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From the Triangle Business Journal:

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Why a developer is switching from apartments to condos near NC State

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As rents in Raleigh continue to rise, one developer has decided to scrap plans for an apartment complex and is instead building a new condo development on Hillsborough Street.

Mark Andrews and his partners had plans to build a five-story, 54-unit apartment development on a 0.4-acre parcel near N.C. State University's Belltower, but the finances of the project would have required rents to top out at \$2.20 per square foot, or \$1,760 for an 800-square-foot unit.

The team wasn't confident there would be enough demand to fill the complex.

"There are only so many people [who] can afford the rents in, my opinion," Andrews says. "And that is the concern for a lot of folks."

Even with new multifamily developments coming online, rents are increasing across the Triangle. In downtown Raleigh, average rents jumped by 9 percent last year, rising to \$1,444, according to the Downtown Raleigh Alliance.

Given the new heights of the rental market, Andrews believes there are people who are ready to buy, if they could find something in their price range.



THE VIEW ON PULLEN CIRCLE

New condos are coming to Hillsborough Street. The developers behind the Paramount complex and the Aloft Raleigh hotel have plans to build a five-story, 35-unit condo project at the roundabout at Pullen Drive.

“Everybody and their brother is building apartments,” Anderson says. “We think millennials are ready to own something. There’s a chance that people could buy one of our homes and pay a similar amount in what they’re paying for rent.”

The condo project Andrews and his team are planning to build at the Pullen Drive roundabout totals 35 units. Dubbed the View on Pullen Circle, the complex will be crescent shaped and have one- and two-bedroom condos, with prices starting at in the high \$300,000s, rising up to \$550,000. Units range in size from 900 square feet to 1,300 square feet.

The developers already have gained administrative approval from the city and are on track to have permits by the fall. Construction should begin before the end of the year, with delivery expected in late 2019 or early 2020.

In addition to Andrews, the development group also includes Michael Sandman, Andrew Sandman and Joe Whitehouse, who are partnering with Randy Robertson and Steve Simpson, of South Atlantic Construction Company. The developers were also behind the Paramount complex and the Aloft Raleigh hotel.

Once complete, the condo building will have a rooftop terrace and deck overlooking the N.C. State campus and the city’s downtown.

The complex has been designed so that units have windows looking out over the street, including the Belltower, the Gregg Museum of Art and Design and Theatre in the Park. The backside of the development faces the neighboring property, home to the Player’s Retreat, and won’t feature windows, a design decision that ensures residents’ views won’t be disrupted if the neighboring property ends up getting developed at some point in the future.

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