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"The whole concept is to build less than 100 units of ultra-luxury living, featuring great architecture and excellent design, with very livable residence layouts and extraordinary amenities and services," says Kevin Venger, Co-Developer of the project. "This group is all about investing in superb architecture."

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# Navigating the North Loop

Minneapolis housing developer is providing more housing opportunities for young professionals in the city's fastest-growing neighborhood

The North Loop is the fastest-growing neighborhood in Minneapolis, and real estate developers like Greco are finding considerable opportunities in meeting the demands of the increasing numbers of young professionals moving to the area.

Located to the immediate north of downtown, the North Loop has seen its population more than triple in less than two decades. Formerly a warehouse district, there has been an influx of multifamily apartment and condominium development taking place in the neighborhood.

"The neighborhood has a lot of cool characteristics and similarities to a lot of warehouse districts you might see across the country," says Josh Brandsted, Vice President of Development for Greco. The firm's office is also in the North Loop.

Recognizing that more Millennials—those born between 1982 and 2000—want to live in the neighborhood, Greco and The Opus Group decided that it was time to build a development that catered to the market's needs and lifestyles.

The team has moved ahead with The Variant, a 144-unit luxury apartment community. More than 80 percent of its units are studios and one-bedrooms. The Opus Group is a leading design, development and construction company based in Minnetonka, Minnesota.

## DETERMINING THE MARKET'S NEEDS

Focusing on the needs of young professionals, Greco conducted research on what Millennials look for in urban housing. What the firm found was that the members of this generation are less concerned about the size of their actual living spaces, preferring instead to be in an active and engaging neighborhood with plenty of coffee shops, restaurants, bars and shopping.

"One area where we continually had a higher level of demand than any other level of product were small units at get-in-the-game pricing," Brandsted says.

Most of the units are quite small indeed. In fact, more than 60 percent of them are 650 square feet or less.

"Millennials really do not seem to have the prior generation's mentality of needing a bunch of stuff," Brandsted says. "It's more about the products they have being of higher quality, curated and accommodating of their desired experience and lifestyle."

Living in the North Loop can come with a hefty price tag. Prices for the smaller units range from \$1,200 to \$1,650 per month, higher than most neighborhoods in the city.

"What we have found working with the Millennial demographic over the years is that they are willing to pay a higher aggregate rent for a quality lifestyle product," Brandsted says.

At The Variant, residents get more than just another apartment with high-quality appliances. They also have access to a second-floor outdoor pool, a rooftop terrace with a grilling area and even a pet groom room, all within walking distance to the city's most popular restaurants, nightclubs and arenas. If residents wish to take public transportation, they are within short walking distance from Metro light rail and bus stops.

"If you start thinking about people who are moving into the Twin Cities, and specifically the people moving into the North Loop, they typically have very good jobs," Brandsted says. "It's a highly educated demographic that is transitioning into the urban core."

The building will also have more than 14,000 square feet of retail on the ground floor.

## COMBINING PAST AND FUTURE

The North Loop began to shift towards the arts in the 1980s before becoming the hotspot that it is today. But before that, the neighborhood was a heavily industrialized area featuring mostly warehouses and manufacturing facilities.

Opus and Greco leveraged inspiration from the neighborhood's past throughout its design and development. Many of the warehouses within the North Loop ranged from six to eight stories tall. At six stories high, The Variant fits in with its peers.

However, the development and design team also wanted to make sure The Variant stood out from other multifamily properties in the neighborhood.

"There has been a lot of apartment development and deliveries here in the past five years," says Matthew G. Rauenhorst, Vice President of Real Estate Development at Opus Development Company. "To stand out from the crowd, you need to do something different to help create separation from the pack."

While paying tribute to the building's North Loop roots, the developers decided to use natural clay to create the cream-colored aesthetic of the building. The team is also adding oversized windows to promote an industrial look and feel.

"It is a building that is looking to the future, but it's still nodding to its industrial past," Brandsted says. "This is probably going to be our highest-quality project to date."

Construction is expected to be complete by the end of the summer, and residents will begin to move in shortly after that. Greco and The Opus Group are also collaborating on Seven Corners Gateway, a similar development in downtown Saint Paul. ■



Variant Exterior Rendering

## MORRISON SUND PLLC

Morrison Sund is an established law firm in the Twin Cities that specializes in real estate and construction law. We service our clients' needs in the areas of commercial development, construction, land acquisition and financing, leasing, mechanic's lien foreclosures, litigation and all other matters related to real estate. Our skilled and efficient representation in these areas have earned us the trust and confidence we have garnered over the years from successful owners, builders and developers such as Greco. We are honored to be associated with Greco's legal team as it forges onward to improving the Twin City landscape.

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*Morrison Sund is proud to serve Greco on the Variant project!*

We specialize in construction and real estate law for commercial and residential properties.

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