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Evergreen Closes Two Tenant in Common Properties in Second Quarter for \$70,475,000 in Albuquerque, NM

PASADENA, Calif.--(BUSINESS WIRE)--July 21, 2004--Evergreen Development, LLC purchased two garden apartment properties in Albuquerque, NM for 1031 Exchange investors in private placements totaling \$70,475,000 in the second quarter ended June 30.

Total private placements for 1031 Exchanges for the first six months of 2004 were \$137,125,000 in value.

"We believe that Albuquerque and many suburban in-fill sectors in the West and Southwest have attractive Class 'A' apartment properties that are priced right, can be acquired with attractive financing in solid economic areas where there is a severe bar to entry for new housing or apartments," according to Luke V. McCarthy, CEO of Evergreen Development, LLC.

In April, Evergreen closed La Paloma Apartments, a 424-unit, 38-building garden apartment at 6001 Moon Street NE in a wooded area. Financing on \$25,875,000 from John Hancock Life Insurance Co. is a seven-year loan at 4.53% interest for two years and then amortized over 360 months.

There are 128 one-bedroom units, 224 two-bedroom units and 72 three-bedroom units averaging 907 sq. ft. on approximately 22 acres. There is a separate clubhouse building, two spas, two pools, a children's playground, six gazebos, a picnic and grill area and a multi-purpose sports court. There are 780 parking spaces. The apartments were built in 1995. Occupancy is 95%.

In June, Evergreen closed on a similar property in Albuquerque: The Pavilions Apartments, a 240-unit, 48 two-story garden apartments at 11600 Academy Boulevard NE in a woodland environment. Financing of \$20,500,000 seven-year loan at 4.9% was secured from Bear Stearns, interest only for two years and then amortized over 360 months.

There are 72 one-bedroom units, 144 two-bedroom units and 24 three-bedroom units averaging 907 sq. ft. on nearly 22 acres. The complex features a clubhouse, fitness center, Olympic-style heated swimming pool with lap lanes, a spa/sauna and picnic area. There are 459 parking spaces. The complex was built in 1990. Occupancy is 95%.

"For the remainder of 2004, we plan to provide 1031 Exchange securities offerings totaling \$150 million in value," he added. "In addition, we have established a Real Estate Investment Trust (REIT) focusing on Class 'B' apartments that is set to acquire \$50 million of real estate in 2004 and 2005," McCarthy said.

Evergreen Development is researching acquisitions primarily between \$5 million and \$45 million in the West, Southwest and Midwest for Class "A" and "B" apartments, mid-rise office buildings, single-tenant industrial complexes and mini-storage properties.

Section 1031 of the Internal Revenue Code provides that the federal capital gains taxes are deferred when equity from business or investment real estate sales are exchanged into new properties. By completing a 1031 Exchange, an Exchanger can dispose of a property, use all of the equity to acquire replacement investment properties, defer the capital gain tax that would ordinarily be paid and leverage all of the equity into a replacement property.

Evergreen Development, LLC is a sponsor of a private Real Estate Investment Trust (REIT) emphasizing apartments and single property, tenant in common real estate securities for 1031 Exchanges for apartments, mid-rise office buildings, industrial complexes and mini-storage facilities.

(Forward-looking statements: Except for the historical information, the matters discussed in this news release may contain forward-looking statements, including, but not limited to, factors relating to future sales. These forward-looking statements may involve a number of risks and uncertainties.)

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