

As Housing Market Swoons, Rentals Boom in Norfolk

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The housing market may be struggling, but apartment construction in Norfolk continues to boom.

The City Council is expected to approve a rezoning today that will allow a 180-unit, \$20.7 million upscale apartment development called the Meadowood Apartments to be constructed off North Military Highway.

It would be the seventh apartment complex that opened, received city approval or on which construction began in the past year. Moreover, two other apartment complexes have been proposed.

Meadowood would be built on 7.7 acres currently zoned for industrial use on International Boulevard adjacent to a Kmart and the Park Crescent Apartments. Rents would top out at \$1,450, said Taylor Franklin, vice president of multi family development for S.L. Nusbaum Realty. It would be a gated community, Franklin said.

Nusbaum has either proposed, built or is building four of the complexes in Norfolk.

"The apartment market in Hampton Roads remains very strong," Franklin said. "We still see a lot of demand in Norfolk."

Franklin said the 120 units at the SouthWind Apartments, an income-restricted development that opened near Southern Shopping Center, are sold out. The River House Apartments, a luxury complex of 194 units at the base of the Granby Street bridge in Riverview, are 85 percent leased and likely will be sold out by mid-October, Franklin said.

Nusbaum is also building 141 apartments in the Wells Fargo Center, a downtown mixed-use development that includes a 23-story office tower.

Earlier this summer the council approved The Promenade Pointe, a \$28 million, 187-unit apartment complex off Tidewater Drive that survived a petition drive by some residents of the nearby Roland Park neighborhood.

Two other complexes with a combined nearly 500 units, the Belmont at Freemason near downtown and 201 Twenty One in Ghent, opened earlier this year. Daniel W. Aston, a partner with Roseland Properties, which developed 201 Twenty One, said the complex will be 95 percent leased by mid-September. Belmont officials weren't available on Monday, but said last month that their complex was about half leased.

Combined, the seven complexes would add more than 1,300 units to the city.

US Development has also proposed transforming the downtown Union Mission into a 90-unit apartment building. The South Carolina company has yet to close on its purchase.

A proposal from Collins Enterprises to develop the 189-unit Landmark at Talbot Park complex near Wards Corner faces an uncertain future. Collins received approval in 2008 to build condominiums on the property but has proposed building apartments instead.

The proposal is opposed by civic groups. That plan will be considered on Aug. 26 by the Planning Commission.

Dwight Dunton, president of the Arlington -based Bonaventure Realty Group, is developing Promenade Pointe. He said many prospective homeowners instead are becoming renters.

"Many people prefer renting to buying because of the uncertainty of the housing market," he said.

Franklin agrees, saying the transient nature of service members in Hampton Roads has helped the rental market.

"Many people stationed here for just a couple of years prefer to rent," he said.

Vice Mayor Anthony L. Burfoot said most of the new apartments have luxury features, such as granite countertops and 24-hour workout facilities, that used to be reserved for condominium developments.

He has endorsed the Meadowood development, which is located in his ward. "The area behind Kmart needs some life," he said. "There's been no real investment there in a while."