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Eagle Lands 778 Units with Two Buys Totaling \$71M

By Mark Ruda

ORANGE, CA- Eagle Real Estate Group, LLC has increased its portfolio to 2,500 units with the acquisitions of two complexes in Temecula and Murrieta for \$71.5 million. The three-year-old multifamily rental rehab specialists have picked up the 460-unit California Oaks in Murrieta for \$42 million and 318-unit Somerset Apartment Homes in Temecula, which it already co-owned with Bank of America, for \$29.5 million.

The Temecula/Murrieta Valley multifamily submarket consists of about 4,500 units. The two purchases give Eagle Real Estate Group about 17% of the submarket's inventory. Eagle Real Estate Group bought California Oaks, along California Oaks Road and Jackson Avenue, with a 10-year loan from Freddie Mac fixed at 5.25%.

Eagle Real Estate Group spent \$2 million improving Somerset Apartment Homes, on Stonewood Road next to Margarita Road and I-15, after acquiring it with Bank of America for \$23 million in early 2002. The California Oaks complex consists of 22 buildings on more than 26 acres. "The city of Murrieta has a rapidly growing demand for apartment housing due to the region's expanding job market," says Eagle Real Estate Group co-founder and principal Randall J. Friend. "We are thrilled to have purchased this rare investment opportunity and are continuing to seek additional prospects in the Southern California region."

Bank of America saw a 35% return on its investment in the turn-around of Somerset Apartment Homes, made up of 40 two-story buildings, all containing two-bedroom units.