



## **Avanath Capital Management acquires Brooklyn multifamily portfolio for \$315m**

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38 6th Avenue - Brooklyn, NY

535 Carlton Avenue - Brooklyn, NY

Brooklyn, NY Avanath Capital Management, LLC, a private real estate investment manager and registered investment adviser, has acquired its 100th asset: A mixed-use portfolio containing two multifamily properties with ground-floor retail space, for \$315 million. The portfolio, comprising 601 affordable and market-rate residential and commercial units, qualifies for NYC's rent stabilization program.

The two buildings are located at 38 6th Ave. and 535 Carlton Ave. The buildings will be managed by Avanath.

The mixed-use buildings were constructed in 2017 as part of the ongoing Pacific Park development project, one of the borough's largest development projects to date. Upon completion, the site will host eight acres of public open space, a new public middle school, 15 residential buildings, and over 7.3 million s/f of residential, commercial, and retail space.

Residents of the buildings can access several property amenities, including a fitness center, yoga studio, outdoor terrace, library, entertainment suite, and children's playroom. Avanath also plans to implement a set of environmental and social impact measures for both properties.

"Increasing housing accessibility is critical to Avanath's mission as we acquire our 100th property," says Daryl Carter, founder, chairman, and CEO of Avanath. "We are assuming ownership of these buildings as New York City faces a growing affordable housing crisis. This acquisition allows us to provide high-quality housing in an area of the country where market-rate rents are notoriously high and the demand for budget-friendly apartment homes is rising."

According to Brooklyn Magazine and based on data from New York City's Department of City Planning, Brooklyn's population grew by 230,000 people while just 78,300 housing units were added from 2010 to 2020. 37% of the subject portfolio comprises units that are regulated to serve residents with incomes between 40% and 100% of area median income.

“With this rent-stabilized portfolio and its several LIHTC-qualifying units, we identified an incredible opportunity to provide elevated, affordable options to community members within this area,” said John Williams, president and CIO at Avanath Capital Management. “We are expecting the portfolio’s high occupancy to be maintained due to its ideal location, with public transportation, employment centers, and several entertainment options all nearby.”

With 82,681 s/f of parking space and 42,643 s/f of retail space, the portfolio’s mixed use delivers additional value to tenants and helps to diversify the properties under Avanath’s management, according to Williams.

“We are excited that the acquisition of these two towers will be our opportunity to introduce Avanath Communities to Brooklyn. It is an exciting and transformative time for New York City, where we already held 458 units across 26 properties—primarily in Brooklyn—before acquiring this new portfolio,” said Keith Harris, executive vice president of acquisitions for Avanath. “This acquisition broadens our depth considerably in the New York City market, where we now own 28 properties totaling 1,059 units, and in the New York metropolitan area, where we now own 32 properties totaling 1,706 units.”

“Our firm is always looking for ways to elevate the lives of our residents, and we are accomplishing that with this portfolio by focusing on four main ESG objectives,” says John O’Connor, Acquisitions Director for Avanath. “We will be completing energy-saving upgrades within the units, complying with New York City’s energy ordinances, investing in ‘green’ assets for the buildings, and offering social impact programming for residents.”

Examples of social impact programming Avanath provides at its properties include but are not limited to after-school programs, computer and technology training, and community forums with elected officials and other government leaders.

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