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## New apartments in a saturated market

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Several new apartment complexes are scheduled to open in August, just in time for the start of the fall semester at the University of Florida and Santa Fe College, despite a high number of apartment units standing vacant.

The new complexes, which are now accepting applications and lease agreements, join an already saturated market as occupancy rates range from 70 percent to 90 percent at area properties.

"Everybody ... feels like they have the best product and that they are going to be able to attract enough residents to fill up their property," said Vanessa Neale, manager of Apartment Hunters, a for-profit entity that offers free apartment locating services in Gainesville.

But she said that there are "just too many places and not enough bodies to put in them."

One new complex is Campus View Place.

"The No. 1 reason we decided to build it is because we have a great location next to Shands hospital and next to campus," said Svein Dyrkolbotn, the managing member of project developer and owner Viking Construction Co.

"On my project, I chose to move forward at a time when I knew there were plenty of apartments, but that's because of my location," he said.

John Marti, president and owner of Upper Westside LLC, lauded his spot west of 13th Street near the stalled University Corners development.

"Downtown Gainesville is a phenomenal area to build in. The location is a big attraction," he said.

Eighteen of Upper Westside's 22 units already have been rented.



Erica Brough/Gainesville Sun

Luis Rodriguez rolls a cart of tools past the new Canopy Apartments being built at 4400 SW 20th Avenue in Gainesville, Fla., Monday, April 27, 2009. The new complex is expected to open by August in time for the fall semester.

Five new major complexes with nearly 2,000 units already opened in the fall and more houses and condominiums converted to rentals in a slow housing market at the same time that UF cut enrollment by 1,000 students as part of a plan to cut 4,000 students over four years.

John Pla, president of Venture Realty, which developed The Canopy, another of the new apartment complexes, as a joint venture, explained that developers cannot always predict fluctuations in the economy.

"We started this project over two years ago," Pla said. "The market was a little different then."

Still, he said he is confident.

"I don't think we're as concerned about the market because we have a superior product and a great location, one mile from campus," he said.

Venture Realty, located in Gainesville, partnered with Birmingham, Ala.-based Arlington Properties Inc. on Canopy.

"I owned the land and they have the park and development experience," Pla said.

The glut means renters are finding more incentives to move in or renew their leases - from a free month's rent and waived fees to cash and even free cruises. 4 Marta, a 204-unit apartment complex at 4170 NW 50th Terrace, opened in October. The complex, which targets young professionals, held a ribbon-cutting ceremony in March to draw attention to the property and capture some market share.

4 Marta's occupancy level sits at just over 8 percent, with an additional 22 percent of the units slated for occupancy.

"There are challenges, obviously, with the market and that's true all over the country right now," said Christopher New, vice president and regional partner of 4 Marta. "But we would like to think our product and our location will set us apart from some of the others.

"Northwest Gainesville is a great residential community," he said. "It's sort of away from the campus, if you will, but close enough for commuters into work."

New said that 4 Marta's decision to open the new complex was made years earlier by its parent company, Fore Property Co., and was in development in summer 2007, at a time it could not foresee the current glut of apartments.

Despite low occupancy rates, New said he was optimistic about 4 Marta's future.

"Ninety-two to 95 percent is the target occupancy level we are striving to achieve," he said. "Right now, with the velocity that we're having, I think it's realistic, but time will tell."

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