

# MICROUNIT REVOLUTION!

May 30, 2014

Micro housing developer **Patrick Kennedy** is on a roll (and not just because of his **treadmill desk**, below). His latest project in **Berkeley, Calif.** proves the **tiny living arrangement** is here to stay in the US.



**San Francisco** is the trendsetter, with Patrick's firm (Berkeley-based Panoramic Interests) delivering the **country's first prefab micro housing** project in SoMa last year: 23 units **less than 300 SF** each, gobbled up in a flash. Now he's diving in nearby at 9th and Mission, with 120 microstudios and 40 microsuites, or two and three-bedroom apartments, at **625 SF**. That diverse sample size will prove or debunk the concept in the city, he says. (Leasing starts in March for a June delivery.) The trend is

popping up coast to coast, in **Seattle, Vancouver, NYC, Boston, and DC**. The ideal tenant: People who land in cities with a suitcase, laptop, iPhone—and not much else, Patrick says. (So expect a lot of *Amazing Race* contestants.)



A rendering of Panoramic's new building

Northeastern economist **Barry Bluestone** expects demand to stay strong for the next **five to 10 years**, especially in cities that are **Millennial favorites**. (That would be Everwood, Smallville, and Deadwood.) It's the kind of housing he thinks will make a big difference for **grad students to medical interns to line chefs**; pretty much any young professional who might be strapped on cash and time. Patrick's going through entitlements to bring a 65-unit microhousing concept just a third of a mile from Berkeley's campus. In his SoMa project, Patrick was going to install washer/dryers in every unit but found he was too tight on space, so they're going in the **hallways** instead. (He has a **matchmaking motive** for that placement; he doesn't want to deny residents from meeting Mr. Right or Mademoiselle X.)



Still, there are **skeptics**; at *Bisnow's* **BMAC West** multifamily conference in LA last week, Harley Ellis Devereaux principal **Daniel Gehman** said he **foresees a backlash** against the "all-tiny, all-the-time" trend. You can do a big bundle of tiny units if you're close to a **major university**, a major **tech hub**, and not too far from Mom and Dad's house. When you start designing units in the 275k SF range, you're taking your cues from an **Airstream trailer**. No one's furniture will fit, so you need **built-ins** that do more than one thing at a time. "You get this little Faberge egg of a unit, but you're spending big bank to deliver that."