

REAL ESTATE: Tuscan Townhomes acquired for \$10.5 million



Tuscan Townhomes in Riverside

BY DEBRA GRUSZECKI, STAFF WRITER, Published: 29 August 2012

Tuscan Townhomes, a 63-unit townhome project at 11511 Magnolia Ave., Riverside, has been acquired by San Diego-based Pathfinder Partners and an operating partner for \$10.5 million, a move meant to anchor the once-distressed property more firmly in the commercial marketplace.

Pathfinder made the announcement Wednesday, Aug. 29.

Lorne Polger, senior managing director of Pathfinder, said the gated development that was completed in 2009 closed escrow on Aug. 14.

The seller, Tuscan Townhomes, had owned the property since 2010, purchasing it as a foreclosure sale on the courthouse steps, Polger said.

Now part of Pathfinder's portfolio of more than \$500 million in defaulted commercial real estate loans and bank-owned properties, Pathfinder and its operating partner, Stratford Partners, plans to spend \$240,000 to upgrade interior living spaces, add a leasing office, improve the gym and enhance landscaping within the Tuscan-styled development.

Improvements could begin within 30 days, Polger said.

Tuscan Townhomes was described as an attractive investment because it is in an appealing location and is situated in one of the fastest-growing metropolitan areas of California.

“I’m a believer that Riverside is one of the strongest and best in the county,” Polger said.

“Between the growth of the hospitals there and other employment bases, I believe that sub-market will continue to improve over time.”

“We bought the project at a 30 to 35 percent discount to what it cost to build a few years ago and there’s not a lot of land left in the area,” he explained. “The project also afforded us with a couple of potential exits — one, selling in bulk as rentals and the other, selling the individual townhome units on a retail basis. As an investor, I like to have multiple exit strategies like these.”

Other investments by Pathfinder in Riverside and San Bernardino counties in recent years have included the Fontana Pacific Homes development of 35 homes and the Coachella-area Valencia project with 22 homes and 50 lots.

Tuscan Townhomes, primarily featuring two-bedroom units, is fully leased. As the market improves, an investment strategy may include selling it in bulk or as individual units, Polger said.

Pathfinder currently owns and operates several thousand residential units, office and retail space in California, Colorado, Arizona, Washington, Florida, Texas and Oklahoma.