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Northeast Private Client Group sells multiple New Haven apartment buildings for \$13.3 million

April 19, 2019 - Connecticut

New Haven, CT Northeast Private Client Group has completed the sale of three apartment buildings in two transactions totaling \$13.3 million. Brad Balletto, vice president, investments, Rich Edwards and Jeff Wright, investment associates, in the firm's Shelton office, represented the seller and procured the buyer in both transactions.

The sale of Brendan Towers, a 60-unit brick apartment building located at 457 Whalley Ave. closed on January 31. The seller, Navarino Capital, based in Bridgeport, sold the property to a private Westchester-based investor for \$6.7 million, or \$111,666 per unit. This sale closed at a capitalization rate of 6.7% on the current net operating income. Navarino had invested significantly in improvements to the building over the past three years. This was the buyer's second acquisition in the city, following their 2017 purchase of a mixed-use building downtown.

The portfolio sale of 420 and 431 Whitney Ave. in East Rock closed on February 12 for \$6.6 million, or \$200,000 per unit, at a blended capitalization rate of 4.8% on the current combined net operating income of both buildings. Together, the two buildings are comprised of 33 apartments with off-street parking and a nine-car garage. The seller, Hadley Inc., based in the city, sold the properties to MOD Equities LLC, also based in the city. The buildings had not traded hands for 30 years. In this transaction MOD added two trophy assets to their East Rock holdings, while Hadley was able to capitalize on strong investor demand for apartment properties near Yale.

"While many would contend that prices have been driven up and created a sellers' market," Balletto said, "It is my contention that the current pricing level has created a unique opportunity for buyers to collect highly desirable properties that might not otherwise be available. Both of these transactions were a win for all sides."

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540