

Group invests in 'dynamic' submarket

by Jennifer Hayes

An apartment community located in one of the most "dynamic" submarkets in the state sold to a local real estate investment group.

Terracina Villas at 13620 Via Varra Road in Broomfield was acquired by the Griffis Group's Griffis Premium Apartment Fund LLC for an undisclosed price.

PCCP LLC, a real estate private equity firm, funded a \$50 million loan for the acquisition and worked with the Griffis Group to structure a short sale with the seller, Catalina Development Co., the senior lender and the mezzanine lender.

"In our view, it is one of, if not the, nicest suburban multifamily properties in Denver," said David Birnbaum, managing director of Griffis Group. "It is a great asset located in one of the most dynamic submarkets in the state. We are very excited about its proximity to the ConocoPhillips campus and its location in the path of development."

"Terracina Villas is arguably the nicest and most luxurious multifamily property in the Interlocken submarket," agreed Daniel Gordon, an analyst with PCCP. "The property has proven its potential to command premium rents now and into the foreseeable future. Terracina was a distressed project from inception due to the combination of a soft market, construction delays and liquidity constraints; however, over the past six months the property has rebounded nicely on the back of improv-



Work will be completed in the next 60 to 90 days on the final phase of development of the Terracina Villas apartments in Broomfield.

ing fundamentals and strong leasing activity."

Catalina Development Co. developed Terracina Villas in 2009. The community includes four-story buildings with one- and two-bedroom configurations. Currently, 300 apartments are completed with the final 76 units housed in the last building to be completed in 60 to 90 days.

At the time of sale, Terracina Villas' completed units were around 84 percent leased. However, Griffis Group expects the first phase to be fully stabilized once the second phase is completed.

Apartments include balco-

nies or patios, 9-foot or vaulted ceilings, crown molding, oval tubs, washers and dryers, and some units include electric fireplaces, island kitchens, five-fixture baths, granite counter tops and upgraded appliances.

Community amenities at Terracina Villas include a pool, spa, clubhouse with community room, business center, fitness center, WiFi, yoga lounge, outdoor game room with fire pit, basketball court and structured parking with floor-level access.

Doug Andrews and Jeff Hawks of ARA represented the seller in the transaction.

"PCCP seized the opportunity to finance a new, premium apartment project at a significant discount to replacement cost for a highly regarded borrower as Denver multifamily fundamentals show significant improvement," said Greg Galusha, a partner with PCCP.

PCCP has invested more than \$28 million of equity in three properties in the Denver area with Griffis Group in the past three years.

The Griffis Group is looking to acquire additional Class A multifamily properties in the Denver market and along the Front Range.▲