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Companies take over note for Crimson Park

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Crimson Corner in Norman. (Maike Saholich)

NORMAN – A San Diego real estate group that specializes in student housing and a Chicago-based private equity firm have formed a joint venture to take over a \$25.7 million note on the troubled Crimson Park apartment complex, which fell into foreclosure earlier this year.

The 792-bed off-campus apartment complex at 2657 Classen Blvd. serves students at the University of Oklahoma and features amenities like outdoor basketball and volleyball courts, putting green and a 5,000-square-foot clubhouse.

San Diego-based Pierce Educational Properties and Chicago-based Harrison Street Real Estate Capital acquired the \$25.7 million note on Crimson Park from First United Bank and Trust Co. on Aug. 6. The terms of the deal were not disclosed.

Crimson Park's lenders began foreclosure proceedings on the complex in June.

Pierce Educational Properties' management company, Pierce Property Management, has managed Crimson Park since September 2009, when it was just 58 percent occupied. Since then, Pierce has boosted occupancy at the complex to 92 percent.

"We are very excited to have acquired the mortgage note secured by Crimson Park," Pierce president and chief executive Fred Pierce said. "We look forward to ultimately owning the property as we complete the pending foreclosure to secure ownership. Under our management, Crimson Park residents can look forward to our continuing commitment to customer service and a quality living environment."

Pierce has a 5,000-bed portfolio that includes student housing properties across the country. Harrison Street Real Estate Capital owns about \$2.1 billion in real estate assets, including more than 12,000 student housing beds.

Edmond-based developer Aduddell Development Group, led by David Aduddell, built Crimson Park in 2005. Aduddell has developed similar student housing complexes near the University of Central Oklahoma and Oklahoma City University, with four-bedroom suites that are leased by the bed.

Aduddell put Crimson Park on the market for \$36 million last spring, but a buyer never emerged.