

BUSINESS

With price tags in the millions, Minneapolis tower's condos are hot commodity

An uptick in Minneapolis condo market is reflected in the popularity of a 42-story building that won't open for a year.

By Jim Buchta (<https://www.startribune.com/jim-buchta/6370612/>) Star Tribune |

APRIL 21, 2021 — 12:51PM

The developers of the 42-story Eleven on the River condo tower in downtown Minneapolis recently gathered to celebrate the topping off what is now the tallest — and one of the most expensive — residential buildings in the city. On average buyers will have to spend \$1,000 per square foot — or \$3 million per unit — to live in the building, which will be decked out with classic touches including paneled walls, marble counters and herringbone floors.

And despite the challenges of the global pandemic and a summer of social unrest, the developers say buyers have snapped up more than two-thirds of the units a year ahead of the building's completion.

Most of the buyers already live downtown, they said. But not all of them. "I sold one during COVID to an East Coast buyer on Zoom," said Kevin Mullen, a sales agent for the project.

The condo market in downtown Minneapolis also appears to have cleared its own hurdle. Last fall was challenging, as downtown condo sellers saw listings rise and prices fall. Though far more condos are for sale than last year at this time, pending sales during the first three months of 2021 were ahead of last year by 10%, according to new data from the Minneapolis Area Realtors.

At Eleven on the River, co-developer Luigi Bernardi said despite recent uncertainties about the market, no buyers have backed out. And in recent weeks the project has averaged two sales a week, putting the project on pace to be sold out by the time it opens in mid 2022.

Bernardi's Arcadia LLC, which is developing the project with Ryan Companies, broke ground on the project in 2019 at a time when condo sales were booming and many units traded hands without hitting the market.

The tower is being built on what was a surface parking lot near the banks of the Mississippi River. The team hired Robert A.M. Stern to design the tower — a first in the region for the acclaimed New York firm — and it includes top-shelf amenities including a lap pool, a sport court and gathering spaces outfitted for big fundraisers and family gatherings.

GALLERY

GRID

1/11



RICHARD TSONG-TAATARII, STAR TRIBUNE
Gallery: The Eleven offers views of the Mississippi River and downtown Minneapolis.

ADVERTISEMENT

It's no longer the only option for upper-echelon buyers. Construction is also underway on the Residences at the Four Seasons — 34 condos atop the RBC Gateway Tower between Hennepin Avenue and the Nicollet Mall in downtown. Like the Eleven on the River, prices at the Four Seasons will also top out about \$1,000 per square foot with entry-level units starting at \$1.75 million. Sales agent Cynthia Froid said half the buyers are from out of state, but have family or business connections in the Twin Cities.

The developers of both projects have been tight-lipped about pricing and sales and neither of them are using the Multiple Listing Service and other listing sites to help sell the units, so specific prices and details aren't public. In both cases prospective buyers are being discreetly courted in custom-built sales centers that authentically replicate what the homes will look when completed, complete with skyline views.

Though rumors of an urban exodus in the wake of civil unrest and higher crime rates persist, citywide sales data suggests otherwise. Though real estate agents say that some homeowners have decided to sell because they're weary of the instability or are now able to work remotely, plenty of buyers are willing to replace them.

Until recently, that hasn't been the case in the downtown condo market. Though the number of newly listed condos has been on the rise, pending sales have posted annual gains during the past two months. And citywide, gains in pending condo sales outpaced sales of single-family homes.

Carl Runck, director of development for Ryan, said that about 70% of the Eleven on the River buyers already live downtown, a signal that they're willing to invest even more in the city.

ADVERTISEMENT

Peter Prudden, a Twin Cities sales agent, said there's been a distinct change in the downtown market since the beginning of the year and the bargain shoppers might have missed their opportunity.

Last summer he listed a 10th floor condo overlooking Gold Medal Park for about \$1.9 million. He quickly got four offers, but all for significantly less than the seller was asking. He took the unit off the market and planned to relist it after the conclusion of the Derek Chauvin trial. Earlier this month, though, a client who owned a condo in the next block away who wanted a better view paid \$1.8 million for the unit.

The situation illustrates how quickly the market has turned. "There was a moment in time, and if you recognized it, you could get a deal. " he said. "That time has now passed ... we won't see those types of deals again."

Froid saw a similar turnabout downtown. At the Humboldt Lofts this spring three \$1 million-plus units sold either before, or within a day, of hitting the market. One received multiple offers.

Still, the downtown market is far from the seller's market it was early last year when Jay Ettinger, a sales agent who lives in the North Loop neighborhood and owns a downtown business, listed a starter condo in the Summit House tower near Loring Park. Before the murder of George Floyd he received an offer. But shortly after the riots, the buyer backed out. The unit is still for sale — at a significant discount.

ADVERTISEMENT

"It [downtown Minneapolis] is the one market where the buyer has a little leverage," he said. "It's been a long year for everyone."

Jim Buchta • 612-673-7376

Jim Buchta has covered real estate for the Star Tribune for several years. He also has covered energy, small business, consumer affairs and travel.

jim.buchta@startribune.com 612-673-7376