condo project at 1 W. Speedway and an even newer proposal by a New Jersey developer who is purchasing Medina's Service Garage at 1047 N. Main Ave.

Started as artist space

So just what are these loft things that people are so excited about?

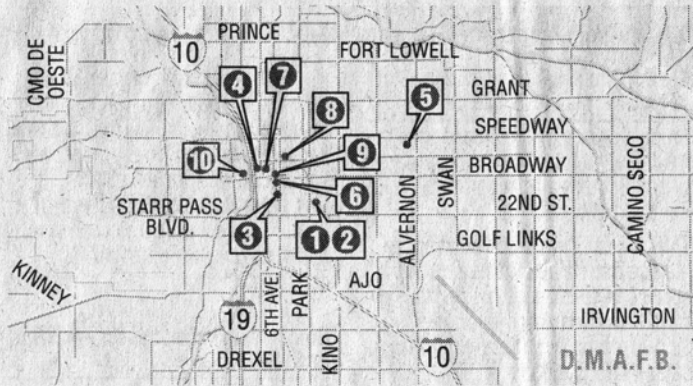
"Historically, lofts started as artist space in industrial buildings," said Randi Dorman, a principal with Deep Freeze Development and an Ice House Loft resident. "What was appealing about those spaces was the size, the light from big windows and a kind of subversive appeal because they weren't allowed to live there."

Loft has become a catch phrase, said developer Peggy Noonan, who is proposing Presidio Terrace, a project of 70 or so high-end lofts near the Tucson Museum of Art.

"A lot of what lofts are really about is flexible space, a space you can define in a lot of different ways," she said.

Most lofts have a "big-volume" of space with high ceilings, open floor plans and features such as exposed brick and trusses, said Steve Fen-

Central Tucson lofts



Completed

- 1 Ice House Lofts**, 1001 E. 17th St. www.icehouselofts.com 623-LOFT 51 lofts, 2,000 to 4,000 square feet. Completed in April. All were sold by February. **Price:** One developer unit with 2,290 total square feet is on sale for \$439,000. Four resale units are available.
- 2 Barrio Metalico**, East 17th Street and North Fremont Avenue 623-LOFT Nine free-standing loft-style metal homes, 1,650 square feet. Completed in February. All units sold. **Price:** Last home resold for \$320,000

Under way

- 3 Academy Lofts**, 35 E. 15th St. www.academylofts.com 797-6700 25 rental lofts, and 11 sale lofts from 685 to 1,745 square feet. **Completion date:** December for rentals; January for sale units. **Price:** Rentals from \$700 to \$1,500 per month. Price of sale units to be determined.
- 4 La Entrada Apartment Homes**, 255 N. Granada Ave. 884-8284 Five 1,333-square-foot, three-bedroom rental lofts. **Completion:** December **Price:** Rent for \$1,249 per month.

Source: Staff

- 5 Indigo Modern**, 3617 and 3618 E. 3rd St. Future Web site: indigomodern.com 623-LOFT 22 free-standing 1,800-square-foot town lofts. **Estimated completion date:** October 2006 **Prices:** Mid to high \$300,000s.

- 6 44 Broadway** 30 lofts from 800 to 3,500 square feet. **Completion:** August 2006 **Price:** To be determined.

Proposed

- 7 Presidio Terrace**, North Main Avenue and West Alameda Street. 624-7020 About 70 high-end loft apartments ranging from 700 to 3,000 square feet. **Completion:** April 2006 **Price:** From about \$250,000 to about \$1 million.
- 8 The Lofts at Fifth Avenue**, North Fifth Avenue and East Sixth Street 117 residential units. **Completion:** To be determined. **Price:** To be determined.
- 9 The Post**, South side of Congress between Stone and Scott avenues. www.thepostlofts.com 323-1005 Current plans for the mixed-use development call for about 70 loft condominiums from studios to penthouses. **Completion:** January 2008 **Price:** To be determined.
- 10 The Mercado District of Menlo Park**, 825 W. Congress St. www.mercadodistrict.com 393-1015 About 150 condominiums and lofts are planned for the development. Loft sizes will range from 800 to 3,500 square feet. **Completion:** Fall 2007 **Price:** \$150,000 to \$750,000.

Staff

ton, who is converting the former Immaculate Heart Academy and dormitory at 35 E. 15th St. into Academy Lofts.

Lofts may be more important for what they're not than what they are, said economic development expert Morrison.

"They're truly an antidote to sprawl on a lot of different levels," he said.

Saving gas and time commuting from the suburbs is an obvious appeal of urban loft living, but a host of other reasons have led to the loft craze, Morrison said.

"People are now realizing that they want density, because by achieving it, you're giving them a sense of security that comes from being near other people, not from wiring their suburban house with the latest electronic monitoring equipment," he said.

Friendly neighbors

"Sense of community" is a catch phrase that took on real meaning when Bay Area transplants Karen and Mohammed Soriano-Bilal moved into their Ice House loft.

"Just yesterday, three of our neighbors popped by for various reasons, to say hello or just check in because we'd been out of town," Karin Soriano-Bilal said. "No other place we've ever been has been like that."

Ice House loft owners come from "every imaginable demographic," an ideal setting for Billie Maas' three daughters, said Maas, a 39-year-old



Jeffrey Scott / Arizona Daily Star

High living: Randi Dorman reads to her 16-month-old daughter, Skye Paulus, in their Ice House Lofts home in what had been a bleak industrial area southeast of Downtown.

pharmaceutical saleswoman. Maas said she regrets not buying one or two more lofts at the Ice House just for investment reasons.

"I paid about \$140 a square foot and they're selling them now for like \$250 a square foot right now," she said.

A 2,290-square-foot developer unit at Ice House Lofts is on sale for \$439,000 and a 1,650-square-foot Barrio Metalico loft home recently resold for \$320,000, Dorman said.

Fenton said he's already fielding calls for his Academy

Lofts, a combination of rental and sales units scheduled for completion in January.

"It's a wide range of people that are interested, including people calling from Green Valley," he said.

"Empty-nesters" whose children have grown and left may become an important demographic driving demand for lofts, Shelko said.

"They don't need a big yard that needs maintaining or a big house," he said.

In addition to empty-nesters and young profes-

sionals, a surprising number of families are moving to lofts, said Ann Vargas, the city's Downtown housing planner.

"I take calls almost daily from people asking about lofts," Vargas said. "It's housing we haven't typically had in our market, and people really want the kind of urban cultural experience that lofts are about."

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