



Jonathan Rose Cos. closes Rose Smart Growth Investment Fund I

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Jonathan Rose Cos. has completed the closing of its Rose Smart Growth Investment Fund I, one of the nation's first funds dedicated to acquiring income producing real estate near transit or in walkable communities, and to transforming these assets with green renovation and management practices. The fund closed at nearly \$40 million.

"We created a new model for real estate investment, proving that in times of financial distress, the strongest real estate investment returns are realized by focusing on smart growth locations and intelligent green practices," said Jonathan Rose, president of Jonathan Rose Cos.

"The Fund has not only increased in value over the last few years, but has distributed a check every quarter to our investors from our properties' cash flow, validating our investment thesis that careful consideration of the environmental and social impacts of real estate is good for the bottom line. Two of the Fund's early investments are national models for successful green retrofits of occupied properties, and all of the Fund's acquired assets experienced significant increases in occupancy levels and returns."

To date, approximately \$30 million of the Fund has been deployed on projects in "smart growth" (dense, transit-rich) markets across the country. The Fund's investment team, led by Wendy Rowden, managing director, believes that these locations not only perform better economically in good times and bad, but also are essential to reducing the carbon emitted by real estate and its use. "Real estate in suburban sprawl locations have higher default rates and generate higher greenhouse gases," Rowden said. "By investing in existing, cash-flowing buildings in connected, vibrant smart-growth markets and then greening those buildings, we are reducing environmental impacts and increasing economic and social benefits to our investors and communities. The recent Urban Land Institute studies "Growing Cooler" and "Moving Cooler" confirm that these locations are inherently greener given that they reduce the need for auto-based transportation."

The firm's acquisitions team, directed by Nathan Taft, continues to seek and evaluate new investments in Class B historic office buildings and multi-family (including affordable housing) in cities that have strong intellectual capital, diversified economies, and robust mass transit, all indicators of their ability to weather economic storms. These markets include the Boston to Washington, D.C. corridor, Chicago, Denver, San Francisco, Portland and Seattle.

Among the most notable investments of Rose Smart Growth Investment Fund I are:

- * The acquisition and greening of 107-145 West 135th Street, a 198-unit multifamily redevelopment in Harlem;
- * The green retrofit/upgrade of the 132,000 square-foot Joseph Vance and Sterling office buildings in Seattle;
- * The acquisition and greening of a two-building office asset at 45-55 Church Street in downtown

New Haven, CT using New Market Tax Credit financing;

- * The adaptive re-use of the Clipper Mill, a mixed-use project in Baltimore;

- * The renovation and releasing of an historic retail building at 50 East San Francisco in Santa Fe, NM;

- * The development of Tapestry, an 185-unit mixed-income rental building under construction at the foot of the RFK Bridge in the East Harlem section of Manhattan.

"Rose Smart Growth Investment Fund I couples a forward-thinking strategy with a long-term approach to creating and retaining value," said Mr. Taft. "Jonathan Rose Companies' 20+ years of experience as a pioneer developer/owner of green real estate gives us a competitive edge. At the property level, our strategy makes sense for the current bottom line, while helping to 'future-proof' the investment. Our investment focus means that we are often invested in CRA qualified locations, and given our track record, bring advantageous, long-term fixed-rate financing to the green retrofits we undertake."

"Investing in the health of our buildings and educating our tenants produces tangible results," said Ms. Rowden. "We find that green buildings tend to have higher occupancies than non-green buildings, and this helps us deliver returns - every single quarter - to our investors."

About Jonathan Rose Companies LLC: Jonathan Rose Companies is a green real estate policy, planning, development, owner's representative and investment firm. The firm currently manages over \$1.5 billion of work, much of it in close collaboration with not-for-profits, towns and cities. Founded in 1989 by Jonathan F.P. Rose as a mission-based, multi-disciplinary practice, Jonathan Rose Companies is recognized for its ability to achieve visionary goals through practical strategies and affordable green urban solutions. The firm currently has offices in New York, Connecticut, Colorado and New Mexico. For more information, visit www.rosecompanies.com.

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