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Tower 16 Secures Refi for Western Portfolio

By Richard Berger

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Ardella on Chagall is located in Moreno Valley, Calif. Image

courtesy of Tower 16

in

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The financing backs assets in Arizona and California.

Tower 16 Capital Partners has closed a \$128 million refinancing for a four-property multifamily portfolio comprising nearly 1,000 units across California and Arizona. The new fixed-rate Fannie Mae loans feature five-year terms, are uncrossed and are full-term interestonly at a rate of 5.69 percent.

The portfolio comprises Ardella on Chagall, a 384-unit property in Moreno Valley, Calif.; Ardella on 67th, a 276-unit property in Glendale, Ariz.; Ardella at Reche Canyon, a 104-unit property in Colton, Calif., and Ardella at Reche Ridge, a 110-unit property also in Colton.

Tyler Pruett, co-founder of Tower 16 Capital, expressed his faith in the Arizona and California

markets in an interview with *Multi-Housing News*, noting that absorption has been at or near record levels in the first half of 2024.

Strong southwest market

"We have seen occupancy improve and stabilize at most of our properties which has enabled us to increase rents marginally in some cases," Pruett told MHN. "The percentage increases vary widely across the portfolio and is highly dependent on our occupancy rates and leasing velocities, both of which have seen improvement since Q1 this year."

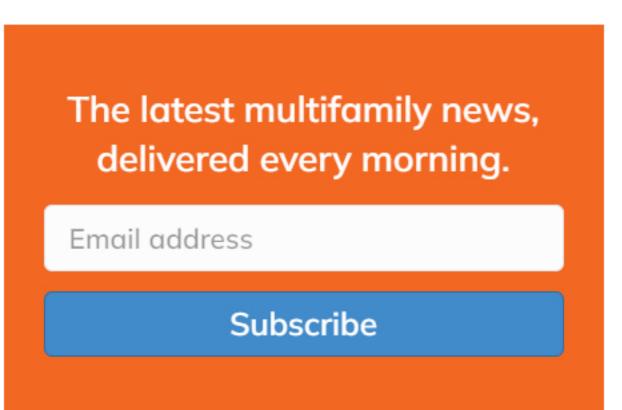
The Fannie Mae loans were originated by Newmark's Peter Griesinger and Chris Kramer. Pruett observed that apartment demand fundamentals have been firming up in these California and Arizona markets. Absorption in those markets has reportedly been at or near record levels in the first half of 2024.

Capital markets have been turbulent the past two years given the volatility in interest rates and the corresponding difficulty to acquire, sell, or finance properties in that environment, Tower 16 Co-Founder Mike Farley said in an interview with MHN. "Our hope is that volatility will improve when the Federal Reserve begins to lower rates but we're unsure as to that timeline."

Tower 16 has been active in various southwestern markets. Earlier this year, the firm acquired The Deco at Victorian Square, a 209-unit community in Sparks, Nev., from Silverwing Development.

Newmark, Tower 16





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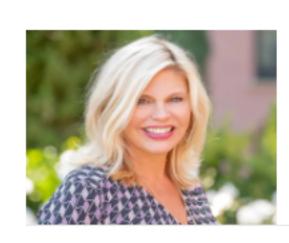
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