

Columbus adding new apartment developments for Fort Benning soldiers

BY TONY ADAMS

LEDGER ENQUIRER

POSTED ON TUES, APRIL 26, 2011

[HTTP://WWW.LEDGER-ENQUIRER.COM/2011/04/26/1552852/COLUMBUS-APARTMENT-CONSTRUCTION.HTML](http://www.ledger-enquirer.com/2011/04/26/1552852/COLUMBUS-APARTMENT-CONSTRUCTION.HTML)

There are roughly 1,500 apartment units either coming out of the ground or on the drawing boards in the Columbus and Phenix City area over the next two years.

But they all likely will be absorbed quickly as more soldiers descend on the area, the economy continues to pick up steam, and fewer people decide that owning a home is for them.

That's the assessment of a leading apartment developer in the city and others doing business in the rental sector that appears to have avoided the severe downturn over the last three years.

"The wind is at our back right now in the multi-family industry, from demographics to just the economy and homeownership going down from 69.2 (at its pre-recession peak) to 66.5 percent nationwide," said Will White, a partner in Columbus-based Greystone Properties LLC, which now has 2,175 units in the city, with another 82 now under construction as part of an expansion of Greystone at Maple Ridge on Schomburg Road.

For every 1 percent that homeownership drops nationally, 1.2 million rental households are created, said White, who has heard projections the ownership level may slip another percentage point or two before hitting bottom.

Home ownership survey

A national survey released recently by FannieMae, a government-sponsored mortgage funding enterprise, tilts toward that notion. It found that 64 percent of Americans today believe owning a home is a safe investment. That's down from 83 percent in 2003, long before the national financial crisis and housing meltdown combined to trigger the Great Recession in December 2007.

Such sentiment bodes well for strong regional apartment builders such as the Flournoy Co. of Columbus, which is less than two months away from opening its 297-unit Highland Ridge complex off Franciscan Woods Drive in north Columbus.

"There's a lot of things that are being tossed around right now, which is being able to stay transitional, where you're able to be flexible in your career so that if you wanted to move someplace else, you're not saddled with a home that you're trying to sell," said Jennifer Berndt, Flournoy's director of marketing.

The aspect of having no maintenance to take care of with an apartment is one huge factor in the industry's favor, she said. There also are amenities that include a swimming pool and fitness center. Highland Ridge will also offer free tanning.

Columbus adding new apartment developments for Fort Benning soldiers

"We're able to save people money," she said. "I think that's kind of an appealing thing at this point in the recession."

Aside from Highland Ridge, Flournoy is managing a 270-unit complex called Summer Lake off U.S. Highway 280 in Smiths Station, just north of Phenix City. Owned by Phenix City real-estate executive Mike Bowden, the complex already is leasing to tenants even as it wraps up construction, which is 75 percent complete.

"We're exceeding our expectations as far as leasing goes," Berndt said. "There's been a lot of people that want to live out there. So we're just kind of looking forward to the summer -- when the leasing definitely picks up -- and seeing what the BRAC people are going to bring."

BRAC, short for Base Realignment and Closure, is the 2005 federal mandate that ordered the U.S. Army Armor School to Fort Benning, where it is partnering with the U.S. Infantry School to become the Maneuver Center of Excellence. The deadline for everything to be in place is Sept. 15. Fort Benning's population is projected to swell by 28,000 soldiers, civilian workers and family members because of the expansion.

Apartment owners getting ready

While residential developers and homeowners looking to sell their dwellings have been positioning themselves for this moment, so have the apartment people. Local military and civilian housing officials have estimated up to 75 percent of incoming soldiers will rent initially, if only to scope out the landscape until finding a neighborhood in which they wish to purchase a home.

Projects include The Crossings at Veterans Parkway, a 292-unit apartment complex being constructed by Montgomery, Ala.-based Homecorp Inc. The development is being built on 22 acres of land at 8160 Veterans Parkway in north Columbus.

Homecorp Vice President Michael Goldner said Monday his company expects the clubhouse and the first apartment building to be ready around July 1, with pre-leasing probably beginning early next month. Homecorp also just opened The Crossings of Opelika, a 168-unit complex in Alabama.

All of Homecorp's properties appear to be doing well, Goldner said, with the economy still remaining somewhat sluggish. The company has apartments in Alabama, Florida and Georgia.

"I think a lot of people are still concerned about their future and jobs, and have a hard time qualifying for homes and are sort of scared to make that commitment. So I think it's a good time to be renting," said Goldner. "The Columbus market, particularly, is a very, very strong apartment market. We think with the military base all of the apartments will do really well there."

Columbus adding new apartment developments for Fort Benning soldiers

The apartment surge doesn't stop there, however. There's the newly opened Grand Reserve at Phenix City, a 312-unit complex near the intersection of U.S. Highway 431 and Alabama 165, adjacent to Chattahoochee Valley Community College.

The George C. Woodruff Co. of Columbus also has a mixed-use development on the drawing board on 280 acres off Veterans Parkway and not far from Northside High School. The company has previously said it could have as many as 432 apartment units, with up to 270 in its first phase. Woodruff also has property off U.S. Highway 80 near the Beaver Run subdivision that would likely have multi-family housing.

Those projects don't include smaller loft apartment buildings in downtown Columbus. Empire Uptown opened earlier this spring on First Avenue, offering 31 units for lease.

Another property, Twelve-Fifty-One at Eagle and Phenix, off Front Avenue, has already leased 10 of 14 units converted from what once was the textile mill's administrative offices. It's an offshoot of Eagle and Phenix condominiums, which has sold 52 out of 88 available units, said Laura Moseley, leasing agent with W.C. Bradley Real Estate.

"They're buying into something that's historic and has been preserved," she said. "And then there's being on the river and in an urban setting. So we're a little different from everybody on the north end ... We would love to see more people eat and sleep and work in downtown."

Flournoy Co. also owns 11th Street Lofts, a 48-unit apartment building that is popular with military tenants and consistently remains close to capacity, Berndt said.

"They are historic renovated lofts in three different buildings, with pressed tin ceiling tiles, original woodwork, ductwork," Berndt said. "I think for people that want a little taste of that big city apartment living feel, they can get that in the Uptown area."

In the mind of Greystone's White, none of the luxury apartment complexes or high-end loft offerings in Columbus and Phenix City should have a difficult time maintaining strong occupancy rates. His properties are now at 99 percent or better, and that's before the biggest influx of U.S. Armor School troops make it here this spring and summer.

"I've been receiving calls from people I know trying to enlist my help to get an apartment," he said. "We just have very, very little to select from at this time, just like most apartment management companies."

And that should continue over the next two years until multi-family construction lending becomes more available, said White, whose market studies indicate his properties compete with about 15,000 other apartment units locally.

Columbus adding new apartment developments for Fort Benning soldiers

"I believe in 24 to 30 months the market will begin to soften up and still stay relatively strong," White said. "But my projections are showing that around the year 2015 we'll go back to more of a normal market in this area, assuming that not a lot of other product comes out of the ground."

Tony Adams, 706-571-8574

© 2011 Ledger-Enquirer and wire service sources. All Rights Reserved.