

Building new careers from the ground up

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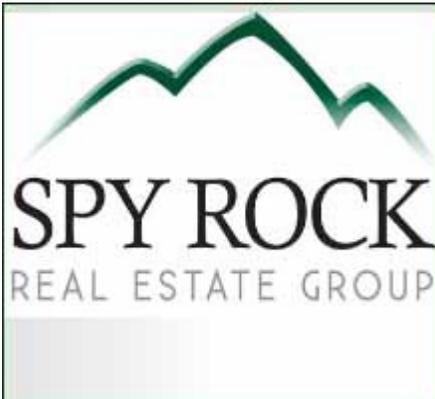


Two University of Virginia alums have gotten together to build a development company and its first multifamily project from the ground up.

Andrew Basham and **Taylor Williams** started [Spy Rock Real Estate Group](#) in January 2009 after about 10 years of working in Washington. The two met in 1996 during their first year at U-Va.

Their first project, a 75-unit apartment building at the corner of Broad and 21st streets, is 30 percent complete. They also recently closed on a mid-century apartment community in Williamsburg, which they plan to renovate by spring. "This is the riskiest time to do this, to try and start a development company. But we had confidence in our skill sets," Basham said during an interview in Spy Rock's office at the Lady Byrd Hat Building.

Out of school, Basham started with the Silverwood Companies in Reston, where he oversaw the acquisition and development of 1,000 multifamily units in the area. He took a job in Richmond in 2007, launching a new development office for Falls Church-based Colonial Properties Trust. But 18 months later, Basham said, the company shut it down.



Around the same time, Williams was also at a crossroads. He had been working in D.C. for Wachovia Securities in its real estate investment banking group. That was going well until the end of 2008, when the financial crisis reached a fever pitch. Williams wasn't happy and moved to Richmond to find something better.

Their first project came along through a contact who also knew Chris Harrison, a fellow U-Va. alum who was a developer in D.C. Harrison had also spent a few years playing football for various NFL teams. Harrison had previously acquired the land on Broad Street and had been working on developing something there since 2008, but he needed additional partners.

After hooking up with Harrison, Basham and Williams jumped at the chance to start work on their first project, which will be called 2001 East.

The \$6.5 million project is 85 percent financed by a bond from the Virginia Housing and Development Authority. The rest is from private individual investors. The six-story building includes underground parking, a fitness center, a club room and 2,900 square feet of retail space.

Rent will range from \$850 to about \$1350 for the apartments, which consist of studios and one- and two-bedroom units, the developers said.

Williams said they wanted to focus on new construction, not only because it is less costly than a rehab, but also to offer something different.

"Most inventory in the area is adaptive reuse. We are going to great lengths to make something different. We are paying attention to what our competitors are doing, and we want to offer amenities that are as good or better," Williams said.

Basham and Williams realize that there is plenty of competition, with about 300 units coming on line in the area around the same time, but they aren't worried about oversupply.

"The appeal of this market is that VCU and MCV are continuing to expand. We feel that there will be continued demand," Williams said.

Basham pointed to the occupancy of the Cold Storage apartments and others in the area as evidence that demand in the area remains strong.

Although they are already moving on to their next project in Williamsburg and eyeing a construction opportunity in Hampton, both Basham and Williams say they don't plan to add any employees (aside from building managers) any time soon.

"We are going to keep it lean and mean as long as we can," said Williams.

"We don't want to take on too much too fast. We want to still spend time with our families," Basham said.

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