

MULTI-HOUSING NEWS

Multi-Housing News – April 1, 2005

Sales Heat Up in a Recovering Austin

APRIL 01, 2005 -- *Creekstone Executes Complex Deal in Hip 'Hood*

Austin, Texas—Creekstone Partners has acquired Alexan Congress, a class A multifamily property here. The 253-unit infill community, that also has 7,433 square feet of street-level retail, is a luxury condominium-conversion opportunity. While the current business plan is to operate the property as an apartment, the condominium-conversion potential gives Creekstone and its investors maximum flexibility, the company said.

Located in one of Austin's hippest neighborhoods—known as the SoCo District, because of its South Congress Avenue address—Alexan Congress was built in 2001 and boasts a 93 percent occupancy rate.

"Because of tremendous growth among Austin's major corporations, universities and government sector, as well as the city's excellent quality of life, we believe the Austin market is about to explode," said Marc Goldstein, Creekstone Partners' principal. "That growth, coupled with the infill location of Alexan Congress, makes this an ideal acquisition for our portfolio."

Alexan Congress, to be renamed SoCo@007, has one-, two- and three-bedroom units ranging from 579 to 1,527 square feet. The units have ceramic-tile entries; wood-plank flooring; nine- or 10-foot ceilings with crown molding; gourmet kitchens with designer cabinetry and countertops, ceramic-tile backsplashes and double stainless-steel sinks; washer/dryer connections; and a master suite with a large bathroom featuring a garden tub, dual sink vanities, linen closet and walk-in closet.

Creekstone Partners purchased Alexan Congress from Trammel Crow and Frank Satterfield, with Harbor Capital Group arranging the financing. The capital structure, which totaled \$31 million, included senior debt provided by MetLife and mezzanine debt provided by RAIT, a real estate investment trust.