

Inside the real estate developer's head

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From a practical perspective, developers hire architects to design the buildings they construct to make money.

But Peter H. Brown, an architect and urban planning consultant, believes there is more to the way many developers think about projects that their architects might sometimes overlook.



Peter Brown

"(Developers) have a very powerful and interesting, well-developed view of what good design is," said Brown, who recently wrote the industry book "How Real Estate Developers Think: *Design, Profits, and Community*" (*The University of Pennsylvania Press*).

The Minneapolis resident's book is based on more than 100 interviews he conducted with real estate professionals across the country to learn more about what makes developers tick and how they choose their sites and assemble teams to bring a project to fruition.

"Developers very much know about what they want to get from architects and design teams they hire for their projects," Brown said. "And they have interesting ways of going about putting those teams together to help them create that vision."

Brown moderated a discussion with the same title as his book at the American Institute of Architects Minnesota chapter's annual convention last month in Minneapolis.

The discussion allowed architects to learn how four Minneapolis-based developers define "good design" and what makes a good working relationship between developer and architect.

Panelists included Scott Tankenoff, managing partner for Hillcrest Development; Solhem Cos. founder Curt Gunsbury; Collin Barr, president of the north region for Ryan Cos. US Inc. and Schafer-Richardson principal Kit Richardson.

Richardson, a registered architect, said he welcomes a spirited debate from the people who design his buildings.

"There is a lot of give and take – it's important to understand you are part of a team and that a developer should embrace a good challenge from members of that team," Richardson said.

Richardson said he appreciates architects who can adapt their work to a developer's changing visions for a project or series of developments that often evolve with the market and user preferences. As one example, he cited Schafer-Richardson's development of its 710, 720 and 730 mid-rise condominiums in Minneapolis' North Loop neighborhood between 2004 and 2008.

"For me as an architect and as a developer, these were simple designs, but we recognized with each one that the market was changing a bit," Richardson said, "so it was important that the architects we worked with were flexible."

But while it's important for architects to embrace change in design elements and materials, consistency of vision is still key for Tankenoff and Gunsbury, both of whom said the financial success of new projects is tied to what has worked for them previously.

"Redundancy in the use of our buildings is very important," said Tankenoff, whose company is known for redeveloping old industrial buildings into office space for creative agencies. "It's important for us, so that if the market tanks or something changes in tenant preferences, we can still make something that will be useful for a long time."

Tankenoff cited the recent completion of the Highlight Center in Minneapolis' Northeast neighborhood as a success story.

"With the Highlight Center we were repurposing something that was once a light bulb factory and then a school district building and now becoming a creative office space," Tankenoff said. "We had to think about environmental aspects of making this work — what was it built for, what can it do, and what can it support."

For Gunsbury, who designs his apartment buildings "from the inside-out," it's important to balance a bold vision craved by prospective tenants with an economic formula that draws off past success.

"I need new products all the time because tastes are changing all the time," said Gunsbury, who teamed up with Eden Prairie-based TE Miller Development in 2013 to build the 7west apartments, noted for using feng shui principals in its design. "But I also need (architects) to know that my floor plans can really only be derivative of my previous floor plans; that's where all my economics are."

Being able to meet budgetary demands while helping to fulfill a creative, artistic vision is a delicate balance that developers seek in architects, said Barr of Ryan.

"It needs to be aesthetically pleasing and something that is attractive, but it needs to fit the economics; and I think the good design professionals are the ones who come up with those unique ideas that do both of those things," Barr said.