



## 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 anticipated in 2013-2014

\$34,800,000 Total Capitalization

### 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 offers excellent visibility and accessibility—it is 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:

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.

Now stabilized and 96% leased, BelaRosa has positive cash flow and is well positioned for a 2 to 3 year hold to capitalize on rapidly improving market fundamentals. The asset’s current market value is above the Partnership’s revised investment basis (both current debt and all equity invested) and a favorable investment performance is now anticipated.

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 is structured as preferred equity (senior to all equity in the capital stack, 10% current net yield, 12.5% ownership interest). The forecast investment metrics – 16.2% IRR, 10.7% average dividend yield (100% tax deferred), and 1.5 equity multiple - should prove conservative given the improving property and market performance.



WESTFIELD

303.298.1111 | www.westfield-co.com