

## The Dallas Morning News

### Apartments go for \$200 million Investor's acquisition of area complexes called 'huge deal' for N. Texas

*STEVE BROWN Real Estate Editor*

A Chicago investor has made one of the biggest commercial **real estate** purchases of the year in the Dallas-Fort Worth area. Alliance Holdings has bought more than a dozen D-FW area apartment complexes in a deal valued at more than \$200 million.

The acquisition includes apartment communities in DeSoto, Southwest Dallas, Mesquite, McKinney, Carrollton, Lewisville, and Fort Worth.

The transaction also includes a half-dozen apartment properties in Arizona, according to Darwin German II of Dallas' **Darcorp** Management Group.

**Darcorp** sold the properties on behalf of a California foundation that had owned the more than 5,000 apartments since the early 1990s.

"This is probably going to be one of the top transactions of the year in the local market," said Mr. German, whose company operated the apartments on behalf of the West Coast owners. "Most of the units were built between 1981 and 1987."

**Darcorp** bought the apartments from lenders and federal agencies after the 1980s **real estate** market crash.

"A lot of it was [foreclosed properties] from Fannie Mae, Freddie Mac, and the Resolution Trust Corp," Mr. German said. "They are what would be considered 'B' properties, but they are very well maintained and well leased."

"One of the things that made our portfolio so attractive to investors is that it was debt-free," he said.

Property brokers who were not connected with the transaction confirm that it's one of the most significant in North Texas in 2001.

"It's a huge deal - the biggest such portfolio to trade this year," said broker Brian O'Boyle. "There are a lot of doomsayers, but we are continuing to see a tremendous amount of property change hands."

Alliance Holdings has been in negotiations to buy the properties for several months, he said. "It was

originally supposed to close in December, but they decided to push the timing up," said Mr. German, who negotiated the sale with Chris Miller of Hunsaker Property Co.

Alliance Holdings already owns more than two dozen D-FW area apartments. The privately owned apartment management and investment company owns more than 60,000 rental units nationwide, Mr. German said.

Officials in Alliance Residential's Dallas and Chicago offices could not be reached for further details.

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