



BelaRosa

The Partnership developed, in joint venture with Greystone, BelaRosa at Anthem, a luxury, Class A, 354-unit apartment project in suburban Phoenix, Arizona. BelaRosa is a true “condo spec” property featuring large units, garages for each unit, quality exterior architecture, high quality interior design and finishes, and resort scale and quality amenities. The development site offered excellent visibility and accessibility—it was the only multifamily development parcel within Anthem, Del Webb’s award winning, master-planned, family-oriented community. Anthem sold out five years ahead of schedule and has a stabilized population of over 30,000 full-time residents.

As a result of the dramatic market downturn in Phoenix and construction cost overruns resulting from a civil engineering design bust, in 2008 the project’s value was less than the debt and did not support additional equity investment. After an extensive and focused 2.5 year effort, three critical objectives were achieved:

WESTFIELD RESIDENTIAL PARTNERS III

Class A, 354-unit apartment development in suburban Phoenix, Arizona

Partnership originated in July 2005

Successful recapitalization in February 2011

Profitable exit in December 2013

\$35,100,000 total capitalization

1. The debt basis was reduced by 50.2%.
2. The JV was successful in a legal proceeding against the civil engineer and was awarded \$3.5 million.
3. The property’s financial performance was dramatically improved by active asset management and engaging a new on-site management and leasing firm.

WRP III-M provided the equity capital that enabled the final recapitalization of the Partnership which closed in February, 2011. The WRP III-M Partnership was structured as preferred equity (senior to all equity in the capital stack, 10% current net yield, 12.5% ownership interest). On December 18, 2013, BelaRosa was sold to Weidner Investment Services for \$40,200,000 or \$113,559 per unit. This price equated to a 4.8% capitalization rate on trailing income and successfully concluded a complex partnership that spanned eight years and multiple rounds of capital since its formation. While the Partnership did not transpire in accordance with its original business plan, Westfield is proud of its tenacious effort and steadfast commitment to facilitate a profitable exit and most advantageous outcome given the adverse circumstances.

