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Private Investor Soaks Up The Waterfront

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In a very notable South Bay multifamily investment deal, a 161-unit Redondo Beach apartment complex was acquired by a private investor for \$49 mil, or just over \$304k/unit. The property, The Waterfront, is located at 211 Yacht Club Way, between Harbor Dr and Hopkins Way. It was sold by a joint venture between the Bascom Group and the Rockpoint Group LLC.

The 125k sf apartment community is situated on 3.65 acres on the sand with direct access to Redondo Beach. It is also adjacent to Hermosa Beach and the luxurious King Harbor Marina. More than 72 percent of the units boast panoramic ocean, beach, and marina views. Due to its extraordinary location and recent renovations of more than \$5 mil, The Waterfront commands some of the highest rents in Southern California.

Greg Harris and Ron Harris of Marcus & Millichap represented the seller in the transaction. According to Harris, The Waterfront, which is the only institutional-quality apartment community in Los Angeles County built entirely on the sand, was marketed on an open bid basis and attracted nearly 20 offers.

"The biggest hurdle to this process was the 55-year ground lease," says Harris. "This caused many prospective investors to adjust their offers. For others, it discouraged them from even making an offer. The Waterfront transaction exemplifies an investment trend that we expect to see more frequently in the near future: institutions selling to private investors."

The Waterfront features convenient access to South Bay employment centers, the 405 Fwy and LAX. Amenities include a swimming pool, spa, state-of-the-art fitness center and club room, as well as a private beach for residents of The Waterfront. The property also features a 10k sf restaurant operated by The Chart House, a national beach-oriented seafood restaurant chain.