



TIPTON SUCCESS STORY

THE PARAGON @ KIERLAND APARTMENTS – SCOTTSDALE, AZ

Tipton worked with one of our clients to identify and underwrite the purchase of the Paragon at Kierland apartments in Scottsdale, AZ. The property is a 276 unit, class A multifamily property located on approximately 10 acres immediately across the street from the upscale Kierland Commons outdoor shopping center. In addition to the proximity to the shopping center, the property also had exposure along the Western side to the golf course at the Westin Kierland Resort and Spa. Tipton performed all due diligence for the purchase of the property and took over the management of it when it closed in January of 2010. Tipton accomplished the following during the almost 4 years that we managed the property:

- **POOL RENOVATIONS** – Extensive renovations were completed at the pool area, including plaster, water line tile, installation of an outdoor fire pit, upgrade of the existing outdoor kitchen and purchase of new pool furniture.
- **FITNESS CENTER** – The property fitness center was updated with new, state of the art fitness equipment, flooring, paint and large HD televisions.
- **OFFICE/CLUBROOM** – The dated furnishings in the leasing office and clubroom were replaced with modern furniture and accessories, providing a look that was similar to the new construction apartment properties in the North Scottsdale submarket.
- **LANDSCAPING/EXTERIOR** – Existing landscaping was enhanced with the stated goal of providing more “color” in several areas. Everything was done in conjunction with very specific and strict HOA regulations.
- **UNIT UPGRADES** – Specific unit upgrades were implemented in conjunction with increased rent premiums for those upgraded units. Upgrades included new appliances, faux wood flooring, cabinet fronts in select units, designer mirror frames, new lighting fixtures and updated plumbing fixtures and hardware.
- **MARKETING & LEASING** – An extensive marketing and leasing effort was implemented that resulted in consistently high occupancy and increasing rents, despite the softness in the Phoenix rental market at that time.

CONCLUSION – The timely purchase of the property, coupled with property improvements and unit upgrades implemented by the Tipton team resulted in significantly increased occupancy, rents and NOI. The property was sold approximately 4 years later and at a price that was **70% HIGHER THAN THE ORIGINAL PURCHASE PRICE. RETURN ON ORIGINAL CAPITAL WAS IN EXCESS OF 400% OVER THAT 4 YEAR TIMEFRAME.**

