

Real Estate Alert

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THE GRAPEVINE

Brokerage veteran **Blake Okland** has left his roles as president of multifamily capital markets at **Cushman & Wakefield** and chief revenue officer at **Greystone**. The amicable splits occurred at yearend, and his future plans are not yet known. Greystone hired Okland in June 2023 to expand its debt business and run point on a partnership with Cushman. A few months later, he added the Cushman title. Okland previously led U.S. multifamily investment sales at **Newmark**. He joined that shop when his prior firm, **Apartment Realty Advisors**, was bought by Newmark's parent, **BCG Partners**, in 2014.

Cory Elbaum joined **Walker & Dunlop** this month as a managing director on the
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Divco Nears SF's Biggest Office Buy in Years

DivcoWest has agreed to purchase slightly less than a 50% stake in a trophy San Francisco skyscraper valued at roughly \$975 million, the city's largest office deal in over four years.

The seller, **Hong Kong Monetary Authority**, is cashing out its interest in the 1.26 million sq ft office tower, at [101 California Street](#), which the deal pegs to be worth around \$775/sq ft. The property's other major owner, **GIC** of Singapore, is maintaining its stake of just under 50%, while Houston-based **Hines** will stay on as the operating partner with a stake near its current 5%.

Eastdil Secured is brokering the transaction, one of the biggest signals yet that the city's office market is rebounding after years in the doldrums. San Francisco-based DivcoWest edged out a strong roster of other major investors interested in the property, including **Ares Management**, **Blackstone**, **Brookfield** and **Elliott Investment Management**.

While the precise percentage of the stake changing hands couldn't be learned,

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Temerity, GPI Team Up for Calif. Rental Spree

GPI Cos. has secured backing from **Temerity Strategic Partners** to pursue roughly \$750 million of value-added and workforce-apartment acquisitions across California.

Chicago-based Temerity is committing \$30 million of equity to the venture, which will boost its buying power via leverage and institutional joint-venture capital. The plan, over two to three years, is to buy approximately 10 properties or portfolios of roughly \$50 million to \$150 million apiece. Some could involve core-plus properties.

The GPI-Temerity partnership will serve as the general partner on investments, typically representing 10% of the equity. Temerity's contribution comes via its Temerity Strategic Partners Fund, which raised more than \$175 million of equity for its final close last year. Including sidecar vehicles and co-investments, the fund was aiming to round up about \$300 million.

The partnership's formation reflects Temerity's view that California remains one

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Land Set for \$1B Florida Project Up for Grabs

A partnership led by **American Landmark Apartments** and **BH Group** has put a regional shopping center in South Florida on the market with price guidance over \$200 million.

The owners will consider an outright sale of the entire Southland Mall, a joint venture with a master developer that would take a lead role in executing an approved mixed-use redevelopment project, or transactions involving individual components.

The varied structures mean the final price could end up as high as \$250 million, but bids are likely to vary widely based on project proposals. The multiphase project is expected to cost \$1 billion and take seven years to build. The mall's interior would be demolished and replaced with an open-air retail space and entertainment district.

CBRE is the broker for Tampa-based multifamily shop American Landmark, its

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Renamed Firm Targets Retail Investors

Investment shop **McWhinney** is rebranding as it makes its first outreach to smaller investors, a strategy that it believes could help it fund \$2 billion of deals over the next three years.

The Denver-based firm, now known as **Realberry**, has typically capitalized its acquisitions and projects with a coterie of 240 wealthy individuals and family offices that kick in at least \$1 million of equity. Now it has launched an online portal for smaller investors to join deals with as little as \$100,000.

It's a "digital distribution platform that allows us to present our deals to the public," Realberry chief operating officer **Steve Drew** said. "We're starting with just accredited investors as our focus, but our intent is to include all investors when our processes support the volume."

Realberry's pipeline for 2026 is roughly \$660 million across 10 deals. The company aims to deploy another \$1.45 billion across 20 deals over the following 24 months. The firm invests across property types, with a focus on multifamily, hospitality, office and mixed-use.

Chief executive **Chad McWhinney** said the firm is moving toward smaller investors, as cryptocurrency finance and crowdsourcing have gotten wider traction.

"Watching what's happened to technology and the democratization of real estate ... we're making changes to support this evolution and enable a more inclusive future," he said.

McWhinney co-founded the shop in 1991 with his brother **Troy McWhinney**, who serves as principal. The new corporate moniker refers to a strawberry stand that was the brothers' first business.

Realberry will offer retail investors three access points: Limited partners can participate in acquisitions with equity contributions; they can recapitalize properties the shop already owns; and the investment manager may consider capitalizing fund vehicles via the online portal.

The first offering from the new initiative is interests in **Red Hawk Crossings**, a 60-unit build-to-rent townhouse complex in Castle Rock, Colo. Realberry bought it in December for \$24.7 million from its developer via **CBRE**.

Through the new portal, Realberry is trying to raise \$10.6 million to recapitalize the 2015-vintage property, which comprises two- and three-bedroom units. It aims to continue to run the complex via its in-house property-management arm.

Targeting smaller investors will position the firm to grow,

said Drew and Chad McWhinney. They cite an **SEC** statistic that pegged 18.5% of U.S. households as accredited investors. Those households could be a fresh source of funding for commercial real estate, with lending still hamstrung by higher interest rates.

"We believe sponsors nationwide are rethinking how capital is sourced and deployed as macroeconomic pressures and evolving credit conditions are reshaping the real estate landscape," Drew said. "We aim to be at the front of that market shift." ❖

New Rental Shop Eyes Older Inventory

As investors continue to favor new multifamily properties and high-growth Sun Belt markets, startup **Cold Spring Capital** is entering the market with a different mandate.

The firm plans to acquire \$1 billion of workforce and value-added apartment properties over the next five years, concentrating on older assets across the Northeast, Mid-Atlantic and Midwest. The partners say they've raised seed funding from a syndicate of family offices, and they plan to tap their relationships with institutional capital sources for more.

"Capital markets are heavily focused on newer, high-quality assets that require less operational lift," managing principal **Sean Belfi** said. "We think older product is being priced less efficiently at this point in the cycle, which creates an opportunity for value creation."

Belfi is launching the New York-based company with principals **Craig Boyarsky** and **Brendan Glavin**. The trio cut their teeth at **Aion Partners**, a New York-based shop that also invests in workforce and value-added multifamily properties.

Belfi joined Aion in 2014, rising to principal while handling acquisitions, asset management and raising capital. Boyarsky spent nearly nine years at the firm, leaving as a vice president of investments. Glavin logged 10 years, also departing as a vice president.

They plan to invest in Class-B and -C apartment complexes built from the 1960s to the 1990s that have 100 to 500 units and tenants earning roughly 60% to 120% of the area median income. They're targeting the New York-to-Virginia corridor and as far west as Indiana.

They aim to purchase 7,000 to 10,000 apartments over the next five years.

Apartment buildings in the Northeast, Mid-Atlantic and Midwest perform consistently across economic cycles, they contend. Demand is supported by stable employment bases, including educational and medical institutions, Boyarsky said. At the same time, rising home prices and borrowing costs have pushed homeownership further out of reach for many residents of those areas, keeping them in the rental pool.

The affordability of older buildings in Cold Spring's target regions also underpins demand, added Belfi.

In many of these markets, new Class-A apartments command \$500 to \$1,000 more in monthly rent over renovated older units. That gives owners of Class-B properties room to raise rents through upgrades while still keeping pricing well below newer properties. ❖

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Rare Large Office Deal in Houston Out

Granite Properties is shopping a well-leased Houston office complex worth about \$195 million, more than double its sale price seven years ago, after it was damaged by a hurricane.

Eldridge Place comprises three Class-A buildings totaling 829,000 sq ft that are 94% leased. Bids are expected to come in around \$235/sq ft. A purchase at that valuation would give a buyer an initial annual yield of 8.5%. It would be the second-largest Houston office trade since 2019.

JLL has the listing and is touting the property's quality and stability. Tenants have a weighted average remaining lease term of seven years. It also is touting the complex's location in the strong Energy Corridor submarket, as well as the potential to raise rents upon rollover amid leasing momentum.

Plano, Texas-based Granite is poised for a strong exit after taking a gamble on the property in 2019. At the time, it was about 70% leased and was facing more tenant departures as it struggled with the aftermath of flooding caused by Hurricane Harvey two years earlier. Granite paid **TIER REIT** \$78.4 million, or \$95/sq ft, for the complex.

Since the start of 2019, the property has received \$20 million of capital improvements, some coming just before Granite closed on its purchase. Since 2020, the firm has boosted occupancy and increased average rents on new leases by 50%, to \$29/sq ft.

In 2023, Granite landed a marquee tenant in **Fluor**, a public construction and engineering company based in Irving, Texas, that occupies 413,000 sq ft. Fluor has an investment-grade credit rating and 27,000 employees and generated \$16.3 billion of revenue in 2024, according to marketing materials.

After moving in, Fluor purchased a nearby parcel to build additional parking. The pitch is that it shows the tenant is highly ingrained in the area and is likely to renew its lease. The company's largest clients, energy firms **ConocoPhillips**, **BP** and **Shell** – as well as **Dow** – have facilities within a mile.

Fluor fully leases the 308,000 sq ft Eldridge Place 3, at 777 North Eldridge Parkway, until 2036. Granite is pitching the entire complex as a package deal, but it would entertain individual bids on that single-tenant building.

The other two buildings are multi-tenant properties and must be purchased in tandem. Fluor occupies 105,000 sq ft at the 275,000 sq ft Eldridge Place 2, at 757 North Eldridge Parkway, under a lease that matures in July 2030. That building is 95% leased overall. Eldridge Place 1, which totals 245,000 sq ft, at 737 North Eldridge Parkway, is 85% leased.

The marketing campaign is emphasizing the opportunity to benefit from the stability offered by Fluor while capturing upside from the remainder of the space. Investors have been told that a buyer would be able to boost rents in those buildings by 31% on average upon rollover. Leases on 35% of that space mature within five years.

Marketing materials describe Eldridge Place as one of the Energy Corridor's Tier 1 office assets, a subgroup that was 92.2% leased at the end of the third quarter. Eldridge Place, completed in 1994, has a fitness center, a pickleball court, a

conference center and a delicatessen that can accommodate additional seating.

Only one office trade in Houston has topped the anticipated value for Eldridge Place since the property last sold, according to **Green Street's** Sales Comps Database. In that 2023 portfolio sale, **Robert Sarver** and partner **Parkway paid** about \$330 million, or \$118/sq ft, for the 1.5 million sq ft CityWestPlace and the 1.3 million sq ft Post Oak Central in Houston. **Eastdil Secured** advised the sellers, **Canada Pension Plan** and Parkway. ❖

Heitman Launches JV To Invest in IOS

Heitman has formed a joint venture with **Open Industrial** to buy several hundred million dollars worth of outdoor storage properties over the next 12 months.

The Chicago-based investment manager launched the partnership last month with the recapitalization of a 25-property portfolio owned by Bethesda, Md.-based Open Industrial. The package is spread across Maryland, the Carolinas and Virginia. The deal is Heitman's first in the industrial outdoor-storage sector.

It encompasses 105 acres, 68 of which are usable, and 328,000 sq ft of covered space. Tenants include construction, equipment-rental and -leasing, waste-collection and landscaping businesses. The weighted average remaining lease term is 3.4 years.

Park Madison Partners, a New York-based placement agent and advisory firm, arranged the property deal and the joint venture for Open Industrial.

While a breakdown wasn't available, Heitman is kicking in \$212 million of equity between the recap and future commitments. With leverage, that easily would double the partnership's buying power.

Heitman's goal is to "pursue new IOS acquisitions to further scale its footprint in the highly fragmented sector," the firm said.

The recapped portfolio encompasses mission-critical sites near transportation nodes in Washington, Baltimore, Richmond, Va., and Raleigh. Heitman's equity took out existing wealthy individuals and family offices that had backed Open Industrial.

"IOS continues to demonstrate strong fundamentals driven by structural supply shortages, essential-use tenancy, and diversified demand from logistics, rental and infrastructure-related tenants," Heitman vice president **Michael Walsh** said.

Open Industrial was founded in 2020 and is led by chief executive **Michael Rabin** and co-chief investment officers **Jared Okun** and **Blake Potolicchio**. The firm invests in sites of 2 to 20 acres that allow outdoor storage by right. ❖

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Updated Rentals Shown Near Phoenix

Cortland is marketing a renovated apartment complex northwest of Phoenix that could attract bids of \$105 million.

The 412-unit [Cortland Arrowhead Summit](#), in Glendale's wealthy Arrowhead Ranch development, was built in 1999 and is 95% occupied. At the estimated value of \$255,000/unit, a buyer's initial annual yield would be 5.4%. **CBRE** is marketing the property for the Atlanta-based multifamily investment firm.

Cortland bought the garden-style property in 2017 from **Pillar Communities** for \$60.5 million, or \$147,000/unit.

The complex's one- and two-bedroom units average 905 sq ft. Rents average \$1,600, or \$1.77/sq ft, with no concessions.

Cortland has renovated the apartments with wood-style flooring, granite counters, stainless-steel appliances, lighting and fixtures, and full-size washer/dryers. Units have walk-in closets and patios or balconies. Some have double vanities and fireplaces. There also are 96 rentable garage spaces.

In addition, Cortland has renovated the complex's amenities, including a heated spa and two pools with updated furniture and grills, a fitness center with a yoga/spin room, a clubhouse and a dog park.

New apartment buildings completed in the nearby Westgate area between 2023 and 2025 pushed rents down about 11%, according to marketing materials. But the pitch is that rents could recover thanks to a 20% increase in average incomes in the area over the same span, as well as no additional new competition through 2027.

The average household income in Arrowhead Ranch is \$144,000, 14% higher than the metropolitan Phoenix average. The average home price in the neighborhoods surrounding Cortland Arrowhead Summit is \$805,000, with many recent sales surpassing \$1 million.

The complex is on just over 22 acres at 18330 North 79th Avenue, 15 miles northwest of downtown Phoenix.

The property is near more than 2.5 million sq ft of shopping and dining, including Arrowhead Towne Center, a 1 million sq ft regional mall with 180 stores. The P83 Entertainment District, home to the spring-training facilities of the **San Diego Padres** and **Seattle Mariners** baseball teams, is a mile south. ❖

Multifamily Fund Holds Big First Close

Interstate Equities held a first close last month on \$185.6 million of equity for its sixth value-added fund.

[IEC Institutional Fund 6](#) is expected to exceed its equity goal of \$200 million this year. With leverage and partners, the fund could have more than \$1 billion of buying power.

The Los Altos, Calif.-based firm already has deployed 20% of the capital. It focuses on apartment properties that can be improved with renovations and better management in high-demand coastal California and Washington markets. While

the firm targets older, smaller properties of less than 100 units that can be upgraded, it can take on assets of up to 400 units as well.

Just this month, Interstate partnered with **PGIM** to pay \$87 million for a 149-unit corporate-housing complex at [881 East El Camino Real](#) in Silicon Valley's Mountain View. That was 20% below where the property previously traded in 2015.

Interstate did not use a placement agent for its latest vehicle. It is the successor to the \$445 million [IEC Institutional Fund 5](#), which held a final close in 2022 and is fully invested.

Interstate, launched in 1981, initially syndicated deals before evolving to invest via separate accounts and joint ventures with institutional buyers and, later, comingled funds. The firm is led by siblings and co-presidents **Marshall Boyd**, who also is chief investment officer, and **Julia Boyd Corso**, also chief operating officer. ❖

Rental Startup Closes First Acquisition

A newly built Las Vegas apartment complex changed hands last month in a structured, off-market transaction following months of negotiation with a cash-constrained developer.

Newport Beach, Calif.-based **PCE Holdings** paid \$77 million, or \$250,000/unit, to buy the 308-unit Landing 36, marking the firm's first purchase since launching in 2024.

PCE managing partner **Paul Davidovac** said the deal required extensive back-and-forth with the developer, a first-time builder who was short on capital and time. Development was approximately 90% complete when talks began in April, but the property had yet to receive certificates of occupancy, and a construction loan was drawing down its interest reserves.

To that end, in addition to the purchase price, the trade included \$2 million structured through the seller and lender to satisfy requirements of the construction loan. Instead of a straightforward capital infusion, Davidovac said, PCE structured the deal to pay for the developer's interest reserves in exchange for control rights, leading to a full acquisition once the project was complete.

The purchase price is estimated to be 15% to 20% below replacement costs, based on rising construction costs.

The garden-style property is approximately 50% leased and 40% occupied. Its studio to three-bedroom units average 914 sq ft, with more than half as two-bedroom floor plans. Average in-place rent is \$1,727, or \$1.89/sq ft. Amenities include a fitness center, a pool and spa, a playground and a dog park.

The three-story complex is on nearly 12 acres at 2555 North Rancho Drive, 6 miles northwest of the Las Vegas Strip. It is across the street from Hylo Park, a 73-acre redevelopment project that broke ground a year ago. When complete, the \$400 million project will include a sports village with an ice rink, retail space, and almost 400 for-sale homes and townhouses to be built by **Lennar**.

PCE was founded by managing partners Davidovac and **Jackson Cloak**, and partner and chief investment officer **Elliott Burrell-Crowe**. ❖

Spree ... From Page 1

of the country's most compelling and complex multifamily markets, co-founder **Bruce Cohen** said. While regulatory hurdles and entitlement challenges continue to give some investors pause, Cohen said he views those barriers as filters that reward experienced operators possessing deep local knowledge.

Cohen, who launched Temerity alongside **Jeff Citrin** in 2022, said a patchwork of local regulations in California can lead to widely varying outcomes by jurisdiction. In that environment, he said Los Angeles-based GPI stands out as an owner-operator with a strong track record of navigating the state's regulations.

Founded in 2008 by **Cliff Goldstein** and **Drew Planting**, GPI launched with an eye toward benefiting from the commercial real estate market's recovery from the Great Recession. That initially was reflected in a value-added strategy, with the firm later expanding into redevelopment and ground-up multifamily projects. The firm has been partially backed for the last 10 years by a large West Coast pension fund and currently owns

\$400 million of multifamily assets.

The GPI venture is among eight such partnerships Temerity has initiated since 2023. Five have been finalized, with three more set to close within the next 30 days, Cohen said. Total commitments across those partnerships amount to approximately \$250 million of equity.

Across the operators Temerity backs, Cohen said the common threads are deep experience, strong track records and the ability to deliver results through market cycles. "We're coming out of a market in which returns were driven by declining interest rates and rising capital flows. That is no longer the case. It's a stock picker's market," he said. "It's about the right real estate, the right market, the right business plan and the right sponsor."

Before founding Temerity, Cohen founded **Wrightwood Capital**, an investment firm he sold to **Ares Management**. Citrin's background includes the founding of **Square Mile Capital Management**, which rebranded as **Affinius Capital** following its 2021 sale to **USAA Real Estate**. He also founded **Blackacre Capital**, the real estate arm of **Cerberus Capital Management**. ❖

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East Village Rentals Pitched to Bidders

Benchmark Real Estate is marketing a Manhattan apartment property that it bought two years ago.

The 61-unit building, at [194 East Second Street](#) in the East Village neighborhood, is fully occupied. Three apartments have rent-stabilized tenants, but the rest command market rates.

Bids are expected to come in around \$70 million, or \$1.1 million/unit. At that price, a buyer's stabilized capitalization rate would be 5.75%.

JLL is marketing the deal for Benchmark, a local investment shop that bought the six-story building for \$43 million, or \$694,000/unit, in April 2024 from **Skyline Developers**.

Since then, Benchmark, which is led by co-founders **Jordan Vogel** and **Aaron Feldman**, has renovated 70% of the market-rate apartments. It also has updated the building's lobby, hallways, common areas and amenity spaces.

Part of the pitch is that a new owner could boost rents on the rent-stabilized units to market rates if and when they roll over. In addition, more renovations to market-rate units could boost cashflow, as could reducing payroll expenses.

The building has four one-bedroom units, 51 with two bedrooms, a trio of three-bedroom apartments and three four-bedroom floor plans. There also are two apartments with five bedrooms each, a rarity in Manhattan. Amenities include an elevator and a 24-hour door attendant, as well as an updated fitness center, a courtyard and a lounge.

There is 15,000 sq ft of street-level retail space, anchored by a **Duane Reade**. The surrounding neighborhood is well known for trendy bars and restaurants.

The building, at the corner of Avenue B, was constructed in 1997 under a 10-year tax abatement. ❖

Orlando Offices With Upside Marketed

A Class-A office park in Orlando is on the block with expectations that bids will come in around \$70 million.

The 389,000 sq ft [University Park](#) is being pitched as a stabilized, income-producing property. It is 84% occupied. The price would work out to \$180/sq ft. A sale at the anticipated valuation would produce a 9.2% initial annual yield, but a buyer could push that to a double-digit return with additional leasing and rent increases.

JLL is marketing the property on behalf of **IP Capital Partners**. The Boca Raton, Fla.-based company acquired the five-building office park in 2019 for \$67.4 million.

Since the pandemic, IP Capital has completed \$5 million of improvements and signed 70 new and renewed leases, with agreements for 150,000 sq ft signed in the last 24 months. Starting rents are up 11% over the last five years.

The weighted average remaining lease term is 3.5 years, and tenants at the property have an average tenure of more than nine years. Tenants include **Abbott Laboratories**, **Apple**, **Siemens Energy** and several federal government agencies.

The complex, at the corner of Rouse Road and University

Boulevard, is within the larger Quadrangle Corporate Park. It is a mile from the **University of Central Florida's** campus, the nation's second-largest university, and two miles from the state's largest research park. Marketing materials tout the Orlando area's population and job growth.

The buildings were completed from 1988 to 2001. They are at 3452, 3504 and 3505 Lake Lynda Drive and 11301 and 11315 Corporate Boulevard in densely developed areas with retail space and residences. ❖

Conversion Play Seen at Austin Offices

A half-vacant office complex in downtown Austin is up for grabs as a potential residential conversion play.

The 12-story building totals 162,000 sq ft at 211 East Seventh Street, a half-block north of the Sixth Street cultural and entertainment corridor. Bids are expected to come in around \$25 million, or \$154/sq ft.

JLL is representing the seller, **Highland Resources** of Houston. The pitch is that a buyer could reposition and lease up the office space, convert the 12-story building for multifamily use or knock it down for a ground-up apartment or hotel development that adds density.

The building is 52% occupied. A new owner seeking to continue its use as offices could modernize the common areas and upgrade amenities to attract higher-quality tenants and boost occupancy, according to marketing materials. That play also could involve repositioning the interior to "optimize floor plans and tenant experience."

The building was constructed in 1973 and last renovated in 2012. It includes a garage with 280 spaces.

For a multifamily conversion play, the marketing campaign is touting the opportunity to benefit from existing cashflow during the entitlement and early development phases. While such projects can be challenging, marketing materials say the building has an optimal floor layout with 10,000 sq ft floorplates, the necessary utility infrastructure already in place and parking that exceeds rental requirements.

A hotel development could aim to benefit from an expected increase in hospitality demand from the scheduled 2029 completion of a new convention center a few blocks away. The offered property is on a little less than an acre at the southeast corner of East Seventh Street and Brazos Street, adjacent to the Omni Austin Hotel Downtown and the Driskill hotel.

The seller is emphasizing the property's proximity to the Sixth Street entertainment district, which spans eight blocks from Congress Avenue to Interstate 35. Marketing materials describe the stretch as the "cornerstone of Austin's 'Live Music Capital of the World' identity."

The neighborhood attracts millions of visitors annually. Long known for its nightlife, the area also is benefiting from a wave of investment in building more retail, restaurant and gallery space. The city additionally is working toward improving streetscapes and public safety in the area. ❖

Hampton Roads Apartments Available

A developer has put a recently built apartment complex in Southeast Virginia's Hampton Roads region on the market with an estimated value of \$51 million.

The 176-unit Flats at Legacy, in Poquoson, was completed in 2024. The whisper price comes out to \$290,000/unit. **Berkadia** is representing owner **Franklin Group**, of Virginia Beach.

The four-story, garden-style complex is 98% occupied. Its one- to three-bedroom units average 1,065 sq ft and rent for an average of \$1,959, or \$1.84/sq ft.

They have stainless-steel appliances, granite counters, wood-style flooring, patios or balconies, walk-in closets and washer/dryers. Amenities include a pool, a clubhouse and a fitness center.

According to marketing materials, Flats at Legacy is the only Class-A multifamily property within Poquoson's 439-unit rental inventory, with the rest consisting largely of older Class-B and -C properties.

Flats at Langley is at 200 Big Woods Drive, near major employment centers on the Virginia Peninsula including NASA Langley Research Center, Thomas Jefferson National Accelerator Facility and various shipbuilding, technology and medical centers in Newport News.

The broader Hampton Roads region is known for its concentration of military installations. Flats at Legacy is 3 miles north of Langley Air Force Base. The world's largest naval base, Naval Station Norfolk, is 13 miles south, while Joint Expeditionary Base Little Creek-Fort Story is 20 miles southeast. ❖

Equity Sought for Fla. Housing Project

A developer is seeking an equity partner for a student-housing project near the **University of Florida's** Gainesville campus.

DMG Investments has tapped **Northmarq** to line up roughly \$20 million of equity for the 447-bed, 118-unit project, dubbed Auden Gainesville. The New York-based developer would kick in the land and nearly \$2 million of cash, while the partner would fund more than \$17 million of equity. The rest of the roughly \$55 million development budget would be financed with a construction loan.

The developer also would be open to a preferred-equity contribution from a partner. Construction could start as soon as April, with completion expected in time for the 2028-2029 school year.

DMG is projecting a 7.21% untrended yield on cost, a figure that excludes anticipated market growth or financing changes. The builder also is forecasting an 8.05% stabilized yield on cost and a nearly two-and-a-half times multiple on equity.

The project, at 3700 Hull Road, calls for a seven-story building on almost 2 acres. Units would range from studios to four bedrooms, but roughly 80% would be the largest size. They would average 1,055 sq ft, with an average untrended rent projection of \$1,026/bed, or \$2.93/bed/sq ft. Units would be fully furnished and have stainless-steel appliances and quartz counters.

Amenities are set to include a fitness center, study rooms, a pool, terraces, and an outdoor kitchen and gaming area. There would be 75 parking spaces for cars and 79 spaces for scooters.

Auden Gainesville would be less than a half-mile west of campus, near Butler Plaza, the area's biggest retail hub, with 2.5 million sq ft and more than 30 national retailers.

Marketing materials tout the strength of the off-campus housing market around the University of Florida. Occupancy has been above 95% for more than a decade, other than a pandemic-related dip during the 2020-2021 school year.

In addition, the university is expected to continue increasing enrollment, which rose 2.7% over the last year amid a 164% increase in applications over the last 10 years.

DMG is led by chief executive **Jacky He**. The firm has \$700 million of managed assets across student housing and other residential sectors. ❖

Land for Rentals Offered in New Jersey

Retail-property REIT **Brixmor Property** is marketing a parcel at a Northern New Jersey strip center that a new owner could convert to apartments.

The 8-acre plot, next to the Morris Hills Shopping Center in Parsippany, currently houses a vacant movie theater that closed during the pandemic. The pitch is that a buyer could develop a four-story building with 390 units at the site.

Bids are expected to come in around \$26 million. **JLL** has the listing.

Marketing materials emphasize the opportunity to build in a tight residential market, even though a developer would need to set aside 20% of the units as affordable housing. A buyer likely could negotiate a payment-in-lieu-of-taxes agreement with local officials that would lower its expenses.

Parsippany recently designated the property in need of redevelopment, likely giving a buyer an easier path to municipal approvals. In a move that could help draw renters, meanwhile, marketing materials indicate that New York-based Brixmor is about to sign on a national grocer to anchor Morris Hills Shopping Center's remaining retail component.

The proposed low-rise would have studio to three-bedroom units. The 311 market-rate apartments would average 1,007 sq ft, while the 79 affordable units would average 970 sq ft. Amenities would include a fitness center, a rooftop deck and a pool. There would be 495 covered parking spaces and 65 surface spots.

The sales pitch touts the strength of Parsippany's multifamily market, which has a 96% occupancy level and has averaged 4.6% annual rent growth over the past five years. That's ahead of surrounding Morris County's 4.3% rent growth over that time.

Existing apartment stock in Parsippany is mostly older, garden-style communities, giving new construction a leg up in pricing power. Just one property of more than 50 units is under construction within 2 miles, which suggests the ability to push rents higher in the future.

The property is at 3081 U.S. Route 46, near Interstates 80, 280 and 287. Midtown Manhattan is 25 miles east. ❖

Office ... From Page 1

the trade likely will be in the vicinity of \$450 million. That would be the largest sale of a traditional office property in San Francisco since an \$800 million sale in September 2021, according to **Green Street's** Sales Comps Database.

The pending transaction shows 101 California's value has dropped by about a third since it was appraised at \$1.47 billion in a 2019 refinancing. That year, the owners took out a \$775 million loan with a 4.18% coupon that matures in 2029. The bulk of that debt was securitized ([CALI 2019-101C](#)).

Despite the valuation hit, DivcoWest's offer came close to market expectations from when the listing hit the block in September, which is sure to encourage local pros. The deal suggests valuations on trophy offices in San Francisco have held up far better than those of lower-profile assets that have been trading more commonly and at steep discounts.

For example, the city's largest sale of a traditional office property last year involved a distressed downtown tower that traded for just one-quarter of its 2019 sale price. In that May transaction, also brokered by Eastdil, a **DRA Advisors** partnership paid \$185 million, or \$241/sq ft, for the 767,000 sq ft property, called [Market Center](#). That was down from \$722 million in its previous sale.

Late last year, New York-based **Madison Capital** agreed to acquire a distressed 620,000 sq ft office building at 45 Fremont Street for \$265 million, or about \$420/sq ft, in a deed-in-lieu-of-foreclosure deal. That was \$15 million above the whisper price, but 47% below the property's \$500 million valuation in a 2019 refinancing. Eastdil ran the marketing campaign on behalf of the owner, a venture between **Shorenstein** and Blackstone, and their lender, **Bank of America**. The tower, built in 1989, is 65%

occupied. The deal, first reported by the **San Francisco Business Times**, could close this month.

The 48-story skyscraper at 101 California Street has a much stronger profile. It is 88% leased. Hines and its partners completed a \$73 million renovation in 2023. It was built in 1982.

Owners have been reluctant to put such high-quality San Francisco office properties up for grabs amid a deeply depressed market in recent years. Since 2022, cutbacks by technology companies, the remote-work trend and higher interest rates have sent local occupancy, sales and valuations tumbling.

But the outlook has started to [improve](#), and the city is inching off the bottom. **Green Street** said in a [report](#) updated this month that firms in the growing artificial-intelligence sector are leasing big chunks of office space, and recent state and city elections "provide potential for green shoots in real estate fundamentals."

Indeed, DivcoWest's conviction in San Francisco may have grown after a gamble it took a few years ago recently paid off. In 2022, the firm and **CalPERS** teamed up to pay \$356 million, or \$1,120/sq ft, for the 318,000 sq ft office property at [550 Terry A. Francois Boulevard](#). It previously served as **Old Navy's** headquarters, but that company had exited and left it vacant, opening the way for a life-science conversion planned by the buyers.

That purchase came just before the bottom dropped out of the local office market and the life-science industry also started to suffer. But late last year, artificial-intelligence giant **OpenAI**, the maker of ChatGPT, agreed to fully occupy the property.

DivcoWest is an active buyer in the San Francisco Bay area. In recent weeks, it has purchased a research-and-development building in North San Jose and a boutique office building in Redwood City.

In December, **Gregg Walker**, president of **DivcoWest Real Estate Asset Management**, said, "Office tenants are back and letting us know that they are looking for future-forward workspaces for their employees and are willing to make long-term lease commitments. This is giving us renewed confidence in leasing up vacancy."

The seller of 101 California is the central bank of Hong Kong. In 2012, the bank teamed with GIC to purchase a 92% stake in the property from **Nippon Life Insurance**, and a 3% interest from Hines, which retained 5%. The deal valued the building at \$910 million.

The Hong Kong Monetary Authority still owns a chunk of at least one other major San Francisco office property, the 765,000 sq ft [Park Tower at Transbay](#). In 2019, the bank and Hines paid \$539 million for a 49% stake in that property, which was valued at \$1,438/sq ft. Eastdil brokered that deal.

In addition to an uptick in traditional office sales in San Francisco last year, a life-science property traded for \$767 million, the sector's largest sale in the city. In that December transaction, the **University of California San Francisco** paid **Alexandria Real Estate Equities** and **CBRE Investment Management** \$1,461/sq ft for two buildings totaling 525,000 sq ft, at [409-499 Illinois Street](#), in the Mission Bay neighborhood. ❖

NEW DEALS

Austin-Area Multifamily

A **Machine Investment** partnership has paid \$38.9 million for a 227-unit apartment property in Greater Austin. New York-based Machine and **Alta Real Estate Partners**, of the San Diego area, paid \$171,000/unit for Rise 120, in Georgetown, on Dec. 19. **Walker & Dunlop** represented the local seller, **Novak Brothers**. The complex, at 120 Boselli Way, opened in the first quarter of 2024. Its one- to three-bedroom units are 75% occupied. The buyers plan to add amenities to push up occupancy, including a golf simulator, a sauna and a cold plunge. Existing amenities include a pool, a fitness center, a resident lounge and a dog park. The complex includes 15,000 sq ft of retail space, the only such property with retail space in its competitive set. That space is just 10% occupied, so the new owners can significantly boost revenue by leasing it up. Rise 120's purchase price is nearly 30% below estimated replacement costs. The complex is less than a mile from Interstate 35. ❖

Land ... From Page 1

Electra America affiliate and Aventura, Fla.-based BH.

The site, to be rebranded as Southplace City Center, is in a federal opportunity zone and spans approximately 98 acres in Cutler Bay, 17 miles southwest of Miami. The 671,000 sq ft Southland Mall was developed in 1959 and is 90% occupied.

In 2022, the ownership group acquired it out of foreclosure for \$100.4 million, according to media reports, and later that year purchased a former **Sears** building at the site for an additional \$34 million.

Under the approved master plan, the site is entitled for a mixed-use redevelopment that would include 5,000 residential units, along with approximately 145,000 sq ft of so-called experiential retail space, 177,000 sq ft of medical-office space and a 150-room hotel.

Southland Mall is anchored by **Macy's** (145,000 sq ft), **JCPenney** (83,000 sq ft) and **Regal Cinemas** (70,000 sq ft). According to marketing materials, each is expected to remain in place.

The redevelopment plan also preserves a fully leased, 190,000 sq ft power center, which is expected to remain in its current configuration. Tenants include **DSW**, **Five Below**, **Florida Technical College**, **LA Fitness**, **Old Navy**, **PetSmart**, **Ross** and **T.J.Maxx**.

The property, at [20505 South Dixie Highway](#), is on U.S. Route 1 at its junction with Florida's Turnpike. It's adjacent to a Bus Rapid Transit stop that opened in October as part of a \$300 million infrastructure project, providing connections regionally and to the Metrorail system. Plans also call for a pedestrian bridge connecting the transitway to the property at no cost to ownership.

According to marketing materials, the mall draws from a local population of 340,000 and is within a 30-minute commute of roughly 637,000 jobs. The property is near major employment centers including downtown Miami, Brickell and Coral Gables.

Joe Lubeck is the chief executive of both American Landmark and Electra America. BH is led by **Isaac Toledano**. ❖



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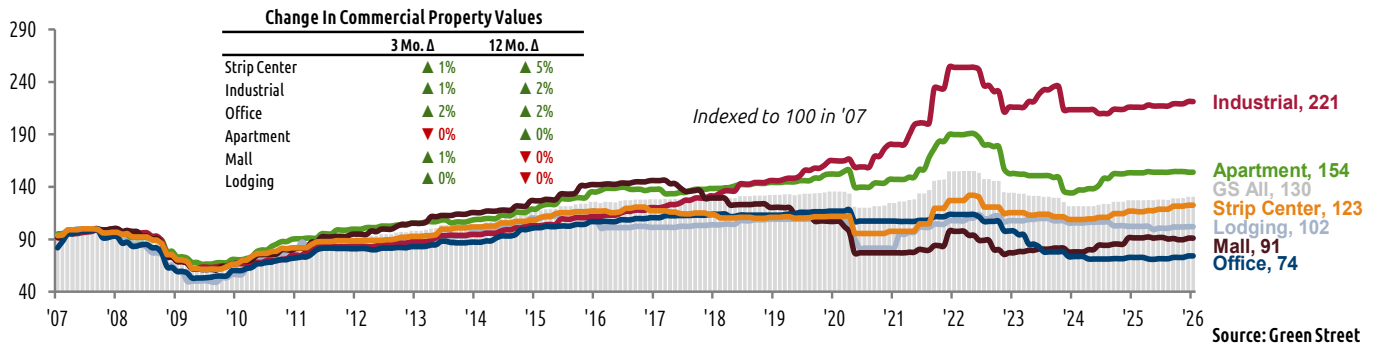
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MARKET MONITOR

SUMMARY

- Green Street's CPPI, a measure of institutional-quality property values, decreased 0.1% in December.
- Strip-center property values gained 5% over the past 12 months, the largest increase among traditional sectors.
- Within the healthcare sector, life-science property values are down 4.5% over the past month.
- Year to date, both strip-center and healthcare-REIT total returns are 0.6% on average.

GREEN STREET COMMERCIAL PROPERTY PRICE INDEXES



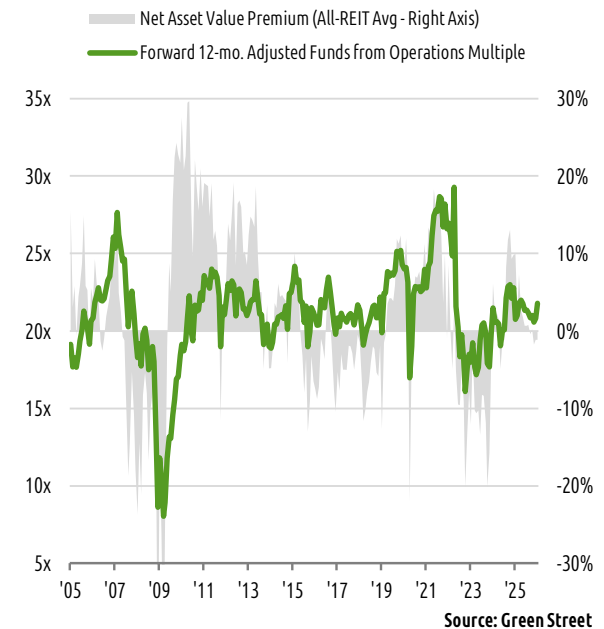
PUBLIC MARKET PERFORMANCE

	Total Returns*			Pricing Metrics			
	1 mo.	YTD	Last 12M	Nominal Cap Rate	Implied Cap Rate	Prem to NAV	Prem to Assets
RMZ	2%	2%	9%				
S&P	2%	2%	21%				
US 10-Yr.	0%	0%	9%				
Apartment	2%	-2%	-5%	5.2%	6.1%	-21%	-15%
Data Center	6%	4%	-8%	6.1%	6.5%	-9%	-7%
Healthcare	0%	1%	32%	7.1%	4.5%	95%	70%
Industrial	0%	2%	22%	5.1%	5.1%	1%	1%
Lodging	2%	4%	1%	8.3%	9.7%	-22%	-14%
Mall	1%	0%	13%	7.2%	6.6%	14%	9%
Manu. Housing	2%	1%	5%	4.9%	5.4%	-13%	-11%
Net Lease	1%	2%	15%	7.3%	6.8%	14%	8%
Office	0%	3%	-3%	7.2%	8.0%	-19%	-9%
Storage	3%	7%	-1%	5.4%	5.9%	-12%	-9%
Strip Center	2%	1%	4%	6.5%	7.0%	-10%	-6%
Wtd. Avg.	2%	2%	9%	6.2%	6.0%	9%	7%

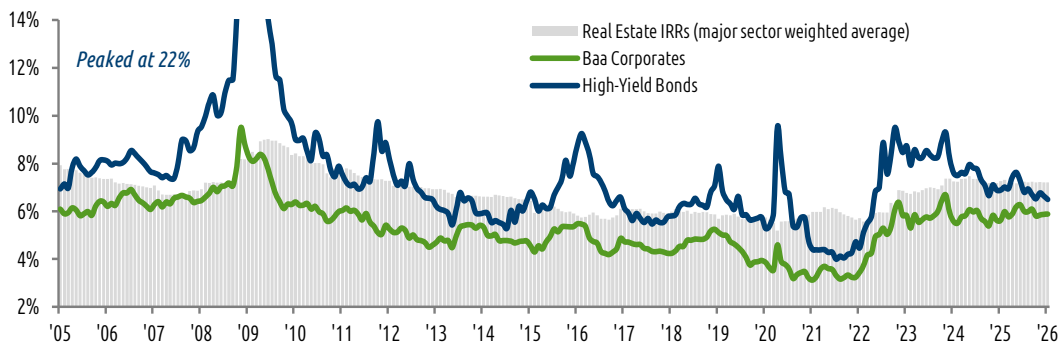
*Pricing as of 01/12/2026

Sources: Bloomberg, Green Street

NAV PREM. AND REIT AFFO MULTIPLES



REAL ESTATE RETURNS VS. BOND YIELDS

Real Estate Fair Value
(Major Sectors)

-5% vs. Baa Corporate Bonds

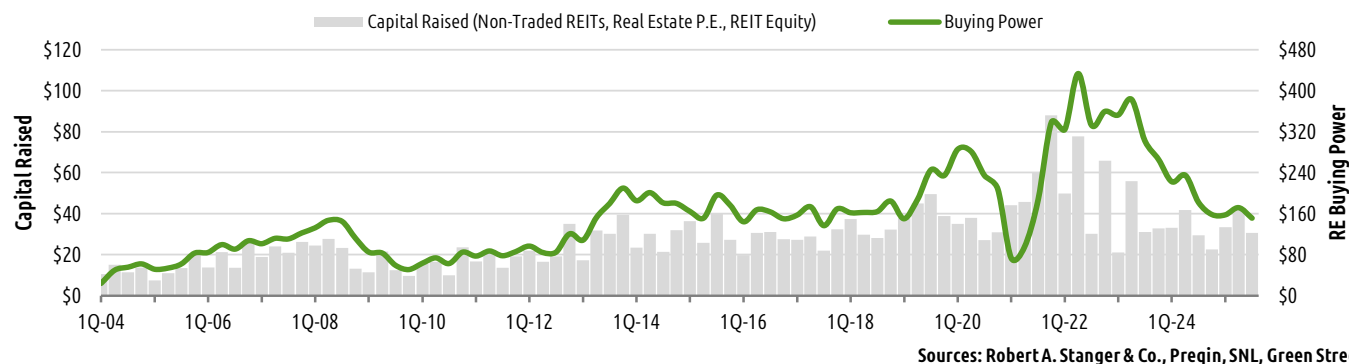
12% vs. High-Yield Bonds

Sources: Bank of America, Moody's, Green Street

MARKET MONITOR

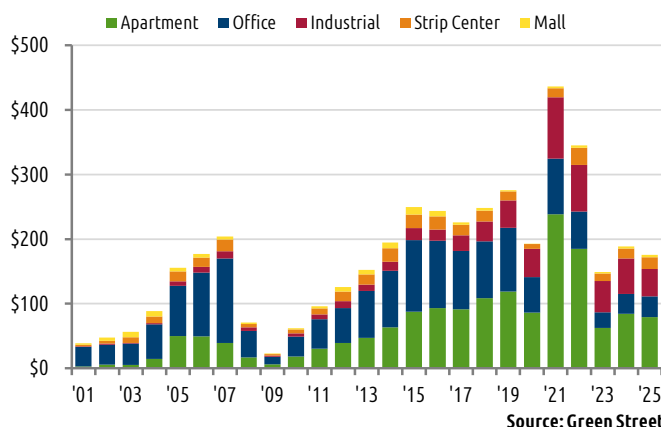
US REAL ESTATE CAPITAL RAISING AND BUYING POWER (\$BIL.)

Buying power calculated as cash plus estimated incremental debt



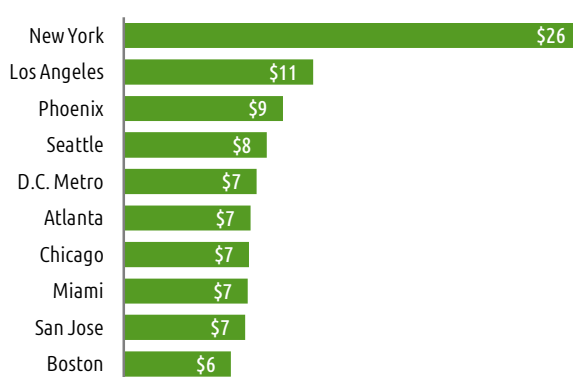
SALES VOLUME BY PROPERTY TYPE (\$BIL.)

Volume representative of verified transactions \$25 million or more



LAST 12 MONTHS TRANSACTION VOLUME (\$BIL.)

Volume representative of verified transactions \$25 million or more



Source: Green Street

NOTABLE RECENT TRANSACTIONS

Individual property transactions of \$25 million or more. Excludes portfolios and partial-stake sales.

Property Name	Date	Sector	Market	Price (\$Mil.)	Sq Ft/ Units	Price Per Sq Ft/Unit	Buyer	Seller
1. Saba Pompano Beach	01/09/26	Apartment	Fort Lauderdale	\$41.0	144	\$284,722	Griffis Residential	Frankforter Group
2. Three East 54th Street	01/09/26	Office	New York	\$141.0	300K	\$470	Vornado Realty Trust (VNO)	Cohen Brothers Realty
3. mResidences Mountain View	01/08/26	Apartment	San Jose	\$87.0	149	\$583,893	Interstate Equities Corporation; PGIM	Mapletree Investments
4. Retreat at Speedway	01/08/26	Apartment	Tucson	\$53.4	304	\$175,658	Bascom Arizona Ventures	Weidner Apartment Homes
5. Britannia Business Center	01/07/26	Life Science	Oakland-East Bay	\$45.0	300K	\$150	Sutter Health	Harrison Street; Tarlton Properties
6. Pacific Town Center	01/07/26	Strip Center	Stockton	\$27.0	143K	\$189	CJ Park & Associates	Brixton Capital
7. Douglas Enclave	01/07/26	Apartment	Miami	\$68.0	199	\$341,709	Abdolmajid Tandel	Astor Companies
8. Christy Street Industrial Center	01/07/26	Industrial	Oakland-East Bay	\$93.0	253K	\$367	Tishman Speyer Properties	BlackRock
9. Enclave on East	01/06/26	Apartment	Tampa-St. Petersburg	\$34.0	196	\$173,469	Douglas Hirsh Enterprises	Providence Management Co.
10. Boca Villa	01/06/26	Apartment	Palm Beach	\$30.0	106	\$283,019	Matthew Paul	Michael Mele

Visit the [News Library](#) to access the data in the Market Monitor charts.

Source: Green Street

THE GRAPEVINE

... From Page 1

firm's equity and structured-finance team. He sources and structures deals for all property types nationwide. Elbaum is based in New York and reports to senior managing director **Mo Beler**. Elbaum spent the past nearly five years at **TPG Angelo Gordon**, where he led principal equity investments in the New York tri-state area. He had prior roles at **Dune Real Estate Partners** and at **Thor Equities**, where he was co-chair of acquisitions.

Eric Kanata came aboard at **Sollevare** on Dec. 8 as a director of asset and property management. He works in the firm's New York headquarters, reporting to founders and managing partners **Robbie Ferman** and **Jake Movsovit**. Sollevare focuses on mixed-use and multifamily properties in the city. Kanata moved over from **Compass**, where he spent about a year and a half. He previously logged time at **Silverstein Properties**, **L&L Holding** and **Jamestown**.

Fresh off joining **Lion Real Estate** as a vice president and head of acquisitions,

Ian Symington is looking to expand the firm's buy-side team. He is seeking an acquisitions analyst with at least one year of experience for Lion's multifamily operation. The fund shop is investing via its latest value-added vehicle, **LREG Multifamily Fund 3**, which closed on \$137 million of capital last year. It targets apartment properties in the Sun Belt. Symington joined Lion at the end of November from **Covenant Capital**, where he spent five years as a director of investments. Prior to that, he worked at **Walker & Dunlop**.

Monday Properties has added **Mike Berkery** as a vice president of private wealth management. Based in the shop's New York office, he leads capital-raising from registered investment advisors and family offices. Berkery sits on the firm's strategy, capital-formation and investor-relations team, reporting to chief strategy officer **Paul Vosper**. He joined from **Franklin Templeton**, where he spent the past four-and-a-half years pitching the same types of investors on real estate, private equity, credit and hedge fund strategies. Berkery also has worked at **Payoneer**, **Barclays** and **Credit Suisse**. Arlington, Va.-based Monday

invests in offices and multifamily properties.

September Search Partners, launched last year by recruiters **Jennifer Novack** and **Emily Von Kohorn**, has added four staffers in recent weeks. Signing on this month as managing directors were **Jannah Babasa** and **Kelly Harrington**. Both previously were directors at **Sheffield Haworth**, where they worked with Novack and Von Kohorn. Meanwhile, **Bridget Coumbe** joined as a project manager and **Renée Chan** as an associate. September Search is a retained firm that takes on vice president to C-suite searches for executives working in investments, asset management and capital formation.

Investment consulting firm **RCLCO** wants to hire a vice president of portfolio analytics and investment reporting. The position, which can be based in Denver or Los Angeles, would lead portfolio and investment financial analysis and reporting efforts across multiple institutional portfolios, and expand the team. Executive search firm **RETS Associates** is handling the search. Inquiries can be sent to **Christa Brillhart** at christa@retsusa.com.

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