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Condo conversions: An urban trend comes to town

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VT professor: ACC sports have made housing in college town a growth industry.

Condo conversions -- another hot, urban trend similar to Starbucks, parking garages and downtown block malls -- have come to Blacksburg. A new real estate company called Venture Investment Properties Group is remodeling the old Fairmont Village apartment complex off Ellett Road and will sell the units as condos.

The company, made up of three Virginia Tech graduates and one Radford University alumnus, bought the complex in July, renamed it Cascades Condominiums, and has since been refurbishing the 1960s-era buildings and grounds. For \$85,000, you can buy a small two-bedroom condo at the Cascades with all new appliances, flooring and a new heating and air conditioning system, all stuffed into just over 735 square feet.

Vic Bonomo, a business professor at Virginia Tech who studies real estate trends and owns commercial and residential property in Blacksburg, said such projects are not new -- developers were doing it in the 1970s in New York. But in recent years, the trend has caught on across the country in less-urban areas, where house prices have continued to rise and locked many people out of home-ownership.

Thomas Eide, president of VIP, calls these buyers the "workforce market." They are people who work in a community, but can't afford to live there. Over the past 10 years, their numbers have grown in Blacksburg as home prices have steadily risen above \$200,000.

"I like to live where I work and work where I live," Eide said. And he wants others to have that opportunity, too.

If not for VIP's condos, Bruce Garnes in Tech's football recruiting office said he would probably have had to go to Christiansburg to find a first home he could afford.

"The price was right and I could stay in Blacksburg, too," Garnes said.

But not all such converted condos are so affordable.

Snyder & Associates, a Blacksburg development company, has bought the old ClairMont apartments on South Main Street and is in the process of converting them into two-story luxury condos that will sell for just under \$250,000 each, president Georgia Anne Snyder-Falkinham said Friday.

Developers also believe that condos, both new and reconditioned, will likely appeal to the parents of Tech students, who can help their children, build equity in a first home or may keep the condo as a rental property when the kid graduates.

Condo conversions are good for developers, Bonomo said, because selling the units to individual buyers makes more money -- faster -- than renting them. They also cause fewer management headaches. When VIP sells the last of its 60-plus condos, the company will turn over management of the complex to a homeowner's association. But the trend has its cycles. Experts say if an area's housing market cools down, there may be less demand for the condos.

VIP marketing director Josh McGilliard, however, believes the trend will only grow in many college towns. "Blacksburg hasn't really even seen the game-day market yet," McGilliard said.

At least five of VIP's buyers will use their units mostly as private hotels for trips to Hokie sporting events, he said.

Other local developers have seen evidence of this trend, too, including Snyder-Falkinham, who said several Tech alums have inquired about her project at the ClairMont complex.

These homebuyers are "wealthy, maybe some businessmen for Northern Virginia or Norfolk," Bonomo said. He believes former Hokie and current NFL star Michael Vick and the football legacy he created at Tech "probably raised real estate values in Blacksburg enormously" and created the demand for these second homes. And Tech's entrance into the Atlantic Coast Conference, both for football and basketball, will probably guarantee that Blacksburg real estate is a good investment for a long time to come, Bonomo said.

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