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Townsend aims to be Downtown's condo king

Developer: Sales will rise as more units come online

Kansas City Business Journal - by [Jim Davis](#) Staff Writer

Timing is everything to Jason Townsend, who has designs on becoming the most prolific provider of residential condos in downtown Kansas City.

As he prepares to open a \$1 million sales showroom for the **Federal Reserve Bank of Kansas City's** headquarters, Townsend said he's not disheartened by sluggish downtown condo sales. He attributed the slowdown to a lack of units ready for occupancy.

The Fed won't leave its 86-year-old home at 925 Grand Blvd. until 2008, when its new headquarters opens south of Penn Valley Park. In the meantime, a showroom for what Townsend is calling The Reserve will open on the ground level of another converted office building of similar vintage at 909 Walnut St.

Tim Schaffer of RED Brokerage LLC, who represented 909 Walnut's owners in lease negotiations, said he didn't hesitate at signing a competitor.

"If they're not successful, it's going to make it difficult for us to be successful," he said.

New buildings containing hundreds more downtown condos have been proposed, but no construction has started. Townsend said uncertainty about delivery times is too confusing for most buyers.

"If there were more product available now," he said, "there would be a lot more sales."

With supporters who include Jerry Reece, CEO of **Reece & Nichols Realtors**, the area's top residential real estate firm, Townsend's logic is hard to dismiss. Reece, whose firm is listing WallStreet Tower, Townsend's first downtown condo conversion, called the 35-year-old developer courageous.

"How many young people will go out and stretch like that?" Reece said. "He looks like a real risk-taker, but he knows his business so well that what he does is well thought out."

Fifteen units are unsold at WallStreet Tower, about 10 percent of an initial offering at prices ranging from less than \$200,000 to about \$650,000.

Townsend's vision sold Mark Dean, chief lending officer and executive vice president of **Valley View Bank**, on financing the project at 1101 Walnut St.

Dean already knew Townsend, having met him when he was working on a Country Club Plaza condo conversion in 2000. Dean also was familiar with the 1101 Walnut building Townsend wanted to buy because he had worked there before joining Overland Park-based Valley View almost four years ago. Dean had firsthand knowledge of the former U.S. Bank Tower's decline.

Townsend's \$6.5 million purchase came at the right price, Dean said. The building was offered for \$7.5 million. Office tenants remained through 2005, providing income that helped finance a multimedia marketing campaign.

Valley View's loan was based on Townsend's performance. The bank released money as units sold.

"It's like a vertical subdivision," Dean said. "You don't want to build out too many lots."

So impressed was Dean that he recommended Townsend to Fed officials.

"It was odd for me to do," he said. "I'm not in the business of promoting developers."

Valley View also is backing Townsend's plans to replace an existing office building in downtown Omaha with a new \$123 million condo tower that could open in four years. Omaha's downtown condo sale prices are higher than in Kansas City, Townsend said. As the gap closes, he predicted, condo construction will come to Kansas City. He's looking for suitable sites.

"That gets exciting for Kansas City," he said, "because you start changing the skyline."

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