



Outside the Region: Aurelie Capital acquires 159-unit complex in Richmond, VA for \$20.6 million

February 20, 2018 - Front Section

Richmond, VA Aurelie Capital, a recently formed real estate private equity firm, has made its first investment through its Aurelie Investment I, LLC Fund, with the \$20.6 million acquisition of a 159-unit apartment home community.

Millspring Commons is located at 9318 Tarheel Terr. in the city's West End submarket. The property features a mix of one-, two- and three-bedroom townhomes ranging in size from 700-1,250 s/f, all with private entrances. The low-density 16-acre community also features a resort-style pool, clubhouse with fitness center, dog park, outdoor kitchen with grilling stations and children's playground.

Aurelie Capital has engaged Newport News, Va.-based property management firm, Drucker & Falk to assist in the construction management, repositioning and leasing.

CBRE's Dean, senior vice president Jonathan Greenberg, vice president Charles Wentworth, and senior associate Yalda Ghamarian represented both parties in the transaction. The acquisition was financed with a \$16 million loan from Fannie Mae, which was arranged by David Webb, vice chairman and Maxi Leachman, vice president of CBRE's Mid Atlantic Debt & Structured Finance Group.

The seller has been an excellent steward of the property since acquiring it as part of a portfolio buy last year. Yet many of the units have not been updated since the property was built in 1972. This provides Aurelie with an opportunity to create value by building upon a renovation program started by the seller, according to Aurelie Capital managing partner Pavan Malhotra.

"For our initial investment, Millspring Commons represented a rare opportunity to acquire an institutionally maintained asset in one of the most fundamentally sound multifamily markets in the United States," said Malhotra. "Additionally, at 97% leased, Millspring Commons boasts a strong current income along with its excellent upside potential, which we expect to realize through a planned \$2 million capital improvement program."

Planned improvements include upgrading unit interiors with new appliances, cabinets, flooring, stone counter tops and bathroom and kitchen fixtures as well as a complete renovation of the pool area and clubhouse.

“The West End submarket is highly popular with professionals and families attracted to its quality-of-life, amenities and some of the best schools in Richmond,” said Robert Dean, CBRE senior vice president who marketed the property on behalf of the seller, Tampa, Fla.-based Robbins Electra. “This will prove to be an excellent investment for Aurelie Capital as the West End is projected to outpace greater Richmond in effective rent growth over the next three years.”

Millspring Commons is the first of \$100 million in investments planned by Aurelie over the next 12 months, according to Malhotra. Formed in 2016 by the former senior executive of Jones Lang LaSalle's Real Estate Investment Banking practice, Aurelie Capital is initially targeting investment in value add multifamily assets in Maryland, Virginia, District of Columbia, North Carolina, Florida, Pennsylvania, Connecticut, New Jersey and New York.

Aurelie Capital Fund, LP I, is a joint venture with a California-based Foundation with more than \$1 billion in assets under management.

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