

PRESS RELEASE



IDEAL Acquires Entrada Apartments in Downtown San Diego for \$46.6 Million

IDEAL Capital Group, a Central California-based real estate investment firm, is proud to announce the acquisition of Entrada Apartments for \$46,600,000. Located in Downtown San Diego, the 2004-vintage property was, until July 2018, master leased as student housing for Thomas Jefferson Law School. It features 172 apartment homes with a rooftop deck, large courtyard with water features, a fitness center, and a business center. Situated at the corner of 13th & Island, Entrada is located in a highly walkable area in the dynamic East Village neighborhood and boasts a 96 walk score. The property is just three blocks from PETCO Park, seven blocks to Gaslamp District, six blocks to the San Diego Bay, and just one block from the Park trolley stop.



IDEAL anticipates rebranding and renovating the property, targeting the "touch-points" of the unit interiors by adding new cabinet faces, countertops, stainless steel appliances, lighting packages, and flooring throughout. In addition, IDEAL plans to leverage the rooftop common area amenity space to take advantage of the 360-degree views of Downtown San Diego, update the streetscape experience with new façade colors and lighting, enhance the resident gym with state-of-the-art equipment, and upgrade the interior courtyard to improve the gathering and socialization experience.

“Entrada presents IDEAL the opportunity to transform a centrally located but underappreciated asset into a premium, highly amenitized “value” option for those looking to live in the East Village,” said Austin Herzog, President of IDEAL Capital Group. “With a host of well-paying jobs, entertainment options, restaurants, breweries, parks, art galleries, and the central Downtown location all in the East Village, Entrada is well positioned for future growth.”

The seller, SP RGA, was a partnership between Security Properties and ReCap, a Reinsurance Group of America (RGA) company. The seller was represented by Rachel Parsons (Moran & Co.) and Kevin Mulhern (CBRE).

Ms. Parsons indicates that Entrada represented the ideal value-add opportunity, where the 2004-vintage asset offered excellent features such as 9-foot ceilings, washers/dryers, and a 2,598sf rooftop deck with panoramic views ripe for repositioning. With a mix of predominately studios and 1 bedrooms (95%) and an average unit size of 517 square feet, Entrada provides an overall affordable price point within the downtown rental market, with a significant existing spread between current rents and the market’s new construction rents.

Entrada was one of the first communities built in downtown’s East Village, and today the strategic location at 13th & Island leaves it in the heart of the popular and rapidly expanding neighborhood. Since Entrada was built in 2004, 6,648 apartments have been constructed in Downtown San Diego, increasing the market inventory by 79%. “The growth in San Diego’s downtown market over the past decade, especially in East Village, is unprecedented compared to anywhere in San Diego county. Downtown remains the most desirable rental market in San Diego due to the 24/7 live/work/play environment, as well as its immediate proximity to San Diego’s top attractions and lifestyle convenience adjacent to the airport” said Ms. Parsons.

Downtown San Diego is a rarely traded investment market, with the last 100+ unit property sale occurring approximately 3 years ago. This is the first value-add property to sell in this dynamic market.

About IDEAL Capital Group

Since July 2017, IDEAL Capital Group has closed five value-add acquisitions representing over \$150,000,000 in volume with various institutional and private equity partners. Together with its affiliated companies, IDEAL has developed or acquired over \$1 billion of market rate and affordable multifamily housing throughout California. IDEAL currently manages more than 120 partnerships in its office, owns over 6,000 multifamily units, and has a commitment to investors and residents that is second to none. For more information on IDEAL, please visit idealcapgroup.com or contact Kevin Conway at Kevin@IDEALCapGroup.com.