



IN THE NEWS

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ARA Announces the Sale of Los Prados Apartment Homes

Multihousing Sale Valued at \$32,500,000

Pittsburg, CA (December 8, 2014) — Atlanta-headquartered ARA, the largest privately-held, full-service investment advisory brokerage firm in the nation focusing exclusively on the multihousing industry, announces the sale of Los Prados, a 242-unit apartment community located in Pittsburg, CA, which is in the East Bay approximately 40 miles from San Francisco.

The ARA Pacific team, led by San Francisco-based Principals, Curtis Gardner and Mark Leary, served as the exclusive advisors on the transaction representing both the seller, Waterton Associates, and the buyer, McDowell Properties. Waterton Associates is a Chicago-based investment firm specializing in the ownership and management of multifamily properties. They have participated in the acquisition, disposition and financing of apartment properties located throughout the U.S. The buyer, McDowell Properties, is a national real estate investment company, based in Dallas, TX that specializes in the multifamily sector. They are focused on the acquisition, management and repositioning of apartment projects in growth markets across the U.S. and they purchased the property for \$32,500,000, \$134,298 per unit and \$157 per square foot.

Field Stern of Waterton Associates commented, “We are very pleased to complete the sale of Los Prados.” Jake Gentling of McDowell Properties added, “The asset was acquired using an older investment vehicle now in disposition mode and after a longer than anticipated hold period, we are very happy with the execution and outcome of the investment. We are excited to expand our presence in the Bay Area and this acquisition is consistent with our strategy to acquire and reposition assets in dynamic locations across the country. We plan to spend additional capital to improve the property’s curb appeal while taking advantage of the positive, long-term apartment trends in the East Bay.”

Constructed in 1985, Los Prados is conveniently located near the Pittsburg/Bay Point BART station and Highway 4, giving residents easy access to regional employment centers throughout the Bay Area. According to ARA’s Mark Leary, “The property’s location across from Los Medanos College and within minutes of the Pittsburg/Bay Point BART station was certainly a key selling point for the buyer but the most compelling attribute of Los Prados is the evidence of an immediate renovation upside. Given the asset’s quality of construction and favorable unit attributes, there is value-add potential through cosmetic upgrades to the unit interiors in addition to an enhancement of the community amenities.”

Rents at recently renovated properties in the immediate competitive set have consistently achieved measurable premiums over non-renovated units at Los Prados, lending strong support for the implementation of renovations by the future owner. The much higher rents being achieved in nearby cities of Walnut Creek and Concord, further support this strategy.

Los Prados was 93% occupied at the time of sale.

To schedule an interview with an ARA executive regarding this transaction or for more information about ARA, nationally please contact Lisa Robinson at lrobinson@ARAUSA.com, 404.990.4900 or Amy Morris at amorris@ARAUSA.com, 404.990.4902; locally, Mark Leary, at mleary@ARAUSA.com or 415.273.2152.

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 more than \$10.2 billion in real estate transactions in 2013. For detailed information on ARA's extensive multihousing investment services, visit www.arausa.com.

About McDowell Properties

McDowell Properties is a leading real estate investment company that focuses on the acquisition, management and repositioning of multifamily properties in growth markets throughout the United States. The current portfolio consists of over 17,000 apartment units. The company is based in Dallas and has regional offices in New York, Miami, Raleigh and San Francisco. The senior management team has owned and managed in excess of \$7.5BN of real estate in 40 of the top 50 MSAs, with a particular focus on multifamily. McDowell is actively making investments with discretionary capital as well as through joint ventures with institutional investors.

About Waterton

Waterton Associates L.L.C. is a real estate investor and operator with a focus on U.S. multifamily properties. Founded in 1995 by David Schwartz and Peter Vilim, Waterton executes value add strategies and manages a national portfolio of properties on behalf of institutional investors, family offices and financial institutions with its wholly owned property management subsidiary, Waterton Residential. Since its formation, the company has sponsored multiple investment vehicles and has invested over \$5 billion in assets. Waterton is privately held by its co-founders and is headquartered in Chicago with seven regional offices throughout the United States. As of June 30, 2014, Waterton's portfolio included over \$3.4 billion in assets including approximately 20,000 multifamily units.