

## Who owns Colorado: Highland bucks real estate slowdown

### Prices are holding steady, and construction continues in the hip Denver neighborhood

*By David Lewis*

Somewhere in America, there's a price-reduced house for sale. Somewhere in this great land of ours there's a mortgage crisis, a credit crisis, a looming recession. Somewhere there's a real estate agent soberly assessing his or her frail, flailing, failing career.

Somewhere, maybe. But not in Denver's Highland neighborhood.

How hot is Highland? Let's put it this way: The Denver neighborhood that sits just west of Interstate 25 off of North Speer Boulevard now has its own cute nickname, LoHi.

We asked a bunch of real estate agents and developers how the boom there has been affected by the national real estate slowdown.

"Negligibly. There is an enormous amount of interest, prices are not coming down and construction continues," says Jim Rodriguez, Realtor with Re/Max City Horizon in Denver, a Highland homeowner and one of the most active agents in the area. Plus, "a huge number of permits have already been issued, and a lot of stuff is on the drawing board. The slowdown is having no effect. I have plenty of clients still looking to buy."

"Highlands is becoming increasingly competitive, and prices are going through the roof," says John Chavez, principal of Dorado Developments, the company Rodriguez credits with kicking off the ongoing building boom there.

"This area is really hot. Sales have slowed down, don't get me wrong. It's not the glory days anymore — in 2005 everything sold up there. Yet developers aren't shying away from putting projects on the board, that's for sure."

All this heat draws comparisons to Cherry Creek in days past

“Appreciation there has been very strong,” says Liz Richards, broker associate with Kentwood City Properties. “That has been driven by the new-build market. It’s going to surpass values of Cherry Creek and downtown at some point once it’s all built out.”

Paul Tamburello is similarly bullish. The broker associate with Distinctive Properties Ltd. in Denver is one of the more active real estate agents in the neighborhood.

“What is interesting is that north Cherry Creek is damn near built out,” he says. “There are not that many lots left. So what does a developer do when there’s no more dirt? You have to find another place. So we have had a lot of Cherry Creek developers recently looking there. What seems expensive to people who’ve been in Highlands for 15 years seems really cheap to somebody in Cherry Creek. Now, they can’t get the prices that Cherry Creek is getting, but still they can land-bank stuff. We’re having some land bankers appear because everybody sees it — we have turned the corner. Highland is not turning down.”

What makes Highland so molten? The classic real estate answer is: location cubed. Highland rises above downtown Denver, with terrific views of the Central Platte Valley, Coors Field and on and on. Most folks hereabouts fight for views of the Rockies, but the Highlands’ perspective — even with I-25 intervening — really is captivating.

This is especially true since the December 2006 opening of the Highland Bridge, a pedestrian bridge linking LoHi with Denver’s core.

Add young, hip professionals, artists and architects, plus a retail renaissance, and you have a residential magnet.

“Your demographics are people of means — young professionals who don’t particularly want big yards and maybe have a dog that might want a small yard,” Rodriguez says. “Plus the views are freaking amazing — every single one of these (new) projects have rooftop decks.”

(The small backyards are an inevitable when the standard lot is 125 feet deep with 25-foot frontage.)

Head into Highland from Federal Boulevard and the area looks pretty much like a conventional Denver neighborhood, with lots of homes built in the 1950s or before, some run-down, some not, some near trendy restaurants (more than 20 of which have opened in the past few years), some not.

On a recent Sunday, businesses along West 32nd Avenue were flush with locals and tourists. Twenty-and thirty-somethings converged outside the trendy Coral Room and Trattoria Stella restaurants or sipped coffee at one of several cafes. The intellectuals had their choice of independent booksellers at each end of the business strip.

Hip Highland — the portion characterized by sharp-edged, post-modern architecture — is generating one tiny anxiety among real estate people active there.

“We need to watch our inventory of new construction,” Tamburello says. “We’re fine. We’re in a little bit of a slowdown, but we don’t want to get our inventory too high, build too many units and have 10 years’ inventory sitting on the market.”