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By Bob Howard

402 – Unit Apartment Complex Trades for \$38M

Garden Grove, CA – Eagle Real Estate Group of Anaheim bought the 402-unit Bayport Apartments Complex and plans to invest \$5 million more to upgrade and renovate the property, according to the buyer.

The Bayport is at Chapman Avenue and Bayport Street, near Disneyland Resort, the Block at Orange and Crystal Cathedral. It is one of the largest apartment sales in Orange County this year. The seller was Klein Financial of Palo Alto, Calif.

The buyer plans to set aside 81 of the 402 units, or 20%, for very low income families, according to Randy Friend, a partner in Eagle, who explains that the affordable units are part of the requirements for tax-exempt bonds the company obtained. With this purchase, Eagle now owns nearly 2,000 apartment units in Southern California.

The renovations to Bayport will include improvements to the exterior as well as new appliances, flooring upgrades and granite kitchen and vanity countertops. The 402-units at the property include 120 studio apartments, 201 one-bed, one-bath units, and 81 units featuring two bedrooms and two baths. Studios range from 1,048 sf. Rents range from \$825 to \$875 for studios, \$990 to \$1,050 for the one-bedrooms, and \$1,340 to \$1,425 for the two bedrooms. The complex, which was 98.2% occupied at the time of the sale, was constructed in 1969 and consist of 11 three-story, wood frame buildings.

Eagle and Klein Financial, which had owned the property since November 1998, were both represented by Scott Davis and Mary Ann King of Moran & Co.

Eagle was founded in June 2000 by Friend, Kyle C. Martin and Kenneth R. Melton. The company buys apartments in metropolitan markets throughout Southern California and specializes in tax-exempt bond financed transactions and rehabilitation projects.