

Ares Management Funds and TruAmerica Multifamily Acquire 240-Unit Apartment Community in Phoenix for \$31 Million

Jun 13, 2017 6:02 PM

LOS ANGELES & PHOENIX--(BUSINESS WIRE)-- Funds managed by Ares Management, L.P. (NYSE:ARES) and TruAmerica Multifamily announced today the acquisition of Broadstone Gateway, a 240-unit family community in the Phoenix, AZ metro area. The transaction was valued at \$30.75 million.

Broadstone Gateway is located at 1700 North 103rd Avenue in Avondale, 20 miles west of downtown Phoenix. Built in 2004, the pet-friendly, gated community features a mix of one-, two- and three-bedroom open concept living spaces. Amenities include a resort-inspired swimming pool and spa with poolside cabanas, fitness center, community barbecues, bocce ball court and playground.

This is the second investment for the Ares-TruAmerica joint venture, which in November acquired a 1,402-unit multifamily portfolio in Baltimore, MD for \$236 million.

“The acquisition of Broadstone Gateway is consistent with our strategy of investing in multifamily properties that have repositioning potential and where our expertise can add meaningful value,” said Howard Huang, Partner in the Ares Real Estate Group. “We look forward to continuing to partner with TruAmerica on assets that can benefit from our collaboration and where we can enhance the quality of rental properties in desirable markets.”

The partnership will immediately execute a multimillion-dollar capital improvement program. Changes to the unit interiors will include new faux-stainless steel appliances, quartz kitchen and bathroom countertops, wood-style flooring, and new lighting and plumbing fixtures. Significant improvements will also be made to the pool area, clubhouse and fitness center, along with new signage and landscaping to enhance the curb appeal of the property.

The property benefits from its location at the northwestern corner of Loop 101 and Interstate 10, providing easy access to all major employment centers in the Phoenix metro area.

“Avondale is an example of the first ring suburban submarket in which we typically invest and can add meaningful value,” said Noah Hochman, Senior Managing Director of Capital Markets for TruAmerica Multifamily. “We look for areas with great schools and a transportation infrastructure in place that allows residents to easily commute to jobs in the region.”

With approximately \$10 billion in assets under management across equity and debt strategies as of March 31, 2017, the Ares Real Estate Group has a significant presence in the multifamily sector. Over the past decade, Ares’ U.S. equity value-add strategy has invested in over 31,000 units across its most recent funds.

With the acquisition of Broadstone Gateway, TruAmerica adds 240 units to the 1,567 units it already owns in the greater Phoenix area. TruAmerica specializes on acquiring and renovating Class B multifamily properties to create affordable quality rental housing for middle-income families.

Steve Gebing and Cliff David, Senior Managing Directors in the Phoenix office of Institutional Property Advisors represented both parties in the transaction.

About Ares Management, L.P.

Ares Management, L.P. is a publicly traded, leading global alternative asset manager with approximately \$100 billion of assets under management as of March 31, 2017 and more than 15 offices in the United States, Europe and Asia. Since its inception in 1997, Ares has adhered to a disciplined investment philosophy that focuses on delivering strong risk-adjusted investment returns throughout market cycles. Ares believes each of its three distinct but complementary investment groups in Credit, Private Equity and Real Estate is a market leader based on assets under management and investment performance. Ares was built upon the fundamental principle that each group benefits from being part of the greater whole. For more information, visit www.aresmgmt.com.

About TruAmerica Multifamily

TruAmerica Multifamily is a vertically-integrated, value-add multifamily investment firm based in Los Angeles. Founded in July 2013 as a joint venture between Robert Hart and The Guardian Life Insurance Company of America, TruAmerica has been one of the country's most active multifamily investors and manages a \$6.7 billion portfolio of approximately 32,000 units across prime locations throughout Northern and Southern California, Washington, Oregon, Colorado, Arizona, Nevada, Utah, Maryland and Florida. For more information on TruAmerica Multifamily, visit <http://www.truamerica.com> or call (424) 325-2750.



View source version on [businesswire.com](http://www.businesswire.com): <http://www.businesswire.com/news/home/20170613006548/en/>

For Ares Management:

Media:

Mendel Communications

Bill Mendel, 212-397-1030

[\[email protected\]](#)

or

Investors:

Carl Drake, 800-340-6497

[\[email protected\]](#)

Source: Ares Management, L.P.