



California Multifamily Investor Pays \$56.4 Million for Phoenix-Area Apartments

Tower 16 Capital Partners Sells 232-Unit Obsidian on Ocotillo in Glendale



Portola Glendale, formerly known as Obsidian on Ocotillo, was built in 1986. (CoStar)

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A real estate investment and management firm based near San Diego sold an apartment property in Glendale, Arizona, for \$56.4 million after buying and rebranding the 232-unit complex last year.

Tower 16 Capital Partners sold the property, built in 1986 across more than 8 acres at [6801 W. Ocotillo Road](#), to SB Real Estate Partners, a multifamily investment firm based in Irvine, California, the seller said in a statement.

The selling price of \$242,000 per unit is about the average per-unit price for apartments on the west side of Glendale, according to a CoStar Market Analytics [report](#). The price

was also well above the \$40 million, or \$150,000 per unit, that Tower 16 paid for the complex in an off-market deal in April 2021.

Tower 16, based in Encinitas, spent nearly \$3 million to upgrade the 14-building, two-story complex formerly known as Summerhill Place and rename it Obsidian on Ocotillo, the seller said in the statement.

SB Real Estate Partners, which has acquired 10 multifamily properties in greater Phoenix since 2019, received a \$23 million investment from multifamily investment and financing firm Berkadia for the purchase, according to a statement from Berkadia. The new owner has renamed the property Portola Glendale, according to the statement.

Berkadia has now invested more than \$100 million over the past year in the partnership with SB to buy seven multifamily properties with a total value of more than \$350 million. The properties include complexes in greater Phoenix, Las Vegas and Redlands, California, according to Berkadia.

Investors have spent just under \$2 billion to buy apartment properties in greater Phoenix's Southwest Valley over the past 12 months, driving the average price to around \$250,000 per unit from \$190,500 per unit a year ago, CoStar data shows.

Tower 16, which focuses on renovating and reselling multifamily properties, said it bought close to 6,800 units representing \$1.2 billion of total investment across the Western United States since 2017.

For the Record

Real estate broker Jesse Hudson, Trevor Koskovich, and Bill Hahn of Northmarq's Phoenix office advised Tower 16 on the sale.

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