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■ A local first-time apartment buyer recently purchased a Capitol Hill building with renovations in mind.

Elliot House LLC paid \$1 million in cash to Arizona-based **Jerome Hallberg** for the 17-unit **The Elliot House Apartments** at 1010 Clarkson in Denver.

The buyer will pump in \$150,000 in improvements over the next six to eight months as apartments become available, according to **Cornerstone Apartment Services Inc.'s Greg Johnson**, who represented the buyer and seller along with Cornerstone's **Jim Lorenzen**.

"The property suffered years of neglect, but we were able to get the buyer to look past that," Johnson said of the deal. Cornerstone has brokered three recent sales in the area that were similarly value-add.

Since the end of October, there only have been sales involv-

ing eight properties in an area that typically sees 50 transactions a year, Johnson said. The flight has been to high-quality, small apartment deals, in which the buyer can see a big turnaround in rents post-renovation. Including the Elliot House, Cornerstone has brokered three of the eight deals, with another deal set to close this month.

Cornerstone will perform improvements including new kitchen cabinets and appliances, new bathrooms and the installation of hardwood floors, after which rents will increase \$175 per unit. Cornerstone will manage the property for the buyer, who paid cash for the building and its renovations.

At the time of sale, there were three vacancies at the 1968 building, which has a 4.6 percent cap rate. There is an adjacent parking lot for use by the building's tenants.▲