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July 17, 2014

Multifamily's Big Cap Rate Squeeze

Deals are coming **fast and furious** in Denver's apartment market, which makes good timing for *Bisnow's* second annual [Denver Multifamily Summit](#) this **Tuesday** at the Grand Hyatt Denver. (Also good time to stock more **beignets**, if you own a Bed Bath & Beyond.)



The heavy demand means it's a **good time to be a seller**—and, because of the continuing cap rate compression in the market, maybe just as **good a time to be a buyer**. Encore Multi-Family prez **Brad Miller** (snapped with CEO **Pat Barber**) tells us apartment **cap rates** have steadily **shrank** in recent months. Recently Encore, along with JV partner Inland, sold the 220-unit (90% occupied) **Encore Highpointe Park** in Thornton to Asher Investments for \$40M.



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In the months after the sale, he says, cap rates have further continued the squeeze, so the new owner of Encore Highpointe Park is **experiencing value in excess of the purchase price**. The sale was part of Encore and Inland's **investment strategy** to capitalize on recent **appreciation** and provide more liquidity for the investors. HFF repped the sellers.

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Yesterday, the 710-unit **Berkshires at Lowry** in Denver and 404-unit **Ponderosa Villas** in Aurora traded hands for **\$229M** as part of a three-property portfolio. The other is in Washington state. (Hmmm, what do Colorado and Washington have in common? **High** values?) TruAmerica Multifamily and Allstate were the buyers, the Berkshire Group the sellers. TruAmerica CEO **Bob Hart** explains that the year-old company is targeting **value-add workforce housing assets**. The company plans various improvements to capitalize on Denver's housing demand. Execs from **BMC Investments, CBRE, D4 Urban, East West Partners, Greystone, Holland Development, Wood Partners**, and **Urban Neighborhoods** will share their insights at our **July 22** event. Don't miss it: sign up [here](#).

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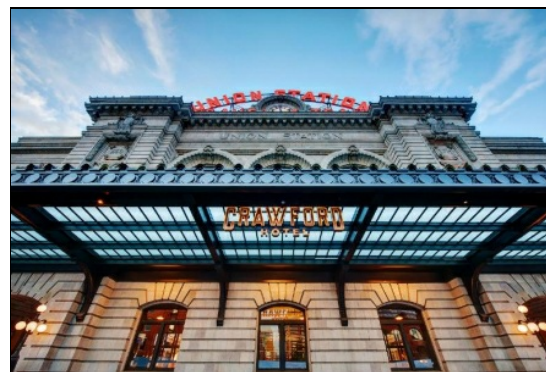
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Come for the Experience



Snapped at the grand opening of the 112-key **Crawford Hotel** on Friday: Sage Associates CEO **Walter Isenberg** and Larimer Associates CEO **Jeff Hermanson**. The new property has the advantage of its Union Station location, of course, but it's also going to compete for travelers by being **experiential**, Walter tells us.



The Crawford features "**Pullman-style rooms**" that evoke train travel in its heyday, **classic rooms** inspired by the hotel's Victorian origins, and **contemporary lofts** that feature exposed wood timbers and vaulted ceilings. The Crawford also counts as a **gallery**: It has more than **600 works** of Western art, curated by NINEdotARTS.

Greenwood Village Deal Shows Retail Heat



When apartments are hot, those residents need to **buy things**. So (yet another) **California investor**, Loja Real Estate, recently acquired the 192k SF **Arapahoe Marketplace** in Greenwood Village for **\$46M**. Loja VP-acquisitions **Scott Kyman** notes the goal is to grow NOI in the short run through lease-up and remerchandising. The property, which is anchored the the grocer **Sprouts**, is 82% occupied.

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Women now earn **more college degrees** than men, are marrying and **having kids later**, and are significantly **more career focused** than generations past. (Even Rosie the Riveter has quite the LinkedIn profile.) These trends have spurred **big changes** in commercial real estate, and many **major players** have launched leadership programs to grow women's careers. We'd love to hear what your companies are doing; [click our survey](#) to tell us more. And make sure to read our most recent [Real Estate Bisnow National](#) newsletter to find out what's still **keeping women from the top**.

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The entomologist's wardrobe was really fly, but her friend the physicist always had something tachyon. Send ideas and suggestions to dees.stribling@bisnow.com

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