



IN THE NEWS

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ARA Handles the Largest Single-Buyer Portfolio in Central Denver's History *Institutional Buyer Bets Big on Central Denver*

Denver, CO (March 17, 2014) - Atlanta-headquartered ARA, the largest privately held, full-service investment advisory brokerage firm in the nation focusing exclusively on the multihousing industry, recently brokered the sale of a three-property portfolio totaling 165 units in Central Denver. ARA Colorado's Terrance Hunt, Shane Ozment, Justin Hunt, Robert Bratley and Andy Hellman represented the seller, Boutique Apartments™, in the sale of The Boutique Apartments™ Portfolio .

An undisclosed national real estate investment and property management corporation with a multi-million dollar multifamily portfolio, purchased the three properties for \$22,375,000, representing an all in price per square foot of \$282.72. The Boutique Apartments™ Portfolio consisted of Metropolis, a 71-unit high-rise; Shambhala a 60-unit interior hallway, garden-style

community; and Red Fort a 36-unit interior hallway 5-story community. The properties were 97% occupied at the time of closing.

Terrance Hunt explained, "We saw ample interest in this portfolio, both as one-off deals and as a complete portfolio, however, a larger more institutional buyer recognized the opportunity to obtain multiple deals in a very tight submarket in one transaction. This is another example of a larger buyer looking to obtain multiple buildings and run them as one. This strategy is popular in larger cities like Los Angeles, San Francisco and Chicago, and we are now seeing it in Denver."

Justin Hunt added, "All three properties are located within Central Denver and would be impossible to replace at today's construction costs. The older Central Denver product is an attractive alternative to new construction, especially when you consider the cost to build in Denver is well north of \$200k per unit (depending upon the product-type). We anticipate values to continue to climb in Central Denver as long as interest rates remain low and pricing stays under replacement costs."

The Boutique Apartments™ Portfolio represented one of the most unique investment opportunities in Central Denver due to its size, style and three diversified locations.

Terrance Hunt commented, "In addition to the great locations the management strategy that was employed by Boutique Apartments™ (www.boutiqueapartments.com) was instrumental to maximizing the value of the properties. The NOI's that Boutique was consistently able to achieve over the years really set the bar in the Central Denver market."

At 13-stories tall Metropolis enjoys unmatched visibility along a major Denver thoroughfare. The property is located along Colorado Boulevard, a major northbound traffic corridor running through the heart of Denver with nearly 76,000 cars passing the building per day. Metropolis ranks among the top most recognized buildings in Central Denver. The property is situated across the street from the University of Colorado Health Science Center redevelopment in which plans call for a mixed-use project with housing, restaurants and retailers. Retailers have already

started to identify sites in and around the area, with one of Colorado's first Trader Joe's locations opening next month at East 8th Avenue and Colorado Boulevard.

The area surrounding Shambhala in Denver's Capitol Hill neighborhood has experienced significant redevelopment, but has not experienced any market-rate multifamily development since 2001. The recent renovation of Argonaut Wine & Liquor, the addition of Slice Works, Billy's Gourmet Hot Dogs, and the relocation of Office Depot will elevate this section of Colfax's desirability and pedestrian traffic.

Red Fort is located in the heart in Denver's prestigious West Washington Park neighborhood. The property offers easy access to downtown Denver, as well as many restaurants and boutique shops. Downtown Denver's inviting restaurants, nightlife and entertainment are within minutes of the property. Additionally, the proximity to Washington Park gives residents at Red Fort unlimited recreational activities that include direct access to the over 500 high-end retailers and restaurants in Cherry Creek Shopping District.

To schedule an interview with an ARA executive regarding this transaction or for more information about ARA, please contact Lisa Robinson at lrobinson@arausa.com or 404.990.4900, or Amy Morris at amorris@arausa.com or 404.990.4902; locally, Terrance Hunt at hunt@arausa.com, Shane Ozment at ozment@arausa.com, Justin Hunt at jhunt@arausa.com, Robert Bratley at rbratley@arausa.com, or Andy Hellman at Hellman@arausa.com, or 303.260.4400.

About ARA

Atlanta-headquartered ARA is the largest privately held, full-service investment advisory firm in the nation that focuses exclusively on the brokerage, financing and capital sourcing of multihousing properties including conventional, affordable, distressed assets, notes sales, seniors, student & manufactured housing and multihousing land. ARA is comprised of the country's top investment professionals who leverage a unique and fully integrated cooperative business platform of shared information, relationships and technology driven solutions. ARA's unified enterprise approach ensures that clients are delivered the broadest asset exposure, effective matching of buyers and sellers, and the shortest transaction timeframes in the industry. The combination of resources, unparalleled market expertise and nationwide presence in the multihousing marketplace has resulted in an annual production volume of \$10.4 billion in real

estate transactions in 2013. For detailed information on ARA's extensive multihousing investment services, visit www.arausa.com.
