

Making the Urban Lifestyle Choice

In this Q&A, Keith Mishkin from Cambridge Properties, talks about the unique living option in the urban core.

The philosophy behind the urban lifestyle is simple: live, work, play. However trite, this statement explicitly sums up the lifestyle of urban living where life is at your fingertips, work is a short distance away, and entertainment is just outside your door. Take it from Stephen Doig, an ASU professor who has always enjoyed the suburban life with his wife, Ellyn. "When it [Cronkite School of Journalism] was announced a couple of years ago that the school would move to the new downtown Phoenix campus, I decided I wanted to live near a light-rail station so I wouldn't have to commute by car," said Doig. "We picked Bridgeview because we loved the lakeshore location and the excellent amenities... what we didn't expect, and were delighted to discover, was the vibrant Bridgeview social life. So many of our Bridgeview neighbors have become close friends. We organize potluck Sunday brunches, group bicycle trips, happy hour gatherings, movie nights, book clubs, holiday parties and more. Thanks to all that, our new life at Bridgeview turned out to be far more enjoyable than we even imagined it would be."

Urban living in Phoenix began in the early 90s with the development of Crystal Point Residential High Rise located off 10th Street and Osborn. During this time, Crystal Point became the signature building in the valley for creating a great urban product in a suburban location. Though twenty years have passed and a handful of urban products have been cultivated, urban living in Phoenix is still a new phenomenon. Keith Mishkin, founder of Cambridge Properties, reports in this interview on his years of experience with urbanization in Phoenix.

Q. What is urban living to you?

A. There are two kinds of urban living. Urban living, in general, is communities that are located in the heart of a downtown where the amenity is the city itself. Luxury urban living is a well amenitized building with a maintenance-free, secure environment. Generally you will find a door man, valet, concierge, amazing recreation center, exercise facility, business center, pool and spa and beautiful views also in the best locations within the urban landscape.

Q. When did you see the potential in the Phoenix housing market for urbanization?

A. I saw the potential in the mid-90s. There was an article I read in the Economist that talked about the Baby Boomers across the nation and their willingness to trade the whole dollar price of their home for the whole dollar price of a smaller condominium to make a lifestyle choice. What that buyer was looking for is to still stay in the same general area (within 5 - 10 miles) but they didn't need as much space. They still wanted to go to the same hair dresser, doctors, stores, and all their usual stops but live a fun maintenance-free lifestyle. They looked at it as a fun time of life where they would spend more time being active and out and about town than working on maintaining a home. This was a trend I saw



all throughout the country; however, Phoenix had very little of this product. One of the reasons why is that there were very few places that allowed for zoning, density and building height. Finally as the different areas of the Valley opened up for density, especially those where people can truly walk to everything they want, people started coming. The demand was always there but the product was not there until recently.

Q. Do you agree that Phoenix is just getting started with urbanization?

A. Right now, we are still in our infancy and truly just getting started. Arizona's urban living market has gained a lot of momentum and although it currently has some temporary short term additional supply due to the market, within 2 -3 years I expect that we will be very undersupplied. When you add the fact that we will likely not see new construction start for the next two years and then it takes two years to build that means we will not see new product delivered for another 4 years which will create undersupply.

Q. Who are the buyers of luxury urban living?

A. They are somebody looking for a lifestyle choice. They are very active people. We generally see four types of buyers.

1. Empty nesters that have sold their home and looking to downsize their residence but upscale their lifestyle.
2. Young professionals love this lifestyle. There is a huge demand from them however not as many can afford the product.
3. Seasonal buyers who want security, amenities, and be able to lock and leave.
4. Professionals of other varying ages such as doctors, lawyers, people in the tech industry that do not have time or desire to mow the yard and want the ease of the lifestyle and security.

Q. What is the biggest concern with buyers in not buying into the urban lifestyle?

A. The three biggest concerns are:

1. Socialization. Some people are very private and don't generally converse with their neighbors but there are others who are searching for an environment where they can interact with more people as opposed to driving into

their garage and never seeing a neighbor. Nevertheless, you can generally be as private or public as you want.

2. Empty nesters. Some perceive going to a condo as making an adverse statement of where they are in their time of life or they'll have sadness over selling their family home where they raised their kids. I'll spend time talking to them and reaffirming that this is a celebration time and will make their life more fun, easier and give them peace of mind.

3. HOA fees. At the surface, HOA fees seem to be high. But from the perspective of a buyer coming from a luxury home, the keep-up is equal to or greater than that of a luxury condo.

Q. As an urban living specialist, how do you convince someone of the urban lifestyle?

A. There is no convincing; there is only understanding. Understanding the buyer's needs and why they want to make this lifestyle change. When you understand their motivation then it's easy to help them find what they're looking for. For buyers that come from other market places that have lived in this lifestyle; it's very easy. For people that have not lived in the lifestyle it takes a little more time to help answer their concerns. The best thing we can do as agents is ask the right questions and listen.

Q. Is it safe to say that the urban living market in Phoenix has been hit hard with the economy?

A. In this recession, there was no market in Phoenix that was not affected. The urban market was affected in the same fashion as the luxury housing market. If the value of the home they are coming from has gone down then they have less to spend on their condo so it too will come down in price. Nonetheless, as I mentioned previously, within 3 years we'll be undersupplied in the urban market. That is why the time is now. Those savvy buyers getting into the urban living market or most anything in real estate will be very well rewarded in the future. We have excellent selection of properties so you can truly find the home or condo of your dreams. We have the lowest interest rate in a generation. We have the lowest prices in a decade. By the end of this year, at least one of the three items will be gone. So, now is the time.

Live Work
Play

urban living

Phoenix

The Villas at Montelucia



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4 BD | 4.5 BA | 3,828 SF

\$1,950,000

The InterContinental Montelucia Resort, Spa & Residence is an exceedingly rare homeownership and lifestyle opportunity for you in the foothills of Camelback Mountain. Only a limited number of 34 richly textured, lushly landscaped Spanish-style Villas, ranging from 3,828-4,752 square feet remain. Villa residents will enjoy all the amenities and services the Resort & Spa has to offer including room service, valet parking, concierge and more, making you feel like a pampered guest in the comfort and privacy of your own home.

Phoenix

Esplanade



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3 BD | 2.75 BA | 3,054 SF

\$1,750,000

Distinguished architect Vernon Swaback designed this beautiful sub-penthouse with uniquely decorative comfortable design and cutting edge elements. The split master suites and a sumptuous great room feature gorgeous views. This residence has a formal dining area, spacious family room, customized media room with state-of-the-art electronics, designer kitchen and can be sold furnished. Easy seller financing available!

Phoenix

Crystal Point



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3 BD | 2.5 BA | 2,700 SF

\$600,000

Luxury hi-rise living with mountain and shimmering city lights views from every window, over 270 degree views! Hovering just above Phoenix Country Club's lush golf course, this highly desirable and very spacious floorplan is priced to sell. Enjoy miles of views and amazing Arizona evening sunsets from every room. Luxury amenities include 24-hour doorman service, olympic size lap pool, indoor and outdoor spa, fitness club, underground parking and storage, plus two private guest suites.

Phoenix

The Residences at 2211



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2 BD | 2 BA | 2,077 SF

APPROVED SHORT SALE

Gorgeous and pristine 5th floor residence with southern views of downtown skyline. Light-filled great room with fireplace and separate dining area, custom kitchen with granite countertops and stainless appliances and luxurious spa-like master bath. Unbeatable amenities such as valet parking, concierge services, rooftop pool, fitness center and so much more come with this ultimate luxury hi-rise lifestyle! CALL AGENT FOR RIDICULOUSLY LOW SHORT-SALE APPROVED PRICE!