

APARTMENT BUYERS HUNT PROPERTIES IN NEW AND FAMILIAR MARKETS...

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Smaller investors will ply smaller and rebound markets in and outside the Sun Belt region. **Davlyn Investments'** \$125M to \$150M acquisitions goal this year means additional buys of apartment complexes and office buildings throughout the San Francisco Bay Area and Southern California's Riverside and Ventura counties. For an apartment strategy, expect more core and value-added plays for Class A and Class B assets to follow approximately \$50M of acquisitions since January. The company works with various separate-account clients seeking core-plus to value-added acquisitions of 75- to 500-unit apartment complexes.

Smaller investors will have to go farther afield for acquisitions. **General Capital**, with a \$30M acquisitions target for the year, plans a market reentry into Florida and footprint expansions in Alabama, Mississippi and Tennessee. It shops for complexes smaller than 250 units. Targeted cap rates in the 7% range are sought.

BUYERS IN BRIEF...

- ▶ **Crown Properties** prepares expansion into apartments and single-tenant industrial nationwide. The Upper Brookville, NY-based investor, which also acquires office, wants 50- to 300-unit Class A apartment complexes built after 2000, and priced from \$5M to \$100M. Stabilized bulk distribution and warehouse buildings measuring 250,000 s.f., and priced from \$40M to \$100M are also on the list, in addition to 100,000 s.f.-plus value-added office buildings priced from \$5M to \$60M. It hasn't acquired anything since 2007.
- ▶ **Harsch Investment** looks for one to two more deals, targeting \$50M of volume in the apartment, industrial, land, office and retail segments. The private investor considers \$5M-plus buys in Las Vegas, the San Francisco Bay Area, Sacramento, Seattle and San Diego, Calif. More deals will follow a recent 202,000 s.f. industrial warehouse purchase in Las Vegas, its second buy there since January, plus a downtown Portland block stocked with various buildings — called the Midtown block, located between S.W. Alder and Washington.
- ▶ Office REIT **Franklin Street Properties** looks at fewer but larger deals, as it shops for value-added and core-plus buildings in urban infill and CBD districts in Atlanta, Dallas, Denver, Houston and Minneapolis, where it's interested in \$50M to \$200M-plus buys. Dealmakers are on track to acquire more than \$550M of properties, with \$340M closed and \$217M under contract.
- ▶ **Decade Properties** has \$30M for waterfront hotels and marinas nationwide, replacing a focus on apartments, office buildings and shopping centers. The private buyer, which bought \$6M of properties in 2012, considers both limited- and full-service hotels with or without marinas in Florida and Wisconsin. It has a 50-slip minimum for marinas. Minimum deal threshold is \$3M.
- ▶ A lack of land in Dallas and Houston will lead apartment developer **GenCap Group** to redevelopment deals later this year. Count on interest in 1970s- and '80s-vintage properties on tracts/parcels that can be rezoned for higher-density development.
- ▶ Pure-play MHC buyer **Inspire Communities** prepares for new entries into Louisiana and New Jersey, as part of a refined focus on three- to five-star stabilized communities with 200+ sites. Pending new market entries are part of \$65M of properties also under contract in Michigan and Texas. Those deals, plus a \$10M buy of a senior-oriented MHC near Sacramento earlier this year, will take Inspire Communities to \$75M of acquisitions by December. SVP **Jon Harrison** is among dealmakers eyeing properties better than 80%-leased in California, Colorado and Texas, plus the Northeast and Northwest regions. The investor will bulk up business between now and 2014, ahead of an expected IPO. The new LLC was formerly known as Follett Investments LLC.
- ▶ Diversified buyer **Atlantic Investors** will consider expansion into Alabama, North Carolina, South Carolina, Tennessee and potentially Louisiana, as it grows primarily through residential and senior housing joint ventures with developers.

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