



Pathfinder to Convert Distressed Dorsey Place Condo Project in Tempe into Rental Community

Jul 26, 2011

Pathfinder Partners LLC, a San Diego-based company that invests in distressed real estate assets and defaulted loans, has acquired 84 units within Dorsey Place, a 90-unit, high-end condominium project at 1275 University Ave. in Tempe, Ariz.

The investment firm will operate the four-story Dorsey Place as a rental community. Phoenix-based Allison Shelton Real Estate Services will manage the property. Allison Shelton manages more than \$1 billion of real estate throughout Arizona, Dallas and Albuquerque, N.M.



Dorsey Place was completed in 2007 for about \$23 million, when six condos were sold at prices in excess of \$400,000 each. Pathfinder acquired Dorsey Place from the original developer for \$11.3 million. Included in the acquisition are all of the common areas, along with 6,500 sq. ft. of ground floor retail space.

Situated on a 1.4-acre site, Dorsey Place is two blocks from Arizona State University (ASU), one of the country's largest universities with more than 55,500 students.

Pathfinder's Dorsey Place includes 64 two-bedroom, two-bath units spanning 1,100 sq. ft. and 20 three-bedroom, two-bath units measuring 1,200 sq. ft.

The property, which includes an interior courtyard, heated swimming pool and common use lounge, is expected to appeal to both ASU graduate students and faculty members.

"While the 'for sale' condo market in the Phoenix area today is challenged, there is considerable demand for quality rental units," says Lorne Polger, senior managing director of Pathfinder Partners. "We are very bullish on the future of ASU, and the university's growth should bode well for nearby housing."

Rents will begin at \$1,350 per month for two-bedroom units and \$1,950 for three-bedroom units. All apartments will feature a washer/dryer, balcony and appliances.

About half of the condos are fully appointed with luxury furnishings and finishes, including plasma TVs, granite countertops and plush, leather couches. Dorsey Place features a 132-space subterranean garage and an additional 47 spaces above ground.

Since its inception in 2006, Pathfinder has acquired more than \$350 million in defaulted commercial real estate loans and real estate owned (REO) properties from lenders and special servicers.

The company currently owns and operates more than 1,000 units and several hundred thousand square feet of office space in California, Colorado, Oregon, Washington, Florida, Texas and Oklahoma.

Pathfinder is actively seeking investment opportunities in these markets, as well as accelerating its acquisition activities in Arizona.