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StarPoint Breaks Into Santa Monica

By Kelsi Maree Borland



SANTA MONICA—StarPoint Properties has purchased a 38,900-square-foot property in Santa Monica after a two-year search, GlobeSt.com reports exclusively. The 32-unit multifamily property is blocks from downtown. StarPoint purchased the property for \$18.5 million and plans to invest an additional \$1.3 million, or \$30,000 per unit, to upgrade and reposition the property as Wave @ 3rd.

“We’ve been looking to purchase in the area for a while,” Paul Daneshrad, CEO of StarPoint Properties, tells

GlobeSt.com. “The demand for high-end, what we call double-A rentals, has exploded in this pocket. We have been looking for a project that we could reposition and add a lot of value to; however, only one or two assets come to market a year, and in the last two years, we have only seen three. This property fit really well, not only because of its location and unit mix, but because of its position in the micro market.”

In the high barrier-to-entry market, StarPoint had to remain highly competitive to win the deal. Daneshrad says that there were 16 initial offers and four offers that rose to the top. “It was very competitive,” he says. “We were the most competitive on pricing, but we also had no due diligence period and we had no financing.”

Located at 901 3rd St. in Santa Monica, the property has a mix of one- and two-bedroom units, some with a den, and was 85% occupied at the time of the sale. StarPoint’s renovation plan includes adding hardwood floors and in-unit washers and dryers to the units as well as adding onsite amenities, including a fitness center, to the property. The investor will also upgrade the façade and common areas, like the lobby.

StarPoint is a very active investor in the Los Angeles market. Last year, it purchased the Lafayette Parc Apartments in West Covina, CA, for \$51.8 million from an undisclosed seller. StarPoint is in the midst of performing a \$2.5 million upgrade on that project.