

Vesper Holdings, Prospect Capital Invest in Student Housing

OCT
07
2016

The multi-state portfolio includes communities located near Division I universities.

by Evelina Croitoru

New York—[Vesper Holdings LLC](#), a privately held real estate investment firm based in New York City, and [Prospect Capital Corp.](#) have announced the purchase of an eight-property student housing portfolio. The companies invested a combined total of roughly \$72 million in the acquisition of the communities located near Division I universities in five states.

National Property REIT Corp., a privately owned real estate investment trust owned by Prospect, is to provide 67 percent of the junior acquisition capital, a portion of



Isaac Sitt, co-founder & principal, Vesper Holdings

which will be funded post-closing. Vesper provided 33 percent of the junior acquisition capital. The seller, Austin, Texas-based Campus Advantage, was represented by Jaclyn Fitts, national director of student housing with CBRE. The deal ranks as one of the five largest [student housing](#) transactions in the U.S led by a private company.

In order to boost the potential of the newly acquired properties, Vesper Holdings plans an \$11 million investment, including unit renovations, extensive exteriors enhancements and

substantial technology upgrades. The eight assets will be managed by Campus Life & Style, Vesper's wholly-owned management subsidiary.

The purchased properties include Islander Village, a 312-bed community, and Campus Quarters, a 336-bed community, both located near Texas A&M University in Corpus Christi, Texas; Crimson, a 700-bed community near the University of Alabama in Tuscaloosa, Alabama; University Crossing, a 700-bed community near Kansas State University in Manhattan, Kansas; West 22, an 850-bed community near Kennesaw State University in Kennesaw, Georgia; The District on Luther, a 1,098-bed community near the Texas A&M University in College Station, Texas; Legacy, a 368-bed community near Georgia Southern University in Statesboro, Georgia; and Hawk's Ridge, a 561-bed community near the University of Iowa in Iowa City.

The properties are concentrated near large, growing universities that have grown their enrollment numbers by more than 20 percent since 2010. Enrollment is expected to increase an additional 13 percent by 2020.

"Our acquisition of this student housing portfolio is part of a strategy to purchase well-located properties with upside potential that can be unlocked through renovation, repositioning and rebranding," Isaac Sitt, co-founder & principal of Vesper Holdings, said in prepared remarks. "We have consistently generated exceptional risk-adjusted returns through our value-add strategy and look forward to accomplishing the same with this portfolio. Since we were able to acquire the portfolio at a highly attractive price, we are in a position to [invest](#) necessary capital and offer these communities to students at competitive rental rates."

The acquisition of the 4,925-bed portfolio bolsters Vesper's presence in Texas, Georgia, Iowa and Kansas and, in addition, extends the firm's reach into Alabama.

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