



---

May 27, 2010

## 628-Unit Complex Goes to Market at \$100M

By Bob Howard

TUSTIN, CA-Owner Creekside Meadows Development has named Hendricks & Partners to market the 628-unit Creekside Meadows complex at an asking price of \$100 million. This is the largest apartment complex to come to market in Orange County this year, according to Hendricks & Partners' Joe Leon of the company's Newport Beach office, who is marketing the asset along with Dean Zander of the West Los Angeles office. Leon tells GlobeSt.com that the property previously traded for \$123 million in June 2006, and the owners have since completed a substantial renovation program.

Leon and Zander say that the offering price of just under \$160,000 per unit represents "great inherent value well below the replacement cost." The property consists of four buildings on over 23 acres constructed between 1968 and 1972 with access from Tustin East Drive, El Camino Real and San Juan Street, immediately north of Interstate 5.

Leon reports the offering has already drawn broad interest from prospective buyers, including many private and institutional investors and pension advisers, thanks to the prime location of the buildings and the favorable agency financing available in today's multifamily market. Zander added that another reason the asset is drawing such intense investor interest is that it will enable a buyer to establish "an immediate and substantial ownership presence or add to existing holdings in the Orange County apartment market," which rarely has assets of this size available.

Leon adds that the asset holds the potential for future rent growth because of its potential to "draft behind" the rents achieved by other large apartment owners in the market, including the Irvine Co. "With occupancy at 98% and the majority of the renovations completed, a new owner can implement this drafting strategy as soon as the economy recovers," Leon suggested.

The 628 units include a mix of studios, one-, two- and three-bedroom apartments. The units averaging over 800 square feet and includes such building amenities as tennis courts, spas, pools, fitness center, clubhouses and outdoor entertainment areas.

---