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Pension Fund Markets TOD Apartments at \$37M

By Bob Howard

PASADENA, CA-The owner of the Acappella Pasadena apartments has placed the 143-unit complex on the market at an asking price of \$36.9 million and has named Dean Zander and Vince Norris of Hendricks & Partners to market the property. The transit-oriented project, owned by a Pennsylvania-based pension fund adviser, is the second multifamily marketing assignment this month in the Tri-Cities area of the San Fernando Valley for the Hendricks & Partners team, following their assignment to list a **145-unit Burbank property** [http://news/1657_1657/losangeles/184875-1.html].

Located adjacent to the Metro Gold Line and built in 2002, Acappella has never been openly marketed, having been purchased directly from Phoenix-based developer SNK just after its completion in 2002, Zander points out. He tells told Globe St.com, "In today's supply-constrained market, a core offering like Acappella will attract a significant amount of offer activity." Zander adds that, "With equity continuing to outpace available offerings, the market continues to see significant cap rate compression".

According to Norris, the property is expected to sell at a cap rate of less than 5% as a core-plus deal. At an offering price of \$36.9 million, the property "appeals to most of the institutional market, as well as large private and sponsored capital investors."

The Acappella features a mix of one- and two-bedroom floor plans averaging 828 square feet. The property is within walking distance of Old Town and the Metro Gold Line. Zander and Norris note that the offering includes in-place, 35-year fixed-rate debt at a 5.17% coupon rate.



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