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Looking west: Pearl's success spurs more development on other side of river

Housing is in high demand near Pearl. Luckily for the market, many units are on the way.



Bill Shown leads development at Silver Ventures, the firm responsible for Pearl. The group, like many others, plans to build on sites west of the San Antonio River.

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By [Mitchell Parton](#) – Reporter, San Antonio Business Journal
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[Lynn Knapik](#) first moved to San Antonio from Houston in 1972, when her ex-husband took a job at Pearl — back when Pearl was a brewery, not the buzzy mixed-use development it is today.

After living in Alamo Heights, and then in the suburbs for a while, she wanted to move back to the downtown area, perhaps to Alamo Heights again.

That's when she stumbled upon the apartments at the Culinary Institute of America building, which was under construction when she was visiting Pearl for a farmers' market more than a decade ago.

"I looked up and I thought, 'Wow, if there are apartments up there, maybe I need to consider coming over [to Pearl] rather than Alamo Heights,'" Knapik said.

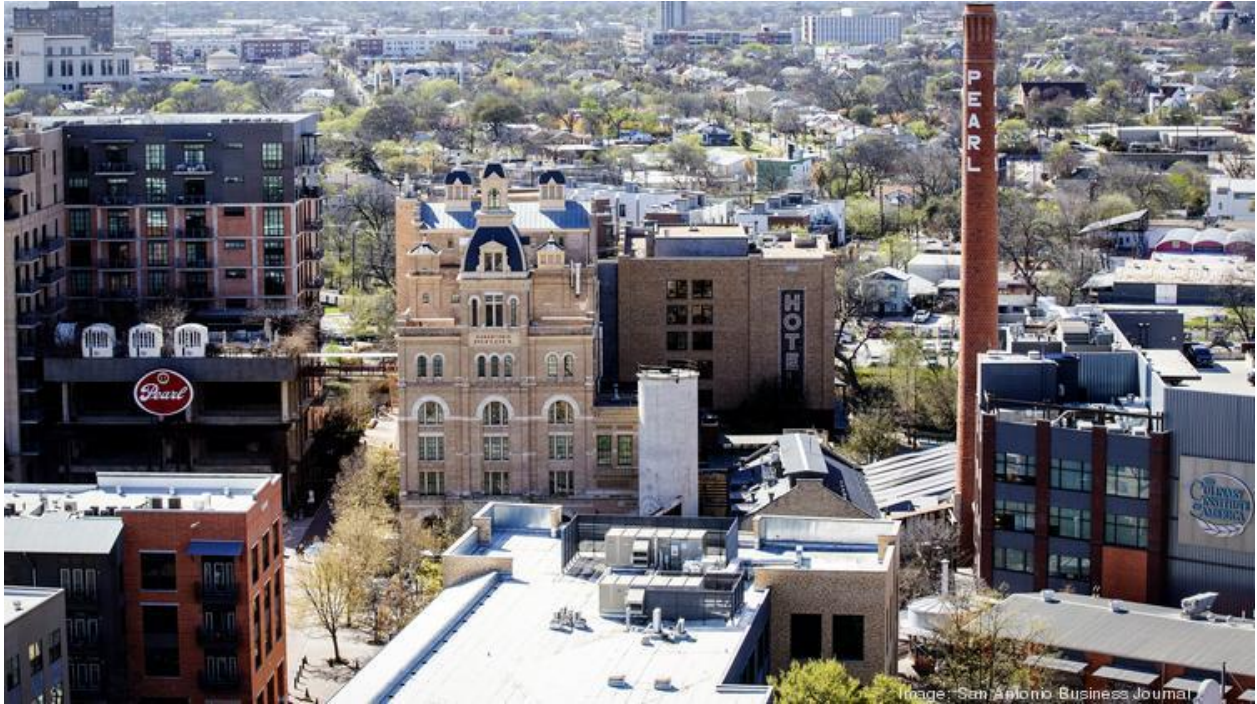
Knapik, a real estate broker and community advocate, became one of the first residents to live at Pearl in 2010. Over the more than 10 years she has lived on site, she has observed industrial properties vanish to be replaced by residences, altering the nature of the community.

"I didn't know all this stuff was going to happen though," she said. "I've watched it all happen, and I don't plan to leave."

But the development of Tobin Hill and the areas surrounding the popular mixed-use campus is far from complete. Developers new to the community are looking to take advantage of its growth, many of which will continue turning industrial properties into homes.

One part of the neighborhood in particular — so far, largely untouched — is about to experience a complete renaissance.

The Business Journal has found at least 10 sites proposed for development in the area between St. Mary's Street and the San Antonio River west of Pearl. On several of those sites, construction is expected to kick off next year.



Demand for housing in Tobin Hill has been strong since the development of the Pearl community.

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"I see it as a funky, urban neighborhood," said [Bill Shown](#), who leads development for Silver Ventures, the real estate company responsible for development and property management at Pearl. "It's gonna have a little bit of everything."

Though some have commercial components, the vast majority of the proposed projects are apartments — more than 1,200 units — which would help meet the growing demand for residential development around Pearl.

Excluding anything south of Interstate 35, the immediate vicinity hasn't seen a large apartment complex delivered to the market since Pearl's Southline in 2019.

As more people look to move to the Pearl area, CoStar Group, which provides commercial real estate information and analytics, found that vacancy in Midtown — which the firm defines as the area north of I-35, west of Broadway, south of Hildebrand and east of I-10 — has dropped down from 9.5% to 5.1% over the last year.

Rents in the neighborhood have been the highest in the city at least since 2000, CoStar found, with the gap between it and other submarkets widening even more since Pearl's development. The average rent in Midtown is \$1,698 per month, compared to the metro's average of \$1,167.

"I believe that San Antonio has such a long way to go from an urban-residential perspective," Shown said. "All that stuff is going to float all the boats. Everything that's going on is just going to help our city."



Construction of the Southline apartment complex at Pearl wrapped up in 2019.

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What's coming from Pearl's team

Silver Ventures is [pursuing several projects](#) that are breathing life into buildings on its campus, but it also has plans to expand even further beyond the boundaries of the former brewery.

On a site the firm owns at the northwest corner of Grayson and Isleta streets, close to the new developments but still east of the river, Shown said he imagines a corporate headquarters could be built on that site similarly to what was done with the Credit Human tower along Broadway — but nothing has been solidified yet, and the firm has not yet talked to potential companies.

"What we're doing is strategizing as to who are the viable candidates, how might we get in front of them, and how we can tell a compelling story about Pearl that would entice them to move," Shown said.

But the firm also owns several properties west of the San Antonio River. One of the sites is set to become a 263-unit apartment complex — right now referred to as Elmira Apartments.

Cadence McShane is the project's general contractor. Construction is expected to kick off by second quarter, but supply chain issues could get in the way of the timeline, with many materials experiencing continued delays.

The other two sites, both parking lots along the river, could eventually become for-sale or rental residential projects, but Shown said nothing has been decided. He said those properties could see anything from affordable housing to upscale apartments to for-sale residential.

"That'll start to get our attention here in the relatively near future," Shown said.



Embrey Partners is building Tin Top, a 338-unit apartment complex along U.S. 281 on what was once the site of a self-storage facility next to a former dairy plant.

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The Creamery and Tin Top

Embrey Partners, a local firm known for multifamily development, is building Tin Top, a 338-unit apartment complex along U.S. 281 on East Ashby Street, on a site that once housed a self-storage facility and a former dairy plant.

Although quite a few apartment buildings have popped up at Pearl and especially to the east, this is the first major apartment project in the vicinity to take shape west of the river.

[Jimmy McCloskey](#), executive vice president of development for Embrey, said the project was created in response to the development along the lower end of Broadway — not just

at Pearl, but also along St. Mary's Street, which has seen a myriad of new bars and restaurants in recent years.

"The area is just getting better and better," McCloskey said, adding that the project creates a much better "entrance" into downtown when driving along the highway.



A local group plans to add retail and restaurant buildings along the River Walk as part of the Borden creamery redevelopment.

GOMEZ VAZQUEZ INTERNATIONAL

Alongside the apartments, that old Borden creamery is being transformed into a [mixed-use development](#) with retail and offices by Area Real Estate, a firm led by local developer [David Adelman](#).

City documents have shown the total cost, including the apartments, to be an estimated \$100 million.

Embrey expects the first apartments to be available in second quarter 2022, with the residential project wrapping up by the end of next year.

Mira

Further south of the Embrey site, Austin-based Sabot Development is entering San Antonio for the first time with Mira, a mixed-use development with 299 apartment units plus 12,079 square feet of retail and restaurant space.

[Jim Young](#), managing partner of Sabot, said the project could be attractive to entrepreneurs, tech employees, athletes and military staff.



Sabot Development is set to build Mira, a mixed-use project next to Pearl.

GENSLER

"We're hoping to bring local residents, local community people, into our complex," Young said. "The Tobin Hill neighborhood is already vibrant. We hope to be a valued member of the existing neighborhood."

The project is expected to break ground on February or March, according to Young, but similarly to Shown, he said supply chain issues could impact the timeline.

Sabot is yet to select a general contractor for the project. Cadence McShane Construction has been the general contractor for predevelopment work.

Lynd Living at Josephine

Just down the block, The Lynd Co., a San Antonio development and management firm, is in the early stages of building a 261-unit apartment property, which it will call Lynd Living at Josephine.

"The way that we view the San Antonio market is, you're either in and around Pearl — I mean the immediate area — or you're not," CEO [David Lynd](#) said, adding that the rents

in the area are the highest in the city for a reason, which is that live-work-play environment.



The Lynd Co. and the San Antonio Housing Authority are planning a 259-unit apartment complex next to Pearl.

DAVIES COLLABORATIVE

The company has completed remediation of the industrial building on site that previously housed San Antonio-based stone, glass and tile supplier Materials Marketing.

With construction fences now up, Lynd said he expects demolition to soon begin. Bartlett Cocke General Contractors will build the project.

The project is a partnership with the San Antonio Housing Authority, which restricts 50% of the units to renters earning specific percentages of the area median income with monthly rents set to be affordable for those renters. The other half will be priced at the market rate.

Lynd expects construction to be complete by July 2023, with the first residents moving in around May.

While the team behind Pearl has its own plans to build close by, it is all in on other developers joining in on the action.

"We're in the business, truly, of transforming San Antonio," Shown said. "We don't have to do all the transformation. If we catalyze other development, that makes us happy."