



## San Diego Investor Acquires Two Value-Add Apartment Properties

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San Diego—Pathfinder Partners LLC, a San Diego-based firm specializing in opportunistic investments in distressed real estate and defaulted loans, has closed on two multifamily deals in the western United States. One property is in Denver, while the other is in Long Beach, Calif.



In Colorado, the company and its partner, Bruckal Properties Inc., acquired the 107-unit Wellshire Arms Apartments, a 12-story building in the historic Observatory Park neighborhood. The property was originally built in 1962, and will be renamed simply the Wellshire.

The property's units average 980 square feet, with wrap-around balconies offering city and mountain views. Pathfinder says it plans to implement a \$2.5 million exterior and interior renovation, or about \$24,000 per unit, focused on modernizing the building's exterior, significantly enhancing the project's common area amenities and updating the unit interiors.

It's a good time to be in the Denver apartment market (as a landlord). Investment specialist Marcus & Millichap reports that payrolls in the Denver area are projected to rise by 25,000 positions by the end of 2012, spurring demand for apartments. Construction of apartments is up—some 3,300 new units will be added to the area's stock in 2012, three times as many as in 2011—but nevertheless vacancies are still projected to drop 20 basis points to 5.2 percent by the end of the year in metro Denver.

In California, Pathfinder has purchased Le Park Apartments, a 40-unit multifamily complex located in Long Beach's Bixby Knolls neighborhood. Working with partner RyaNik Holdings LLC, Pathfinder acquired the property directly from a regional bank.

Le Park is even older than the Wellshire, dating from 1948. It consists of six two-story buildings on 1.25 acres, and will be renamed Bixby Park Apartments. Pathfinder likewise plans to spend some money on the property—\$600,000, or \$15,000 per unit to supplement the original hardwood floors and tile in the kitchens and bathrooms with modern appliances and fixtures. Also, the rehab will replace some roofs and repaint the buildings' exteriors.