

CenterSquare and CARROLL Announce Sale of Houston-Based Multifamily Property, Delivering Favorable Outcome for Investors

Renovations and Repositioning to the Class A Property Contribute to Successful November 2021 Transaction

Transaction Overview:

In November 2016, CenterSquare Value-Added Fund III and its joint venture (JV) partner, CARROLL, acquired a well-located Class A multifamily property located in a premier submarket of Houston. While the current oil market was challenged at the time, the JV remained bullish on the long-term growth prospects for the broader Houston region and focused on a suburb that was not driven by the energy sector. The Property offered quality schools, safe neighborhoods and larger units, many with attached garages. The JV identified an opportunity to further upgrade the Property and provide an affordable living option for families in the area.

The Property was acquired at a discounted purchase price and attractive basis due to the negative conditions in the Houston market at the time. The business plan called for renovating the interior finishes as well as upgrading common areas and exteriors. These improvements included new stainless-steel appliances, kitchen and bath fixture upgrades, lighting, blinds, faux wood flooring, and washer/dryers. The exterior capital improvement plan included a clubhouse renovation, fitness center, new paint, and landscaping.

In September 2021, the Partnership selected a buyer after a very competitive marketing process. A sale was completed at a price that produced strong returns for the investors and outperformed original targets.

“With today’s housing affordability issues, investing in quality rental alternatives for the working class is a meaningful endeavor and one in which we are proud to engage,” said Jeffrey Reder, Managing Director of Private Real Estate at CenterSquare. “Our investment and sale of this Houston property is indicative of our ongoing strategy to identify compelling opportunities in promising suburban locations within the high growth Sunbelt markets and improve those assets through value-add business plans, all while maintaining affordable rents.”

“This Property was identified in 2016 as an outstanding opportunity for our partnership to take an underperforming asset in a slower Houston market to the next level with CARROLL’s proven value-add asset management strategy,” said Sadler Walker, vice president of asset management at CARROLL. “Our customer-first approach and value-add execution provided residents with an updated, affordable apartment to call home. We are thrilled with the execution of our strategy, exit, and successful partnership with CenterSquare.”

For more information about CenterSquare’s Value-Added Private Equity Real Estate Investment Strategy, please contact:



Chad Burkhardt
*Managing Director,
Private Real Estate*
CBurkhardt@CenterSquare.com



Jeffrey Reder
*Managing Director,
Private Real Estate*
JReder@CenterSquare.com

630 West Germantown Pike, Suite 300, Plymouth Meeting, PA 19462
T 610 834 9500 | F 610 834 9505 | www.centersquare.com
Follow us: [Twitter](#) | [LinkedIn](#)