

AvalonBay buys from DSF Group again, this time in Dunn Loring



DSF Group has sold part of its Halstead Square complex in Dunn Loring to AvalonBay.

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Arlington-based Avalon Bay Communities Inc. and Waltham, Massachusetts-based DSF Group appear to have an understanding: When DSF builds a Halstead apartment complex, AvalonBay will consider buying it.

AvalonBay (NYSE: AVB) has acquired two apartments buildings on either side of Halstead Square Road, fronting Gallows Road, from DSF Group for \$151 million, or about \$373,000 per unit. The deal, which closed Oct. 3, was only disclosed by AvalonBay in its third quarter earnings report, released Monday.

The two buildings, now called Avalon Dunn Loring, contain 440 units and 27,000 square feet of retail, including restaurants Blackfinn, Dickey's Barbecue, California Tortilla, Dunkin' Donuts and Jimmy John's.

The properties, less than a half mile from the Merrifield-Dunn Loring Metro station, account for a half of DSF's Halstead Square complex. The other two buildings front Merrilee Drive.

This is at least the third deal between AvalonBay and DSF in less than two years. AvalonBay bought the Halstead Arlington, now called Avalon Columbia Pike, for \$102 million in September 2016. Earlier in 2016, AvalonBay acquired a Hoboken, New Jersey, Halstead complex from DSF for \$129.7 million.

As of Sept. 30, AvalonBay held a direct or indirect ownership interest in 286 apartment communities, totaling 82,964 units, in 11 states and D.C. That includes 23 communities with 6,888 units it is currently constructing, at a total capital cost of more than \$3 billion.