Tower 16 Capital Partners Buys Inland Empire Community for $63M

MAY 21 2019

The value-add investment and management firm purchased the 352-unit asset in Colton, Calif., from FPA Multifamily and will invest an additional $4 million in renovations and upgrades.

By Greg Isaacson

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Tower 16 Capital Partners has landed its second deal in Southern California's Inland Empire region by acquiring a 352-unit community in the city of Colton for $63.1 million. The real estate investment and management firm picked up The District at Grand Terrace in an off-market transaction from FPA Multifamily and plans to oversee $4 million in renovations and upgrades.

The Distict at Grand Terrace. *Image courtesy of Tower 16 Capital Partners*

The District at Grand Terrace is located at 1315 S. Meadow Lane. The site in San Bernardino Country lies near Interstate 215 and within five miles of downtown Riverside and Redlands. Built in phases in 1980 and 1988, the 27-building development is nearly 93 percent occupied, according to Yardi Matrix data.

The seller, FPA Multifamily, purchased the asset from RAIT Financial Trust for $44.7 million in September 2016. The revamp by Tower 16 Capital Partners will deliver outdoor amenities, interior renovations and an upgraded leasing office. Multifamily management firm Alliance Residential will take charge as property manager.

Institutional Property Advisors' Tyler Martin, Alex Garcia and Chris Zorbas represented both the buyer and seller in the recent deal. Scott Peterson and Bill Chiles with CBRE's Capital Markets team in San Diego arranged the financing on behalf of Tower 16.

INLAND EMPIRE APPEAL

Principals Tyler Pruett and Mike Farley with Tower 16 indicated in a prepared statement that the purchase fit with the company's strategy of buying assets below replacement cost in desirable locations. Tower 16 likes the Inland Empire market given its combination of job growth and limited new supply as well as occupancy projections for workforce housing.

Occupancy in [stabilized properties in the Inland Empire] is high at 96.3 percent, with demand continuing to outstrip supply, according to a Yardi Matrix report on the multifamily market released in February.

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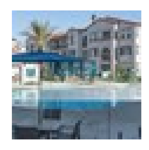

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