

Crittenden Apartment Report™

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Internacional Realty, Inc., in an off-market deal last month closed on a mixed-use infill project in Richardson, Texas, using \$30.4 million of floating rate debt provided by **Archon Financial**. The interest rate on the 24-month Libor-based loan adjusts every three months. Internacional has the option and incentives to obtain permanent fixed-rate financing from Archon upon stabilization of the asset, which is expected this fall.

Internacional paid \$37 million to **NAP Properties** for **Block 24**, which consists of 396 apartments and 27,984 s.f. of retail. When escrow closed, the retail component was 10% leased and the residential portion was 70% occupied. The financing was originated by **Harbor Capital Group**, which relied on Harbor Capital Principal **Frank Satterfield's** 16-year relationship with Archon to facilitate the transaction through Archon's transitional floating-rate loan program put in place about 12 months ago.

The Block 24 transaction was one of the program's first to be underwritten based on projected income rather than current in-place income. Prior to launching Harbor Capital 18 months ago, Satterfield served as Senior VP for **Kinghorn Driver Hough & Co.**

Block 24, built on a little more than 24 acres in 2004, consists of one- and two-bedroom flats, lofts and townhome apartments that rent from \$779 to \$1,750. The community boasts a wood-floor racquetball court, water-spray park, three exercise rooms, a rec room and theater and a tanning facility. Finishes include black-on-black and stainless steel appliances, picture molding, large oval garden tubs and 12-foot ceilings in select units.