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EXCLUSIVE

Vesper Buys Student Housing Assets near Texas A&M

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Campus View

COLLEGE STATION, TX-Vesper Holdings has entered the Texas market with the purchase of two student housing properties located within one mile of Texas A&M University.

The New York City-based company acquired the properties, Campus View and Campus View East, in an off-market transaction from Aspen Square Management. The assets, which consist of 478 units with 867 beds, represent the third deal Vesper has completed with the West Springfield, MA-based student housing owner and operator.

As GlobeSt.com previously reported, in July 2010, Vesper acquired the 208-unit Harbor House in Ann Arbor, MI, near the University of Michigan campus, from Aspen Square for \$13.2 million. And in November 2010, the firm closed its second deal with Aspen Square, paying \$12 million for the 248-unit Hawks Pointe Apartments in Lawrence, KS, near the campus of the University of

Kansas.

Including Campus View and Campus View East, Vesper has acquired \$70 million worth of student housing properties in the past nine months, according to Isaac Sitt, co-founder and principal of Vesper Holdings. The deal brings the firm's student housing portfolio to seven properties totaling nearly 2,000 units.

Sitt declined to disclose the acquisition price for the College Station assets. But based on Vesper's total investment volume for the three Aspen Square deals and the amount the firm paid for the two other deals, one could estimate that Campus View and Campus View East sold for close to \$45 million. KeyBank arranged Fannie Mae financing for the acquisitions on Vesper's behalf.

The two-properties contain 62 two-story buildings that feature a mix of garden-style and townhome apartments. The unit mix includes one, two, three and four bedroom units in 28 different floor plans. The properties have a combined 98% occupancy rate.

"We really like the College Station market," Sitt tells GlobeSt.com. "When we looked at the student-to-bed ratio and the need for off-campus housing, we liked those metrics. Plus, we didn't feel the off-campus market was overbuilt, and we like the location of the properties – their proximity to the university and the fact that they are close to the city's retail sector."

Vesper plans to invest \$1.5 million to enhance Campus View and Campus View East. "The properties are in good condition, but at the same time, they're older properties and there are a lot of new properties in the market that have the amenities that kids love," Sitt notes, explaining that the renovations will include a new amenity center, as well as extensive improvements to exteriors and major technology upgrades throughout the complexes.