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Oakwood Trace Multifamily Trades for $1M

Oakwood Trace

TAMPA, FL-Oakwood Trace Apartments has traded for $1.035 million. The sales price equates to $32,344 per unit and $50.73 per square foot.

Franklin Street director Kevin Kelleher, and managing directors Bob Goldfinger and Darron Kattan represented both parties in the transaction or coop broker. The deal marks the second Central Florida multifamily sale Franklin Street has negotiated within 10 days.

"The property was one of the few non-distressed sales occurring in our market," Kelleher tells GlobeSt.com. "The demand for stabilized, well located apartment product in Florida is tremendous and far outweighs the supply. This demand has intensified over the last 12 months as operation trends remain positive. Furthermore, once financing returns to the marketplace in a significant way, we expect a strong future for Florida apartment appreciation."

Built in 1975, Oakwood Terrace was about 85% occupied at the time of sale. The property is located at 207 Mason St. and consists of four two-story buildings constructed of concrete block and flat roofs. The unit mix includes 16 single bedrooms and 16 two-bedrooms with one bath, ranging from 550 square feet to 725 square feet.

According to Marcus & Millichap, with the recovery under way in the class B and C segment and owners increasingly able to withdraw concessions, cap rates for this product type could compress from their current range of around 8%. Interest in lower-grade properties recovered over the past six months, and first-year returns of about 10%, remain attractive.

M&M predicts minimal competition from newly completed units and steady demand growth generated by an improving employment market will push down vacancy 130 basis points to 6.5%. The rate plunged 290 basis points last year on a substantial release of pent-up demand for high-end units.

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