



## Project of the Month

Calypso Bay

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### ME Direct Reports

Executive Feedback

**Q & A**

How are you managing your investors' expectations given such weak industry fundamentals?

**A:** "All our investors have been with us over several business cycles. In this cycle, to maximize returns, we've concentrated on dispositions rather than acquisitions. In the past year alone we've sold more than a half-billion dollars of assets on behalf of our investors and achieved very favorable returns!" —*Thomas Osterman, executive vice president, Sterling Equities*

**A:** "Outside investors are more entrepreneurial, but expectations may run rampant. We have tempered expectations by reflecting lower cash-on-cash returns to be offset by higher sales profits and incorporating tax-exempt components so that returns, albeit lower, are tax-exempt!" —*Randall J. Friend, co-founder and managing partner, Eagle Real Estate Group*

**A:** "Our joint venture partners understand that low interest rates, which have created some temporary attrition in occupancy, are simultaneously a key factor in creating value. Capital events (refinancings and sales) of leveraged multifamily assets drive investment returns in the long run. In the meantime, investors should expect the best day-to-day property management effort possible!" —*Michael A. Scully, co-chairman, Scully Co.*



### Project of the Month

## Tropical Blend

Calypso Bay recalls the Caribbean and West Indies.

**F**rom the French Quarter to the Garden District, the homes and buildings of New Orleans offer compelling architecture. Iron balconies adorn Creole townhomes. Private gardens beckon from behind their locked gates. Even New Orleans' so-called raised center-hall "cottages" that sit above the ground look quite grand, owing to their origins as the urban edition of the Louisiana's French Colonial plantation homes, according to architectural references.

Located just across the Mississippi



**BE COOL:** Overhanging shutters and shaded verandahs bring shade and island flair to this apartment community for renters by choice near New Orleans.

River, in Gretna, La., the Calypso Bay Apartments is the newest addition to New Orleans' architectural traditions. Designed by Humphreys & Partners Architects, the 469-unit project recalls the Caribbean and the West Indies. "The client had done a lot of research, and he wanted a certain style," says Greg Faulkner, president of the Dallas-based architectural firm, which turned to sherbet-like colors, two-story buildings, and regional touches like metal roofs, covered balconies, and large shutters—not just for show. "Some are operable," Faulkner says.

The \$35 million project, built at a density of 14 units per acre, opened in 2004. Targeted toward the renter-by-choice market, Calypso Bay offers one-, two-, and three-bedroom apartments, one- and two-car garages, generously sized kitchens, 10-foot ceilings, and a resort-style pool. "The market doesn't have anything like it," Faulkner says. "Renters are signing leases for two years." —*Alison Rice*

**TIME FOR A SWIM:** Calypso Bay offers residents a resort-style pool.

Courtesy Humphreys & Partners Architects

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