

## **Newsed buys the Jody**

By Jennifer Hayes

Colorado Real Estate Journal – January 16-February 5, 2008

A nonprofit corporation that provides affordable housing in Denver neighborhoods recently purchased a west Denver apartment property.

Denver-based Newsed Communities paid \$3 million for the Jody, a 62-unit community at 5375 W. 10<sup>th</sup> Ave.

The property, developed by seller Raymond J. Runyan out of California, was built in the 1960s. Throughout its history, the property has offered below-market rents.

“It was run as an affordable community without being an affordable community,” said Frank Farrell of Hendricks & Partners.

“The property had artificially low rents out of the goodness of the owners’ hearts,” added Hendricks & Partners’ Erik Robinson, who listed the property with Farrell.

Newsed Communities purchased the community based on its location in an area on the verge of redevelopment, noted Robinson. The Jody is situated adjacent to a future light-rail station and parking garage along FasTracks’ west corridor.

The buyer also liked the future potential to redevelop the site into a higher-density affordable project, Robinson added.

The sale involved below-market interest rate financing provided by the city and county of Denver and Enterprise Community Partners. As well, the Colorado Division of Housing provided a grant and the Urban Land Conservancy, a division of the Denver Foundation, acquired the land under the Jody.

“The buyers paid what they did, bought at a 5.3 percent cap rate, because they were able to make the numbers work with the financing,” said Farrell.

At the time of the sale, the Jody had two vacancies. It comprises 17 studio units, 44 one-bedroom units and one two-bedroom apartment.