



Nancy Sarnoff: Real Estate



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## Project in southern part of downtown quashed

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A group of downtown property owners and residents has helped scuttle a proposal to build a multifamily complex with low-income units on the southern end of downtown.



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After running into resistance from the group — recently formed to help steer development in the southwest quadrant of downtown — Stephan Fairfield of Covenant Neighborhoods pulled out of a deal to buy a half-block on Main at Leeland. He was planning a mixed-use real estate development with a supportive housing component on the site.

Supportive housing is a step up from a single-room occupancy building. It offers more services, and the living units are larger.

“We've canceled it. There's no project at this point,” said Fairfield, who was asked to come up with proposals from board members of the Coalition for the Homeless of Houston/Harris County.

While supportive of low-income housing, the downtown group, which calls itself CBD Vision, said the proposed location wasn't the right place for such a project.

“That would be a deterrent for growth in that area,” said Fred Griffin, the group's co-chairman and a property owner.

Fairfield said the complex would have offered units for “folks that may have been formerly homeless or may have been subject to the housing crisis.”

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but the development also would have had market-priced units, as well as retail and office space.

“There were misconceptions in the minds of some of the adjacent private land owners about what the development was about,” he said.

Fairfield said his company had already spent between \$120,000 and \$150,000 on architectural designs, market data, environmental reviews and construction estimates.

CBD Vision suggested that Fairfield's group consider a site on the northern end of Main near the University of Houston-Downtown. It would still be on the rail line, but out of south downtown, which has multiple blocks yet to be developed.

“There are better places within the CBD this could be placed,” co-chair George Britton said. “It doesn't make sense on this spot.”

### Study on foreclosures

The University of Houston's Center for Public Policy has been awarded \$200,000 from the National Science Foundation to continue work on a research project studying foreclosures it hopes will serve as a resource for the public and inform policymakers.

“We think a lot of policies on foreclosures are being done without a firm understanding of circumstances that got people there, so the policies may actually exacerbate the problem,” said Jim Granato, director of the Center for Public Policy.

The study's goal is to track people and neighborhoods to uncover patterns and behaviors.

The Houston Region Foreclosure Study is a continuation of research the center has been conducting on the housing market in conjunction with UH's Institute for Regional Forecasting.

Researchers have been collecting data on single-family home sales from January 2000 through the first quarter of 2008, residential rents from January 2000 to December 2007, single-family home listings as of June 2008, and residential foreclosures from January 2000 through the first quarter of 2008.

### Wilshire Village land

The owner of eight acres at West Alabama and Dunlavy, where the 1940s Wilshire Village apartments stood until recently, has been talking for years about redeveloping the property.

Now it's up for sale.

“We would consider an outright sale if the appropriate user was identified,” owner Matt Dilick of Commerce Equities said.

There's still a chance Dilick will build something on the land. He said a townhome development could be the right use at this time.

Previously he had considered putting a residential tower on the site.

“You have to work within market conditions,” Dilick said. “In today's commercial real estate environment, the lenders have different types of underwriting guideline criteria.”

In other words, developers are having a hard time getting loans. A residential tower with hundreds of units could be especially tricky to finance right now.

Dilick said land values in this Inner Loop neighborhood had gotten as high as \$100 per square foot. He recognizes those kinds of prices are no longer attainable today.

The historic apartment complex was shut down this year after city officials ordered residents to vacate the property because an inspection uncovered building and fire code violations.

Demolition was completed about a month ago.

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Sarnoff's real estate blog is at [blogs.chron.com/primeproperty/](http://blogs.chron.com/primeproperty/).

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**Terry1737** wrote:

In short... at \$100.00 a square foot for land it was a hot deal. But, now with the market price in the dumpster and the tenants who were willing to live in a slum gone, it's time to give it to the bank and walk away.



10/25/2009 3:07:09 PM

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**Osh65** wrote:

How about going against the typical of more town homes, just what the area needs. Here's an idea , how about the city and business coalition stepup do the right thing for the neighboehood...green space, park for folk to get pout of thier home where they can walk to, a plce for kids and pets



10/26/2009 8:30:37 AM

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**ScottBodenheimer** wrote: