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September 22, 2009

## Equity Residential Sells 220 Units for \$37M

By Bob Howard

SAN PEDRO, CA—Equity Residential has sold its 220-unit Harbor View and Bay Ridge apartment complexes here for \$37.25 million, according to Marcus & Millichap, which brokered the sale. The price paid for the two complexes works out to \$168.74 per square foot and represents a cap rate of approximately 7% based on today's asking rents.

Equity, a Chicago-based apartment REIT, was represented in the sale by Greg Harris, executive vice president of investments and a senior director of Marcus & Millichap's National Multi Housing Group in Encino, and Ron Harris, senior vice president of investments and a senior director of the National Multi Housing Group in Los Angeles. The buyer was J.H. Properties Inc., an Orange County-based private investment group.

Located at 1286 and 1099 W. Capital Dr. in San Pedro and built in 1984 and 1987, respectively, Harbor View and Bay Ridge are exempt from Los Angeles' rent control statutes. Greg Harris notes that, despite the current market conditions, these core-plus assets located adjacent to Rancho Palos Verdes "attracted the most qualified and sophisticated buyers in the marketplace seeking a stable long-term investment with future upside." Ron Harris adds that, although rents at the property had fallen approximately 20% during the past year and there was some continuing softness in operations, "Investors felt that rental rates were beginning to stabilize." He says that considering the high quality of the complexes and "the ability to quantify a moving-forward net operating income, the property attracted significant offer activity from a variety of buyer profiles."

Harbor View is a 160-unit complex and Bay Ridge totals 60 units. Both feature luxury design elements such as nine-foot and vaulted ceilings, gourmet kitchens with gas ranges, wood-burning fireplaces, central air-conditioning and heating and individual washers and dryers. Amenities include swimming pools, spa, fitness center, dry heat sauna, oversized sundeck and ample onsite parking. Both also have condominium entitlements.

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