



## **Company of the Month: Major acquisitions paired with market expansion define a record-setting year for Castle Lanterra Properties**

March 21, 2017 - Front Section

Harbor Pointe - Bayonne, NJ

Suffern, NY Eight major acquisitions, strong performances across the existing portfolio and continued corporate expansion highlighted a record-setting year for CastleLanterra Properties (CLP) in 2016.

The privately-owned real estate company acquired multifamily residential properties totaling 2,594 units and a combined purchase price of \$382 million. The year also marked CLP's entry into three new markets: Corpus Christi, Tex., Atlanta, Ga. and Denver, Colo.

"We will continue to build on the strong results produced by our dedicated team," said Elie Rieder, founder and CEO. "While primary markets have shown their ability to provide steady long-term growth, we expect to capitalize on investments in select secondary and tertiary markets, and specific submarkets where economic momentum is raising apartment performance and enhancing the appeal of assets to investors seeking higher in-place yields or shorter investment horizons."

As an investor and owner, CLP is focused on the acquisition of multifamily apartment investments that provide solid risk-adjusted returns. The firm identifies fundamentally sound markets that have the necessary attributes to support long-term rent growth and sustained market appreciation. Key value and growth drivers include supply/demand imbalance, positive income and population growth, strong corporate presence, favorable business climate, diverse local economy and high living standards relative to price.

"We target specific neighborhoods within these markets where unique factors such as proximity to recreational amenities, highly rated schools, mass transit, highways, retail and dining can accelerate the appreciation of the asset," said Rieder. "Through a rigorous value-enhancement program, we reposition each property with the goal of providing a quality living experience for residents as well as maximizing ROI."

During the past year, the company has been on an acquisition push, opening up new markets as well as expanding others. Transactions included CLP's second, third and fourth complexes in Austin, Tex.; its first and second properties in Corpus Christi, Tex.; its second New Jersey acquisition; and its first in Atlanta and Denver respectively.

Harbor Pointe - Bayonne, NJ

Increased Investment in Existing Markets

CLP forged ahead with its strategy to acquire value-add properties in targeted submarkets in regions ranging from metro New York to South Texas.

River Park, a 224-unit class A rental community in Raritan, N.J., marked the firm's second acquisition in the Garden State following the October 2015 purchase of Harbor Pointe in Bayonne. The latter has seen substantial progress since being acquired and rebranded, including amenity upgrades and a significant improvement in leasing activity and occupancy.

CLP boosted its profile in Austin with three acquisitions totaling 1,175 units:

- Villas Tech Ridge, a 350-unit luxury apartment community;
- 1825 Apartments, a 455-unit, 60-building community located in the heart of the city's growing tech sector; and
- The 370-unit Arrangement (rebranded as "Array") in Austin's revitalized East Riverside corridor.

Upgrades to CLP's initial 2015 acquisition in the market, the 452-unit Asher, included a complete renovation of its clubhouse, pool, leasing office and other amenity spaces.

#### River Park - Raritan, NJ

#### An Expanding Geographic Footprint

CLP committed much of 2016 to broadening its geographic footprint, identifying new regions and properties that represent an expansion of its traditional value-add strategy.

The acquisition in July of the 220-unit San Marin marked CLP's entry into the coastal town of Corpus Christi, Tex. The purchase of the resort-like apartment community was followed in November by the firm's sixth Texas acquisition, Springs at Corpus Christi. Rebranded as "Sage Corpus Christi," this 284-unit marquis property added a turn-key, institutional-grade asset to the firm's portfolio.

CLP continued to diversify with two significant transactions in December: the 322-unit Alta Coventry Station (rebranded as "Landing Square") is in Atlanta's dynamic South Fulton submarket. Alexan Sloan's Lake, being rebranded as "Regatta Sloan's Lake," is a newly-constructed, 369-unit luxury asset with more than 8,800 s/f of fully-leased retail space, making it a unique addition to CLP's portfolio.

#### Strengthening the Company's Infrastructure

CLP continued to expand its corporate office staff in 2016 with the addition of an acquisitions associate to focus on the initial underwriting and modeling of new investment opportunities; and an investment analyst to focus on asset management and portfolio performance. Both are graduates of NYU Schack Institute's Masters Program. CLP also added a senior accountant to assist with partnership and property level accounting matters.

In addition, CLP managing director, Austin Alexander, relocated to the firm's newly-established office in Austin in order to oversee the company's operations in the Southern region.

"As we continue to pursue new investment opportunities and expand the CLP platform, it is imperative to establish the infrastructure necessary to support our growth," said Rieder.

In addition to generating superior rates of return for investors, Rieder is committed to creating communities that become strong sources of pride for residents and neighbors. In January 2016, the firm launched an annual scholarship program throughout its residential portfolio to provide opportunities for residents and their families. The program will be expanded in 2017 to include an additional scholarship. This attention to both the ROI and the quality of life of its residents has produced exceptional results over the past year for both the company and the local communities it serves.

Formed in 2009, CLP is a privately held real estate investment company focused on the acquisition

and management of quality income producing multifamily properties within strategic growth markets throughout the U.S. Through a rigorous value-enhancement program that includes thoughtful renovations, operational improvements and ancillary income development, CLP aims to reposition each asset with the goal of maximizing NOI, elevating its competitive position within the market, and providing attractive risk-adjusted returns for its investment partners. CLP currently owns and manages a portfolio comprised of 8,300 units and a value in excess of \$1.5 billion.

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