



The Oregonian

Builder bets on cozy condos

City living - Developer Mark Edlen's under-construction Cyan tower blends European-scale residences with lower prices

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Portland's condo market is ailing, yet developer Mark Edlen just started his seventh condo tower since 2004.

Crazy? Gutsy?

Depends whom you ask.

Edlen sees an untapped market for his 16-story Cyan, where a sales office opened this week.

The pitch goes something like this:

If you've been priced out of the condo life in the Pearl District, come live in a new downtown building that offers smaller, more affordable condos but the same easy access to the arts, parks, MAX and groceries.

The Cyan will be Portland's first large-scale condo tower to lean so heavily on the market for small, European-sized living spaces.

"We think every city has a challenge," Edlen says. "How do you house people who don't make \$150,000 a year?"

Most of the condos in the towers that rose in Portland's recent craze went for \$400,000 or more, pricey in a region where the median home still sells below \$300,000.

In contrast, the Cyan starts at \$213,000 for 541 square feet -- teensy by U.S. standards.

Two-thirds of the Cyan's 354 condos measure less than 600 square feet, and about 60 percent are priced less than \$300,000.

Edlen is making his bet at an uncertain time for downtown housing. Sales have been as slow as city traffic on a snow day.

When asked about the Cyan, Jerry Johnson, a Portland housing economist, said: "That's a head scratcher. . . . But who knows, maybe the contrarian idea is the right way."

After a condo-building binge, sales in Portland -- as in most big cities -- started to cool in 2006. Last year, the slowdown led two developers to turn new condo projects into apartment buildings.

Condo brokers say they're seeing more people visit their model units this month, but there's still lots of

inventory.

Howard Weinman, the Cyan's lender at San Diego National Bank, notes that he closed the loan last summer before the condo market slowed further. But he remains optimistic about the Cyan in light of its pricing.

"Most of the inventory is luxury condos," said Weinman, a senior vice president and the bank's Northwest real estate manager. "This is definitely not that. In my analysis, we felt it was a good risk.

"There's a lot of people who'd like to live in the urban core," he said, "but just can't afford it." **Smaller but richer**

The Cyan has been three years in the making.

Edlen is a believer in city living. He's bet big that the condo life in his projects will keep selling in Portland, Los Angeles and Bellevue, Wash.

But he also wants to open downtown condo living to people of more modest means. With new construction, the idea translates into smaller units.

The concept dovetails with a philosophical movement of living smaller but richer lives. Edlen mentions Peter Walsh's book, "It's All Too Much," as part of the appeal.

Or, think Target's tagline: "Expect more. Pay less." Or, the Ikea store layouts to promote living in less than 1,000 square feet.

To see how people live in tightly packed cities, Edlen, along with architects and builders, toured Seoul, South Korea, Toronto, Amsterdam and Tokyo.

"As opposed to the McMansion theory," he said.

The light-bulb moment for the Cyan came in a 550-square-foot place in Toronto. About 12 people and Edlen filled the room, looked around and thought, "Yeah, you could hang out here," said broker Todd Prendergast.

The Cyan's small units posed new design challenges to fit American lifestyles into a European-sized living spaces. "The tiny spaces, you have to be pretty clever and thoughtful about it," said Damon Tarlow, Gerding Edlen's Cyan project manager.

The Cyan home comes in two basic shapes. East units are boxy with a big window. West units are narrow with a 38-foot-long wall to display art.

To save space, kitchen cupboards open up, instead of sideways -- an idea snatched from Italy. That allows you to keep the cupboards open while you cook.

The fridge is just 24 inches deep, compared with the typical 30 inches.

The stove has a glass top that plays double duty.

"If you're not cooking," Tarlow said, "set a beer on it."

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