

PRO BUILDER - [Multi-Family](#)

# Renters by Choice Drive Soaring Demand for Multifamily Housing

*To appeal to a wide range of buyers, new multifamily housing provides amenities, community, and luxuries large and small*

By Stacey Freed | October 2, 2017

Multifamily is rising, the shining center of the Venn diagram of empty nesters and Millennials. With so many interested parties now “renting by choice,” in the words of Daniel Gehman, studio director at Humphreys & Partners Architects, in Newport Beach, Calif., designers, developers, and builders are drawing in renters and condo owners. New multifamily housing is responding to consumer needs and desires in unprecedented ways, from high-end finishes and concierge services to coffee shops, pet spas, business centers, and rooftop barbecue areas.



## Buyer Be Here

With everyone from Millennials, who are buying fewer cars, to Boomers, who are downsizing and don’t want to drive, the “walk-and-go” lifestyle—as Stephanie Williams, an operating partner for Greenbelt, Md.-based developer [Bozzuto](#), calls it—is a driving force in multifamily location and design. It’s no surprise that people want to be able to shop as close as possible to where they live. “The supermarket has taken the place of the town center,” says John Torti, of Torti Gallas + Partners, based in the Washington, D.C., area. His firm has designed several suburban and city multifamily projects with grocery stores in them. Torti adds that the supermarket draws other businesses near it, such as restaurants and hardware stores. “You get a block and a half of intense retail that becomes the center of the neighborhood,” he says.

Many multifamily builders are finding success with first-floor live-work or flexible spaces zoned for commercial use. “People want quality mixed-use spaces,” says Victor Buchholz, principal at Looney Ricks Kiss architects and interior designers in Dallas. Some LRK projects are home to ground-floor real estate agents, architects’ offices, and art galleries. “It helps the long-term life of these projects to evolve and respond to the market. Cities desire activated ground floors.” He sees this happening in both suburban and city projects.

## Community Connections

Multifamily housing is both a community unto itself and part of the larger community in which it dwells. Buchholz says a consumer desire for connection has changed the way LRK's buildings are designed: "You have more connected ground floors, stoops that engage the street instead of being fenced off, and ground-floor units with the opportunity to walk out to the street." In one of Bozzuto's four-story buildings in Baltimore, "There's a coffee shop that spills into our lobby," Williams says. "You can be in the neighborhood and sit in our lobby like [you would] in a hotel." Previous design used to separate residents from the surrounding area, but now "residents like to invite people into the space, or nearby neighbors want to take ownership of the building and spend time in the lobby," Williams says.

In cities, the surrounding neighborhood is an amenity. Important features include proximity to transit, restaurants, bars, and entertainment. "People want spaces in which they can live, walk, and shop. They want the convenience and the reward of living in a place that is a *place*," Torti says. To provide community within the building itself, designers and developers offer gathering spaces such as rooftop decks, fitness centers, common areas, and doggy play spots and wash stations that help encourage interaction among residents. Two of those, in particular, are almost nonnegotiable. The gym is "indispensable," Gehman says. Gym amenities are no longer small rooms with a few weights; many rival the commercial gym experience. In suburban multifamily projects, neighborhood amenities may include proximity to bike and walking paths.

The other top need is for pet amenities. Williams, whose firm, Bozzuto, manages 65,000 units along the East Coast and as far west as Chicago, says that "anywhere from 20 to 30 percent of residents in each building own pets, usually dogs." Multifamily players are responding with pet-washing facilities and small parks or courtyards for dog walking. "We're not doing any projects that don't have a mud wash or dog spa," Gehman says.

## Built-in Bonuses

While renters have no say in interior finishes, the desire for ideal tenants in a competitive marketplace means that high-end flooring and countertops and stainless appliances are becoming standard. "Rich finishes are a demand throughout, whether entry level or discretionary," says Everett Benke,

project director at [Robert Hidey Architects](#), in Irvine, Calif. Buildings required to have affordable units finish those units with the same products as the higher-end offerings.

Consumers also want high-speed Internet and even apartments with smart technology built in. But Williams would caution against doing too much in terms of technology. "We thought we were geniuses a few years ago when we created spaces to dock iPhones," she says, "and then they changed the technology on us from iPhone 3 and 4 to 5. So now we do a little less in terms of infrastructure."

Whether for environmental concerns or easy commuting, many apartment dwellers want bike parking and cycle repair areas in their buildings, and not just in bike-friendly cities such as Portland, Ore., or San Francisco. In Los Angeles, “you have to have massive bike storage facilities because of code,” Gehman says. “You have to provide one bike space per unit and a certain amount for guests and for commercial.”

## **Reduced Parking**

Despite talk of walkability, parking plays a big role in multifamily development. Zoning codes require a certain number of spaces per apartment, and where to put cars informs building design. “Cars shape my building designs more seriously than neighborhood amenities,” Gehman says. Going forward, options for ride share and driverless cars will increase. Future use of current parking spaces must figure into the multifamily design equation.

Bozzuto’s president, Mike Schlegel, says that already in many of the developer’s projects, garages aren’t 100 percent occupied. “It’s not, ‘Will these autonomous vehicles become part of society someday?’ It’s, ‘When this happens, what will we do?’” Subterranean parking is limited to what can be done with it later on, such as conversion to storage or a health club. With an above-grade garage, “you’re going to make the ceiling height something a retailer might want,” Schlegel says. “You’ll need 12 feet, not 8, if you’re thinking about downstream.”

Recent statistics point to continued need for multifamily housing. To be competitive, stakeholders look to create spaces that are more than resting spots for those on the way to single-family homeownership. “The stigma has worn off, and renting is a lifestyle choice,” Williams says. “People get so much from the apartments built today; the services are so robust.”