



Atlanta • Austin • Baltimore • Boston • Charlotte • Chicago • Dallas-Ft Worth • Denver • Houston • Los Angeles • Miami • New Jersey
New York • Orange County • Philadelphia • Richmond • San Antonio • San Diego • San Francisco • Seattle • Toronto • Washington, DC

December 20, 2012

Time To Sell Multifamily?

With **cap rates so compressed**, and investment dollars **hungry** for multifamily, legacy owners may want to **harvest their units**. We spoke to two companies that are doing just that. (They made time for us between trying to get for-sale signs to stay in the cold, winter ground.)



Pathfinder Partners' **Lorne Polger** spent 20 minutes wrangling this deep sea catch on his **50th birthday trip** to Cabo. He doesn't believe cap rates will go any lower and says while Pathfinder hasn't sold anything in Denver (it actually owned more for-sale condos here than apartments), it's been divesting in other markets. For example: a **120-unit apartment complex** in Mesa, Ariz. it picked up 18 months ago as an REO; Leucadia Shores in San Diego (its hometown), where it sold a **14-unit townhouse project for \$3.5M**; Hawthorne 44, a newly-built **27-unit complex** in Portland, Ore. initially purchased as a default note; and a **33-unit loft project** in LA also acquired through a default note. "I think there are some other things that we will **dispose of in 2013**," he says.



That's not to say he's down on Denver. "**We love Denver**, and we like the **stability** right now," Lorne says. And putting Pathfinders' money where his mouth is, the firm bought 9195 and 9197 W 6th Ave in Lakewood—two fully-leased buildings spanning **49k SF** in the Garrison Business Park from a CMBS special servicer **in a \$4.3M** all-cash deal. That's the kind of deal Pathfinder is seeking going forward: "We bought it basically at over a **10 cap** with in-place rent," he says. "It's an opportunistic buy **for a yield.**"