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Wheaton apartments sell for \$93 million

By Alby Gallun



Photo: CoStar Group Inc.

Pension fund adviser Invesco Ltd. has paid nearly \$93 million for a 600-unit apartment complex in west suburban Wheaton, the second-largest multifamily sale in the Chicago suburbs this year.

A unit of Atlanta-based Invesco acquired Amli at Danada Farms in late August from Amli Residential, a Chicago-based apartment landlord, according to DuPage County property records. The price, \$92.6 million, equates to about \$154,000 a unit.

Though apartment sales in the Chicago suburbs are likely to fall short of the total last year — when more than \$1 billion in properties changed hands — the multifamily investment market remains strong, fueled by low interest rates and [high rents and occupancies](#). It's also a good time to be a landlord in DuPage County, where the median net apartment rent rose 7.9 percent in

the two-year period through June, according to Appraisal Research Counselors, a Chicago-based consulting firm.

“The whole I-88 corridor — there's just a lot of jobs out there, and they're not going anywhere,” said Alasdair Cripps, senior managing director at Chicago-based Mesirow Financial Holdings Inc., which owns apartments in the Chicago suburbs.

The price for Danada Farms, at 2 Sterling Circle, is the second-highest paid for a suburban apartment property this year, behind only the recent [\\$118.5 million](#) sale of Woodland Creek in northwest suburban Wheeling. It's also the second local acquisition in the past year for Invesco, which paid [\\$70.3 million](#) for a 175-unit Evanston property in September 2013.

Invesco financed the Wheaton acquisition with a \$53 million loan from Prudential Insurance Co. of America, DuPage County records show. An Invesco spokeswoman did not return calls.

Akli, which bought the Wheaton property in 1997, decided to sell it because the company needed to balance its U.S. apartment portfolio after a major development push here, CEO Greg Mutz said. In the past few years, Akli has completed apartment projects in [Evanston](#), [River North](#) and the [South Loop](#), and it's building a fourth in Deerfield.

Akli, which operates in nine metropolitan areas, including Atlanta, Seattle and Dallas, sold because it tries to keep a diversified portfolio and the Chicago area had accounted for a disproportionate share of its income, he said. Akli's partner in the Wheaton property also had reached the end of its investment holding period and wanted to sell, Mr. Mutz said, declining to identify the partner. In addition, Danada Farms was due for a renovation, but Akli's plate was too full for it to take on another project.

“We're so stretched with development that we didn't have the people to do it,” Mr. Mutz said.

CBRE Inc. sold the property for Akli.

With monthly rents ranging from \$1,090 for a one-bedroom unit to \$1,695 for the most expensive two-bedroom, the Wheaton property, now called Crossings at Danada, was 95 percent occupied as of the second quarter, down from 98 percent a year earlier, according to Appraisal Research. Its median net rent rose to \$1.62 a square foot in the quarter, up 3.2 percent from a year earlier.