

KBS Develops and Sells 453-Unit Luxury Apartment Community in the Salt Lake City Real Estate Market

Ground-up project delivers best-in-class amenities in the Salt Lake City market; KBS partnered with local developer, [SALT Development](#) for ground-up construction.



SALT LAKE CITY, Utah (May 13, 2020) – [KBS](#), one of the largest investors in premier commercial real estate in the nation, announced today that it has sold [Hardware Apartments](#), a 463,956 square-foot, Class A luxury resort-style apartment community in the Salt Lake City real estate market. The property, owned by KBS Real Estate Investment Trust III, was sold in an off-market transaction to [Oakmont Properties](#) for an undisclosed amount.

KBS and Salt Development began ground-up construction on the 453-unit multifamily property in mid-2016 with the first phase of 267 units – Hardware West – being completed for the asset in June 2018. The sale was concluded shortly after Phase II was completed on Hardware East, which comprises the remaining 186 units of the community. Hardware Apartments is situated in Hardware Village adjacent to the historic [Salt Lake Hardware Building](#), which is also part of the KBS portfolio.

The development project represents KBS' extensive understanding of the Salt Lake City market and the firm's ability to leverage its deep expertise in markets throughout the country, according to Rod Richerson, regional president, Western United States for KBS.

"We are very strategic about when and where we do ground-up construction but being active investors for well over a decade in the market we thought this would be a successful venture," says Richerson. "We have several office assets in Salt Lake City, including the [Salt Lake Hardware Building](#), [222 Main](#), [Millrock Park](#) and [Parkside Tower](#). Considering how hard it is to close deals during the current economic environment this sale was a major accomplishment but we worked diligently with the buyer over the last couple of months to see it through. We hit a particular challenge when they lost their lender at the last moment so KBS provided short-term market rate seller financing to help Oakmont Properties complete the transaction."

Salt Lake City is an ideal fit with KBS' proven strategy of investing in key growth markets nationwide with solid economic fundamentals, adds Tim Helgeson, asset manager for Hardware Apartments and senior vice president for KBS.

According to [CBRE](#)'s office report in Q1 2020, the Salt Lake City-Provo office market absorbed 196,654 square-foot on net – a high for Q1 over the past two years. The abundance of incoming supply (over 3.0 million square-foot) with substantial preleasing reaffirms that there is still strong confidence in the Salt Lake-Provo marketplace.

Situated near the heart of downtown Salt Lake City, Hardware Apartments offer a distinct variety of penthouses, lofts, studios, one- and two-bedroom luxury apartments, townhomes and stunning brownstone row houses.

A state-of-the-art fitness center, yoga room, and a resort quality rooftop lounge with an infinity pool are among the luxury common amenities at the property, making it one of the highest-level amenities packages in the area, according to Helgeson.

“This development’s leading design and unparalleled urban finishes showcase the depth of attention KBS pays to every aspect of the properties in its client portfolio,” says Helgeson. “We have seen a ramp up in leasing tied to the recent completion of construction on the second phase of this unique community.”

KBS partnered with local developer [SALT](#) on the development of this project. “Hardware Village’s ideal location, combined with KBS’ deep knowledge of the Salt Lake City market and unparalleled track record of successful properties in downtown areas throughout the country, encouraged us to partner with the firm on this project,” says Thomas Vegh, president and CEO of SALT. “KBS left no stone unturned in ensuring that Hardware Apartments would be a multifamily community of the finest quality in downtown Salt Lake City, which made the partnership a win-win for both companies.”

Hardware Apartments is located steps from the TRAX light rail, Downtown Salt Lake City, Trolley Square and Liberty Park, and is connected to all major thoroughfares, employment centers, arts and entertainment in the Salt Lake City market. The property is within walking distance of restaurants, shops and retail stores.

“We immediately recognized the value of this asset for its high-end amenities and prime location,” says Ryan Ashley of Sacramento, California-based Oakmont Properties. “Hardware Apartments is prominently positioned in the robust downtown Salt Lake City market to create an elegant living experience unlike any other in the area.”

Attorneys Bruce Fischer, Tatyana Litovsky and Chrisdo Fan, and paralegal, Amanda Kennedy, of global law firm Greenberg Traurig, LLP’s Orange County office represented KBS as legal counsel in the disposition.

“We were very pleased to represent KBS in what was a truly a unique disposition of Hardware Apartments.” said Fischer, Greenberg Traurig’s Chair of the West Coast Real Estate Practice and Co-Managing Shareholder of the Orange County Office, who led the Greenberg Traurig team.

Hardware Apartments is located at 455 West 200 North in Salt Lake City, Utah.

Please find photos of Hardware Apartments [here](#).

About KBS

[KBS](#) is one of the largest investors of premier commercial real estate in the nation. As a private equity real estate company and an SEC-registered investment adviser, KBS and its affiliated companies have completed transactional activity of approximately \$41 billion on behalf of private and institutional investors globally. Founded in 1992 by Peter Bren and Chuck Schreiber, KBS acquires and operates prime commercial real estate in some of the most successful epicenters in the country. The firm is committed in its business ethics, its business relationships and its constant focus on exceeding the expectations of its investors, partners and tenants. SEC registration as an investment adviser does not imply any particular level of skill or training. For more information on KBS, please visit www.kbs.com.

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to KBS Real Estate Investment Trust III’s ability to invest in and manage a diverse portfolio, and the performance of Hardware Apartments and of the Salt Lake City, Utah real estate market. These statements are subject to known and unknown risks, uncertainties and other factors which may cause KBS Real Estate Investment Trust III’s and/or Hardware Apartments’ actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Registration as an investment adviser does not imply any particular level of skill or training.

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