



Jonathan Rose Cos. closes \$525 million housing fund

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New York, NY Jonathan Rose Companies, LLC has closed on a \$525 million impact acquisition fund. This represents the firm's fifth institutional fund focused on acquiring and preserving affordable multifamily housing, implementing practical green strategies to reduce environmental impacts and operating costs, and connecting residents with social, educational and other services.

The fund's aggregate capital commitments of \$525 million exceeded its top end target of \$500 million, and in the end, was oversubscribed. The fund was raised during a time of investor caution, with more than \$285 million raised in the last six months. Rose's investment strategy across its preservation funds bears a low correlation to the market, has produced annual distributions exceeding 6% and 15-year record of a 15.4% net IRR, all of which contributed to the success in fundraising.

Thematically, investors also cited a renewed focus on climate change, poverty and income inequality, and health concerns due to the COVID pandemic as integral to their decision to invest.

"Our fundraising success was a testament to the rising interest of investors in impact and our team's track record over the last decade and a half of delivering on that promise," said Jonathan Rose, president of Jonathan Rose Cos. "Every one of our investors underwrote our environmental and social track records as deeply as they did our financial track record."

Nathan Taft, partner and managing director of acquisitions, said "COVID laid bare the fissures in our social safety net and underscored the need for safe, clean affordable housing. We have already committed Fund V to investments coast to coast in stand-alone properties and portfolios and continue to leverage our expertise and reputation for closing complex deals to find good opportunities."

Health care systems and other pension funds, foundations, universities and impact investment advisors contributed to the successful closing of the Fund, as did family offices and high net-worth investors. The Fund was particularly successful in attracting impact investors seeking strong risk-adjusted returns generated by a strategy that inherently strives to produce significant environmental and social returns. Rose's leadership in delivering results in all three components of impact investing helped drive investor interest.

"When we launched our \$1 billion Mission Related Investment program in 2017, our first commitment was to Jonathan Rose Companies. We are excited to partner with Rose again on this

Fund in its efforts to address the severe affordable housing crisis in the United States,” said Christine Looney of the Ford Foundation. “Rose’s triple bottom line focus on delivering risk-adjusted returns to investors while preserving affordable housing and providing critical social services to low-income residents and energy efficiency improvements to properties brings us one step closer to that goal.”

A key component of the Fund’s strategy is to develop “Communities of Opportunity,” adding programs and facilities to properties that, where possible, include on-site community centers, computer filled classrooms, health and wellness rooms, social service rooms, exercise facilities and community gardens to develop initiatives to connect residents with a range of health, educational and social services.

“I am excited to partner with Jonathan Rose Companies to continue their efforts to create and preserve affordable housing across the country,” said Jim Sorenson of the Sorenson Impact Foundation. “Jonathan Rose and team have consistently generated strong returns for investors and created positive social impact by implementing customized resident programs that are focused on building tenant resiliency.”

Founded in 1989, Jonathan Rose Companies is a mission-driven company focused on enhancing the health and wellness of its residents and the environment, with green, energy efficient property improvements and through its Communities of Opportunities programming. With offices in New York, Connecticut, Colorado, Ohio and California, Jonathan Rose Companies has developed or acquired more than \$3.2 billion of real estate and has 15 years of fund management experience and institutional investment partners. Jonathan Rose Companies’ affiliate, Rose Smart Growth Investment Advisors, LLC, an SEC-Registered Investment Adviser, is the investment advisor to the Fund.

As one of the larger owners/operators of affordable housing in the country, with 15,000 units owned and managed in 2020, the work of Jonathan Rose Companies has been recognized by the Urban Land Institute, the U.S. Department of Housing and Urban Development and others.

With nearly 11 million U.S households currently paying more than 50 percent of their income for rental housing, Section 8 new construction phased out since 1983, and nearly 50,000 subsidized units converted to market rate between 2014 and 2018, the need for investment in this market has never been clearer.

“Building upon a stable income stream, affordable housing leverages low cost of capital, grants and incentives, and regulatory and financial restructuring to drive strong current returns and greater resiliency during economic downturns,” said Michael Arman, CFO of Jonathan Rose Companies. “This is proving out in today’s market and is evidenced by the investor demand we have had during these economic times.”