

THE SACRAMENTO BEE sacbee.com

Funds lined up for big project

rlewis@sacbee.com

Published Saturday, Jan. 15, 2011

Sacramento-based developer St. Anton Partners has announced that it has secured financing for a \$57 million project – a major deal in an otherwise steady stream of dreary real estate news.

The company is now building a 293-unit apartment complex in San Ramon thanks to a \$48.6 million loan from Citibank. That money was available through the New Issue Bond Program, a federally funded program designed to provide low- cost, fixed-rate financing for developing affordable multi-family housing projects, according to St. Anton. The company is putting up the rest of the money.

"The credit markets are beginning to heal," said Steve Eggert, who co-owns St. Anton with Peter Geremia. "Apartments are the first type of real estate to recover, at least in this cycle."

The mixed-income apartment community – dubbed Highlands Point Apartments – will sit on a 10-acre parcel St. Anton bought in 2009. It is the company's largest project to date, according to a press release.

The developers would have started the project sooner, but for the tight credit market.

"When the financial collapse occurred, we put the project on hold," Eggert said.

Last spring, the developers decided market conditions were stable enough to move forward. They finalized their financing agreements last month, Eggert said.

The project is more evidence credit is starting to flow into multi-family housing, said Greg Paquin, founder and president of The Gregory Group, a real estate information and consulting firm.

"The rental market is actually doing pretty well now," Paquin said.

Vacancies have gone down and rents are stabilizing, he said. With single-family housing still struggling, institutional investors are putting their money into multi-family projects. Such projects are a good sign for the entire real estate market, he added.

LABEL

© Copyright The Sacramento Bee. All rights reserved.

Call The Bee's Robert Lewis, (916) 321-1061.