

# The New York Times

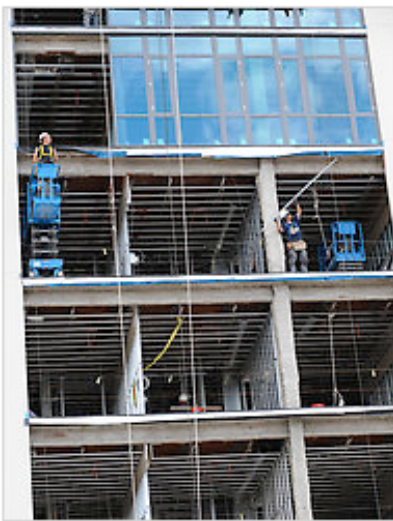
June 20, 2010  
Page 1 of 3

IN THE REGION | WESTCHESTER

## Two Large Developers Pick Up the Pace

By ELSA BRENNER

MIXED messages about the health of the economy notwithstanding, at least two large developers are ready to move ahead on projects that stalled north of New York during the recession.



Susan Farley for The New York Times

A sales office is about to open for a complex of 500 one- and two-bedroom condominiums at Ridge Hill in Yonkers.

Persuaded that the slump may be drawing to a close, AvalonBay Communities has approximately 900 rental apartments in Greenburgh, N.Y., and Norwalk and Wilton, Conn., either under construction or on the drawing board. A community in Ossining, N.Y., is also in the planning stages.

And in the teeth of federal Commerce Department data indicating a significant drop in new-housing starts from April to May, the Horizon Group, which is building 500 condominiums at Ridge Hill in Yonkers after downsizing its original project, is opening up a sales office.

“The market isn’t on fire, but at least we’re confident enough to move ahead,” said Mark J. Forlenza, a vice president for development of AvalonBay. The company sold one of its condo towers in [New Rochelle](#) last year, in part to free up capital, Mr. Forlenza said, although occupancy rates at its complexes remained about 96 percent.

The salient factor for AvalonBay is that, with hardly any apartments built in more than two years, there appears to be a pent-up demand for rental housing. “Consumer confidence has improved,” he said, explaining that many in the pool of younger renters — in the 20- to 34-year-old age range — delayed getting their own apartments when the economy was shedding jobs, choosing instead to live with parents or share with friends.

“Now we’re finally beginning to see an ‘unbundling’ of households,” he said, “and we want to take advantage of that.”

With access to capital as a large publicly owned company, AvalonBay is able to move aggressively now to build new units, at a time when many smaller developers cannot.

In Yonkers, Eldad Blaustein, a partner in the Horizon Group, said the poor economy last year forced him to reduce the scope of the Monarch at Ridge Hill, a high-end condominium. “I knew we couldn’t shoot too high,” Mr. Blaustein said recently, looking

# The New York Times

June 20, 2010  
Page 2 of 3

back on 2009.

So the most expensive units — three-bedroom condos starting at \$800,000 — were removed from the plans. The emphasis shifted to one- and two-bedroom units ranging in price from the high \$200,000s to about \$500,000. Construction proceeded, but slowly.

In recent months the pace has picked up. “Without a lot of advertisement,” Mr. Blaustein said, “we’re experiencing a demand for units again. People drive by and see the construction site, and they want to know what’s going on here and how they can get on the waiting list.”

Like Mr. Forlenza, he ascribed the demand to “a backup of desire among consumers.” The phone has starting ringing with inquiries, he said, and in response the company decided to open the sales office in the next few weeks and to pick up the pace of construction.

The Monarch at Ridge Hill is part of a larger development being built by Forest City Ratner on 81 acres at Ridge Hill, a 1.3 million-square-foot mixed-use project now under construction between the New York State Thruway and the Sprain Brook Parkway. The development is designed to allow residents to walk to on-site stores like Whole Foods, L. L. Bean, the Cheesecake Factory restaurant and the beauty-produce retailer Sephora, all of which have signed leases, as has National Amusements Cinema De Lux.

Ridge Hill was to have opened this year but was delayed by the economy, according to Andrew Silberfein, an executive vice president of Forest City Ratner.

Robert Denk, an economist with the National Association of Home Builders in Washington, is also of the opinion that it is a propitious time to add residential units to the marketplace. “There’s a huge difference between now and the July 2009 housing market,” Mr. Denk said. “Things may not be going gangbusters now, but the market is gaining ground again, albeit slowly.”

“I’d describe what’s happening as a grudging recovery,” he added. “The market has already bottomed out, so people can buy without the fear of making a big mistake. They see it’s safe to back into the water.”

Until this spring Gilbert Colón, an account manager for Sprint, and his fiancée, Cynthia Murillo, a paralegal, were wary about buying in a falling market. Now the couple, whose son is a toddler, are considering a two-bedroom condo at the Monarch. “The market seems to be finally settling down,” Mr. Colón said. “Maybe the time is right.”

Another prospective buyer at the Monarch is Kathleen Dempsey, a radiation therapist and single mother who has been renting a house in Eastchester, where her daughter attends high school. With graduation season unfolding, Ms. Dempsey wants to buy a

# The New York Times

June 20, 2010

Page 3 of 3

one- or two-bedroom condo.

“It’s a good time economically and personally for me to buy,” said Ms. Dempsey, adding that the Monarch is close to her place of work.

Yet despite all the hopeful signs, the employment outlook remains the one big economic “if.” Most of the new job creation came from temporary census jobs, Mr. Denk said, and private-sector numbers have been lower than expected.

As Ms. Dempsey put it, “My father always told me you could never go wrong with real estate, but time has proven otherwise.”

BECKERMAN