



## Pathfinder Buys REO Apartment Complex

Near Seattle for \$5.1M

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*By Dees Stribling, Contributing Editor*

Federal Way, Wash.—San Diego-based Pathfinder Partners LLC has acquired the View at Redondo, a 78-unit apartment property in Federal Way, south of Seattle. The apartment complex, built on a three-acre parcel on Pacific Highway in 1986, consists of four

wood-framed, three-story buildings with 48 one-bedroom, one-bath units and 30 two-bedroom, two-bath apartments. The units overlook the Puget Sound and range from 700 square feet to 1,000 square feet.

Pathfinder paid \$5.1 million for the View at Redondo from the REO department of a private lender. The company's plans for the property call for repainting and reroofing, as well as renovating the interiors to include new kitchen appliances, countertops and flooring to new bathrooms, fixtures, window blinds and fireplaces.

"We believe there are opportunities throughout the major markets in the western United States to invest capital in high-quality projects with distressed or fatigued ownership that will result in significant returns," Lorne Polger, senior managing director of Pathfinder Partners, tells *MHN*. "To that end, Pathfinder focuses on smaller properties below the radar of the largest institutional buyers."

The company's strategy, Polger adds, is to buy the loan on a small property that needs finishing, has a large vacancy, or is beset by other issues. "These are typically transactions that need to be concluded very quickly, on an all-cash basis," he says. "We have a track record of closing this type of deal in 15 to 20 days, and frequently get the call when a financial institution is seeking to conclude a challenging deal quickly."

In February, Pathfinder acquired the senior loan and foreclosed on the newly constructed 29-unit Chelsea Courte II condo project near Totem Lake in Kirkland (now called the Pines at Totem Lake). In July 2011, the company bought the senior loan on the Sanctuary, a century-old church in Seattle's Capitol Hill neighborhood that was converted into 12 townhomes. Polger notes that the Pines, which is being operated as a rental community, is already 50 percent leased, and that sales at the Sanctuary have been robust, with one-half of the community sold during the first 60 days of marketing.