

Triple Net Properties Acquires Virginia Apartments in TIC Deal

May 02, 2006

By Gail Kalinoski, Contributing Editor

Triple Net Properties L.L.C. has snapped up a 148-unit apartment complex in Virginia Beach for \$14.8 million on behalf of a group of tenant-in-common investors from Colonial Realty L.P.

Colonial Realty, a Birmingham, Ala.-based REIT, had owned Arbor Trace Apartments in since April 1, 2005, according to Gus Remppies of ROC Realty Advisors in Richmond, who advised the TIC buyers. Built in 1985, it is 97 percent occupied and has mostly two-bedroom units spread among 12 three-story buildings. Remppies said the new owners planned to invest from \$300,000 to \$350,000 on roof repairs and kitchen upgrades. “We think we can get \$40 to \$70 more a month per apartment in rent,” he told *CPN* this afternoon.

Triple Net president Louis Rogers said the complex is “an indication of one of the types of properties we acquire for tenants in common. It just needs a little touch-up to make it better.”

Remppies said the apartment complex, located about five miles from the beach, had always performed well, particularly in recent years, with more condo conversions in the area. Remppies and Rogers stated that the Virginia Beach-Tidewater region in Virginia is attractive to investors because there is strong job growth, along with a large military population.

Triple Net also recently acquired Aventura Harbour Centre, a 213,000- square-foot-office building in Miami, for \$73.7 million in another TIC transaction (*see the May 1, 2006, issue of CPN*). Rogers noted that many of the TIC investors are from the West Coast but are attracted to deals in the South and Southeast. “They are able to see the demographics and the job growth. The military smoothes out the ups and downs in the economy.”