

Tower 16 Duo Buys Arizona Rentals

A **Tower 16 Capital Partners** joint venture has paid about \$52 million for an apartment complex in suburban Phoenix.

The Encinitas, Calif.-based firm and partner **Raith Capital Partners**, of New York, closed on the purchase of the 216-unit Ascend on Glendale, in Glendale, on July 18. The price translates to \$241,000/unit. **Cushman & Wakefield** advised the seller, homebuilder **D.R. Horton**.

The property, which has been rebranded Obsidian on Glendale, is at 7601 West Glendale Avenue in the Westgate Entertainment District, 10 miles northwest of downtown Phoenix.

D.R. Horton completed the two-story garden-style complex last year on 12 acres at the southwest corner of North 75th Avenue and West Glendale Avenue. The homebuilder purchased the land in 2020 for roughly \$3.8 million, according to published reports.

Its one- to three-bedroom apartments average 921 sf and have wood-style plank flooring, stainless-steel appliances, granite counters, large walk-in closets and full-size washer/dryers. Rents average \$1,700, or \$1.85/sf.

Amenities include a fitness center with a yoga studio, a heated pool with cabanas, a poolside pavilion with grills and a clubhouse.

The complex is 92.6% occupied and was purchased below replacement costs. The Tower 16 venture plans to spend nearly \$1 million on upgrades. The property is near popular shopping and dining destinations, as well as major employers. It's less than 3 miles from State Route 101, which offers access to Interstates 10 and 17 and downtown Phoenix. ❖

Bids Eyed for Newer Texas Warehouse

Investors are getting a crack at a recently built warehouse near San Antonio that could attract bids approaching \$37 million.

The fully leased building totals 307,000 sf within Selma Industrial Park, in Selma. The estimated value of \$119/sf would be below replacement costs, which marketing materials peg at \$125/sf.

Newmark is representing the owner, **Robinson Weeks Partners** of Atlanta. The pitch is that the listing represents an opportunity to acquire a Class-A asset with upside potential in a growing region.

The building, completed in 2022, has three tenants with a weighted average remaining lease term of 3.7 years, with all leases set to mature within five years. The leases have annual rent bumps of 3.5% to 4%. With in-place rents 9% below market levels, meanwhile, the marketing campaign highlights the opportunity for a new owner to raise rates upon rollover.

The building has cross-dock loading, 36-foot clearance heights, 74 dock-high doors and modern sprinklers. It is on 20 acres at 17644 Ben E. Keith Way, a mile from Interstate 35 and 9 miles from Interstate 10.

Some 224,000 people with an average household income of

\$102,000 live within 15 miles of the property. That reflects population growth of 31% since 2010, with another 5% increase expected by yearend 2028, according to marketing materials.

The area immediately surrounding the property includes warehouses owned by big-name industrial-property players such as **Ares Management**, **Blackstone** unit **Link Logistics**, **Dal-fen Industrial**, **Hines**, **Nuveen Real Estate** and **Prologis**.

San Antonio is a small market for industrial sales, with just \$243.7 million of properties priced at \$25 million or more changing hands last year, according to **Green Street's** Sales Comps Database. The first half of this year saw another \$99.1 million of trades. ❖

Rentals ... From Page 1

the complex from **Building and Land Technology** of Stamford, Conn.

601W previously **shopped** Abbey Lane in June 2023 amid expectations that it might fetch around \$185 million, or \$394,000/unit. But the campaign coincided with rising interest rates and falling property values, and no sale occurred.

CBRE had the sales assignment at the time, and buyers were told they could assume a \$90 million **Freddie Mac** loan with a 4.5% coupon that matured in January 2027. Now, the property is being offered free and clear of any existing debt.

The complex, at 15 Abbey Lane, was built in 2016 and encompasses five five-story residential buildings atop two levels of parking, along with a two-story clubhouse on 35 acres. It is 95% occupied.

There are 65 one-, 233 two- and 162 three-bedroom units that average 1,156 sf, as well as 10 townhouse-style apartments. Units have stainless-steel appliances, full-size washer/dryers and patios or balconies. Average rent is \$2,566, or \$2.22/sf. Amenities at Abbey Lane include a heated pool, grills, a fitness center and yoga studio, a playroom, firepits and a clubhouse. There are 1,024 parking spaces, including 903 garage spaces and 121 surface spaces.

Marketing materials suggest there's an opportunity to boost the property's income by up to \$3 million by aligning rents with current market levels. The latest 50 leases were signed at rates 20% higher than existing in-place rents. Additionally, rents in the Danbury market have increased by 16% over the past three years, highlighting strong local demand, according to marketing materials.

Part of the pitch is that a buyer could upgrade most of the units, which have original or partially upgraded finishes, as well as the clubhouse and amenity spaces. 601W has renovated four units and has achieved a 30% return on investment.

According to marketing materials, there are no properties with more than 50 units under construction within 7 miles of Abbey Lane, and townhouses at the adjacent Woodlands at Rivington are selling for \$700,000. The average household income within 3 miles is \$156,767.

The property is less than a mile from Interstate 84 and close to **Trader Joe's**, **Whole Foods** and the Danbury Fair mall. ❖