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MULTIFAMILY EXECUTIVE

INSIDE

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explore centralization.



FIELD OF DREAMS

— Jay Hiemenz and Alliance Residential score on attainable housing —

INDUSTRY

Leaders
from the 2024
NMHC rankings
share their game
plans.

ALLIANCE RESIDENTIAL
PRESIDENT AND CHIEF
OPERATING OFFICER
JAY HIEMENZ

PLAYERS

BY LEAH DRAFFEN AND CHRISTINE SERLIN

TOP 50 OWNERS

Alliance Residential scales Prose, its attainable housing brand.



ALLIANCE RESIDENTIAL HAS THREE PROSE-BRANDED COMMUNITIES IN THE ATLANTA SUBURBS, INCLUDING PROSE CARTERSVILLE, WHICH OPENED LAST YEAR.

Alliance Residential Co. has developed and built over 115,000 multifamily units—from its flagship Broadstone luxury assets to its Holden Senior Living brand—across the nation since its founding in 2000.

For 2024, Alliance Residential ranked No. 29 on the National Multifamily Housing Council’s Top 50 Owners list, with over 35,000 units; and No. 6 on the Top 25 Developers list and No. 8 on the Top 25 Builders list, starting 4,628 units last year.

In 2018, to address the nation’s affordability crisis and its impact on middle-income households, the Arizona-based developer and builder

made a commitment to creating attainable housing through its Prose brand.

The main objective of the Prose product is 20% cost savings for Alliance Residential as well as a 20% lower rent point than comparable Class A units, which in many cases is below rent levels of existing Class B options in a market.

“When we looked at the demographics, there’s a big demand for more affordable housing,” says Jay Hiemenz, president and chief operating officer at Alliance Residential. “Fine-tuning processes and lessons learned in our decades in the multifamily industry have allowed us to offer a best-in-class product constructed at a lower price point, resulting in lower rent ranges for consumers.”

In its portfolio, Alliance Residential has over 19,600 units across 60 Prose communities with another 24 developments in its pipeline.

“If you look at our pipeline, it’s about 65% Prose and about 35% Broadstone,” Hiemenz notes. “That’s how big of a commitment we have made with it. We have been able to scale it.”

While the developer doesn’t rely on tax credits or subsidies for the Prose communities, it has taken other approaches to keep the product affordable for households. The developer uses a standard template for one- and two-bedroom floor plans to leverage across all its markets.

“It’s really more about the fact that we’re limiting the differentiation in all the unit and building types and just really making it as simple an exercise of construction and entitlement,” he says. “On the attainable side, it’s all about how we build something that is going to be solid and simple that the resident will appreciate.”

Alliance Residential focuses on the amenities that residents find most valuable. Hiemenz says it’s important to have strong Wi-Fi and cellular infrastructure, and most communities have pools and common area spaces. It also prioritizes durable and low-maintenance products and finishes, such as plank flooring, granite countertops, kitchen islands, custom cabinetry, stainless steel appliances, and full-size washers and dryers.

PROSE CARTERSVILLE FEATURES AMENITIES THAT INCLUDE A RESORT-STYLE POOL, A FITNESS CENTER, CO-WORKING SPACES, AND A DOG PARK.

No. 29



“We try to look at municipalities that will **PLAY BALL**. It’s really about speed. Time is money. That’s been our MO.”

In addition, the developer looks to bring the Prose brand to municipalities that are open to attainable housing and where demand is strong, including many smaller markets across the nation.

“We try to look at municipalities that will play ball. We can’t go in and risk a two- to three-year entitlement process,” he says. “It’s really about speed. Time is money. That’s been our MO.”

One example is its Prose Cartersville in Cartersville, Georgia, which is on the northwest edge of the Atlanta metro. The third Prose-branded community in the Atlanta suburbs opened in November.

According to Hiemenz, the 336-unit development was completed start to finish in 22 months. It is seeing strong lease-up velocity with average rents of \$1.60 per square foot.

“It’s a real pro-growth area and very progressive in terms of business development with an electric vehicle battery plant coming,” he says. “That’s also a good example of Cartersville knowing it needs workforce housing.”

Another differentiator for Alliance

Residential has been the creation of a purchasing co-op. With the supply chain challenges during the pandemic, the developer launched a proprietary procurement solution called DOLOVO in 2022 that is consolidating the buying power across its divisions. Instead of sourcing building materials and appliances development by development, the goal is to make procurement more efficient and cost effective.

According to Alliance Residential, the marketplace platform allows project managers to combine a variety of products into one order, save on product and delivery costs, and reduce delivery time with pre-negotiated terms with national brands.

“DOLOVO’s familiar marketplace design makes it intuitive for new users and reduces time managing estimates, delivery logistics, and inventory needs from days to minutes,” says vice president of procurement Mike Brooks. “In an ever-changing construction environment, DOLOVO provides an agile, flexible, and scalable solution for our current and future needs.”—C.S.