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Fifth Element

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November 24, 2017



Coral Gables-based property development company Altis Cardinal recently broke ground on Prism on Fifth, near St. Petersburg's historic Kenwood neighborhood. St. Petersburg's boom has created a developmental domino effect. For starters, new commercial and residential towers — and rents, accordingly — have gone up within shouting distance of the city's low-rise, trendy EDGE District. The popular, near west-side neighborhoods of Grand Central and Kenwood, meanwhile, have seen more businesses open but little in the way of new residential development. The housing supply in these areas mostly consists of quaint, single-family bungalows and small apartment buildings. Now Coral Gables-based property development company Altis Cardinal sees an opportunity in the area's looming housing shortage. It started to capitalize on that belief in 2014, by beginning to acquire what now totals a 10-acre parcel on Fifth Avenue North and 33rd Street North. The company bought one parcel in January 2014 for

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area's looming housing shortage. It started to capitalize on that belief in 2014, by beginning to acquire what now totals a 10-acre parcel on Fifth Avenue North and 33rd Street North. The company bought one parcel in January 2014 for \$2.4 million and a second parcel this past August for \$3.1 million, property records show.

That spot, previously a six-story office building, will become Prism on Fifth. Altis Cardinal's plans for Prism are to create a luxury apartment complex with 78 loft-style residences and 48 newly constructed walk-up apartments in separate buildings. The second phase of the project, while not finalized yet, will repurpose another six-story office building on the site into an additional 78 loft-style units. The second phase also will include walk-up-style residences.

The project, after both phases are completed — likely in mid-2019 — will total about \$80 million, says Altis Cardinal principal Frank Guerra. The area was once a main connector between Tampa to St. Pete, says Guerra. But Interstate 75 eventually pushed development to other areas.

"We saw a lot of unrealized potential in the site because there was no impediment to development," Guerra adds, "and it doesn't require gentrification."

That's primarily because the site is already home to Skyline Fifth, a 178-unit residential apartment building Altis Cardinal acquired in 2012.

Guerra says going with an adaptive reuse strategy for Prism, as opposed to new construction, was the right call. So was keeping the density relatively low, which pleased the Kenwood Neighborhood Association, an influential group that holds its meetings in Skyline Fifth.

"We didn't need to move anybody out; we didn't need to rezone; we didn't need to do anything," he says. "It was already teed up — somebody just needed to come in and actually roll up their sleeves and get it done."

Adaptive reuse is also beneficial, Guerra says, because it's less harmful to the environment, not as disruptive to residents in the surrounding neighborhood and can capitalize on unique features found within the existing property. For example, he says, "Since it was a commercial building and had 11-foot ceilings, [the rooms are] 11 feet, slab to slab. To build that from scratch today would be enormously expensive. That's why you usually don't see residential product with any more than 8- to 9-foot ceilings."

Guerra expects the loft-style apartments to fetch the highest rents — between \$1,200 and \$1,800 per month, depending on size, type and orientation. The target market, he adds, is singles and young professionals, which is why Prism on Fifth will be loaded with luxury lifestyle amenities, particularly ones with millennials on the mind. That includes a state-of-the-art gym, resort-style pool and the pièce de résistance: a purpose-built space for dog washing and grooming.

Skyline Fifth, Guerra says, has a similar facility that's been a huge hit with the building's residents. "During peak hours — before work, after work — we've got people lined up waiting to use the pet-cleaning stations," he says.

Altis intends to search for additional opportunities in St. Petersburg, which Guerra, 45, calls "the cooler cousin" of Tampa.

"It's got more of a vibe, it's got more of an edge to it," Guerra says. "It has a younger scene, with the arts and the live music. It's got more substance to it in regard to the demographic that we're looking for, which is the younger set, the workforce-type people. The employees of the area, not the CEOs."

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MONDAY November 27, 2017 9:38 A.M.

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