

Second condo project planned for fast-changing Franklin Street area

www.pressherald.com/2018/02/06/second-condo-project-planned-for-fast-changing-franklin-street-area/

By Randy Billings

February 6, 2018

A six-story, 31-unit luxury condominium building is being proposed along Franklin Street in Portland, continuing a high-end housing boom that is reshaping the city's East End.

The \$13 million project at 56 Hampshire St. is being proposed by Chip Newell's NewHeight Group, which recently completed the neighboring Luminato Condominiums, a six-story, 24-unit development that was completed and sold out in 2017.

Newell said the new building will have a different design than the Luminato, primarily by including some decks along Franklin Street and adding brick to the facade.

"When the building gets built, it will not look like the Luminato, but it will relate with Luminato," he said.

Developers hope to have the "Verdante at Lincoln Park" ready for occupancy by the summer of 2019, according to its website.



The proposal indicates the construction boom in Maine's largest city will stretch into 2018, and that the East End and India Street areas continue to be among the most attractive neighborhoods for new residents.

“From where I am sitting, I haven’t seen any slowdown in the permitting pipeline,” said Jeff Levine, the city’s urban and planning development director. “The only trend has been an ongoing strong interest in hotels and housing on the peninsula and a small, but notable, uptick in interest in off-peninsula projects.”

The proposal comes as city officials are becoming increasingly focused on addressing a lack of housing for low- and middle-income residents. Much of the city’s new housing construction has been aimed at high-income buyers or renters, and some pre-existing rental housing for middle- or low-income residents has been rebuilt or renovated to tap into strong demand for luxury housing.

The city recently launched a survey of landlords to get a better sense of the rental market, and Mayor Ethan Strimling offered several ideas in his State of the City address last week, including putting \$10 million into an affordable housing fund by the end of 2019 and strengthening tenant protections.

The Verdante would be built on three separate parcels that currently contain a surface parking lot and two buildings, one of which was the former home of the Portland Food Co-Op. NewHeight currently has the property under contract to purchase from Rebeco, LLC, a real estate holding company controlled by S. Donald Sussman, a wealthy hedge fund manager, financier and philanthropist.

Verdante would have two retail spaces facing Hampshire Street and offer 47 parking spaces on the first floor of the building for residents, who would have to pay an additional cost to receive a spot. Another 15 parking spaces would be offered on a surface lot, according to planning documents.

New condos

A six-story, 31-unit luxury condominium building is proposed along Franklin Street in Portland, right next to a six-story, 24-unit condo development completed in 2017.



The 31 units would range in size from 400 square feet to 2,300 square feet and include eight one-bedroom units, 15 two-bedroom units and eight three-bedroom units. Plans call for a fitness room, a guest room and shared outdoor space. The goal is to attract young professionals and empty-nesters.

The L-shaped building would vary in height from 40 feet on Hampshire Street to 77 feet on Franklin Street.

Newell said the projected sales prices at Verdante would start in the \$300,000 range, but penthouse units would likely sell for “well over \$1 million.”

The one- to three-bedroom units at Luminato sold at prices from the mid-\$200,000s to \$1 million, and all 24 units were sold six months before the project was finished, according to NewHeight.

City rules would require the new project to provide three units of housing affordable to middle-income earners, or pay the city a little more than \$100,000 for every required unit not built. That income bracket is defined as up to 120 percent of local median income, which in October ranged from \$68,950 for a single person to \$98,500 for a family of four.

Newell said he plans to offer those units off-site, but in the same neighborhood, which is allowed under the city's inclusionary zoning ordinance. He said he met this requirement with Luminato through a partnership with the nonprofit Community Housing of Maine, and hopes to do the same with this project.

Newell said he is "cautiously optimistic" that Portland's housing market is still hungry for this type of project, partly because of the short-term impact of the recent federal tax cuts and because of the strong interest in the Luminato project.

"I'm feeling better about the national economy now than I have been," Newell said. "And Portland seems to be a desirable place."

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