

NEWS



Sierra Grande at Naples Sold for \$44.3M

Investors Sell 273 Units in Dramatic Turnaround

By Justin Sumner

Continental Realty Corporation acquired the Sierra Grande at Naples Apartments, a 273-unit luxury multifamily complex at 6975 Sierra Club Cir. in Naples, FL, from 13th Floor Investments LLC and Estate Investments Group for \$44.25 million, or \$147,500 per unit.

The sellers purchased the distressed asset in June 2011 for just \$5.15 million, according to CoStar data. At the time, construction had just begun at the property, originally slated for condominium development. Recognizing a strong demand and lack of inventory in the area's rental market, 13th Floor instead repositioned the property as Naples' first luxury apartment complex in more than a decade. Construction wrapped in two years, with occupancy beginning in March 2014.

Sierra Grande is now 95 percent occupied, filling a need for flexible living space in a submarket dominated by high-priced homes and fixed-term condominiums.



"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," said Robert Suris, principal with The Estate Companies.



sale."

Located at the corner of Collier Blvd. and Rattlesnake Hammock Rd., the 282,452-square-foot, 4-Star multifamily property sits on 18.3 acres in the Naples Manor submarket of Collier County. It offers a variety of one-, two-, and three-bedroom layouts ranging in size from 900 to 1,300 square feet and features numerous resort-style amenities including a clubhouse, lakefront swimming pool, fitness center, wellness center offering Yoga and Pilates, tenant lounge with Wi-Fi, tennis and sand volleyball courts, children's playroom with billiards, barbecue and picnic areas, and a dog park.

"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

Hampton Beebe and Avery Klann with Apartment Realty Advisors (ARA) in Boca Raton represented the sellers. The buyer, a Maryland-based real estate investment trust, handled the sale in-house.

"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," concluded Beebe.