

Renters on coast short on options

Long-term apartment shortage seen in storm-battered areas.

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The Gulf Coast is likely to face a severe rental housing shortage for years, the head of a San Antonio-based multifamily housing corporation said.

David Lynd, chief operating officer of the Lynd Co., which owns or manages apartment communities across the Southeast, reported that about 900 people at five of its complexes in Mississippi and Louisiana were displaced by Hurricane Katrina.

Lynd said the company's Metairie, La., property completely flooded but will be repaired. The residents of a 74-unit complex in Gulfport, Miss., were evacuated, but it will not be rebuilt, he said.

"Gulf Waters in Gulfport was obliterated," Lynd said. "If it weren't for the slab and mailboxes still standing, you wouldn't know anything was there."

Coastal residents can expect that many owners of multifamily properties will not rebuild, he said.

"If your replacement cost is \$5 million, your loan is \$3 million and you have \$1 million in equity, it makes more sense to put the million in your pocket than to rebuild," Lynd said.

Judging by what happened in Florida last year, Lynd said many owners will find a better use for the money and the land.

"In Pensacola, every property is 100 percent occupied," he said. "There were a lot of owners that didn't get back in the market. They opted to build condos. That's hot now. There's also a lot of shopping centers on land where apartments used to be."

Eric Brown, Lynd Co. regional vice president, said he expects the situation will be exacerbated by a dramatic loss of single-family housing stock.

"You will have people looking to rent that don't normally." He said. "It definitely puts an additional strain on that area."

Those willing to relocate significant distances – drives of two to almost four hours from their current homes – will be offered alternative housing at other company properties.

In a Wednesday afternoon phone interview from his mini-van, Brown said he was leaving Pensacola and taking water, canned food, blankets, gasoline and other necessities to Mississippi.

Residents at properties in Metairie and Gulfport, as well as Biloxi and Ocean Springs, Miss., who took refuge in public shelters or with friends or family made their way back to the apartments to find property managers offering hard choices.

"There are going to be relocated far away," Lynd said. "we have communities in Lake Charles (La.), that is two hours away; Jackson, Miss., that is also a couple hours away. They may go to Gadsen Ala., or to Pensacola, Fla. That is 3

and a half hours away.”

The alternative housing arrangement is expected to last at three months, Lynd said.

Lynd Co. is asking residents throughout its 22,000-unit portfolio in nine states to donate food, water and other basic items by dropping them off at bins in the leasing offices.

In San Antonio, it also is asking the public to donate items such as canned goods, water, toothpaste, toothbrushes, batteries, pillows and blankets at the leasing offices of these locations:

Chapel Ridge Apartments at 7207 Snowden, Crescent Apartments at 340 Treeline Park, Villas of Henderson Pass at 16465 Henderson Pass, Villages at Lost Creek at 15302 Judson Road, De Zavala Park at 6061 De Zavala Road, and Marbach Park Apartments at 1880 Horal Drive.

As Lynd Co. cleanup crews make their way to the damaged properties, they’ll bring donated supplies, Brown said.