

News Release



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CenterSquare Investment Management Fund Exits Houston with the Sale of 1301 Fannin Street and the Villas at Hermann Park

New York, February 6, 2015 -- CenterSquare Investment Management, a Pennsylvania-based investment boutique of BNY Mellon specializing in real assets, announced today the recent sales of 1301 Fannin Street and the Villas at Hermann Park, both in Houston, marking the successful execution of its business plans on two of the largest investments in its Urdang Value-Added Fund II, a \$463 million value-added closed-end fund.

Acquired in 2007 in a joint venture with Houston based Griffin Partners, 1301 Fannin Street is a 784,000 square-foot Class A mixed-use office tower and data center in Houston's central business district. During the eight-year hold period, the building's common areas and infrastructure were upgraded resulting in Net Operating Income (NOI) growth of 71.6 percent.

Acquired in 2011 in a joint venture with Falcon Southwest Companies, based in Austin, Texas, the Villas at Hermann Park is a 320-unit, Class A apartment project just south of downtown Houston in the heart of the Texas Medical Center, the world's largest medical complex and home to 21 renowned hospitals, three medical schools and two universities. During the 3.5-year hold, the property's common areas and apartment interiors were upgraded resulting in NOI growth of 20.5% percent.

"In 2006, we made a decision to overweight Texas in general and Houston in particular, as we believed that investments targeting a strong pro-growth business environment coupled with properties aimed at the energy, technology, education and healthcare sectors would outperform the broader US market, and this proved especially true during the Great Recession," said David Rabin, managing director, private real estate at CenterSquare. "Along with a Houston retail center sold in late 2012, an Austin apartment property sold in 2014 and an Austin office property targeted for sale later this year, our overweight to Texas has contributed greatly to the fund's positive performance."

CenterSquare remains bullish on Texas, recently acquiring a property in the Dallas suburb of Richardson in its current closed-end Value-Added Fund III. Rabin said, "While we are out of Houston right now, CenterSquare plans to monitor potential new value-add investment opportunities in Houston next year as a robust development pipeline of new product converges with the approaching economic slowdown resulting from lower oil prices."

About Griffin Partners - Griffin Partners (www.griffinpartners.com) is an owner and operator of commercial real estate properties throughout Texas and Arizona with a current portfolio of four million square feet valued in excess of \$650 million. The company, formed in 1980, specializes in the acquisition, development and management of office and industrial properties. Since 1980, Griffin Partners has acquired or developed 9.4 million square feet of office and light industrial property, valued at over \$1.2 billion.

About Falcon Southwest - The Falcon Southwest Companies (www.falconsouthwest.com) invest in select commercial real estate opportunities throughout the Southwestern United States. Falcon Southwest identifies opportunities spanning a wide variety of deal sizes, from small syndications to institutionally sized transactions. Deal profiles include acquisition, rehabilitation or development of multi-family and commercial properties, distressed debt transactions and equity investment in transactions sponsored by qualified commercial real estate operators. Investment transactions are custom tailored to fit the investment objectives of our investors.

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CenterSquare was founded in 1987 and offers a variety of real asset strategies and products. CenterSquare manages approximately \$7.5 billion of public real estate securities through CenterSquare Investment Management, Inc. and approximately \$1.6 billion (gross) of debt and private equity real estate investments through CenterSquare Investment Management Holdings, Inc. (together referred to as "CenterSquare"), as of December 31, 2014. It manages investments for institutional investors and high net worth individuals throughout global markets and across public and private capital sectors. It is one of the investment boutiques of BNY Mellon Investment Management.

BNY Mellon Investment Management is one of the world's leading investment management organizations and one of the top U.S. wealth managers, with \$1.7 trillion in assets under management. It encompasses BNY Mellon's affiliated investment management firms, wealth management services and global distribution companies. More information can be found at www.bnymellon.com.

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