

Tampa firm buys most of Legacy at Tampa

By Sean Roth | Research Editor - Thursday, April 08, 2010

BUYER: CCP Legacy LLC (principal: Santosh Govindaraju), Tampa

SELLER: FL - The Group Developers LLC

PROPERTY: various units in Legacy at Tampa, 13801 N 37th St., Tampa

PRICE: \$2.1 million

LAW FIRM ON DEED: Carlton Fields PA, St. Petersburg

PLANS, DESCRIPTION: CCP Legacy LLC purchased 121 units in the 168-unit Legacy at Tampa condo complex for \$2.1 million.

The price equated to \$17,355 per unit.

“Everything we acquire must have a good location and we liked its proximity to USF,” says Santosh Govindaraju, the chief executive of Convergent Management LLC and Paragon Capital Partners, which bought the properties. “It’s the only neglected property on the block. There are six projects on the street, and this is the only Class-B non-institutional asset. You have Cambridge Woods and The Point. We bought the ugly kid on the block.”

Marcus and Millichap Real Estate Investment Services handled the transaction.

The buildings, which were built in the mid 1980s, were renovated in 2006 and 2007 as a precursor to a condo conversion. Even so, with foreclosure hanging over most of the units, many were vandalized or neglected. A priority for the ownership group is getting the mechanical systems working and installing security systems.

Govindaraju says the biggest potential question mark over the project is that three of the buildings have sunk somewhat into the ground. That same question also dictated the low price.

“We’re not sure what is causing the sinking,” Govindaraju says. “There was no thorough study done. It was a big part of the discount. We don’t think there is a major risk there, but we need to have the underground studies done.”

The ownership group is debating whether to keep the units as rentals.