

## TerraCap Partners' second fund buys Coral Cove Condominiums units

By Sean Roth | Real Estate Editor - Friday, January 25, 2013

**BUYER:** Coral Residences on the Cape LLC  
**SELLER:** GKK Coral Cove Owner LLC  
**PROPERTY:** 1751 Four Mile Cove Parkway, various units, Cape Coral  
**PRICE:** \$8.13 million  
**PREVIOUS PRICE:** \$13.69 million, July 2009  
**LAW FIRM ON DEED:** Gramercy Capital Corp., New York City

**PLANS, DESCRIPTION:** Cape Coral investment fund TerraCap Partners II purchased 196 units, the clubhouse, common areas and associate amenities of the Coral Cove Condominiums for \$8.13 million.



The price equated to \$41,497 per unit.

Originally the property was built as an apartment complex, but it was later converted to a condominium during the real estate heyday. Only 86 of the units were sold to private owners and TerraCap Partners II purchased the remaining units and common areas.

The development features a boat ramp for small watercraft, a playground, tennis court, clubhouse and fitness center.

W. Stephen Hagenbuckle, managing principal of the fund's manager TerraCap Management Corp., says the 196 units are 98% rented. Another four or five units need renovations before they are marketed for lease, he says.

"We plan to have them as rentals for now," he says. "We may consider selling them as condo units eventually, but we want to let the market recover a little more. We really liked the price as an investment. Previously, people were paying as much as \$220,000 a unit and the replacement cost is closer to \$110,000. Plus, they are generating positive cash flow."