

BUYERS IN BRIEF

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► Private equity investor **Stockbridge Capital's** \$1.2B-plus of planned volume this year will focus on apartments, O&I, retail and manufactured housing communities nationwide. The budget marks a 60% increase compared to \$750M spent during 2013.

► Urban retail buyer **L3 Capital's** \$300M acquisitions purse will support expansion into Miami and Washington, D.C., this year, as well as existing markets of Chicago, Los Angeles and New York. The core-plus to value-added investor will consider \$10M to \$100M transactions for all types of infill boxes. It spent \$200M on acquisitions last year, including an atypical buy in suburban Chicago.

► If office buyer **Granite Properties** hews to a typical acquisitions year, it could buy \$200M to \$300M of properties this year in Atlanta, Boston, Denver and Los Angeles, as well as Austin, Dallas and Houston, Texas. Some of those deals will include development. It bought and built approximately \$250M of properties last year, including an initial entry into Boston — where it'll build a mixed-use retail/office asset in suburban Cambridge. The private investor considers \$10M-plus acquisitions, with an average \$50M deal size. Count on the buyer to also pursue mezzanine debt and preferred equity investments.

► Diversified buyer **Tryperion Partners** targets \$110M of acquisitions and will use cash from its newly minted \$50M-equity (\$200M all-in) Tryperion Real Estate Fund I. The company looks for value-added apartments, office, hospitality and retail. The private investor, which recently expanded into Missouri with an \$80M, six-building property buy from Duke Realty, bought \$110M of assets in 2013.

► Regional retail buyer **Blue Ridge Capital** looks to spend up to \$15M this year, as it evaluates assets in Alabama, Georgia, North Carolina, South Carolina and Tennessee. The buyer, which booked upwards of \$10M of buys last year, can be expected to pursue retail properties and non-performing mortgages secured by such assets — in transactions ranging from \$500,000 to \$30M. In Florida, the buyer plans to scoop its second property since 2003, via a non-performing note purchase; it has also contracted to acquire a property in Alabama. The buyer acquires Class B and Class C properties in primary through tertiary markets.

LARGER DEALS TO DOMINATE SELF-STORAGE

Big deals will comprise the bulk of this year's self-storage activity, which is expected to reach \$1.5B of overall transactions volume, less than last year because insiders anticipate a scarcity of large portfolios. Larger one-off properties will be put on the block. Declining cap rates will move sellers to take advantage of higher pricing before interest rate increases that could make refinancing a pricier prospect.

Public REITs will leverage their portfolio values and increasingly buy properties using operating partnership (OP) units. OP unit deals will be especially attractive to full-leverage buyers-cum-owners holding maturing loans and looking to sell. Public REIT leader **Public Storage** should continue its acquisition momentum if it finds more Class A and Class B portfolios and single assets.

More off-market deals will occur. Purchases will complement nearly \$200M of development and redevelopment projects. Future deals may resemble a recent \$750M multistate portfolio of newly built and seasoned assets. Judging that portfolio, Public Storage won't be averse to vacant, new properties at 0% cap rates or to value-added assets at cap rates in the 8% to 9% range.

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