

Multifamily firm explores new territory

By: Lee Fehrenbacher in Real Estate and Development June 3, 2014 10:32 am



A new mixed-use building featuring 50 apartments is planned near the intersection of Southeast Hawthorne Boulevard and 47th Avenue. (LRS Architects)

[A lot of multifamily projects](#) are moving forward in Portland, but **NFN Investments** believes there is room for more.

“Pent-up demand is being felt in the vacancies, and we’re certainly feeling that in our ownership of 1,500-plus units,” said Lauren Noecker, managing member of the Portland-based firm. “We run an extremely tight vacancy factor and so we feel like we know that vacancy firsthand, and so it made us a little bit more comfortable in terms of bringing new product to the market.”

After successfully renovating and repositioning 27 multifamily properties in the Portland-metro area, NFN is making a foray into construction from the ground up. It’s building a new, 50-unit mixed-use complex at 4707 S.E. Hawthorne Blvd. – the lot due east of the **¿Por Que No?** taqueria.

The property currently has a vacant building that Don Mutal – the owner of **Path Construction** and the new project’s general contractor – set his sights on more than a year ago. He turned Noecker onto the opportunity; she then joined partners from New York-based **Berggruen Holdings** to purchase it for approximately \$1.17 million.

The vacant building will soon be replaced by a four-story building featuring 20 parking spaces wrapped under the second floor, and 2,300 square feet of retail space. Noecker is putting an emphasis on the retail component so that it complements **¿Por Que No?** and Hawthorne’s east end.

“We’re working with a handful of amazing groups that want the space,” she said. “There’s nothing concrete to report yet, but I can tell you that the options we’re looking at are great – things that people living in the Hawthorne district would be very excited about.”

All 50 units will be one-bedroom lofts geared to attract young professionals. As such, they are designed fresh, modern and clean-lined.

Julio Rocha, an architect at **LRS Architects**, and the project's designer, said the facade will be broken into three distinct masses featuring a mix of dark wood and fiber cement paneling. The storefront system will employ sliding, wood-framed windows that spill out onto sidewalks, beneath metal canopies.

"It's meant to be very simple (and) contemporary," Rocha said.

Noecker said a primary reason why NFN is breaking away from its [traditional business model](#) of buying and renovating Class C apartments is that competition is making acquisition of those properties more difficult. The decision to build new was not made lightly.

"There's this whole different playing field when you go from renovating to ground up, but I think the size of this was approachable for us," said Noecker, who declined to disclose the project's cost. "It was somewhat bite-size in terms of the scope and the load of what was ahead ... And mostly we couldn't say no to the location."

NFN, meanwhile, is adapting its business strategy by looking for rehabilitation opportunities in downtown Portland. The company recently partnered with **Arthur Mutal** to purchase the **Woodlark Building** near Southwest Alder Street and Ninth Avenue – a redevelopment mix of hotel space, office space and multifamily housing is being considered – and is nearly finished with a [similar renovation](#) of the **R.J. Templeton Building** on East Burnside Street.

NFN also just bought the George Lawrence Building at Southwest Oak Street and First Avenue, where it's planning a creative office renovation.

Noecker said the fact that NFN is taking on new construction doesn't mean that will become a focus, but it is perhaps a bellwether of sorts.

"The Hawthorne project is certainly interesting to us (and) different than what we've done," Noecker said. "But I think we're going to be doing quite a few things that are different than what we've done."