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URDANG and Randolph Street Realty Capital acquire 163-unit building

July 07, 2011 - Front Section

URDANG, the real estate investment manager and part of BNY Mellon Asset Management, and its joint venture partner Randolph Street Realty Capital have acquired a partially completed 163-unit class A apartment building.

URDANG made its portion of the acquisition through Urdang Value-Added Fund II L.P., a closed-end private real estate fund managed by Urdang Capital Management, Inc. The property was purchased from a private seller. Terms of the transaction were not disclosed.

The apartment building, located prominently on a hill at 2368 South Yakima Avenue, overlooks downtown Tacoma. Jeffrey B. Reder, senior vice president, acquisitions, Urdang Capital Management, said the building is approximately 50 percent finished and that he expects it to be completed by the summer of 2012. "We expect this building will have among the best interior finishes and amenity packages in the market, including a state-of-the-art fitness center, theater room and outdoor courtyards."

The completed apartment building is expected to benefit from favorable local market conditions, including a low vacancy rate, a limited supply of Class A rental units and its desirable location for those seeking to live near large employers including four hospitals within a four-mile radius, the Port of Tacoma, a large U.S. Army military base and the University of Washington Tacoma, University of Puget Sound and Tacoma Community College.

"This represents the type of investment that Urdang actively is pursuing," said Reder. "We are excited about the opportunity to acquire quality real estate that has gone back to the banks at an attractive price. We now have the ability to deliver housing that is among the highest quality in the market at a compelling value. With limited near-term supply and strong current demand, we feel this project is poised to benefit."

"This is an excellent opportunity to acquire a lender-owned distressed asset where we can utilize our local experience to create significant value for our investors," said Robert Tanaka, principal of Randolph Street Realty Capital. "We have been tracking the project for over a year and we are excited to get the deal closed with an excellent partner like Urdang. We continue to focus on acquiring lender-owned and value-added opportunities in the multi-family space."

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