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Northland forms \$2 billion multi-family joint venture with Tarragon Corp.

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Northland Investment Corp., a leading real estate investment firm specializing in the acquisition, development and operation of commercial and residential properties, has formed a new \$2 billion multifamily joint venture with Tarragon Corp. The deal increases Northland's multifamily portfolio by approximately 50%, launching it into the top 50 multifamily owners in the country.

The joint venture with Tarragon, a mixed-use developer with a focus on for-rent and for-sale multifamily housing, adds 7,433 multifamily units to Northland's portfolio, bringing its total number of multifamily units to more than 21,000. The 83 properties are located in a dozen states, with concentrations in Florida, Conn., Mass., N.C., Texas, Tenn. and Arizona.

Northland will hold a 77.5% controlling interest in the joint venture, called Northland Properties LLC, and Tarragon will hold a 22.5% interest. The joint venture also creates a new management company to provide property, asset and construction management services to the portfolio. The management entity, Northland Properties Management LLC, will be headquartered in Newton, Mass., with satellite offices in Hartford, Conn. and in Florida. Northland will direct the joint venture's investment decisions and oversee management of the portfolio.

Steven Rosenthal, CEO, Northland, said, "This joint venture increases our access to capital, strengthens our position in several key markets, including Florida and Connecticut, and will provide significant growth and value add opportunities. We are particularly pleased that we will now become one of the top 50 multifamily owners in the country, and we anticipate using this platform to further advance our aggressive growth plans."

Northland has also agreed to provide Tarragon with a \$50 million loan commitment. If drawn by Tarragon, the loan would be a senior secured two-year loan. The proceeds of the loan, in conjunction with additional cash provided by Tarragon, would be used to purchase certain of Tarragon's subordinated debt at a discount. Tarragon's minority interest in the joint venture will secure the loan.

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