

Micro-Apartments Are Coming to the Midwest

Smaller rental units (think 300 square feet) are popping up in cities with plenty of space

Photographer: Elaine Thompson/AP Photo

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Des Moines doesn't have a reputation for being particularly hip ... or space-constrained. In this city of a bit more than 200,000 people, you can buy a three-bedroom house for less than \$150,000 and find yourself a short drive from acres of rolling farmland. The local culture blog is called Des Moines Is Not Boring—a pretty good indication that it very well might be.

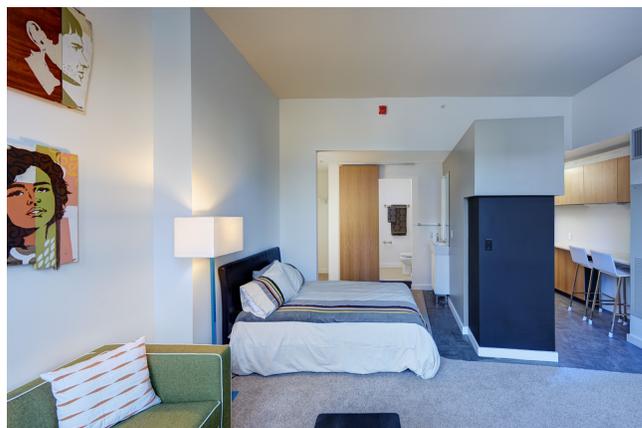
That makes the city a surprising place to find a growing market for micro-apartments—an imprecise term describing units that are smaller than traditional studios. The emergence of micro-apartments, a phenomenon more often associated with big, expensive cities, such as New York or San Francisco, signals an effort to attract young renters who are inclined to make the city their living room, as the pitch goes, and sleep on beds that fold into walls.

And yet here they are in Des Moines—in a converted, century-old office building, and in a new development with such luxury amenities as a yoga studio and cinema room. Renters can expect to pay about \$850 for about 450 square feet—assuming there's a vacancy. Rick Tollakson, chief executive of Hubbell Apartment Living, says that the micro units in his company's Cityville on 9th development are fully leased. “Like any other city, there's a demand for downtown living,” he says. “And if you want to want to lease an apartment for under \$1,000 and live by yourself, it pretty much has to be a micro.”

Indeed, the micro-apartments cropping up in Des Moines and other less-likely metros, including [Columbus](#) and Omaha, also signal two overlooked conditions. Interest in downtown living has extended beyond coastal cities known for vertiginous housing prices. And the rental crunch that has long led residents in crowded coastal cities to pay high prices for tiny abodes is surprisingly widespread. Nationwide, more than two of five renters spend 35 percent of their income or more on housing, according to the Urban Institute, and the rental affordability crisis has [landed](#) in boom towns such as San Jose as well as such busts as Detroit.

In that light, the shift toward smaller apartments can be seen as simple economics: Smaller apartments are more profitable for developers to build and more affordable for tenants to rent. “I could paint a cooler picture about

value of design, efficiency, and all of that," says Alexander Grgurich, a development analyst at Nelson Construction & Development, which converted a century-old office building in Des Moines into 425-square-foot apartments in 2013. "For us, it's about getting a higher price per square foot while offering a lower absolute rent to the renter."



An apartment at the Fleming Building in Des Moines, where most studios are between 419 and 438 square feet.

Photographer: Cameron Campbell Integrated Studio

Micro apartments are still a new trend in the U.S.—Seattle, with [about 3,000](#), probably has the largest market—so you can't read too much into what data do exist. But a study published last year by the Urban Land Institute (ULI) backs Grgurich's assertion. Researchers found that units smaller than 600 square feet rented for \$2.65 per square foot—54 percent more than apartments between 600 and 1,000 square feet and 81 percent more than apartments larger than 1,000 square feet.

Jon Durham, a partner at NoMi Developers in Kalamazoo, Mich., says he was motivated to work on a complex of 300-sq.-ft. apartments to fill what he sees as a void of housing that new college grads can afford. "We need it for the stay factor for our city," he says, adding that demand has been high. About half the apartments in the 47-unit complex, which includes some larger units, have been leased, even though construction won't be complete until next year.

"I'm reveling in it," says Dylan Gorman, 22, who lives in one of Hubbell's micro-apartments. He says that having a smaller space makes it easier to clean and that the building's community amenities, such as a fitness center and pool table, make up for having a smaller living area.

Not everyone loves it. The ULI study collected completed surveys from 110 micro-apartment renters, finding that they were less likely than traditional renters to be satisfied with the value they got for their money. That may be because of sacrifices made to accommodate smaller spaces. In Kalamazoo, Durham expects his micro-apartments to come with refrigerators and microwaves but no stoves. In Omaha, developer Dave Paladino is building about 80 micro units in a gentrifying neighborhood on the edge of the city's core and trying to decide whether he can

cram a washer-dryer into apartments as small as 230 square feet. "It feels like living in a closet," *The Stranger* [reported](#) on Seattle's burgeoning micro-apartment scene.

In Des Moines, Grgurich says his company's designs are focused on how residents would move through the smaller space. The project, called the Fleming Building, was erected in 1907 by Daniel Burnham, the Chicago architect who famously said, "Make no little plans. They have no magic to stir men's blood and probably will not themselves be realized." To which Grgurich might add: If you do make little plans, make sure that you can't see the kitchen sink from the bedroom, so tenants don't wake up to the sight of dirty dishes.

(Corrects name of The Stranger in the ninth paragraph.)