



GlobeSt.com EXCLUSIVE: NY's BlackRock Buys \$60M Complex

By Bob Howard

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GARDEN GROVE, CA-New York City-based institutional investment manager BlackRock Inc. has acquired the 402-unit Crystal View Apartments from Eagle Real Estate Group LLC of Anaheim for \$60.2 million, according to Moran & Co., which brokered the sale. Mary Ann King, president, and Scott Davis, partner in charge of Chicago-based Moran & Co.'s West Coast office in Costa Mesa, handled the exclusive listing for the seller.

BlackRock acquired the asset, which is an 11-building complex at 12091 Bayport St., on behalf of Tower Fund. The fund is a commingled separate account available through group annuity contracts of New York City-based Metropolitan Life Insurance Co.

Davis calls the complex "a very attractive investment" for a number of reasons, including low-floater bond financing, recent renovations to the property and a "a very desirable location in northeast Orange County," bordering the cities of Anaheim and Orange. The property is financed with \$27.1 million in tax exempt bonds, which were restructured as low-floater bonds in 2003 and currently bear an interest rate of approximately 1.55%, Davis points out. The bonds have a maturity date of 2034, and secondary taxable financing of \$4.7 million is in place at a 5.45% fixed rate.

Randall Friend, co-founder and principal of Eagle Real Estate Group, says the capacity to tap the favorable short-term investment market and the substantial below-market-rate financing added to the appeal of the property.

BlackRock also picks up an asset that has undergone substantial renovations in recent years and offers upside potential, according to Davis. He notes that the previous owners spent approximately \$3.5 million in capital improvements. Also, over the past two years, the seller invested another \$4.6 million in a renovation program that included interior upgrades to 210 apartment units, new exterior paint and architectural enhancements, extensive landscape renovations, a completely remodeled clubhouse, and seismic and lighting upgrades to parking structures.