

Real Estate Forum – November 2005

TEXAS MULTIFAMILY COMPLEX SELLS IN OFF-MARKET DEAL

Pearland, TX—Houston-based Creekstone Partners has acquired its third multifamily property in the Greater Houston market, the 314-unit, class A Reserve at Tranquility Lake.

Located on 20 acres and 20 minutes south of the CBD, the Reserve was purchased from Houston-based Tranquility Apartments Ltd. The buyer closed the deal with equity from a TIC syndication and a \$21.8-million loan. The



Reserve at Tranquility Lake

loan was brokered by Harbor Capital Group and underwritten by PNC Bank's Houston office, according to Michael Preston, president of Creekstone Partners. The 10-year paper has a 30-year amortization and carries a 5.22% fixed-interest rate, he says.

"This is a nice growth area and a good submarket," Preston says. 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 expects 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 market that is under consideration. "We're looking at strong investments all over the country."—*Amy Wolff Sorter, GlobeSt.com*