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Commercial Real Estate

# Exclusive: Tampa Bay developers launch single-family rental communities



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Two Tampa Bay real estate developers have teamed up to pursue single-family rental communities with a goal of amassing thousands of units in the next five years.

Mize & Sefair Development, based in Tampa, and Pinellas Park-based Belleair Development Group have secured sites for five communities totaling 1,000 units. In the next five years, they plan to grow a portfolio of 3,000 units.

The first two locations of The Keys Homes – with Florida Keys-inspired architecture and design – will be in Port Richey and Wildwood. The Key Homes at Cotee River in Port Richey will have 126 units on 36 acres; The Keys at Wildwood, which is 2.5 miles from The Villages in Central Florida, will have 200 units on 20 acres. There will also be two developments in Ocala and another near The Villages.

Purpose-built single family rental homes have re-emerged as a hot asset class in the wake of the novel coronavirus as apartment dwellers seek more space. The concept first emerged in the wake of the Great Recession, as Wall Street-

backed investment firms sought to bring professional property management services to a sector that had been dominated by mom-and-pop landlords. Single-family rental communities take the concept a step further, offering the professional management services and the same amenities seen in for-sale communities and apartment buildings, such as on-site dog parks, resort-style pools, fitness centers and clubhouses.

In the Tampa Bay region, American Homes 4 Rent recently announced two new communities in Pasco and Manatee counties. Phoenix-based NexMetro Communities is building a community in Odessa.

The projects are complicated by rising land prices, but The Keys developers are starting with a site that Belleair Development has owned since 2008. Between a lower cost basis and the scale of building 1,000 units at once, the developers say they're able to offer rents as low as \$1.15 to \$1.20 per square foot. A three-bedroom unit will rent for \$1,350.

Building Concepts of Tampa Bay is the general contractor; Rojo Architecture is designing the communities.

Site work is under way on the Port Richey community, and the developers expect the buildings to begin vertical construction in the next 45 days. The communities are built in 20-unit phases, and once vertical construction begins, it's about a 90-day timeline to completion. The first residents will move into the Port Richey development this fall, just as the Wildwood community breaks ground.

"We think the appetite is there in the market for this product," said Carlos Yepes, owner of Belleair Development Group.

For Tampa developer Jay Mize, a partner in Mize & Sefair, the communities represent a lower risk than some of the other projects he's pursued. Before the 2008 crash, he and partner Dan Sefair had been building townhouses priced from \$300,000 to \$400,000.

"When the market tanked, we had assets that became liabilities really fast," Mize said. "Affordable rentals are about as resilient an asset class as you can get in terms of shifts in the market."



Jay Mize  
ALEXIS MUELLNER