

Rental Restyling

By: Carl Cronan, Gulf Coast Business Review

May 06, 2011

For almost as long as the Tampa Bay Rays have been playing baseball at Tropicana Field, three high-rise senior living towers to the east have stood empty, part of the dull landscape immediately surrounding St. Petersburg's domed stadium.

But while others viewed the 40-year-old gray buildings as a landmark to remind them where they parked for games, developer Phil Farley saw something else. Now he's in the process of converting the 335-unit complex into rental apartments suitable for residents much younger than its previous tenants.

Farley has opened Urban Style Flats in the property he purchased last May from the St. Petersburg Housing Authority for \$6.8 million. A few million more are going into interior redesign and exterior additions that will turn the buildings into hip living space for professionals in their 20s, with monthly rents starting at \$699.

"Large buildings are hard to come by, and this one seemed to be incredibly underutilized," says Farley, who directly oversees the buildings' improvements. Other prospective buyers looked at gutting the buildings for hotel or condo conversion, but he says they work just fine as small-apartment conversions.

The housing authority was happy to sell the former Graham-Rogall complex near the Trop's main parking entrance, having sought "their next highest and best use," authority Chairman Arnett Smith stated at the time. That it will remain affordable was also an important factor in the authority's agreement.

However, Farley is quick to note that Urban Style Flats isn't subsidized housing. Its price points for the units, mostly studios with about 500 square feet each, are geared to college students, interns at nearby hospitals or young professionals.

"We're more selective in who we are taking as tenants," Farley says, noting that 75 residents have signed leases in the 150-unit first tower and interest increases near the end of each month as leases expire elsewhere. He adds that St. Petersburg's downtown living market is geared more toward people age 50 or older, while rents run too high for most under 30.

Posted rents at Urban Style Flats are currently tiered at \$699 for an unfurnished studio, \$799 for a furnished studio, \$769 for an unfurnished one-bedroom unit and \$899 for a furnished one-bedroom. Two-bedroom units, priced accordingly at \$1,299 and \$1,549, will be available in the future.

Farley points out, though, that those prices include all utilities residents would have to arrange and pay for separately, including electricity, water, sewer, trash, telephone, cable TV and Internet access. He estimates a monthly savings of \$235 as a result, adding that it also includes 24-hour doorman service and video surveillance of all common areas.

"We call this an introductory-level community with hotel-like services," he says. Other amenities include laundry machines and garbage chutes on each floor, exercise and recreation rooms and a soon-to-open restaurant on the ground floor, along with an outdoor swimming pool.

Apartment rents in St. Petersburg averaged \$743 per month at the end of 2010 and ranged from \$628 to \$1,401, according to statistics by Reis Inc. However, local apartment experts point out that those numbers don't include the packaged conveniences Urban Style Flats is marketing.

“It sounds like he has identified a niche for younger residents who want to live downtown,” says Jason Stanton, director of multifamily services for Colliers Arnold in Clearwater. He adds that most of the city’s high-rise apartment buildings converted to condominiums in the last decade and are likely out of reach for the type of tenants Urban Style Flats is trying to attract.

Farley, who also redeveloped the Coquina Key Plaza shopping center on Sixth Street South, says he is happy with his new project’s progress and response.

“Every unit is better than I imagined,” he says. “This opportunity was very unique.”