

Colliers Leads \$81M Sale of Three-Property Richmond Portfolio



by Samantha Goldberg, Jul182016

CORE Realty Holdings Management sold the 818-unit multifamily portfolio to two buyers.

Richmond, Va.—[Colliers International's East Region Multifamily Advisory Group](#) led the \$81 million sale of a three-property portfolio in Richmond. The group represented the seller, [CORE Realty Holdings Management](#), in the 818-unit transaction.

Richmond-based [McCann Realty Properties](#) bought the 294-unit Hickory Creek community, while Irvine, Calif.-based [MDO Capital](#) purchased the Champions Club and Park West End Apartments properties, totaling 524 units.

For [Hickory Creek](#), McCann reportedly beat out nearly two dozen local and out-of-town offers, and closed the sale on June 27, according to *Richmond BizSense*. The company's location in close proximity to the property will allow it to make capital improvements to the 32-year-old property, including amenity and unit upgrades.



Hickory Creek in Richmond, Va.



Champions Club in Glen Allen, Va.

Hickory Creek and Park West End are located in Richmond, Va., and Champions Club is located in Glen Allen, Va. All three properties offer one- and two-bedroom units, with amenities like swimming pools, tennis courts and fitness centers, among others.

The communities are also all Class B properties “with varying amounts of deferred maintenance and capital improvement needs, but all are in Class A locations that can not be replicated in today’s market,” Jason Hetherington, a senior vice president in Colliers’ Richmond office,

told *MHN*. “The investors recognized the value-add opportunity that would offset the initial investment with higher future returns.”

In addition to Hetherington, the Colliers team representing CORE Realty Holdings Management included Will Mathews, Bruce Milam and Jackie Noel.

“This was truly a team approach using the Richmond team’s local understanding of barriers to entry for new product, available amenities in the community and surrounding projects, and knowledge of the renter market, combined with Will Mathews and the Atlanta team’s vetted database of 15,000 investors specific to this type of investment and Atlanta’s proven process to drive the competition to offer historically higher prices,” Hetherington said. “Together, we created an environment in which prospects reach beyond their initial interest to be awarded the opportunity to buy each community.”

“All of three of these assets are fueled by powerful market fundamentals. Above-average incomes, an award-winning school system, walkable high-end retail and high barriers to entry created a favorable combination of metrics making this portfolio extremely desirable,” added Mathews, vice president of Colliers East Region Multifamily Advisory Group.

Millennials’ desire to live downtown has also increased demand in the Richmond market and encouraged developers to improve the quality and amenities its communities offer, Hetherington explained. “[This] consequently has increased the rents and investor returns to historical highs,” he said. “.. The restrictive zoning laws in the surrounding suburbs have created formidable barriers to entry during a time when demand has never been higher. The rents have risen and consequently investors have recognized the opportunity in purchasing 1970s and 1980s communities for value-add opportunities. The money is available from multiple sources to finance new construction and improvements in older buildings. It’s a historic time in this market for multifamily sales and development.”

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