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Butler, St. John, Byrne and Sower of Cushman & Wakefield broker sale of 708-unit Section 8 portfolio: sold for \$54.8 million by SHP Acquisitions, LLC to Rhode Island homes, LLC

January 13, 2011 - Rhode Island

Cushman & Wakefield negotiated the sale of The SHP Rhode Island Portfolio, a ten property 708-unit affordable apartment portfolio located throughout the state. C&W's capital markets group including Simon Butler, Biria St. John, Michael Byrne and Christopher Sower exclusively represented the seller, all affiliated entities of SHP Acquisitions, LLC, and procured the buyer, Rhode Island Homes. The sale price was \$54,803,500.

The SHP Rhode Island Portfolio represented a strategic entry into the R.I. multi-family market for Rhode Island Homes, an affiliate of Providence based Providence Realty Investment. The portfolio encompasses nine affordable apartment communities totaling 708 units in towns such as Providence, Cranston, Cumberland, North Smithfield, Wakefield and Woonsocket. The SHP Rhode Island Portfolio offered Rhode Island Homes critical mass and a long term investment opportunity that will simultaneously preserve much needed affordable housing.

The majority of the portfolio is concentrated within a half-hour drive of each other, allowing for efficient management and operation of the portfolio. All of the properties are reserved for low and very-low income elderly residents and subject to 100% project based Section 8 HAP contracts. The communities have been well maintained and all of the properties enjoy an extremely stable tenant base with very low turnover (100% elderly-affordable). The properties included in the transaction are as follows:

- * Metcalf Courts I (60-units) 555 Veazie St., Providence.
- * Metcalf Courts II (52-units) 557 Veazie St., Providence.
- * Etta Apartments (36-units) 70 Wild St., Providence.
- * Chateau Clare Apartments (88-units) 16 Green St., Woonsocket.
- * Bear Hill Village (126-units) 156 Bear Hill Rd., Cumberland.
- * Gatewood Apartments (60-units) 403 Mendon Rd., North Smithfield.
- * Indian Run Village Apartments (115-units) 681 Kingstown Rd., Wakefield.
- * Hardig Brook Village (100-units) 331 Centerville Rd., Warwick.
- * 315 Park Ave. Apartments (71-units) 315 Park Ave., Cranston.

Rhode Island Homes purchased the portfolio using 4% Low Income Housing Tax Credits and tax exempt bond financing through RI Housing. All of the properties are subject to project based Section 8 HAP contracts that were extended for 20 years as a condition of the transaction. Additionally all of the properties will be undergoing upgrades and improvements of varying degrees. There were no other government resources or subsidies used to close the transaction.

SHP Acquisitions, LLC is a Cumberland, Maine based real estate investment firm. Over the past 18

years, SHP has grown its portfolio of subsidized housing rental units to over 6,000 apartments. Rhode Island Homes, LLC, a subsidiary of Providence Realty Investment, LLC, is purchasing the 9 apartment communities currently owned by affiliates of SHP Acquisitions, LLC. Providence Realty Investment is a privately held, full service real estate company based in Providence, that specializes in the acquisition and development of affordable housing. This transaction follows a recent closing of a 931-unit Section 8 affordable portfolio in Mass.

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