



June 12, 2009

## TNP JV Enters Market With 276-Unit Buy

By Amy Wolff Sorter

BATON ROUGE, LA-Thompson National Properties LLC and Morgan Management LLC have teamed up to buy the 276-unit, class A Millennium Towne Center for approximately \$35 million from the developer Dinerstein Cos. The buy is Thompson National's first in Louisiana.

"This is a brand-new, class A property in an area that's sort of an island economically. Unemployment is very low, and the area is vibrant and strong," says Thompson National's senior vice president, acquisitions Steve Corea. He adds that the complex at 6810 Jefferson Highway is unique in that there isn't another property like it in the area.

Corea tells GlobeSt.com that Morgan Management, an apartment management company in Rochester, NY, had brought Thompson National's attention to the complex, which had been completed in 2007. In addition to providing good cash flow from its 95% occupancy, the asset offered some upside.

"The upside is that we bought it from a developer who was motivated to turn his equity over, and move on to the next opportunity," Corea remarks. "In the current market, cap rates for even high-quality properties are high." However, he continues, cap rates won't remain high forever. "We bought this at a significant discount from what we expect its value to be in the near future," Corea adds.

On the seller's side, John Caltagirone, partner with Dinerstein Cos., tells GlobeSt.com that the company had floated Millennium Towne Center on the market through Cushman & Wakefield of Texas Inc. and NAI Latter & Blum to get a sense for what the market might pay for it. He says the asset attracted five bonafide offers.

"They seemed very committed to doing the deal, and apparently had already been in discussions with Freddie Mac," Caltagirone remarks. "Of all the groups that approached us, we felt comfortable that this one had the debt and equity to close a deal of this size in today's environment."

Dinerstein Cos. has several other Millennium-branded apartments throughout the nation's southern tier, and Caltagirone says the company plans to hang on to the remaining ones. "Each one has several years left on the construction loan," he explains. "We'll hold tight on them and see how things shape out in the capital market."



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