

Triad college apartments sell for \$40.3 million

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A privately held New York-based real estate investment firm that focuses on student housing has added a \$40.3 million asset to its Triad holdings.

Vesper Holdings has acquired University Village, a 203-unit, 11.2-acre student housing community at 501 University Drive near the University of North Carolina Greensboro, from EdR, a Memphis-based real estate investment trust that also focuses on student housing.

EdR, known as Education Realty Trust and Allen & O'Hara until 2012, developed the community in 2006.

Brian Bobek, Vesper president, told Triad Business Journal that Vesper plans about \$1 million in capital investments. Bobek estimated those renovations would be done in the next 12 months.

"It will be spent primarily on the clubhouse and amenities," he said. "It's a good property. Our plans are not finalized yet. I don't know if we'll rebrand. We'll change the entire design and modernize the clubhouse for today's college students."

University Village is composed of six 24-unit, multibedroom apartment buildings and six 12-unit, multibedroom buildings. Four-bedroom units can rent for \$2,540 (\$635 per bedroom) per month. Bobek said occupancy is about 98 percent.

Vesper recently completed renovations and rebranding of The Vic, formerly known as Sherwood Forest, which it bought last May. Vesper paid \$36.5 million for those 297 units. The Vic rents four-bedroom units for between \$429 and \$459 per bedroom per month. Vesper later bought four small, adjacent apartment complexes totaling 60 units from the same owner under the Campus Crossing name.

Vesper spent about \$1.8 million at The Vic, including renovation of the units, enhancements to the property's exteriors and technology upgrades.

Bobek said the previous owner had recently updated Campus Crossing, so it didn't need immediate renovations.



VESPER HOLDINGS

The new owner of University Village plans to spend about \$1 million on renovations.

Why Vesper's interest in Greensboro? Bobek said Vesper had followed the Greensboro market for years, waiting for the right deal. He said his company targets schools likely to grow, and it likes Southern markets.

UNC Greensboro is currently planning a new two-part millennial campus featuring public-private partnerships.

"We believe in the university dynamic," Bobek said, noting that multibedroom student housing generally goes for higher rents than traditional apartments. "We think there is a lot of value there — college housing is very recession-resistant."

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