

Wellman Building nears completion—what next?

By Jamestown Renaissance Corporation Staff

Barring delay, downtown Jamestown will add 44 new apartments this summer with the completion of work at the historic Wellman Building. It will mark the end of a long-awaited and important project—but its impact to the downtown housing market will have just begun. And we can't be sure what to expect.

The impact, though, is likely to be significant. Activity at the Wellman Building alone will mirror the scale of a decade of development in downtown Buffalo. According to a recent [Buffalorising.com](#) article¹, over 700 units have been brought online in downtown Buffalo since 2002. This is similar in magnitude to what is happening in Jamestown in one fell swoop. Whether the apartments are rented quickly at asking price, or not, we will learn much about the market's capacity to absorb new units.

What we know now is that the Wellman Building will boost downtown's residential inventory by 10 percent. Today there are more than 400 units in the downtown core between the waterfront and Fifth Street and Washington and Prendergast Streets (see table below). But the market rate Wellman units, with rents topping out above \$1,000, will be very different from the preponderance of downtown units which are income or age restricted.

But who will pay such high rents to live in downtown Jamestown? This is a common reaction by some because of downtown's perceived inconvenience and lack of amenities.

The experience of other cities indicates that there is a demand to live downtown. And JRC's experience is that Jamestown is no different—units completed over the past few years have often been leased immediately.

Why is there interest? Some people move downtown for the novelty of living in an historic building in an urban setting. Others move to be closer to jobs and amenities. People have been moving to downtown Buffalo for all three reasons. And there is reason to believe Jamestown will share this experience.

Most of the 700 units in Buffalo have been developed in once vacant or underutilized buildings whose historic character creates demand. Jamestown has a large inventory of similarly historic buildings that have the potential to draw households into downtown.

In Buffalo, many downtown residents are among the 60,000 employees of downtown professional offices and the Buffalo Niagara Medical Campus. A similar proportion of Greater Jamestown's workforce works downtown. And we are already seeing professionals—including doctors, graphic designers and executives—choosing to live in newly constructed or renovated downtown units, because of their proximity to work and places to meet with clients.

¹ <http://www.buffalorising.com/2012/02/ten-years-of-downtown-residential-development.html>

Those who have moved into Buffalo's new units for the novelty and proximity to jobs have also added levels of disposable income that are supporting new amenities to serve both downtown residents and visitors. These amenities—restaurants, entertainment and services—will help to keep residents downtown long after the novelty wears off, or even if downtown residents get jobs elsewhere in the Buffalo region.

Developing sufficient downtown amenities will be Jamestown's biggest challenge. Dozens of new market rate apartments can be expected to support a greater level of downtown amenities, but if they fail to appear the housing market will struggle with lower rents and higher vacancy.

Property owners and their public and private sector partners should continue to cultivate demand in downtown by developing modern market rate apartments—not at the scale of the Wellman Building, but in a way that strategically adds new and desirable options for downtown living. They also have to be more intentional about the location and mixture of businesses in downtown to create synergistic clusters that add convenience and atmosphere.

Plans and programs such as the JRC's rental incentive and retail enhancement initiatives and the city's downtown business mix study will assist in making this work, but it requires continuous attention, planning and input from downtown residents and those who would like to live or open a business downtown.

We will learn much about downtown and its housing market over the next few years. Whether the Wellman Building's contribution is positive and long-lasting will depend on how Jamestown treats its completion—as an isolated project or a small part of downtown's ongoing renaissance.

Downtown Jamestown Housing Analysis

Data from the 2010 Census

Downtown Population	490
Housing Units	449
Occupied	392
Vacant	57
Vacancy Rate	12.7%
Persons Per Occupied Unit	1.1
Age Distribution of Householders	
Under 55	44.9%
55 and over	55.1%
34 and under	15.6%
35 to 54	29.3%
55 to 74	39.3%
75 and over	15.8%
Largest Geographic Clusters of Units	
On blocks bordering 3rd Street, west of Main	240
On blocks bordering 3rd Street, east of Main	68
South of 2nd Street, from Pine to Institute	60

Note: These data were collected for Census blocks in the downtown core, an area bounded by Washington Street on the west, Prendergast Avenue and Institute Street on the east, 5th Street to the north, and the Chadakoin River to the south.