

Mixed use: Main street life comes around again

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Nostalgia may be the driving force behind urban residents who are trading in their suburban two-story homes for smaller digs where shops, living quarters and offices exist side by side or even — more literally — upstairs/downstairs.

Known as mixed-use developments, this new trend in commercial construction has made its way into most metropolitan areas and is finding a loyal following in each of them.

For older generations, the atmosphere of “new urbanism” developments is a re-creation of the setting for their childhood: A bustling downtown where living units sit atop merchant space and the most common form of transportation is two feet, or perhaps a bicycle.

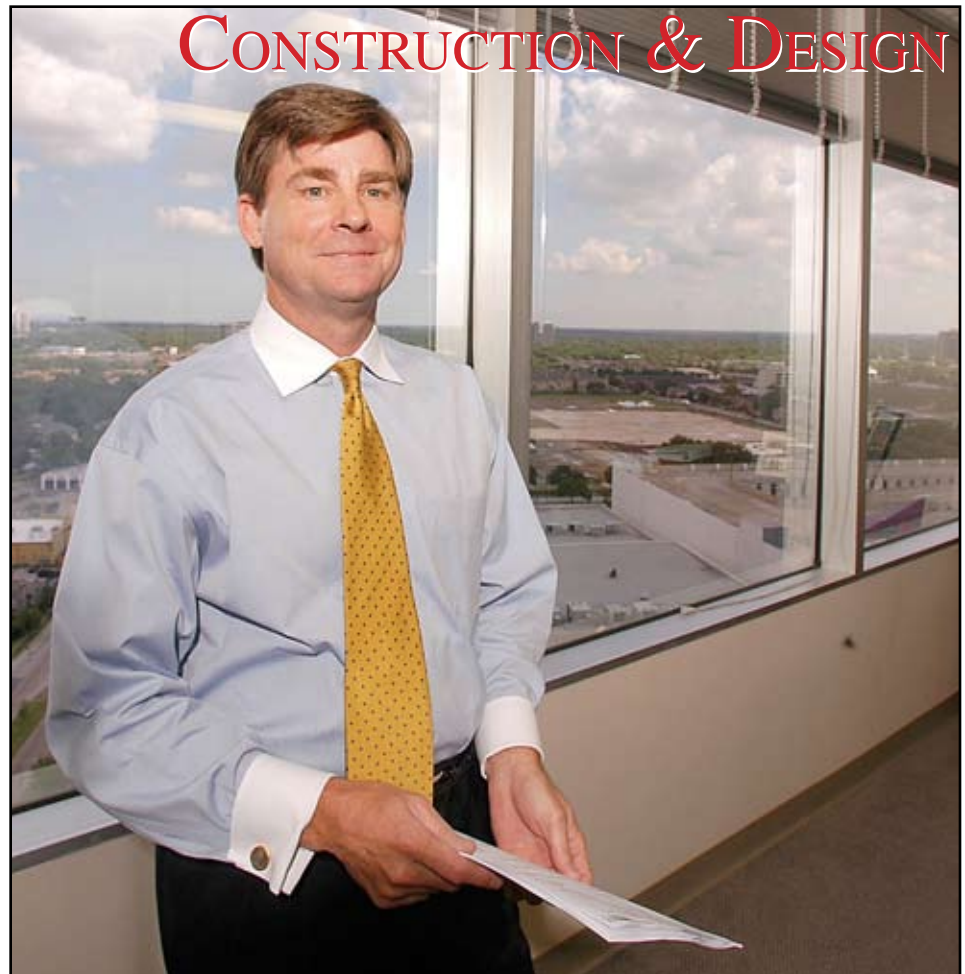
Sentimentality, says Curtis Burchard, senior vice president and manager of Compass Bank’s Houston Real Estate Group, may account for the increasing popularity of mixed-use developments, which are springing up not only in densely populated urban areas, but also in suburbs. Developers expect that the baby boom generation, now empty nesters, are likely to prefer a more convenient lifestyle without the feeling of isolation created by the suburbs or utter dependence on the automobile for daily living.

From baby food sales during the 1950s to mini-vans in the 1980s, it is the baby boom generation, Burchard says, whose needs, wants and buying power have always been too large to ignore.

“This is not a little niche in the market, but a huge group of people,” Burchard explains.

“Real estate isn’t rocket science, but mostly common sense. It’s about trends that are emerging, the reasons behind those trends and that it all makes sense.”

Mixed-use developments, popular throughout the U.S., usually occur in areas that are being redeveloped, Burchard



DAVID FARIAS/HBJ

Curtis Burchard’s office overlooks site work for a future mixed use development at Richmond and Wesleyan: ‘These projects make sense because of consumer demand in conjunction with traffic and gas prices.’

says, and where they are supported by demographics. Traffic congestion and the rise in the cost of fuel also work in favor of mixed use.

“You just can’t build enough roads,” says Burchard, who himself is on the tail end of the baby boom generation and commutes from Katy. “In Houston, we’ve got a lot of land and we can keep going farther and far-

ther out and eventually have another loop. The Beltway today is what the Loop was five or 10 years ago.”

It was the automobile, of course, and its increased availability after the industrial revolution that spurred the long-distance relationship between businesses and homes. That space grew wider and wider as parents moved into suburbs, wanting a more rural lifestyle

MIXED USE

and schools for their children. Commute times grew longer.

But today, few people — especially childless couples and empty nesters — would choose to sit in hours of traffic if they have the option of walking to work and shopping nearby.

“All these factors lead to why developers do what they do,” Burchard explains. “Developers often work with Realtors and experts in their respective sub-markets and they ask, ‘What are your clients looking for?’ These projects make sense because of consumer demand in conjunction with traffic and gas prices getting worse.”

Mixed-use is also a more economic way to utilize a piece of large property that ordinarily might split up for different uses, he says, since the sum of the parts is often greater than the whole.

LOCK AND LEAVE

Condominium buyers in general want a “hassle free, lock-and-leave” lifestyle, says Donald R. Dowling, president of CondoSmart a real estate brokerage firm that represents developers and sellers of condos, townhomes, lofts and high rises.

“Condo owners want to park their cars when they come home at night and be able to walk to the shopping and entertainment venues that a mixed-use development offers,” he says.

A good example of such a development is Houston’s Uptown Park, Dowling says.

“If ever there was a developer who developed a project correctly, it was Giorgio Borlenghi with his vision of Uptown Park and the development of Villa D’Este and Montebello, which complemented the retail,” he says. “All one has to do is sit outside at the Tasting Room at night and watch all of the residents in Montebello and Villa d’Este walk across the street and enjoy all of the night life Uptown Park offers.”

Another project in the works is Randall Davis’ Sonoma located in Rice Village.

“Here is another example of a magnificently professional developer who has the vision and plans accordingly,” Dowling says. “Sonoma will be a true mixed-use development in Rice Village that will have residential living over retail. If there was going to be a “slam-dunk” in residential development in Houston it will be Sonoma.”

Initially viewed as a way to revitalize downtown environments, mixed-use developments



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Pearland Town Center, upon completion, will feature a ‘Main Street USA’ environment that includes a public pavillion, walking trail and 235-acre lake.

also have found their way into suburbs, creating a new hub that includes not only work and shopping, but community activities in public areas. Many are created to resemble European villages, the same idea behind Westbury Square nearly 50 years ago.

Once the jewel of the Westbury subdivision in southwest Houston, Westbury Square centered around a large fountain in a public piazza, where festivals were often held on weekends. Just as in the downtowns of the past, apartments occupied the second story above the shops where store owners and hip urbanites often lived. Perhaps decades ahead of its time, the pedestrian-oriented Westbury Square eventually lost much of its traffic as the neighborhood declined and would-be shoppers were lured away by indoor shopping malls such as the Galleria, which, when it opened in 1970, was the first upscale shopping mall to incorporate office towers, a hotel and an ice rink.

More than 35 years later, indoor shopping malls have become part of the Houston landscape. Meanwhile, developers such as Chattanooga-based CBL & Associates Inc., which owns six regional malls in Texas, are jumping on the mixed-use bandwagon.

SUPPLY AND DEMAND

“We are being responsive to consumer demand,” says Deborah Gibb, CBL vice presi-

dent of corporate relations. “This type of development goes back to Main Street USA. It brings back a sense of pride to the community. It really gives you a sense of place.”

CBL in May officially broke ground for the Pearland Town Center, which will house retailers such as Dillard’s and Macy’s, full-service restaurants, a four-story Courtyard by Marriott Hotel, apartments and a public pavilion and gathering area. Expected to be complete in the fall of 2008, the project will be CBL’s first to mix retail, hotel, residential and office space.

“The demographics are there, plus the growth of the area and income levels,” Gibb says. “There’s a lot that you look at.”

Many expect Pearland Town Center to resemble Sugar Land’s Town Square, which Dowling describes as “an example of city fathers and developers working closely together.” Town Square features hotels, office buildings, retail, apartments and the City Plaza Condominiums.

“Bottom line is mixed-use developments just works for those who want to live, work and play all in a close environment,” Dowling says. “With gas prices today and long commutes, our buyers are looking to cut the commutes and to start enjoying more free time.”

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