

From the Phoenix Business Journal:

<https://www.bizjournals.com/phoenix/news/2018/10/30/la-investor-boosts-phoenix-apartment-portfolio.html>

LA investor boosts Phoenix apartment portfolio with \$55M purchase

Company has another 4 properties in the area in escrow

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Tides Equities LLC, a Los Angeles investor, has paid \$55.5 million for a 442-unit apartment complex in Tempe — its largest acquisition in the Valley to date.

Plans call for investing another \$6.5 million to renovate the property, which is about 94 percent occupied, said Ryan Andrade, co-founder and principal of Tides Equities, which has been bullish on the Phoenix market. In fact, the company has another four area properties in escrow.

Monthly rents currently are \$835 at the Davenport, 4130 S. Mill Ave., which was built in phases between 1973 and 1980 and includes 38 two-story apartment buildings, according to New York-based Abacus Capital Group Inc., the seller in the deal.

Plans call for boosting average rents to around \$1,100 after renovations, Andrade said.

During the third quarter of 2018, average rents in the Phoenix region were \$1,083, up from \$1,015 during the same quarter of 2017, according to ABI Multifamily's third-quarter report.

Average occupancy rates were 95.2 percent during the third quarter of 2018, up from 94.8 percent during the third quarter of 2017.

All the projects get rebranded using the Tides name.

This acquisition marks the 11th purchase so far this year in metro Phoenix bringing its total number of owned properties in the area to 17, totaling 2,300 units.

Tides Equities has another four properties in escrow totaling another 700 units, Andrade said. Two are in Tempe, one is in the Arcadia area and another in north Phoenix, he said.

"We don't have a quota," Andrade said. "As long as we find a good deal that we believe in, we're gonna go ahead and do that. We do feel there's some good properties out there still, but it's getting harder to find them. They're still out there."

Steven Gebing and Cliff David, both senior managing directors for Institutional Property Advisors, a division of Marcus & Millichap, brokered the deal.

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Senior Reporter

Phoenix Business Journal



INSTITUTIONAL PROPERTY ADVISORS

The new owner of The Davenport plans to renovate the 442-unit apartment complex in Tempe.