

PITTSBURGH BUSINESS TIMES

Greystar's Modern Living Solutions modular apartment venture starts first project in Coraopolis



A rendering 312-unit Spring Hill apartment project in Coraopolis. It's the first modular project by Modern Living Solutions, a division of South Carolina-based Greystar.

BY TIM SCHOOLEY
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Andy Mest is fully aware of the potential dual impact of his company's first apartment project in the region, which is also its first overall in the United States.

"What I take so much pride in as a native Pennsylvanian is giving back to those communities," said Mest, the managing director of a new venture called Modern Living Solutions who grew up in Boyerstown in the eastern half of the state.

He added, "I saw my hometown decimated by the de-

cline of manufacturing."

The dual impact comes from Modern Living Solutions investing to buy the former Knox Glass manufacturing facility in Knox, Pennsylvania, not far from Clarion in Clarion County to outfit the 265,000-square-foot complex with its new modular apartment construction operation that will soon result in its first multi-family project, the 312-unit Spring Run now underway in Coraopolis.

The private company didn't divulge the total investment for the new manufacturing facility or the new apartment project.

But the implications of both projects are major for both the manufacturing prospects in the greater region as well as for a multifamily market in western Pennsylvania and beyond for which rental rates have been stubbornly high at a time of historically high occupancy levels, limited supply and escalating construction costs.

It's into such a business climate that Modern Living Solutions is launching as a new venture of South Carolina-based Greystar Real Estate Partners, LLC.

"I think our timing on this is impeccable," said Mest.

In the Pittsburgh area, Greystar is perhaps best known as the multifamily partner of Echo Realty in its Shady Hill redevelopment, its plans to build a new 378-unit apartment project on Wharton Street on the South Side, and for managing such properties as Coda on Centre and the Pennsylvanian in the Strip.

But beyond Pittsburgh, Greystar is one of the largest companies of its kind in the United States, managing and operating more than \$250 billion worth of properties, investing, developing and managing in various kinds of rental residential assets.

Mest and Modern Living Solutions, which was founded in 2020, are building the new modular apartment property for Coraopolis as their first for the Knox factory after building out seven modular apartment projects in Europe. He said his company is still mastering the process.

"A lot of what you've seen in the news, especially in the on-site manufacturing space, is more failures than successes," he said. "The grave yard is massive. The hall of fame is small."

Modern Living Solutions and Greystar hope to revolutionize the standardization process for modular apartments, calling it "attainable and sustainable housing" and expecting the company's huge scale and vertically integrated approach will provide a major advantage in achieving the approach.

Working to ramp up to a staff of 170 full-timers in the Knox facility, the vast majority of the Spring Run apartments will be built in the controlled environment of a

factory floor in modules to be later assembled on site.

It's an approach the company emphasizes will be both higher quality - consisting of steel rather than "stick-built" - and more affordable, as well as up to 50% faster, and less subject to the risks of weather, labor shortages and various safety concerns. Modern Living Solutions touts a process it expects will have a smaller carbon footprint as well, estimating such projects will generate roughly 80% less waste.

Mest said the project is expected to be completed and open next August instead of the typical 24-month construction schedule for new apartment developments.

Modern Living Solutions' first factory is expected to serve a broader mid-Atlantic region, expecting to be able to deliver its apartment modules to an approximately 500-mile radius of its Clarion County factory. Mest noted the strategic value of the location in quoting marketing fodder he sees regularly at Pittsburgh International Airport that 75% of the U.S. population can be reached within a day's drive.

The Spring Run project is being built out in that same airport corridor currently undergoing a wave of new industrial development Mest expects is helping to stoke demand for quality new apartments for which the new modular approach is expected to result in more affordable rental rates.

Instead of the kind of affordable apartment project typically pursued with tax credits, Spring Run is a privately financed multifamily property targeting what he called the "under-served missing middle" that he said included teachers, nurses, fire fighters and police, "all the people vital to the success of every community forced to live outside where they work."

As Modern Living Solutions works to ramp up its staffing at the Knox facility, Mest estimates the factory will reach an annual capacity of being able to produce about 1,200 modular apartments each year.

He also expect the need to continue to outpace supply.

"It's still a very, very strong market," he said.