

ALBUQUERQUE JOURNAL



Utah investment firm acquires Sandia Valley Apts.

June 12, 2013

An Orem, Utah-based multifamily investment company recently purchased its first apartment property in Albuquerque, drawn by the local apartment market's stability and slow growth rate.

"We actually expecting to close on another similarly large apartment community in Albuquerque later this summer," Jeff Danley, a founding partner of Peak Capital Partners, told the Journal.

The company's first acquisition is Sandia Valley Apartments, a 216-unit property at 8200 Bridge SW with a clubhouse, outdoor pool, basketball court and other amenities. Built in 1996 using housing tax credits, Sandia Valley is an income-restricted apartment complex.

"One thing that's interesting and unique about Sandia Valley is one of the buildings, 20 units or so, is senior housing that has its own lobby and functions independently," Danley said. "A focus of our firm is affordable senior housing."

Santa Fe was one of the earlier cities in which Peak Capital, founded in 2008, invested in apartments. The company owns the 176-unit Tuscany at St. Francis and the 160-unit Bluffs at Tierra Contenta.

Albuquerque and Santa Fe can be hard markets for apartment investors to enter, he said. In Albuquerque, for example, only five or six large apartment properties sell in a given year, a comparatively low number for a metro of its size, Danley said.

"They're stable markets so owners tend to hold the properties," he said.

The stability derives in part from the slow pace of new construction. So far this year in the city of Albuquerque, for example, building permits were issued for 205 multifamily units, up from 167 units permitted over the same period a year ago, but a small number given the current housing environment.

One issue for apartment investors in Bernalillo County is what's been described as an aggressive approach to assessing rentals for tax purposes.

"To be honest, for 2013 Sandia Valley is assessed much higher on the tax records than our purchase price," Danley said. "It's an issue."

Danley would not disclose the purchase price.

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