

BUSINESS

Austin American-Statesman statesman.com

Developers will build more condo units for East Austin

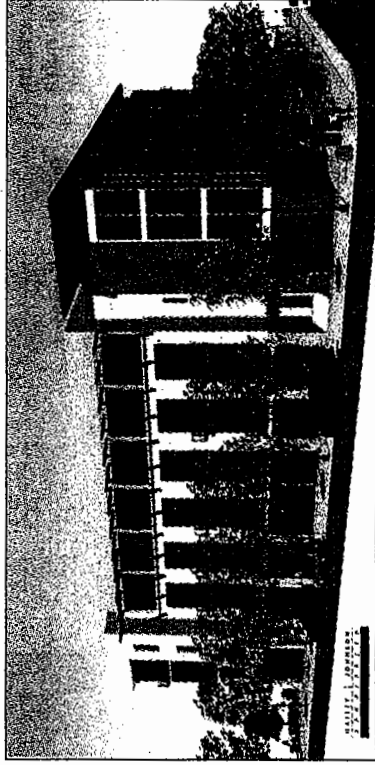
Project is the latest to aim for downtown-style living that is affordable

By Shonda Novak
AMERICAN-STATESMAN STAFF

Building on the success of their previous projects in East Austin, two local developers are planning a third development that they say will continue to put downtown-style living within reach of moderate-income buyers.

Larry Warshaw and Perry Lorenz plan to build 60 condominiums at the northwest corner of East Sixth and Robert Martinez Jr. streets that will sell for \$150,000 to \$240,000 each, with most priced at less than \$200,000. Most new downtown residential units sell for at least \$350,000.

Called TwentyOne24 after its address, 2124 E. Sixth St., the three-floor units — all with



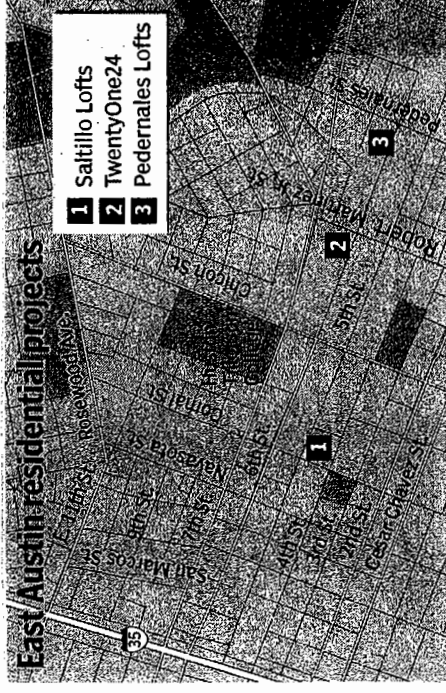
HAILLY JOHNSON ARCHITECTS

The planned development TwentyOne24 in East Austin will have 60 three-floor condominiums above

elevator access — will be built atop ground-floor retail and office space. With a stucco and stone exterior, the condos will have 11-foot ceilings and stained concrete or wooden floors.

Construction is set to start in June and be completed within a year. It is one of more than a half-dozen residential projects being built or planned for east of Interstate 35.

See **CONDO**, C2



AMERICAN-STATESMAN

CONDO: New options for homes on Austin's east side in demand

Continued from C1

Largely aimed at buyers who want to live downtown but cannot afford its pricier lofts and condominiums, new East Austin housing is attracting buyers such as young couples, artists, professionals and singles to the culturally diverse neighborhoods.

Warshaw said 28 people have put down \$500 refundable deposits for units in TwentyOne24.

One of them is Katie Friedman, who this spring plans to open a women's boutique and skin care salon in street-level retail space at the Saittilo Lofts, a project with 38 condominiums that Warshaw and Lorenz are building at East Fifth and Comal streets.

"I love the east side of Austin," Friedman said. But she has mixed feelings about the changes the new developments are bringing to the area.

"I feel somewhat bad about contributing to sort of gentrifying the neighborhood. I know the residents who have been there generations aren't that happy about what's going on, but I feel like it's inevitable the way the city is growing."

Not everyone will welcome the project. Developments in East Austin are causing property taxes to rise, said Sabino Renteria of the Community Development Commission, an advisory board to the Austin City Council.

Warshaw, Lorenz and architect Richard DeVarga were among the first to realize East Austin's residential potential when they built the Pedernales Lofts, which opened in 2004. The 105 live-work condominiums on East Sixth Street sold out before construction wrapped up. Units in the nearby Saittilo Lofts cost \$125,000 to \$265,000; 29 have

already sold, and the first units are set to open in March.

"This shows that there is enormous demand for housing downtown at prices below \$200,000," Warshaw said. "This provides an option for regular folks to be right in the downtown area."

Charles Heimsath, president of Capitol Market Research, agreed. "There is a very high demand for that kind of product," said Heimsath, who is not a consultant on Warshaw and Lorenz's projects.

He said he thinks that there is enough demand to support at least 200 to 250 new units — two to three projects — a year in East Austin, provided that they fall within the \$100,000 to \$200,000 price range.

Even at those prices, Renteria said, units in the new projects generally are not affordable for many moderate- and low-income residents. "Longtime residents of East Austin are going to get left out," Renteria said. But he said views are mixed about the wave of development because some residents are "being offered very good prices for their homes."

Warshaw said he and Lorenz bought the TwentyOne24 site last year as part of a larger 7-acre parcel stretching west along East Seventh Street from Robert Martinez Jr. Street, where he and Lorenz "see it as a potential mixed-use site."

People historically have been reluctant to look east for housing alternatives, but that's changing, Lorenz said.

"I-35 as the great Berlin Wall is coming down," Lorenz said. "There's no question that any new, well-located housing priced at under \$200,000 in East Austin is readily sellable."

snovak@statesman.com; 445-3856