

Carlyle High-Rise Peaks in Minneapolis

It only took Bob Lux a few minutes to decide to build what will become the tallest residential building in Minneapolis—and the first of its kind in Minnesota. As a partner at Minneapolis-based Apex Asset Management Corp., Lux will build The Carlyle, a 400,000-square-foot multi-family complex, in a \$120 million joint venture with Humphreys & Partners Architects L.P. and Opus Northwest L.L.C., a member of The Opus Group.

Next to the Mississippi River in the historic district of downtown Minneapolis, the Carlyle site once held an office building and a vacant parking lot. Though another developer had announced preliminary plans to convert the building for residential use, Lux thought that the plan made no sense there. “The location was really prime for a high-rise, high-density development that would take advantage of the views,” he said.

Because the city still benefits from the Midwest’s often-conservative real estate prices, Lux knew he could purchase the site for a reasonable amount of money, and with an enterprising design make a significant profit. Helping his confidence in the Minneapolis condo market was the fact that another Apex development, the 27-story, 330-unit Grant Park, had already sold out quickly.

The first design that architect

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“We just pressed the envelope as high as we could take it,” said architect Mark Humphreys, who designed The Carlyle, a 39-story, 400,000-square-foot residential tower in Minneapolis, the tallest in Minnesota.

Mark Humphreys submitted to the city’s Historic Preservation Commission for The Carlyle was unanimously denied. Lux attributed the rejection to the lack of community involvement in the project. Apex subsequently participated in a task force to determine a

new design that “felt like it belonged in the city,” Lux noted.

The second plan, which was approved almost unanimously, set up The Carlyle to become the tallest building in Minneapolis and the first in the state to use tunnel-form construction, a concrete system that takes half as long to build as conventional systems. At 39 stories, The Carlyle is also the tallest tunnel-form building in the United States. “We just pressed the envelope as high as we could take it,” Humphreys said. “Most of the competition is just not on this scale.”

The condo market in Minneapolis has been strong and consistent, Lux noted, and additional residential and retail developments—though not of the same scope—have popped up around the Grant Park development and Carlyle sites. He does not, how-

ever, expect Downtown development to reach full tilt.

“Construction pricing is up significantly from what we saw three or four years ago,” said Lux, who added that the tightening market and heightened construction costs would make it very difficult for Apex and Opus Northwest to begin developing the same building today. “Both (we) and our buyers were very fortunate to get into the development when we did.”