

ZOM's Pipeline Reveals Optimistic Apartment Outlook in the South

The multifamily developer currently has 5,500 units under construction with a focus on southeast and southwest markets.

By **Kelsi Maree Borland** | May 13, 2021 at 06:40 AM

ZOM Living hasn't been derailed by the pandemic. The multifamily developer closed the first quarter with 16 projects under construction, a total of 5,500 units mostly focused in growth markets in the southeast and southwest. The robust pipeline shows reveals an optimistic market outlook, despite the challenges brought on by the pandemic last year.

"We are definitely bullish on the sector in general, but particularly in the southern markets. We are seeing a significant uptick in demand in rental housing in the southeast and the southwest," Greg West, president and CEO of ZOM Living, tells GlobeSt.com.

While the pandemic certainly affected multifamily activity—largely in terms of rent collection—ZOM actually saw an increase in demand due to new population and job growth in its select markets, which include Texas, Florida, North Carolina and Arizona. "We have seen the movement of people, of course, but more importantly we are seeing an increase of jobs that are moving into these southern markets. Where the jobs move, so does the demand for housing," says West.

Just as market demand increased during the pandemic, so did demand for new amenities. ZOM is integrating more touchless features and virtual leasing, for example. West says that plumbing fixtures, door and security access points at all going

touchless, but notes that this was already a trend pre-pandemic. The leasing experience is also revamped. “As an industry, we also became a lot better at the sales and marketing process during COVID,” he says. “We are finding that many customers really like that. You can rent an apartment without ever interacting with a sales person, and we are offering that to people, if that is what they choose.”

While some developers have suggested that demand for common or shared spaces will fade, ZOM is taking the opposite approach by expanding common areas to reflect new workplace trends. “We aren’t reducing amenity areas. We are actually expanding some components, particularly giving people places where they can work from the community,” says West. “We are building private offices, co-working areas and private conference rooms to give people a space outside of their apartment where they can go and work.”

Although West doesn’t expect offices to go out of style, he sees a world where onsite workspaces will be essential. “Offices are opening across the country and people are going back to work, but I think that it will be a sustained trend of people working more proximate to their home,” says West. “Having a community that is accommodating that trend is an advantage.” In fact, he describes demand for onsite workspaces to have increased “by a magnitude of 10.”

In addition to its development activity, ZOM is also selling eight assets this year, and some are coming to market earlier than expected. “Through the pandemic, we only sold one property. The performance of multifamily properties through the pandemic was really positive,” says West. “They were impacted, but much less so than other real estate asset classes. The demand from investors to own multifamily has really increased as a result of the pandemic. It is a good time to sell because values are going up.”

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