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314-Unit Reserve at Tranquility Lake Sells in Off-Market Deal

By: Amy Wolff Sorter of GlobeSt.com

Tuesday, November 01, 2005 - PEARLAND, TX-Houston-based Creekstone Partners has acquired its third multifamily property in the region, the 314-unit, class A Reserve at Tranquility Lake.

Located on 20 acres at 2850 Oak Rd., the Reserve was purchased from Houston-based Tranquility Apartments Ltd. The buyer, with equity from a TIC syndication, closed the deal with a \$21.8-million loan, brokered by Harbor Capital Group of Houston and underwritten by PNC Bank's Houston office, according to Michael Preston, president of Creekstone Partners. The 10-year loan, with a 30-year amortization, carries a 5.22% fixed-rate interest, he says.

"This is a nice growth area and a good submarket in the Houston area," Preston tells GlobeSt.com, adding that accessibility to the medical center was another of the property's advantages. Completed in 2003, the Reserve was 92% occupied at the time of closing.

The complex has 112 one-, 172 two- and 30 three-bedroom units ranging from 725 sf to 1,500 sf. Monthly rents go from \$773 to \$1,453. Amenities include on-site business, fitness and car-care centers. Creekstone Management will lease and manage the complex.

Preston says few, if any, renovations will be made to the property, which is viewed as a long-term hold. There are no plans to convert units into condominiums, he adds.

Preston says Creekstone plans to continue buying properties in the region. However, there are no more contracts in hand. "We're primarily looking for class A multifamily, retail and office space," he says, adding Houston is just one area that is under consideration. "We're looking at strong investments all over the country."