



## **HPP Real Estate and Machine Investment Group Partner on recapitalization of North Hill Apartments in Virginia Beach, VA**

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Griffin Hoffmann

Virginia Beach, VA New York-based HPP Real Estate, a division of Hill Property Partners LLC (HPP), has closed on the recapitalization of North Hill Apartments, a 148-unit multifamily rental property, just one year after purchasing the asset.

The recapitalization marks the first transaction between HPP and Machine Investment Group (MIG)—a real estate investment platform focused on opportunistic, distressed, and special situations across the United States—as the two companies look to form a strategic partnership to buy value-add properties throughout the country.

“We are very pleased to have accomplished this portion of our business plan for North Hill—to complete an institutional level recapitalization following the implementation of an asset repositioning program that included extensive on-site capital improvements and a rebranding strategy that resulted in a higher rent trajectory for the property,” said Griffin Hoffmann, partner at HPP Real Estate. “Eric and the MIG team are experienced, dedicated and a pleasure to work with. Their institutional investment platform is a perfect complement to HPP’s platform; we are excited to continue our partnership together moving forward.”

HPP acquired the 126,936 s/f property in September 2021 for \$28.175 million. Following the purchase, HPP started on a significant multimillion-dollar capital improvement program that included a full rebranding of the property; the addition of a new fitness center; and a renovation of the facility’s pool area, dog park, gut renovations of individual units, and additional updates throughout the property. HPP also retained Greystar to manage the property. As a result, HPP has realized rent increases of 25-plus percent property wide in less than 12 months. Renovations at the property are expected to be completed in Q4 of 2022.

“The closing of this transaction with MIG marks the successful realization of HPP’s strategy to combine the depth of our GP family office-based capital structure with top tier institutional level LP investment partners”, added Mitchel Hill, managing partner at HPP Real Estate.

“HPP’s operational experience, creativity and professionalism made them an excellent partner to team up with on the recapitalization of North Hill Apartments. The institutional quality of this multi-family asset and HPP’s plans for it fit nicely within our fund as we continue to deploy capital across the U.S.,” said Eric Rosenthal, co-founder and managing partner of MIG. “We look forward to working with HPP on future transactions in the near term.”

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