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Newmark facilitates \$457.5 million sale and \$365 million financing of off-market multifamily portfolio

June 03, 2022 - National News

Oklahoma City, OK Newmark Multifamily has facilitated a \$457.5 million sale and \$365 million financing of a 20-property multifamily portfolio spanning from the Carolinas to Oklahoma. The 2,899-unit portfolio was sold for New York-based Cedar Grove Capital to Austin-based GVA Real Estate Group.

Newmark's vice chairmen Dean Smith and John Heimburger and senior managing director Jason Kon were the sole brokers on the sale transaction. The firm's Multifamily Capital Markets vice chairman Tip Strickland and executive managing directors Henry Stimler and Bill Weber secured a \$325 million acquisition loan and a \$40 million capital improvements loan from Benefit Street Partners Realty Trust and Franklin Templeton on behalf of the buyer.

"We are very proud that we could help all parties involved in the transfer of this massive portfolio sale in an uncertain market," said Stimler. "The team demonstrated our ability to deliver an ideal buyer in this off-market transaction and help new ownership secure competitive financing to execute their business plan and implement a capital improvements program across the portfolio."

The purchase at this scale has allowed the buyer, GVA Real Estate Group, to quickly expand their portfolio into geographic markets in which they have been looking to invest. The portfolio includes 16 assets in North Carolina, three in South Carolina and one in Oklahoma City.

"The Cedar Grove portfolio was a unique opportunity to acquire 19 properties in the Carolinas, which doubles our footprint in the region", said Alan Stalcup of GVA. "Additionally, the portfolio represents a fantastic value add in both operational improvements and continued interior renovations. We're excited to deliver the results our investors and residents expect from GVA."

GVA Real Estate Group is an Austin-based, vertically-integrated real estate company in the multifamily real estate sector. The firm specializes in conventional and affordable opportunities, focusing on expanding sub-markets.

"We uniquely approached the strategy around this sale. Rather than facilitating a broadly-marketed process, we targeted a small group of select buyers and created a bespoke experience for them," said Kon. "This approach allowed for these potential buyers to focus on the transaction in a more efficient manner and decide if they were the right steward of this exceptional portfolio."

The seller, Cedar Grove Capital, was founded in 2015. The firm leverages its vertically integrated operating structure and disciplined screening process to deliver risk-adjusted returns for investors and partners. Since its inception, Cedar Grove Capital has invested ~\$600 million in market rate multifamily assets and successfully exited numerous A, B, and C- class projects across five states.

"We are very proud to have delivered a successful execution for our investors and partners that serve as validation of our business model. We plan to redeploy the capital into new compelling MF investment opportunities," said Aaron Gorin, founder of CGC.

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