

RK Properties Nabs Big Profit in Latest Multifamily Property Sale

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RK Properties, a sponsor of alternative private placements and 1031 exchange offerings, has sold Northern Greens Apartments located in Gilbert, Arizona for \$55.5 million on behalf of one of its tenant-in-common 1031 exchange investment programs and the RK Opportunity Fund III.

Built in 1988, Northern Greens is a 420-unit multifamily property that was purchased in June 2014 for \$21.2 million as a real estate owned foreclosure. The previous owners paid \$27.1 million (\$64,523 per unit) in 2006 and put an additional \$10,000 per unit in upgrades, including new cabinets, counter tops, appliances, flooring, and washer/dryers in all units.



RK Properties noted that coupled with cash flow generated during the hold period, the sale resulted in a total internal rate of return to the TIC investors of 247.8 percent and 194.2 percent to the shareholders in RK Opportunity Fund III (calculated based on the aggregate amount of original capital invested in the property). The hold period was approximately six years, thus the annualized IRRs were 39.8 percent and 31.2 percent, respectively.

Additionally, the company indicated that about 90 percent of the TICs are in the process of doing another 1031 tax-deferred exchange into a new RK Properties acquisition.

“We are very proud of our 40-plus year multifamily track record and our successes are highlighted by our loyal following,” said Steve King, chief operating officer of RK Properties.

RK Properties offers multifamily replacement properties for 1031 tax deferred exchanges, as well as straight capital investment opportunities for accredited investors who are seeking a real estate investment. As of August 2020, RK Properties has sponsored 154 private placement programs, of which 139 have gone full cycle.

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