

## 13th Floor Investments completes \$44.25M sale of Sierra Grande luxury apartments in Naples

One of the most dramatic turnaround stories in southwest Florida's current real estate cycle has come to a close with the \$44.25 million sale of Sierra Grande, a 273-unit luxury apartment complex in Naples. When Miami-based 13th Floor Investments, in partnership with The Estate Companies, purchased the asset out of distress for \$5.15 million in 2011, construction had just begun and the property was slated to become a condominium. Recognizing strong rental demand and a lack of inventory in a recovering market, 13th Floor soon repositioned Sierra Grande as Naples' first luxury apartment complex to launch in more than a decade.

Construction was completed within two years and Sierra Grande's first new residents moved into the complex in March 2014. Since then, the property has emerged as one of the most desirable rental properties in the Naples market, with more than 95 percent of its units now occupied.

ARA Boca Raton-based Principals Hampton Beebe and Avery Klann began marketing the asset on behalf of 13th Floor Investments in mid-2014, leading to the property's \$44.25 million sale to Continental Realty Corporation, a Maryland-based REIT.

"The Sierra Grande story is a good example of how our team brings the 13th Floor investment philosophy to life through our projects," explains Michael Nunziata, principal with 13th Floor Investments. "We identified the opportunity to create new value within an in-demand segment of the Naples market, repositioned and completed the project in a tight timeframe, and then put the community in position for its eventual sale."

Located at 6975 Sierra Club Circle, at the intersection of Collier Boulevard and Rattlesnake-Hammock Road, Sierra Grande offers 1-, 2- and 3-bedroom floor plans in a variety of layouts, ranging in size from 900 to 1,300 square feet. Resort-style amenities include a clubhouse, lakefront pool, fitness center, Yoga and Pilates wellness center, Wi-Fi lounge, tennis courts, a children's play room, sand volleyball court, barbecue and picnic areas and a dog park.

"When we acquired Sierra Grande in 2011, we set out to create the only four-story elevator-style product in a market that was previously walk-up only. Not only does the project's occupancy reflect the success of this model, we've since seen a number of developers follow suit," added Robert Suris principal with The Estate Companies.

Sierra Grande is situated just minutes from I-75, quickly linking residents to some of the best shopping, dining, and boutiques in South Florida. The community is next to Edison College and Physician's Regional Medical Center and a short drive from Naples Community Hospital. Naples Beach, the Florida Panther National Wildlife Refuge, Fakahatchee Strand Preserve State Park and Rookery Bay National Estuarine Research Reserve are also nearby.

"Naples has historically been targeted by institutional investors and operators and Sierra Grande is the first multifamily property to deliver in more than a decade. We expect institutional appetite for new product to continue to grow in Naples for the foreseeable future," noted ARA's Hampton Beebe.

Sierra Grande is one of several projects highlighting 13th Floor's presence in the multifamily sector. Their portfolio includes a number of projects underway in communities throughout Florida, including 157-unit Peary Court Key West, the only large-scale rental community in Old Town Key West. Additionally, the firm is in the pre-development phase of a 25-story transit-oriented multifamily project in Miami's Dadeland submarket.

ARA Florida completed \$1.3 billion of multifamily investment sales transactions throughout the state of Florida in 2014. The company arranges land sales, improved property sales, equity raising and conventional financing.