

## Vesper Holdings, Prospect Capital Acquire Eight-Property Student Housing Portfolio

*Updated: Buyers Will Invest \$11 Million to Upgrade Unit Interiors, Common Areas*

By [Randy Drummer](#)

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Vesper Holdings and Prospect Capital Corp. have purchased a portfolio of eight student housing assets totaling nearly 5,000 beds in five states from Campus Advantage, Inc.

Prospect and Vesper did not disclose the total purchase price, but said the partnership invested an initial \$72 million of equity in the transaction, with an additional \$8 million of equity to be invested toward renovations over the next year, bringing the total initial equity invested to \$80 million.

National Property REIT Corp, a private REIT owned by New York City based Prospect, committed 67% of the junior acquisition capital for the portfolio of properties in Texas, Georgia, Iowa, Kansas and Alabama, while New York City based Vesper contributed the remainder of the capital and will manage the portfolio.

The portfolio totaling 1,709 units and 4,925 beds includes properties at or near Texas A&M University, Georgia Southern University, the University of Alabama and other large university campuses. The properties, built specifically as student housing, include two- to four-bedroom units with such amenities as property-wide Wi-Fi; exercise, pool, outdoor kitchen and cabana facilities and large clubhouses.

Prospect and Vesper will invest a total of \$11 million to upgrade unit interiors and amenities over the next two years, the companies said in a statement.

Investors have been [very active in student housing, pumping \\$5 billion into property sale in the first half of 2016, which could equal or exceed last year's record-setting investment pace in the evolving property niche sector.](#)

Prospect's portfolio company REITs have invested a total of \$471 million in 22 separate transactions across 62 properties with about 25 million of rentable square feet over the last four years. The properties include 39 multifamily residential apartment properties totaling 14,000 multifamily units, 12 self-storage properties totaling 6,000 units, and three single-tenant net lease facilities in addition to the student housing portfolio.

The portfolio is concentrated near rapidly growing universities with average enrollment sizes of nearly 35,000 students, with enrollments growing by over 20% since 2010 and projected to increase another 13% by 2020.

The properties include Islander Village, a 312-bed community, and Campus Quarters, a 336-bed community, both near Texas A&M University in Corpus Christi; Crimson, a 700-bed community near the University of Alabama in Tuscaloosa, AL; University Crossing, a 700-bed community located near

Kansas State University in Manhattan, KS; West 22, an 850-bed community near Kennesaw State University in Kennesaw, GA; The District on Luther, a 1,098-bed community near the Texas A&M University in College Station, Legacy, a 368-bed community near Georgia Southern University in Statesboro, GA; and Hawk's Ridge, a 561-bed community located near the University of Iowa in Iowa City.

Jaclyn Fitts, national director of student housing for CBRE, negotiated the transaction on behalf of the seller.

**Editor's note:** *This update corrects information about acquisition capital in the transaction. The \$72 million invested by the venture is the initial equity, not the total purchase price.*

Please see CoStar COMPs #3721993 for more information on the transaction.



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