

## Redmond Town Center, the next Eastside mall expected to add lots of housing

Jul 1, 2016

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Portions of Eastside shopping centers are being redeveloped with hundreds of housing units, and Redmond Town Center is the latest.

Lowe Enterprises is moving forward with a 286-unit apartment project on a parking lot next to Macy's. Lowe hopes to break ground late this year or early next, Lowe Vice President Suzi Morris said.

With online shopping gobbling up more and more sales, big box retailers have been shrinking their footprints or closing up entirely. The question is what to do with this space, and increasingly the answer is to build more housing.

"It is a trend with older lifestyle centers and retail strips," said Morris.



With their large parking lots, these properties have "redevelopment me" written all over them. In Bellevue, an old Haggen grocery is being turned into a 176 town homes, and nearby at Crossroads mall, a 185-unit senior housing project is scheduled to start construction early next year, a representative of the developer, Senior Housing Assistance Group, said Friday. Meanwhile in Kirkland, Totem Lake Mall is being redeveloped(subscription required), and it will have 850 apartments.

The addition of nearly 300 apartments to Redmond Town Center brings the first residences to the center, which also has two hotels and office space leased to Microsoft (Nasdaq: MSFT) and AT&T (NYSE: T).

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Los Angeles-based Lowe, which has a Seattle office, paid DRA Advisors of New York City and JSH Properties of Bellevue \$8.5 million for the Redmond Town Center development site, which measures about one-and-two-thirds acres. The builder is Compass General Construction.

The apartments will be market-rate units, though 10 percent will be set aside for lower-income people, Morris said.

DRA and JSH bought the retail portion of the mall almost three years ago for \$127 million, and upgraded the property to make it more amenable to pedestrians. Morris said that the apartment designer, Encore Architects, is trying to capitalize on these changes. The project will have a small amount of retail, and the goal there is to have a variety of storefronts.

"We're trying to recreate what we would do in an urban environment," Morris said.

She declined to say how much the development will cost or who Lowe's equity partner on the project is.

*Editor's note: This story has been updated with a comment from Senior Housing Assistance Group.*