

Pair of Private Equity Firms Snag Aging Denver Apartment for Below Market Price

The Deal Joins String of Investments in Mile High City During Pandemic



The apartment property is at 10701 Pecos St. in Northglenn, Colorado, a suburb of Denver. (CoStar)

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A joint venture of two private equity firms have secured a \$27.4 million loan for an apartment acquisition in a suburb of Denver, one of the nation's stronger multifamily investment markets.

Bank holding company Capital One said it provided the loan to the joint venture, which is composed of Los Angeles-based Trion Properties and an undisclosed private equity

firm, for its acquisition of View Apartments, a 288-unit apartment property at [10701 Pecos St.](#) in Northglenn, according to CoStar research and a Capital One statement.

The total cost of the property was \$38 million, or \$131,944 per unit, according to CoStar research. That sits below the average apartment property sale price in Northglenn, which trades for \$236,000 per unit, according to CoStar.

This apartment may have fetched a below-market sales price based on its age of 50 years as well as the fact that it doesn't boast many of the top-tier amenities that today's renters largely seek in their apartments, such as a new fitness center or modern pool deck.

While apartment sales in most major markets have fallen significantly in recent months, sales in Denver have remained relatively strong, according to CoStar.

The investment is yet another in a string of apartment deals that have closed in the region amid the pandemic despite the area's economic tie to oil, an industry that has been adversely impacted by the pandemic.

Historically, instability in the price of oil sparks energy companies to contract their real estate footprints and downsize their workforces. That could be something that could potentially translate into instability in the apartment rental market. But Denver, uniquely, also has a foothold in the tech industry, which has helped buoy the city's economy and insulate it from the more adverse effects of the pandemic.

That has contributed to keeping investors confident in Denver's apartment market, as is evidenced by the volume of deals that has closed in the city this year. Most recently, a private buyer [paid \\$53.6 million](#) for [Highpointe Park](#), a 220-unit multifamily community in the Denver suburb of Thornton. And in June, the apartment investor Greystar paid \$119 million for the 480-unit [Avana Thornton Station](#), also in Thornton. The property's value had nearly doubled in eight years.

"It's definitely not pre-COVID volume, but we are definitely seeing a comeback," Jake Young, first vice president with brokerage CBRE Group, told CoStar News [in an August interview](#) about the city's apartment market.

Last year, roughly \$600 million in apartments in Denver traded, representing around 13% of the city's multifamily inventory, according to CoStar research. That was the ninth straight year that more than 10% of Denver's apartment inventory traded hands over the year.