

# Tower 16 and Raith Capital Acquire 166-Unit Build-to-Rent Multifamily Community in Phoenix for \$48 Million

*Commercial Real Estate Investment Firm Continues to Scale Portfolio of New-Construction Multifamily Properties Across the Southwest*

SAN DIEGO, CA, UNITED STATES, April 23, 2025 /EINPresswire.com/ -- San Diego-based [Tower 16 Capital Partners](#) in partnership with [Raith Capital Partners](#) has successfully acquired Sanctuary at South Mountain, a 166-unit horizontal Build-to-Rent (BTR) property located near South Mountain in Phoenix. . The property was built in 2023 and was acquired for \$48 million, which we believe is below today's replacement cost and prior-peak pricing. Tower 16 and Raith will be rebranding the property to "Obsidian at South Mountain."

"This marks our 10th acquisition in the Phoenix market and our 13th acquisition in Arizona," said Tower 16 Co-Founder Mike Farley. "We have been studying the supply-demand fundamentals in the Phoenix market closely and have witnessed incredibly

strong demand over the past year. Phoenix is a high conviction market for us and it continues to attract new job opportunities from corporate investment, expansion and relocation from more expensive markets. New construction starts are decelerating and we believe the market is poised for strong rent growth over the next five years. We are continuing to pursue opportunities in Western growth markets where we can acquire high-quality real estate at a steep discount to replacement cost and prior-peak pricing."



Sanctuary at South Mountain resort-style amenities including a sparkling swimming pool, a state-of-the-art fitness center, a pickleball court, walking trails and a large clubhouse.



**TOWER16**  
CAPITAL PARTNERS

Tower 16 Capital Partners Logo



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*Tower 16 Co-Founder Mike Farley*

“We are excited to partner with Tower 16 on another acquisition in the Phoenix market,” said Raith Capital Partners Principal Sahil Amin. “There is a strong history between the founding partners of our firms, and we are excited to continue growing the partnership. With this purchase, we are taking advantage of the opportunity to acquire a high-quality asset in a fast-growing market at an attractive basis.”

Since its founding in 2017, Tower 16 has made similar moves in markets throughout the West, having acquired over 7,500 units in Southern California, Las Vegas, Phoenix, Tucson, Reno, Albuquerque and Denver. The company

seeks markets that exhibit strong rental housing fundamentals including employment growth, in-migration and limited new supply in relation to household formation. According to company executives, Tower 16 is continuing to aggressively pursue other new construction assets in varying stages of completion/lease-up as well as value-add opportunities in the Southwest.

Sanctuary at South Mountain is located at the intersection of East Southern Avenue and South 40th Street with close proximity to South Mountain and the I-10 freeway, providing excellent access to Central Phoenix, Tempe and the East Valley. The property is a Class-A, Build-to-Rent, multifamily community with a mix of 1-, 2- and 3-bedroom apartments averaging 1,104 square feet. The property offers a variety of resort-style amenities including a sparkling swimming pool, a state-of-the-art fitness center, a pickleball court, walking trails and a large clubhouse. The low-density site plan features single-story and two-story cottage style units that each have their own private fenced in yards.

“The property has performed exceptionally well during lease-up. We credit the strong performance to the great unit mix featuring 80% two- and three-bedroom units and a relatively insulated pocket of Phoenix that has limited new supply. The property has a top-of-the-line amenity set with an excellent clubhouse and was extremely well designed by the developer. We are excited to acquire another BTR asset and believe the property is well positioned to serve the tenant demand in the area,” said Tower 16 Co-Founder Tyler Pruett.

Tower 16 will oversee asset management and construction management and bring in Cushman & Wakefield as a third-party property manager.

“We have been extremely focused on identifying unique lease-up and new-construction acquisition opportunities across the Southwest. We are excited to get another one done in Phoenix and continue growing our local portfolio,” said Tower 16 Director of Acquisitions Dave McClain. “We appreciate the Berkadia team and the seller team for providing us with this opportunity.”

Mark Forrester and Andrew Curtis of Berkadia represented the seller in this transaction. CBRE helped secure debt financing for the buyer, led by Maxi Leachman and Scott Peterson.

#### About Tower 16 Capital Partners LLC

Tower 16 Capital Partners, LLC is a commercial real estate investment and management company focused on acquiring and managing value-add investments throughout the Western United States. Headquartered in Encinitas, Calif., Tower 16 was founded in 2017 by principals Mike Farley and Tyler Pruett who have over 45 years of combined institutional real estate experience with an emphasis on value-add investing. Since 2017, the Company has acquired over 7,500 units representing over \$1 billion of assets under management.

#### About Raith Capital Partners

Headquartered in New York City, Raith's Partners have decades of commercial real estate investment experience over multiple cycles in both the commercial real estate equity and debt markets. This breadth of experience gives Raith a differentiated perspective on relative value in the capitalization of the asset class. The Partners have worked together since 2009 and believe in the importance of constantly reevaluating the investment landscape in which Raith operates. Since inception, Raith has invested \$2.0 billion of capital in transactions involving distressed debt, direct equity acquisitions, commercial mortgage-backed securities, subordinate debt, and first mortgages.

Laura Borgschatz  
Anton Communications  
lborgschatz@antonpr.com

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