

Pathfinder Snags \$25M Seattle Property

by Jeffrey Steele

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The Argyle, a 160-unit apartment community in the metropolitan Seattle suburb Federal Way, stands on 4.95 acres and features 13 three-story buildings.



San Diego-based Pathfinder Partners has acquired The Argyle, a 160-unit apartment community located at 2517 S. 316th Lane in the metropolitan Seattle municipality of Federal Way, Wash. Price paid was \$25 million.

The one-third-century-old property stands on 4.95 acres, and features 13 three-story buildings. There are 81 one-bedroom, one-bath apartments, 49 two-bedroom, one-bath residences and 30 two-bedroom, two-bath apartment homes. Units average 792 square feet in size. Among The Argyle's common-area amenities are a pool, recently-renovated fitness center, clubhouse, children's playground area and leasing office.

"This was an attractive investment for us because there were significant remaining value-add opportunities to upgrade the common areas and unit interiors in a submarket, Federal Way, that we know well by virtue of having acquired two other nearby apartment complexes during the last two years," Pathfinder Partners senior managing partner Lorne Polger told MHN. "We believe our experience with these properties and the submarket gave us a competitive advantage."

The property's biggest upside was that it has, Polger said, "great bones" that will help Pathfinder continue the [value-add renovation](#) program. *"The biggest challenge is that we have to contend with some site drainage issues, which can be complicated and expensive. There were multiple bidders and it was a competitive bidding process."*

The Argyle was purchased from an undisclosed seller, which had owned and operated the community for two years.

"We were attracted to the community's secluded, tranquil ambiance combined with its excellent walkability and close proximity to public transportation," said Polger, who with Mitch Siegler co-founded the company in 2006. "Our plan is to add more amenities as well as renovate the property's exterior and unit interiors."

The main challenge for Pathfinder was finding the right property at the right price in the right location. *“We are confident we accomplished this,”* Polger said. *“We intend to make significant renovations, including interior and exterior renovations, to the property, so this acquisition represented a value-add opportunity, with room for rent growth.”*

Over the past six years, Pathfinder has made eight acquisitions and five dispositions in the state of Washington. As Polger mentioned, the company’s acquisition of The Argyle follows its involvement with two other properties in Federal Way.

In 2015, the company acquired a 126-unit community called Cedardale, and the same year it sold Redondo Terrace, a 78-unit community it had acquired earlier.

Pathfinder continues to find Seattle an attractive area for investment. *“Because of the city’s low vacancy rate, continued rental rate increases and robust job growth, we continue to look for investment opportunities in the Seattle area,”* Polger said.