

Crittenden Real Estate Buyers™

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Private Investors Poised to Capitalize on Class A Sales

Look for private apartment investors to shift more of their cash into the acquisition of newer institutional quality properties in the months ahead. These firms figure they can find good deals at cap rates near 10% in strong suburban markets by taking advantage of REIT's and other big developers' growing willingness to sell their properties. **Equity Resources** looks to buy more Class A apartment properties throughout the South after closing a \$26.4M deal on Oct. 18 to buy the year-old Lincoln at Wolfchase complex in the Memphis suburb of Cordova, Tenn., from Lincoln Property Co.

Birmingham, Ala. based Equity Resources is on track to finish 1999 with an acquisition volume of more than \$100M. The buyer typically makes \$10M to \$28M deals for Class A and Class B apartments in Alabama, Florida, Mississippi, Tennessee and Texas.

Equity Resources **got a 9.6% initial cap rate** on its acquisition of the 95% occupied Lincoln at Wolfchase complex. It projects a 10% yield once it leases up the vacant units. This compares to the 9.25% cap rate Equity Resources got on its purchase earlier this year of a 12-year-old, Class B property in suburban Birmingham. The Lincoln at Wolfchase includes 18 three-story buildings with a mix of one-, two- and three-bedroom apartments. Units feature myriad amenities including washers and dryers, vaulted ceilings, Jacuzzis and Berber carpeting. Common area amenities include a business center. Monthly rents range from \$625-\$1,100. Equity Resources will **rename the complex the Parc at Wolfchase.**