

California Firm Buys Lafayette Apts. for \$60.3 Million

Buchanan Street Partners Purchases Recently Completed Luna Bella Community from Milestone



A Lafayette apartment complex has sold for \$60.25 million to a California firm in the first major apartment sale of the year for the area.

Luna Bella, constructed in 2015 by Milestone Development Group, sold to Buchanan Street Partners for approximately \$251,000 per unit.

The acquisition represents Buchanan Street's investment focus on high-quality apartment assets in suburban locations near major metro areas. The company also recently purchased a 298-unit complex in metro Salt Lake City.

The strategy allows the company to get better value while still getting properties with strong underlying fundamentals, Tim Ballard, president of Buchanan, told CoStar News.

"Our investment in Luna Bella provides the opportunity to expand our multifamily portfolio with an active apartment community that has outstanding amenities and is in close proximity to several employment centers in metro Denver," said Kevin Hampton, executive vice president at Buchanan Street.

Since its founding, Buchanan Street has invested more than \$6.5 billion in real estate in properties in the western U.S., primarily in office and multifamily.

The 240-unit Luna Bella includes a 5,400-square-foot clubhouse containing a variety of high-end amenities. The complex is located at 695 S. Lafayette Dr.

Buchanan Street was attracted to the property in part because of supply constraints that exist in the apartment market in metro Denver, which are exacerbated in and around Boulder, where the University of Colorado and high concentration of tech workers have resulted in restricted supply and higher average rents than most of metro Denver.

Land supply for new multifamily construction is scant in Lafayette and the surrounding area, said Terrance Hunt, vice chairman at ARA, A Newmark Company, which represented the seller in the transaction.

While there is a great deal of land around Lafayette and other small Boulder County cities, much of it is protected as open space or zoned for single-family development, Hunt noted.

"The acquisition of Luna Bella was also appealing due to the strong economic and demographic fundamentals in metro Denver," Hampton said. "Denver's high quality of life and highly educated workforce is attractive to employers and residents alike."

"We felt Luna Bella represented a good value at less than replacement costs, and are very comfortable with how it fit in with our acquisition criteria," Hampton added.

Hunt, along with Doug Andrews and Shane Ozment, vice chairmen at ARA, represented Milestone Development Group in the sale.

For more information on this transaction, please see CoStar COMPS #4134004.