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Griffis fund spends \$66m on apartments

*By Jennifer Hayes
Editor
Colorado Real Estate Journal*

A Colorado-based private equity real estate investment fund continues to add to its value-added portfolio with its purchase of a pair of Denver area apartment properties.

Griffis Value Added Fund, which targets value-added opportunities, recently entered the Denver market with its purchase of the Highline on Cherry Creek community and now has tripled its presence in the marketplace with its latest acquisitions.

The fund paid \$40 million, or \$121,951 per unit, for the AMLI at Gateway Park community in Denver, currently called the Gateway Park Apartments, and purchased the Bristol Village community in Aurora for \$26 million, or \$108,333 per unit.

"We really liked the location of both properties," said Griffis Value Added Fund's Tom Barta.

The Gateway Park Apartments were a sought-after 328-unit garden community located at 4255 Kittredge St., north of Interstate 70 at Peña Boulevard and within the master-planned Gateway Park business park.

"There was a lot of national interest from a number of solid, institutional buyers in the property," commented Moran & Co.'s Pam Koster. "There is not a lot of product in the submarket.

"It was a great deal in the submarket," continued Koster, who listed the property with Moran & Co.'s David Martin. "It's a unique asset and a great deal for the Griffis Group (the fund is a part of the Griffis Group)."

“There was very little Class A competition in the submarket,” agreed Barta, who noted the property’s proximity to Denver International Airport and Fitzsimons were attractive amenities.

Constructed in 1999, Gateway Park will undergo interior and exterior improvements. The Griffis fund is planning to make “significant” upgrades, such as modernizing fixtures and hardware and painting apartment units. As well, the buyer is planning improvements to the clubhouse and pool area.

Gateway Park comprises a mix of one-, two- and three-bedroom units ranging from 705 to 1,177 square feet. Units at Gateway Park include 9-foot ceilings on the first floor and vaulted ceilings on the second level; covered patios and balconies with storage; full-size washer and dryer connections; oversized Roman tubs; and ceiling fans in master bedrooms.

The community features attached and detached garages as well as open parking, a private beach area for the lake, which surrounds three sides of the property, laundry area and business center, for example.

At the time of sale, Gateway Park was 95 percent occupied. AMLI Residential Property Trust sold the community.

Located at 17201 E. Walsh Way, Bristol Village’s location also was seen as an amenity by the Griffis Value Added Fund.

Near the intersection of Buckley Road and East Ohio Place, Bristol Village is adjacent to Northrop Grumman’s campus, one block from Buckley Air Force Base, a few blocks from Raytheon’s facility and 10 minutes from Fitzsimons, noted Barta.

The Griffis Value Added Fund also plans to make upgrades to the Bristol Village community. However, because of its newer construction in 2003, the bulk of improvements will be made to the common areas of the property.

“It has very nice apartment units, some of the nicest apartment layouts and floor plans,” he added.

Apartments at Bristol Village range from one- to three-bedroom units and in size from 675 to 1,218 sf. Unit amenities include 9-foot ceilings, air conditioning, private balconies and patios, Roman tubs and, in some units, fireplaces.

The buyer will upgrade the grounds at Bristol Village, as well as make improvements to building security and the clubhouse.

JP Tollgate LLC, an entity of Jordon Perlmutter & Co. sold the community. Jordon Perlmutter & Co. developed Bristol Village, which was its first apartment development since 1984.

Garrette Matlock of Marcus & Millichap represented the seller.

Griffis Value Added Fund actively is looking for further acquisitions along the Front Range. In addition to multifamily properties, the fund also owns industrial properties and land.

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