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**248-Unit Complex Reaps \$19M From Houston Buyer**

By: Jennifer D. Duell



PASADENA, TX-As part of its effort to rebuild its apartment portfolio, Chancellor Properties LLC has paid about \$18.8 million for Broadwater Apartments, a 248-unit, class A complex in a high barrier-to-entry market. The Houston-based investment group pocketed the keys from San Antonio-based merchant developer, Embry Partners Ltd.

Chancellor Properties obtained a \$15-million conduit loan from PNC Real Estate Finance to buy the 5045 Crenshaw Rd. development. The seven-year, fixed-rate loan has a sub-5.5% interest rate, according to Frank Satterfield, founder and principal of Houston-based Harbor Capital Group.

Satterfield tells GlobeSt.com that a lot of lenders were fighting to get in on the deal, but PNC Real Estate Finance was able to offer the highest loan-to-value at 80%. "We were asking for a \$15-million loan and PNC was able to get there and some of the others weren't," he says, adding the financing closed within 90 days.

"PNC Real Estate Finance was impressed with the experience and track record of Chancellor Properties," Satterfield says. He says the lender also felt comfortable with the market because it's difficult to get properties zoned for multifamily development in Pasadena.

The one-year-old Broadwater Apartments, situated on 16.8 acres, is comprised of comprised of 13 two- and three-story buildings. It features a mix of 128 one-bedroom units of 779 sf; 84 two-bedroom apartments, 1,073 sf; and 36 three-bedroom designs, 1,323 per sf. Monthly rents range from \$786 to \$1,371. At closing, the community was 92% occupied.

The CB Richard Ellis Inc. team of Craig La Follette, Todd Marix and Todd Stewart brokered the transaction. The complex was listed at \$21 million.