



MAA Consulting Client Acquires Exceptional San Antonio Property to Complete Section 1031 Exchange

A California-based Section 1031 exchange investor requested that MAA use its acquisition platform to identify and acquire a suitable replacement property. The investor also requested that MAA perform traditional GP/sponsor duties throughout the process, including underwriting, capital needs assessment, arranging for legal representation, preparation of loan application materials, selection and integration of 3rd-party property management, leveraging of relationships with service providers to add value where applicable, and other functions.

The 1031 nature of the transaction requires 100% ownership of the replacement property by the owner of the relinquished property. Therefore, rather than a standard promoted structure, MAA structured the venture as a consulting assignment.

With current ownership and operating interests spanning 3,594 units and 8,614 total units acquired, Dallas-based Multifamily Acquisition Advisors (MAA) deploys a uniquely effective acquisition and operating platform with a national footprint.

Hi Colleague,

MAA is pleased to announce the acquisition by an exclusive MAA Consulting client of The Chelsea apartments, 90 units in the Alamo Heights area of San Antonio, Texas. The acquisition was completed on September 23rd, 2026.

Many 1031 acquisitions in the multifamily space close with only moderately attractive economics. Because the market understands the exchange buyer's position. The 45-day identification window and the 180-day closing deadline are fixed by statute, while the supply of good deals and competing buyers are not.

Sellers and brokers recognize an exchange buyer and know that walking away is expensive. A failed exchange makes the deferred gain and depreciation recapture

taxable in the current year. Thus, exchange buyers are notorious for overpaying.

They accept thinner yields, stretch geographic and product criteria, and close on assets an unconstrained buyer would decline. But they still come out ahead. Because the present value of deferral usually exceeds the premium paid on the replacement asset. The tax benefit makes the deal work, not the real estate.

The Chelsea inverts that pattern. Although we choose to not make public the acquisition details, it can be fairly stated that from a quality-of-asset, replacement cost, capitalization rate, going-in cash flow, and latent value add perspective, this acquisition was one in which both the real estate and the tax benefit made the deal work.

At the time of identification, the property had not yet been taken to market. Constructed in 1970, the property was built in one of the few 1970s-era styles that could be considered timeless—Georgian all-brick. Located in the trendy Alamo Heights area of the metro, at the outskirts of a single-family neighborhood and directly adjacent to \$600,000 homes, it occupies a location on which a multifamily property would not be permitted today.

The property presented a market going-in cap rate at relatively low occupancy, a dream scenario for a buyer. And the cherry on top was an assumable sub 2.7% agency loan with a healthy time-to-maturity.

Our client was able to accomplish this in large part because of MAA's extensive relationships and formidable acquisition and operating platform—built over many years of buying thousands of multifamily units. As a 1031 exchange buyer, the odds are stacked against you. It is crucial to ally with a seasoned, turnkey organization to even those odds out. And walk away with a profitable piece of real estate in addition to your tax break.

Matt Michelson and his team of the San Antonio office of **ARA Newmark** represented the seller and were consummate professionals across the offering, due diligence, and closing phases.

Brent Crawford and his team at **CBRE** in San Antonio handled flawlessly a fairly complicated assumption of the existing loan.

San Antonio-based **Foresite Asset Management** will serve as property manager.

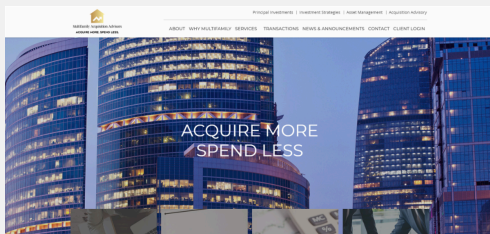
As always, we wish you good health and all the best in your multifamily investing activities.

Chris

Do you have investment capital to place? Need to tighten up operations on an individual asset or portfolio? Distressed borrower and feeling overwhelmed? Are you a 1031 buyer running out of time? Whatever multifamily scenario you face, feel free to click the button below for a complementary consultation.

[Schedule a Call With Chris](#)

Click the image below to visit our website at www.mutiacquisition.com.



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