



California Firm Buys 1,259-Unit Apartment Portfolio

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By *Brian K. Miller*

LAS VEGAS-Eagle Real Estate has acquired a 1,259-unit close-in apartment portfolio here for \$82.5 million. The Orange County, CA-based value-add investor plans to spend an additional \$5 million repositioning the asset to attract more of the Strip's workforce.

Merrill Lynch is lending approximately 80% of requisite funds to purchase the Springs Portfolio. Bank of America is providing Eagle Real Estate Group with \$10.5 million of mezzanine financing. Eagle and its investors provided the equity. Troy Tegler of LJ Melody & Co. sourced the financing. Marcus & Millichap brokered the deal.

Located near the Palms, the Rio, and Gold Coast hotels and casinos, the portfolio includes three apartment communities: the Creeks (344 units), the Woods (192 units) and the Springs (723 units). The units rent for between \$525 and \$810 per month.

Eagle Real Estate targets individual properties and portfolios with a minimum acquisition price of \$20 million in opportunistic target markets. Company co-founder Randall Friend says the company's plan is to hold the portfolio for three to five years while providing workforce housing in a supply constrained market. "Considering the nature of the market and the exponential population growth in Las Vegas, this should be a sufficient time period to meet our goals," he says.

Eagle says the purchase was a reinvestment of profit gained on the sale of apartment projects in California cities of Diamond Bar and Ontario earlier this year. The company says it sold a 204-unit project in Diamond Bar that provided its investors a 120% total return and a 589-unit property in Ontario that provided investors a 91.5% total return.