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New York investor to buy Wheaton apartments

By Alby Gallun



Edge Principal Advisors is buying the Wheaton Center Apartments, 537-571 W. Liberty Drive. Photo from CoStar Group Inc.

A New York investment firm is buying a 758-unit apartment complex in Wheaton, the largest suburban multifamily property to change hands in nearly eight years.

Edge Principal Advisors LLC is acquiring Wheaton Center Apartments in the west suburb's downtown from a venture led by Stamford, Conn.-based GE Asset Management, according to people familiar with the transaction. Edge's only other apartment property in the Chicago area is also in Wheaton: the 295-unit [Retreat at Danada Farms](#).

Apartment sales — and prices — have jumped the past few years, fueled by low interest rates and rising occupancies and rents. Investors spent \$1.05 billion on apartments in suburban Chicago last year, the biggest annual figure since 2007, when sales totaled \$1.17 billion, according to a report by Appraisal Research Counselors, a Chicago-based consulting firm.

So far this year, nine buildings have changed hands for a combined \$164 million.

It's unclear how much Edge is paying for Wheaton Center, which a GE Asset Management venture bought [for \\$67 million](#) in 2006, with plans to spend another \$25 million fixing it up. An Edge executive and GE Asset Management spokesman declined to comment.

With 758 units, Wheaton Center was the largest suburban apartment property to sell in 2006 and it is the largest to trade ever since, according to the Appraisal Research report. The highest price paid for a suburban multifamily complex since the crash is the

[\\$101 million](#) that New York-based TGM Associates LP paid last year for the Communities of Ascot Glen in southwest suburban Willowbrook.

The buildings at Wheaton Center have had major problems with deteriorating concrete, which could require further investment from Edge to fix. But the property, 537-571 W. Liberty Drive, is just a short walk from a Metra station, a major plus, said Appraisal Research Vice President Ron DeVries.

"It's a great location by the train," he said. "It's a large deal that requires a lot of capital to reposition."

The Chicago office of HFF Inc. is brokering the sale on behalf of GE Asset Management.

Founded in 2008, Edge has raised two investment funds that own multifamily properties, hotels, office and retail buildings and student housing. It raised [\\$300 million](#) for its second fund in April 2013.

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