

# THE BALTIMORE SUN

## Construction to start on apartments in Otterbein

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A real estate firm based in Orlando, Fla., said Tuesday that it plans to start construction this month on a new six-story apartment building in Otterbein.

The more than \$90 million project at 611 S. Charles Street is the first foray by ZOM into the Baltimore market. The company introduced plans for the 349-unit site, formerly a University of Maryland hospital building, last year.

It closed on the property on Friday, said Andy Cretal, a ZOM senior vice president. He declined to disclose the price.

Baltimore is in the midst of an apartment development boom with thousands of units under construction or in the planning phases, especially around the Inner Harbor and nearby neighborhoods. The City Council approved a tax credit last year that reduces property taxes for 10 years on newly constructed or renovated apartments.

Some are worried that all the activity could create a glut of empty apartments.

ZOM is not worried about competition and believes that the market can support their project, even with average rents expected to be about \$2,100 a month, Cretal said.

The firm, which has developed more than 15,000 apartment units, looks to locate projects in walkable areas, close to jobs and “lifestyle amenities,” Cretal said.

“We had long been observers of Baltimore and felt like the mayor’s push for downtown housing was interesting to us,” Cretal said. “We were focused on being close to the Inner Harbor, and this site fit with what we wanted to accomplish in developing our first project in Baltimore.”

The new Banner Hill Apartments building, expected to be complete in the second quarter of 2017, is to contain a roughly 330-space underground parking garage, a pool, a fitness room and other amenities. Designs call for a largely brick facade and ground-level units with stoops on the south side.

The firm plans to demolish the existing structure, as well as a parking lot owned by Christ Lutheran Church, for the project. The church’s parking lot will be rebuilt in a slightly different place, Cretal said.

The property was previously owned by the Abell Foundation.

Founded in Florida in 1977 by a Dutch businessman interested in Florida real estate, ZOM didn’t start focusing on multifamily projects until the 1990s. After 2000, it began looking outside Florida, opening offices in Texas and Washington, D.C.

In Baltimore, the firm is working with institutional investors advised by J.P. Morgan Asset Management and CBG Building Company, LLC, a division of Clark Construction Group.



Orlando, Fla.-based developer Zom has closed on an old hospital building in Otterbein and plans to demolish the structure and build a \$90 million, 349-unit apartment building. (Torti Gallas and Partners)