



BETA WEST

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HUDSON TEA BUILDING

KEY FACTS:

- We assisted our client in acquiring a non-performing mortgage loan secured by 16 acres of waterfront land in Hoboken, NJ. Thereafter, our client took title to the property and obtained development approvals for 1,278 apartment units; 1,200 parking spaces; and 70,000 square feet of retail space.
- BetaWest assisted in developing the first 525 units, leased and managed those apartments for three years. Due to the asset's strong performance, our client received an offer from a national apartment developer and with the assistance of BetaWest, sold the entire project, including development rights to the second phase, which generated a gross IRR of 15%, profits of \$48.0 million, and a 2.1x investment multiple.



THE STORY:

BetaWest assisted our client in sourcing a defaulted mortgage loan secured by the historic former Hudson Tea Building located on the waterfront of Hoboken, New Jersey across the Hudson River from Manhattan. With the assistance of BetaWest through the entitlement process, our client was able to obtain approval for construction of over 1,250 apartment units. After construction of 525 units, a 7,000 square foot health club and 3,000 square feet of retail space in two buildings, BetaWest was engaged to provide leasing and asset management services achieving the highest rents on the Jersey waterfront. The strong operating performance along with the significant remaining entitlements attracted the attention of Toll Brothers who purchased the project and built out the balance of the property. BetaWest's involvement in the sale was key to securing premium pricing.

COLORADO APARTMENT PORTFOLIO

KEY FACTS:

- Our client, together with an operating partner, Legacy Communities (successor to Lincoln Properties), acquired a portfolio of 1,576 apartment units along the Colorado front range. These consisted of Peppercorn, a 318 unit development in Thornton, CO; Regency Tower, a 124 unit high-rise in Colorado Springs, and Waterside, a 1,134 unit complex in Lakewood, CO.
- Through a comprehensive capital program, BetaWest able to significantly raise rents and sell Peppercorn and Regency Tower within two years of acquisition. The proceeds of these sales were used to reposition Waterside and split the property into five sub-units with the goal of selling them individually.
- The Waterside property was significantly upgraded, repositioned and eventually renamed Riata at Bel Mar. Ultimately, the investment partnership acquired our client's position in the asset resulting in a gross IRR of 21.4% with profits of \$16.2 million and a 1.9x investment multiple.



THE STORY:

This portfolio was purchased from an affiliate of Koll Bren Partners with the ultimate goal of gaining access to Waterside apartments, which was one of the largest multifamily developments in the Denver metro area. The other two properties were upgraded, repositioned and sold for a gain, with the proceeds reinvested in Waterside. At the time, BetaWest executed a strategy of splitting the property into five distinct properties of approximately 250 units each to tailor to a specific market segment. Simultaneously with the repositioning, an older enclosed mall located behind the apartments was being redeveloped into a lifestyle retail center, adding vitality and excitement to the neighborhood. The repositioning was ultimately accomplished with varying levels of finishes and pricing in order to help distinguish product types and create demand at various level of rent. Upon completion of the repositioning, the five separate properties were listed for sale with the expectation of selling to five separate purchasers, however, a single purchaser acquired all five properties. As a result of the successful repositioning and favorable returns our client established a profitable long-term relationship with Legacy Communities.