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Cove Capital Investments complete the acquisition of a high-quality multifamily asset

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San Antonio, TX Cove Capital Investments, LLC, a Delaware Statutory Trust sponsor company, has completed the purchase of The Peanut Factory Lofts, a dynamic multifamily asset. The acquisition will establish the Cove Capital San Antonio Multifamily 74 DST, a Regulation D, Rule 506(c) offering that aims to raise \$18,679,418.00 in equity.

According to Dwight Kay, managing member and founding partner of Cove Capital Investments, this unique asset was an all-cash acquisition and is considered a high quality addition to the firm's growing portfolio of debt-free Delaware Statutory Trust real estate assets for 1031 exchange and direct cash investors.

"From an investment perspective, this property has some characteristics that we believe will bode well for us over the hold period. For example, the 102-unit building was constructed in 2014 and has a net rentable area of 96,184 s/f. The property also has a diverse mix of dwelling units, including studio, one-, two-, and three-bedroom floorplans, townhomes, and a penthouse. This diverse selection perfectly aligns with the dynamic demographics of the area. The property is located on 2.69 acres of land in the thriving San Antonio, TX MSA, considered one of the fastest growing cities in the U.S. with strong economic anchors in government, military, and healthcare. Finally, the building and 127 parking spaces are located inside a gated perimeter, providing secure grounds for our tenants," said Kay.

Kay explained that Cove Capital immediately inserted its property management team with over 40 years of experience to oversee the day-to-day management of the asset. This property management team physically lives in San Antonio, ensuring a thorough understanding of the market dynamics and providing true boots and eyes on the ground.

"When you acquire a multifamily property, you must recognize that it is a living, breathing asset that needs close attention to daily operations. We feel confident our property management team will waste little time making a significant impact on the property with multiple items for repair and refurbishment underway within less than 1 week of ownership of the asset since closing," said Kay.

In addition to the investment fundamentals of the San Antonio Multifamily 74 DST, several architectural aspects make this property a unique addition to the Cove Capital Investments portfolio.

“For example, this asset was originally constructed as a peanut processing plant and then converted into ‘The Peanut Factory Lofts’ - a Class-A apartment community in 2014. The unique history of the building, combined with its proximity to San Antonio’s trendy Southtown, Historic King William District, Blue Star Arts Complex, and Historic Market Square, gives the building a distinct contemporary-urban aesthetic. The building incorporates some of the original silos, now transformed into modern apartments, along with a highly sought-after three-bedroom penthouse with a balcony and rooftop access, which commands peak rents for the property,” said Chay Lapin, managing member and founding partner.

Lapin pointed out that this latest Cove Capital acquisition also offers a host of premium amenities, including private garages, a coffee bar, a courtyard, door-to-door trash pick-up, a dog park, a fitness center, and a resort-style pool with cabana.

“Like many commercial and multifamily sellers today, this investor was coming up on a loan maturity date and potentially facing a foreclosure situation. As all-cash buyers, Cove Capital Investments was able to give the seller confidence that we would indeed close on the asset. Our debt-free platform was critical to successfully acquiring the Cove San Antonio Multifamily 74 DST. Our emphasis on debt-free investing continues to be an important differentiator in the 1031 exchange and Delaware Statutory Trust marketplace and an attractive ingredient for our growing number of accredited 1031 exchange investors, Broker-Dealers, Registered Representatives, and RIA’s,” said Lapin.

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