Colorado Springs/So. Front Range

Nonprofit acquires affordable apartments in Fountain

by Jennifer Hayes

A local nonprofit purchased a pair of affordable apartment properties in Fountain at a price of $7.05 million.

The buyer purchased the Fountain Ridge Apartments, a 36-unit community, and Fountain Ridge South Apartments, a 75-unit community. Both properties were built under the Section 42 Low Income Housing Tax Credit program and will be maintained as affordable. The buyer will adhere to the extended-use agreements on the properties, noted Greg Price, senior director of the National Multi Housing Group in Marcus & Millichap’s Denver office, who listed the properties and secured the buyer.

Located at 410 Comanche Village Drive, Fountain Ridge Apartments was completed in 1999. The community has a mix of 23 two-bedroom, two-bath units and 13 three-bedroom, two-bathroom apartments. The new owner is planning on making Americans with Disabilities Act-compliant upgrades to the property.

Fountain Ridge South Apartments, located at 6850 Red Deer Point, was built in 2004. It comprises a mix of 20 one-bedroom, one-bath; 16 two-bedroom, one-bath; 20 two-bedroom, 1 ½-bath; seven two-bedroom, two-bath; and 12 three-bedroom, two-bath units.

The Fountain Ridge Apartments, pictured, and Fountain Ridge South Apartments sold for $7.05 million.

The properties had around a 5 percent vacancy at the time of sale.

Other News

• Greystone Unique Apartment Group, the multifamily division of Unique Properties Inc., recently brokered the sale of the Michigan Villa Apartments in Colorado Springs.

  The 14-unit building at 3635 Michigan Ave. sold for $1.01 million, or $72,000 per unit. Apex Invest LLC was the buyer and Michigan Villa LLC sold the community, built in 1969, according to public records.

  The firm’s Zach Hansen represented the seller and Niklas MacCarter represented the buyer.

  The property comprises two one-bedroom units, 12 two-bedroom units and nine oversized garages that provide additional income.

  Located near the intersection of Airport Road and South Academy Boulevard, the property is within minutes of restaurants, shops and other amenities.

  The buyer, Greystone noted, was attracted to the value-add opportunity Michigan Villa represented. The buyer plans to renovate the property, raise rents to market value and hold the asset for future cash flow.

• Haute Route, event organizers for multiday event series for amateur cyclists, established its North American headquarters in Colorado Springs.

  Located on the west side of downtown Colorado Springs, the office is led by Haute Route’s head of operations for North America, Micah Rice.

  “We chose Colorado Springs because the city is home to several national and international sports organizations, the United States Olympic Committee and USA Cycling, not to mention countless sports-minded young professionals who could be great additions to Haute Route in the future,” said Rice.

  In partnership with the Colorado Springs Sports Corp. and the Colorado Springs Convention and Visitors Bureau, the Colorado Springs Chamber & EDC worked with Haute Route on talent recruitment to help secure the headquarters.

  “Haute Route’s announcement of its North American headquarters in Colorado Springs further solidifies Colorado Springs as a top market for amateur sports in the United States,” said Tammy Fields, chief economic development officer for the Chamber & EDC.

  Colorado Springs will host the final stage of the Mavic Haute Route Rockies June 29, which features a climb more than 14,000 feet to the summit of Pikes Peak.

  The climb will bring riders to the highest point ever reached by the Haute Route.

  Haute Route’s European headquarters are in Switzerland.

• Colorado Springs’ apartment market, barring an economic recession in the next couple of years, is expected to remain balanced in the near future, according to a recent report on the market.

  Apartment Insights’ Statistics/Trends Summary noted that vacancy in stabilized properties increased by 47 basis points in the fourth quarter of 2017 to 4.89 percent. While a seasonal increase is expected in the fourth quarter, the vacancy figure is 59 basis points higher than last year’s rate and the trailing four-quarter average has increased for five quarters in a row.

  The report also noted that the overall vacancy rate, including properties in lease-up, increased again this quarter, moving up 63 bps to 7.59 percent. This is its highest level in four years.

  The rising vacancy has been accompanied by slowing rent growth, according to Apartment Insights. It is now just over 5 percent, with effective rent growth less than 5 percent. New product is being added faster than it is being absorbed, yet with the stabil...