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## Deer Valley Apartments sold for \$22 million

By: [Alby Gallun](#) June 03, 2011

(Crain's) — A Northbrook-based apartment investor paid nearly \$22 million for a 224-unit apartment complex in north suburban Lake Bluff, betting on continued rent growth in the booming Lake County market.

Prime Property Investors Ltd. said it acquired the Deer Valley Apartments, a 13.5-acre property 30011 N. Waukegan Road, from a pension plan advised by San Francisco-based Stockbridge Capital Group LLC. Prime Property Co-CEO Michael Zaransky declined to disclose the price, but a person familiar with the transaction said the firm paid \$21.9 million, or about \$98,000 a unit.

Deer Valley is the second acquisition in the Chicago area for Prime Property, which also owns the Arbors of Brookdale, a 281-unit property in west suburban Naperville, and five student housing complexes in Indiana, Florida and Tennessee.

Mr. Zaransky is counting on rents at Deer Valley to keep rising amid a strong apartment market fueled largely by a major shift from owning to renting. Suburban median net rents have risen 5.5% in the past year, and the occupancy rate has increased to 93.6% from 92.7% a year earlier, according to Appraisal Research Counselors, a Chicago-based consulting firm.

Business is even better in Lake County, where rents have risen 8.1%. Only Naperville/Aurora has seen higher rent growth among 10 suburban submarkets.

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Mr. Zaransky says he likes Deer Valley because of its proximity to two large employers, Abbott Laboratories, which is right across the street, and the Great Lakes Naval Station. Completed in 1990, Deer Valley is about 98% leased.

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