

Renting the American Dream . . .

[As Homeownership Rate Declines to a 15 Year Low](#)

Summerview Square in Norwalk CT is a microcosm of the new rental market

Homeownership has long symbolized achieving the American Dream. However, the Great Recession of the last six years has changed that dynamic, and a growing number of Americans are choosing to rent the American dream instead.

In Fairfield County, Prudential Connecticut Realty reported a record low 2.4 months supply of apartments in the 2nd quarter of this year. And in the city of Norwalk, the inventory of apartments priced \$1,700 and under is currently less than 2 months, says Michael Church, a relocation specialist with William Pitt Sotheby's International Realty (WPSIR).

The demand for affordably priced rental units remains high, as demonstrated by the speed at which each phase of [Summerview Square](#), a sixty-three unit townhouse style rental community on the north side of Norwalk, has been leased.

Today, [Summerview Development Group](#) is **“topping off”** the last ten buildings in the 63 unit townhouse style rental community known as Summerview Square, and this once blighted neighborhood has been rejuvenated.

“Summerview Square seems to be the ‘go to place’ for price point and quality construction,” says Michael Church. “The private entries and garages with direct access to apartments have been a big draw.”

A traditional “topping off ceremony” will commemorate the last 10 buildings

At 5:00 PM on September 13, 2012, Norwalk Mayor Richard Moccia will attend a “**Topping Off**” neighborhood celebration of the last phase of construction at Summerview Square.

(more)



“Topping off” is a tradition among construction workers in which a flag is hoisted to the roof at the completion of a building’s outer structure. A vintage 1952 American flag atop the last building at Summerview Square symbolizes the one used by [Summerview Development](#) partner Andrew LaSala’s family, who were involved in the building of Edenwald Housing in the Bronx in the 1950’s

Rising Rents and Steady Demand

Since opening its first phase in the summer of 2010, Summerview Square has been able to raise rents 20% due to consistently steady demand. Current rents range from \$1,500 for a 1 bedroom to \$2,400–2,700 for a 3 bedroom townhouse on three levels, which is less than a nearby Avalon apartment style rental community. When units are vacated at Summerview, they are rented in 2–3 days.

“The household income of our tenants is over \$100,000 and several tenants have incomes over \$200,000,” says Andrew LaSala of [Summerview Development Group](#). “Summerview has revitalized the neighborhood, and multiple businesses have opened or expanded in the Main Street commercial district. Moderately priced housing like Summerview Square is vital to retaining and attracting businesses.”

Summerview is a microcosm of today’s multi-faceted apartment market

At [Summerview Square](#), there seem to be just as many reasons for renting as there are tenants. The tenant mix includes relocated executives from Europe

and the U.S.; transitional families, who are getting a feel for the area and leery about investing in a single family home; empty nesters, who no longer want the maintenance of owning a home; and singles, who want the freedom and flexibility that comes with renting.

Spencer DePhillips and two other young GE executives are sharing one of the three bedroom townhouses at Summerview. “I’m young and I work for a corporation that is adamant about employee flexibility,” says DePhillips. “Since I am inclined to move around, I am not interested in home ownership. Given the quality construction, proximity to my office and affordable rent at Summerview, the decision to lease was a fairly easy one. I’m also getting tenant benefits that I did not enjoy while living in Manhattan.”

Prior to the recession, transferees were able to buy a home and sell it with appreciation in 3–5 years. However, in Connecticut, [home prices have fallen 16.1 percent over 20 quarters](#), so relocating executives and the companies that employ them, prefer the flexibility of renting, over the commitment and market uncertainty of home ownership.

A hedge fund executive, who is renting a townhouse apartment at [Summerview Square](#), opted not to sell her home in New Hampshire when she took a new position in Westport. Instead, she lives at Summerview during her work week, and commutes to her home in New Hampshire on the weekends.

Beverage supplier, Diageo North America, signed a lease at Summerview for a high level employee from Great Britain, who works at their Norwalk headquarters. Another tenant travels six months of the year, but keeps Summerview as his main residence.

“It’s an awesome place to live,” says Javaid Siddiqui, who is responsible for Information Technology at Dunkin’ Donuts in Fairfield and Westchester counties, and leases a Summerview apartment with his wife. “We eat at the local restaurants on weekends, and it’s a five minute walk for my wife to get to her job as a pharmacy technician.”

ABOUT SEAVEST INC.

Seavest Inc., a private investment management firm based in White Plains, N.Y., is focused on real estate, private equity and long-term asset management. The firm has significant investments in health care real estate and growth-stage companies in the education, healthcare and consumer technology sectors. Chairman and Chief Executive Officer, Richard Segal, is the Chairman of the Board of the [Serious Fun Children’s Network](#), formerly the Association of Hole in the Wall Camps, an international camp-based program based in Westport, CT established by actor Paul Newman to create positive recreational experiences for children with serious illnesses. He is also President of the A.L. Mailman Family Foundation, a charitable foundation focused on early childhood care and education.

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