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## Griffis Group buys The Oasis for \$27.05m

*By Jennifer Hayes  
Editor  
Colorado Real Estate Journal*

A Colorado Springs company is growing its collection of value-add properties with its acquisition of the The Oasis apartments.

Griffis Group paid \$27.05 million, according to public records, for the 252-unit Colorado Springs apartment community — part of \$37 million worth of properties it has closed on for its initial, \$100 million equity fund.

The group targets well-located properties that it can add value to through increasing management efficiencies, planning, renovations or solving financial problems, said Griffis Group's Ian Griffis, who formed the company with David Birnbaum, David Lord and Steve Malin.

"We believe it's the best location in Colorado Springs," Griffis said of the gated community at 1495 Farnham Point, where it plans to add value through common-area and unit upgrades.

"It's an irreplaceable location," he added, noting The Oasis is adjacent to the Kissing Camels community and golf course, sits on a mesa with "spectacular" views in a resortlike setting yet is accessible to all major employment centers, and is within three to four minutes of Interstate 25 and five minutes to the Garden of the Gods corridor.

As well, the acquisition of the 1997 community afforded Griffis Group the opportunity to own multifamily product as market fundamentals begin to improve — and single-family homes are no longer competition.

"Replacement cost is rising significantly and the prospect is very low for new (apartment) construction," said Griffis, who believes rents have bottomed out and will rise with the economy's recovery.

The Oasis' amenities include a state-of-the-art fitness center, clubhouse, swimming pool and business center, while units feature full-size washers and dryers, 9-foot ceilings on the first and second floors, vaulted ceilings on the third floors, ceiling fans, crown molding and gas fireplaces, and nearly half of the community's parking spaces are direct-access garages.

Griffis Group purchased The Oasis from Oasis Holdings Company LLC, headed by Ray O'Sullivan. Jack W. Mason of Mason Properties Inc. handled the transaction.

A Fannie Mae lender affiliated with NorthMarq Capital Inc. provided the \$19.7 million acquisition loan, which has an attractive interest-only portion of the 10-year term, said NorthMarq's Steve Koeneke.

Koeneke and Dave Link, both of NorthMarq Capital's Denver office, arranged the loan.

The Griffis Group fund also has purchased a 50-unit motel in Colorado Springs, 160 acres of land in Parker, which ultimately will be sold to a developer following planning, and the 100-unit Broadmoor Villa apartments in Colorado Springs.

Griffis Group also is under contract on a 300-unit apartment community in Fort Collins and is involved in the 806-acre residential development of the Palmer Divide Ranches on East Cherry Creek southeast of CastleRock.