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Revere Repositions Del Prado Apartments

DOWNEY, CA-Revere Investments of Cerritos has acquired the 56-unit Del Prado Apartments for \$9.4 million and plans to reposition the property to compete in the top end of the market. Revere bought the complex, which is at 9150 Florence Ave., in a direct transaction with a private seller.

The property is a three-story complex in two buildings on 1.7 acres. It was completed in 1969 and is 98% occupied. Revere has renamed it the Kensington.

The unit mix at the Kensington consists of 10 one-bedroom, one-bath units averaging 1,017 sf; 36 two-bedroom, two-bath units averaging 1,263 sf and 10 three-bedroom, two-bath units averaging 1,631 sf. The property provides 96 secured parking spaces and offers common area amenities including a swimming pool and spa, laundry facilities, a fitness center and a clubhouse.

In-place rents average \$1,230 per month, approximately 40% below Revere's projected post repositioning market rent. The company anticipates investing approximately \$14,000 per unit in overall capital improvements.

The interior upgrades, which will total approximately \$8,500 per unit, will include crown molding, ceiling fans, re-modeled kitchens and bathrooms, new carpet, flooring and paint. Common area upgrades will include new signage, security gating, exterior painting and poolside upgrades.

Revere partners David Jankowski and Mark Chalfin describe the acquisition as part of the company's strategy to pursue value-added multifamily investments in the Greater Los Angeles region. They say the company was drawn to the property's North Downey location, with numerous luxury homes in the immediate neighborhood.

The deal is the latest in a series of comparable repositionings in value-added plays for Revere. For example, the company acquired the nearly adjacent Florentine Apartments in October 2004 and is in the process of repositioning that property.