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Equity Residential Acquires \$65M Complex

By Bob Howard

HERMOSA BEACH, CA—Equity Residential has acquired a 168-unit, \$64.6-million apartment building adjacent to a complex that it bought in June, with both deals brokered by Ron and Greg Harris of Marcus & Millichap. Ron Harris tells GlobeSt.com that the acquisition is the third in the area in recent months for the Chicago-based REIT, which also acquired an 80-unit complex in Playa Vista recently in a deal that he brokered.

The new Equity Residential acquisition in Hermosa Beach is called the Gallery. The complex, at 414 Second St., is a class A property that has been substantially upgraded over the last few years by the seller, Playa Pacifica Ltd.

The complex that Equity Residential acquired in June was the 285-unit, \$68.5-million Playa Pacifica, which is so close to the Gallery that the two complexes almost touch, Ron Harris notes. The two apartment complexes are about three blocks from the beach and both maintain occupancy levels of nearly 100% year-round, Harris points out, so that owning both buildings provides the Chicago-based apartment REIT “a significant position in this extremely desirable rental market.”

Equity Residential assumed a \$34-million loan with Capmark as part of the Gallery purchase. The unit mix at the complex includes 17 singles; 23 one-bedroom, one-bath units; 76 one-bedroom lofts, 52 two-bedroom, two-bath units. Some of the amenities include marble entryways, hardwood floors and granite countertops, with some units featuring ocean views.

The 80-unit complex in Playa Vista, which Equity Residential acquired for \$27.55 million through its condominium division, is at 8300 Manitoba St. The REIT bought the property from Los Angeles from Los Angeles-based Decron Properties.

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