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Dinerstein Readies For \$40M Project

By Amy Wolff Sorter

TUSCALOOSA, AL-Demonstrating that patience can bring its rewards, Dinerstein Cos. closed on a 15-acre tract, which will be the site of a 312-unit student housing complex. The project, which is as yet unnamed, will be built through Dinerstein's Sterling University Housing division, cost approximately \$40 million and will be ready to house students at the University of Alabama by the fall 2011 semester.

The development at 14th street and 10th avenue is the Houston-based company's first student-housing project in the area, though Dinerstein isn't really a stranger to the market. "We've been trying to do a student housing development in Tuscaloosa for years, but the only deal we could make work a few years ago was a condo deal targeted toward alumni and football fans," Dinerstein's principal John Caltagirone tells GlobeSt.com. He says that Crimson Place Condominiums at the University of Alabama sold out even before ground broke.

But the story behind the current student housing project is a little different. Caltagirone says Dinerstein had been working for a couple of years to buy the site, which is within walking distance of the campus.

"Other groups kept outbidding us," he explains. "But one by one, they fell out of their deals because they couldn't perform as they thought they'd be able to." Ultimately, Dinerstein obtained the land for its original bid, Caltagirone adds.

Construction on the Alabama project will begin on the project in mid-2009. The average unit size will be 960 square feet, with rent at around \$600 per bed. Humphreys & Partners Architects of Dallas is the architect.

Though Dinerstein is a merchant builder that typically sells upon stabilization, Caltagirone says the current economic situation means the company will likely hold onto this project a little longer than usual, as well a 253-unit development it currently has under construction in Orlando, FL near the University of Central Florida. There is enough time on both construction loans to revisit the sales options when things look a little more positive, he notes.

Meanwhile, Dinerstein is looking for more development opportunities throughout the southeast and California. "We've narrowed our main development focus as a company, and we're trending more toward the student side," Caltagirone says. "We feel good about the short-term and long-term fundamentals of the student market." He says Dinerstein wants to work with schools that have strong enrollment.

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