



Vegas Apartment Complexes Acquired for Conversion

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By Brian K. Miller

LAS VEGAS—Two large garden-style apartment complexes here are being converted to condominiums following recent acquisitions. Eagle Real Estate Group of Irvine, CA-based company is converting Camden Harbor, a 560-unit property in the 9000 block of South Las Vegas Boulevard that it recently acquired for \$67.2 million.

In addition, a Phoenix-based joint venture of Emerging Markets of North America and the MC Cos. is converting the Trails Apartments, a 440-unit complex four miles west of the Strip that it just acquired for \$44 million.

Camden Harbor, which has been renamed “Sedona on the Boulevard,” was developed in two phases, the first completed five years ago and the most recent completed last year. The second phase was still in lease up at the time of sale, which means some units will be available immediately, Eagle Real Estate partner Randall Friend tells GlobeSt.com.

Set on 26.2 acres, the 18-building community has 10 floor plans ranging between 724 sf and 1,434 sf. Units include gourmet kitchens with breakfast nooks, fireplaces, washer and dryers, 60-gallon Roman tubs and nine-foot ceilings. One-bedroom units are expected to sell from the mid \$100,000s and three-bedrooms will begin in the low \$200,000s. A VIP sales opening is scheduled for this weekend.

Friend says the community will be the only condominium conversion project on Las Vegas Boulevard to be sold in 2005 and the only property in the area to offer homes in the \$200-per-sf range.

"There are no competitors on the Strip at this price," says Friend. "Next door at Park Avenue and the Manhattan, units are selling for in excess of \$350 per sf."

Eagle Real Estate is one of the largest private owners of apartments based in Orange County. Earlier this year, Eagle paid \$82.5 million for “the Springs” portfolio, four apartment communities totaling 1,259 units near the Las Vegas Strip. One of the four communities is located near the Palms, the Rio, and Gold Coast hotels and casinos.

Financing for the Camden Harbor acquisition was arranged by Troy Tegler in the Newport Beach, CA office of LJ Melody & Co. CS First Boston/Column Financial

provided the acquisition financing in the amount of \$62.2 million. Eagle and its investors provided the equity in the amount of \$12 million.

The Trails, built in the late 1980s at 5000 South Rainbow Blvd., consists of 38 one- and two-story buildings and has an existing condominium map. Fremont Investment and Loan provided Emerging Markets and MC Cos. \$37.7 million in floating-rate financing for the acquisition and conversion. Mezzanine financing was provided by Phoenix-based InSymphony Private Capital and Trez Capital Corp. of Vancouver, BC. The transaction closed last week.

The new owners will spend close to \$10 million renovating the property. Exterior and common area improvements will include installation of new security gates, landscaping improvements, pool renovations, clubhouse improvement. Each unit will see about \$11,000 in upgrades. Asking sales prices will be in the \$125,000 to \$225,000 price range.

In June 2004, Fremont financed the Rancho Viejo condo conversion, approximately 1.5 miles away on West Flamingo Road. That loan has already been repaid and complete sell-out of the remaining units is imminent, says Fremont's Matthew Schoaf. "We know the market, and the success at Rancho Viejo is a good indicator of what we expect at the Trails," he says.