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THE REAL ESTATE, BANKING AND COMMERCIAL WEEKLY FOR MASSACHUSETTS

ESTABLISHED 1872

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Peabody Makes Progress With Downtown Housing

Industrial Past Gives Way to Residential Future; 500 Condominium Units in Development Pipeline

By Aglaia Pikounis

LUXURY CONDOMINIUM LIVING IS MAKING A SPLASH IN DOWNTOWN Peabody, with nearly 500 high-end units in the pipeline. A Brookline developer recently received approval to proceed with a 247-unit luxury condo development, the largest residential project in downtown Peabody, which will be built on a site that has been vacant since a fire destroyed an old industrial building there 20 years ago. Construction of the \$40 million project, called Riverwalk Place, is slated to begin in the fall.

The development of Riverwalk Place and other condo projects are part of the transformation of downtown Peabody that began about two decades ago when the city initiated a program to restore historic buildings and improve sidewalks, streets and lighting. Since then, city officials have been working to rezone downtown parcels to encourage residential construction and attract more business to the area.

"This is just a continuation of the redevelopment of downtown Peabody that began in the 1980s," said Michael Parquette, the city's assistant director of community development.

"We see it as a very positive influence for the downtown business district," he said. "There's a need for the housing and they're fulfilling the need, and it puts people in our downtown that will utilize the downtown."

City officials are hoping projects like Riverwalk Place will replace vacant industrial sites that have become eyesores. Riverwalk Place, for example, is being built on site that has been empty since a fire destroyed an old leather tannery in 1984.

"I think this project will be great for the downtown because it will be at the gateway to the city," said Judy A. Selesnick, a city councilor at large in Peabody.

The new residential development also is expected to give a boost to downtown restaurants, retail shops and other businesses, which compete with the expansive Northshore Mall. The residential development in downtown is in line with the city's master plan, according to Selesnick.

Construction of two smaller condominium projects in downtown

Peabody have preceded Riverwalk Place. Upton Manor, which features 47 condos, was recently completed and most of the homes have already been sold.

"They went fairly quickly," said Cookie Melanson, a broker with Century 21 Northshore Real Estate, which is marketing Upton Manor.

One-bedroom luxury condos in Peabody typically sell for around \$170,000, while two-bedroom condos can fetch as much as \$240,000, according to Melanson.

"These are very good prices for people that are looking to purchase because there's nothing out there for single-family [homes] under \$300,000," she said.

In addition to Upton Manor, an 80-unit development called Walnut Place is being built by OHC Development of Peabody. The condos are scheduled to be complete by February.

Already 13 units at Walnut Park have gone under agreement, said Sarah McBurnie, a real estate broker with Paul Herrick & Co. in Beverly, which has been marketing the condos for two months. "We've been getting a really good response," said McBurnie.

Prices at Walnut Park range from \$169,900 for a one-bedroom, one-bath unit up to \$260,000 for a two-bedroom, two-bath condo. So far, Paul Herrick & Co. has seen

interest from a mix of buyers – including single men and women and seniors who are "looking for the convenience of having maintenance done for them," said McBurnie.

There is strong demand for newly constructed homes in the area because there isn't a huge inventory of new condos, she said. "There isn't too much new construction in condos in the North Shore, especially in this price range," she said.

But while there is demand for condos at this time, Melanson says she is also seeing more properties on the market, and homes are taking longer to sell, which might not bode well for the new condos coming online.

Besides Walnut Place and Upton Manor, three separate developments totaling about 110 condos are in the works as part of an adaptive reuse project at the edge of the city's downtown, where elderly and mixed-income housing already exist.



One of several condominium developments under way in Peabody, the 80-unit Walnut Place is scheduled to be complete by February.

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However, Riverwalk Place will infuse the downtown with the most condos. While Riverwalk Place is just in the beginning stages, the project has been in the works for about three years.

Luxury and Affordability

SF Properties, a real estate development and management firm based in Brookline, had originally partnered with Simpson Housing, a Denver-based national firm, to build more than 300 apartments in downtown Peabody. After noticing a significant weakening in the rental market, however, Simpson Housing pulled out of the project.

SF Properties, which has primarily developed and renovated commercial properties, along with Bibby Real Estate Corp. of Lynn, came back with another plan to build luxury condos on a smaller parcel of land in the heart of downtown. The two firms successfully sought to rezone the land to accommodate residential development.

Once built, Riverwalk Place will feature a combination of townhouses, one- and two-bedroom lofts, standard condos and penthouses, ranging in size from about 1,000 to roughly 1,300 square feet. Prices will start at \$225,000 and go up to \$325,000 – significantly

higher than other existing and planned condos in the area.

“We think there’s shortage [in that price range] in the Peabody market, especially in downtown,” said Jerry Cohen, president of SF Properties. He added that there is “very strong market” for units in the \$225,000 to \$325,000 price range.

The desirable location of the condos is expected to be a key attraction. Riverwalk Place will be located across from a Stop & Shop grocery store, within walking distance to other shops in the area, and near Route 128 and the Salem commuter rail train station.

The homes will be slightly larger than the other condos planned for the area and higher-end materials will be used, said Cohen. Riverwalk Place will appeal to young professionals as well as retirees who spend winters in Florida and other warmer locales, said Cohen, and the developers have already received unsolicited calls from older adults who fit that category.

Since Peabody has an inclusionary zoning ordinance requiring developers to set aside 15 percent of the units within a project for lower-income households or make some other contribution for low-cost housing, Riverwalk Place and the other projects will

also be building up the city’s affordable housing stock.

In the case of Riverwalk Place, SF Properties and Bibby Real Estate Corp. have agreed to either contribute \$650,000 to the city’s Inclusionary Housing Fund or buy and rehabilitate a total of 28 affordable housing units in Peabody.

Riverwalk Place will be completed in four phases, with 38 units scheduled to be finished by next spring.

With all the residential construction flooding the area with more people, traffic congestion has been somewhat of a concern for the city. But that concern is “balanced by the fact that it might bring a lot of positive activities downtown,” said Selesnick.

“We’re certainly not looking to overdevelop the area, but building it up and providing a viable and interesting downtown area, as well as providing inclusionary zoning housing – we think is very positive for the downtown area,” said Selesnick.

She added, “It’s an exciting time with a lot of building going on in the downtown area, and the cleaning up of an old industrial site. And we’re mindful of the quality of life of residents who live here and want to maintain the integrity of all of the neighborhoods.” ■

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