



HLC Equity completes sale of multifamily community - Toscana Apartments

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Daniel Farber

Carrollton, TX HLC Equity, a multigenerational real estate investment management company, has completed the sale of Toscana Apartments, a 192-unit multifamily community. HLC acquired Toscana in 2017 for \$13.25 million and was able to deliver returns significantly above original projections to its investor partners and principals.

"When we originally purchased Toscana, we recognized the solid value proposition that the property offered given its strong location, and our ability to execute a value-add business plan. We are happy to have been able to deliver above market returns to our investors and to HLC Equity principals" said Daniel Farber, CEO of HLC Equity.

Upon acquiring the property, HLC Equity used HLC Direct to generate a significant amount of investable capital. HLC Direct allows accredited investors to invest alongside HLC Equity principals in institutional level real estate investments which have historically delivered above average returns for the investment group. Investors who took part in Toscana experienced firsthand, the sizable financial upside of investing via HLC Direct.

"This is my second full circle deal with HLC Equity and both times they have far exceeded the initial return projections. Our experience investing with HLC Equity has been terrific. They provide consistent reporting and distributions, and we are very satisfied with the results. HLC Equity is unique in that their long track record and significant co-investment gives us confidence that we are investing alongside a highly professional group," said Joel J., an executive in the Legal Services sector and investor with HLC Equity.

Toscana became the first property to implement Layers, HLC's hybrid operating model offering both serviced and conventional apartments to the growing mid- to long-term rental market. HLC investors have come to value Layers properties due to the upside as well as its hedge against single offering apartments. At Toscana, the implementation of Layers yielded comparable occupancy (90%+), however generated a 20% net lift in rental revenue. Since Toscana, HLC's other partner properties

are also seeing Layers serviced apartments command significant premiums compared to traditional counterparts.

“Not only are we pleased to have exceeded our investment goals, but Toscana has also helped solidify the business case for our hybrid Layers model, showing that there is significant demand in the market for mid to long term serviced apartments in traditional multifamily assets,” said Farber.

“Dallas has consistently delivered strong returns and opportunity to HLC Equity and our investment partners and will continue to be a focal point as we look to acquire new properties and further expand our footprint,” said Farber.

HLC Equity sold the property to Beverly Hills-based Archway Equities, which was brokered by Rob Key, JLL’s managing director of Dallas.

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