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600-Unit OC Apartment Buy Ranks as One of the Largest CA Multifamily Sales for 2010

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In what ranks as one of the largest California multifamily apartment sales so far in 2010, AvalonBay Communities, the Washington, DC-based apartment REIT, has acquired Creekside Meadows, a 628-unit complex in Tustin. The asset, which was built between 1968 and 1972, was sold by an investment entity called Creekside Meadows Development LLC.

The Class "B" property, located at 13802-13881 Tustin East Dr, south of Redhill Ave on the north side of I-5, is the largest apartment complex in the city of Tustin. Located just ten minutes from the John Wayne / Orange County Airport area, Creekside Meadows is spread out over 23.5 acres on five separate parcels of land and contains over 500k sf of rentable living space. Over the past five years the property has benefited from extensive exterior and interior renovation programs.

Joe Leon and Dean Zander of Hendricks & Partners brokered the sale on behalf of the seller. We're told that the property generated 15 qualified offers from both private and institutional investors, many of whom were attracted to the excellent location, and size of this investment.

While we don't at this time have the deal price in this transaction, a search of the RENTV archives shows that the last sale of this property that we know of occurred in June of 2006, when an institutional investment partnership made up of Seattle-based Security Properties, Principal Real Estate Investors and State of Illinois Public Pension Fund paid \$123 mil, or about \$196k/unit, for the complex. The seller in that deal was Irvine-based The Bascom Group. From what we understand, the asking price was considerably less this time.

Creekside Meadows offers a range of apartments with a unit mix that consists of 56 studios, 384 one-bedroom units, 186 two-bedroom units and two three-bedroom units. Community amenities include four swimming pools, three spas, fitness center, five fully equipped laundry facilities, two tennis courts, a tot lot, and barbecue and picnic areas. It is also near many business areas, such as Irvine Spectrum, Irvine Business Complex, Heritage Field and Tustin Legacy, along with numerous retail centers in the region.