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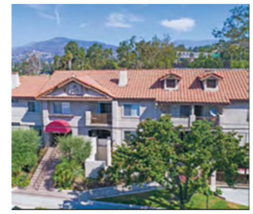
Glendale Apartment Portfolio Commands $79M



Raintree Partners has purchased seven multifamily properties and added 231 units to its growing portfolio of smaller multifamily properties in urban California locations.

By Keith Loria June 6, 2019

Raintree Partners has acquired a portfolio of seven multifamily properties with a combined 231 units in Glendale, Calif., for **$79 million**.

"We try to pick locations that are proximate to large employment bases and there's a big job base right there in Glendale," Aaron Hancock, Raintree Partners' managing director, told Multi-Housing News. "It's a short distance from Downtown L.A. and Burbank is right there with all the studio jobs, and Pasadena is close by, so you can have a reasonable commute to a lot of job centers."

All the properties are situated in the Los Angeles submarket and were purchased from a single seller who had owned the properties for numerous years.

"The overall walkability and urbanization in Glendale over the last 10 years has brought in more retail, more downtown housing and more restaurants," Hancock said.

The properties include the 80-unit Stanley Oaks Apartments, located at 1435 Stanley Ave.; the 54-unit Justin Oaks Apartments, located at 1133 Justin Ave.; the 33-unit Chestnut Apartments, located at 120 W. Chestnut St.; the 22-unit Galleria Pointe Apartments, located at 1140 N. Columbus Ave.; the 20-unit Burchett Apartments, located at 314-320 W. Burchett St.; the 14-unit Wilson Apartments, located at 1458-1462 E. Wilson Ave.; and the 8-unit Everett Apartments, located at 138 N. Everett St.

"These are B assets, even when renovated, but B assets in A locations are what attracts us to locations like this," Hancock said. "It's more of a workforce housing price point. There's been a decent amount of new supply built in Glendale and that pipeline is really coming to an end here, as most of the sites have been built out."

Among the renovations expected for the properties in the portfolio are painting, landscaping, signage, and deferred maintenance, with most of the money Raintree puts in going inside the units. According to Hancock, the value-add execution it is going to do is going to take place over a longer period of time than it does for most value-add groups.

"A couple of our buildings really skew heavily towards two- and three-bedroom townhouse units, geared towards families, so in those, we're going to try and get washer/dryers installed," Hancock said.

IN IT FOR THE LONG HAUL

One thing that makes Raintree unique is that its strategy revolves around holding properties "very long-term."

"We intend to own these buildings for 10, 20, 30 years. Over the long-term, location is probably the single most important factor that drives returns," Hancock said. "The B assets really are our sweet spot."

In fact, over the last few years, the company has acquired Class B assets in Hollywood Hills, Berkley, Campbell, La Jolla and others in Glendale. The company also targets multifamily properties under 100 units.

The Mogharebi Group's Alex Mogharebi and **Otto Ozen** represented the seller in the deal, while Wells Fargo provided acquisition financing for the buyer.