



# riveroak

## **RiverOak Investment Corp. and RMS Construction partner in \$15 million project**

September 30, 2010 - Connecticut

RiverOak Investment Corp., Inc. in a joint venture with RMS Construction is constructing St. Andrews Apartments, a four-story 94-unit fully permitted apartment building on Washington Blvd. for a total capitalization of more than \$15 million.

The St. Andrews Apartments represent the third investment that RiverOak has made with RMS Construction, a fully integrated development, construction and marketing company headed by Randy Salvatore. RMS has delivered the last two projects that RiverOak invested in - 170 condominium units on Camp Ave. and 36 condominium units with first floor office space on the Norwalk River in Norwalk - both under cost and in less time than budgeted.

The St. Andrews Apartments will benefit from RMS's ability to deliver the four-story building more cost effectively and in less time than any competitor. RMS's immediate past experience co-developing two other downtown Stamford apartment projects on Prospect St. and Forest St. also give RMS the most current and valuable user data for apartment leasing in the area.

"We are pleased to be working once again with RMS Construction on this project," said Stephen DeNardo, managing director of RiverOak Investment Corp., who along with managing director George Yerrall, manage all aspects of the fund's business. "Downtown Stamford's continued resurgence as a residential community in the last year has been further enhanced by the RBS's occupancy of its new U.S. headquarters four blocks from the St. Andrews Apartments."

RiverOak's investments primarily take the form of "gap equity." RiverOak's partners are real estate developers or operators who pay for equity financing that fills the last "gap" to complete their transactions. RiverOak's gap equity is usually a fraction of a transaction's total capitalization, but it efficiently frees up the developer for other projects and opportunities. RiverOak funds invest in gap equity positions of \$2 million to \$6 million per transaction in deals that are typically sized in the \$8 million to \$50 million range. RiverOak's projects are mainly located in the Boston-to-Washington corridor.

The purchase marks the fifth investment in RiverOak Fund IV, a \$26 million value-added real estate fund that RiverOak formed and sponsored in June 2007. The diversified real estate fund provides high net worth individuals access to a portfolio of professionally managed real estate investments and diversification from the equities market. The fund's investment mix will include office, light industrial, residential, student housing and retail properties.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540