

# Broadtree Residential Acquires \$137.5 Million Multifamily Portfolio via UPREIT Transaction

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ROCHESTER, N.Y., July 30, 2018 (GLOBE NEWSWIRE) -- **Broadtree Residential, Inc.**, a private real estate investment trust (REIT) managed by **Broadstone Real Estate, LLC** (Broadstone), today announced the **\$137.5 million** acquisition of three Class A multifamily apartment communities from affiliates of Chesapeake Realty Partners (CRP) in Broadtree's inaugural UPREIT transaction. Two of the assets (1901 S. Charles and 2 East Wells) are located in Baltimore, Maryland, and the third (The Overlook) is located in greater Harrisburg,

Pennsylvania. In aggregate, the properties are comprised of 633 total residential and two commercial units. All three communities are managed by WPM Real Estate Management, a Baltimore-based third-party property manager.

In an UPREIT transaction with Broadtree, property owners contribute real estate to the fund's operating partnership on a tax-deferred basis in exchange for equity, in the form of Operating Partnership Units (OP Units). As a result of this transaction, the sellers contributed more than \$25 million of equity into the operating partnership of BTR, and now have interest in a diversified multifamily portfolio offering. Post-closing, Broadtree has an asset base of nearly \$350 million, comprised of eight multifamily communities and 2,181 total units.

*"This transformational transaction is the first of what we hope will be many UPREIT deals for Broadtree,"* said **Chris Czarnecki**, Broadtree's CEO. *"Broadtree operates in a competitive multifamily marketplace, and one of the ways to create shareholder value is via the sourcing and execution of complex UPREIT transactions. This portfolio acquisition also provides BTR shareholders important geographic diversification, and enhances our portfolio with additional stabilized assets that we plan to hold for the long-term. We look forward to announcing additional exciting acquisitions throughout the rest of 2018 and beyond."*

1901 South Charles is a Class A mid-rise multifamily community developed in 2012 by CRP, featuring a wrapped parking deck. The property consists of 193 units, with an average unit size of 842 square feet. The unit mix includes 25 studio apartments, 96 one bedroom/one bath units, and 72 two bedroom/two bath units. The community features units with traditional layouts and nine-foot ceilings. 1901 South Charles is the first wood-frame residential building in Baltimore to receive LEED Gold certification. All units are equipped with balconies, gourmet kitchens with granite countertops and stainless appliances, and vinyl plank flooring throughout the living areas.

Community amenities include controlled access, a courtyard, fitness center with yoga studio, and a resident's club.

Built in 2015, 2 East Wells is a Class A mid-rise multifamily community featuring a wrapped parking deck. The property consists of one five-story building with 152 units with an average unit size of 843 square feet. The unit mix consists of 87 studio apartments, 24 one bedroom/one bath units, 10 one bedroom/two bath units, and 31 two bedroom/two bath layouts. Two ground floor retail spaces exist at the site as well, currently tenanted by the Baltimore Soup Company and Minnow, a high-end seafood restaurant. 2 East Wells is a green community built to LEED Gold standards, and features an industrial-chic style. Units are laid out in a modern, contemporary loft-style concept with nine-foot ceilings and granite countertops throughout, including moveable kitchen islands, allowing for flexible resident workspaces. All units are equipped with a balcony or patio, chrome finishes, oversized soaking tubs, and modern stainless appliances. Additional community amenities include climate controlled storage, a garden courtyard with gourmet grill and hammocks, rooftop decks and fitness center, and a resident's club.

The Overlook is a Class A mid-rise multifamily community built in 2014, located in Camp Hill, Pennsylvania (greater Harrisburg) featuring 288 units within six residential buildings and an average unit size of 926 square feet. The unit mix consists of 78 one bedroom/1.5 bath layouts, and 210 two bedroom/two bath units. The community was built to LEED Silver standards. The first through third floor units feature eight-foot ceilings, while units on the fourth floor feature either 10 or 12-foot ceilings. Unit amenities include balconies on floors two through four, oversized kitchens with upgraded fixtures, stainless appliances and granite countertops, large closets, and upscale flooring. Community amenities include a 5,000-square foot clubhouse with fire pit and business center, a resort-style salt water swimming pool, and fitness center with yoga studio.

### **About Broadtree Residential:**

Broadtree Residential, Inc. (Broadtree) is a private real estate investment trust (REIT) designed to provide shareholders with predictable, tax-sheltered cash flow, and generate attractive total returns via investment in a diversified portfolio of multifamily apartment communities.

Broadtree seeks residential property acquisitions via outright cash purchases and/or through UPREIT transactions. UPREIT transactions (where "UPREIT" stands for Umbrella Partnership REIT) provide a tax deferred exit strategy for owners of real estate who might otherwise recognize a significant taxable gain in a cash sale of a highly appreciated property with a low tax basis. These transactions enable the property owner to exchange owned real estate for an interest in a professionally managed portfolio that is diversified by geography and property type.

Broadtree, which is externally managed by Broadstone, remains open for investment by accredited investors only, with a minimum initial investment of \$200,000. Shares are offered via private placement. Please see certain important disclosures regarding Broadtree at [broadstone.com/disclosures](http://broadstone.com/disclosures).

Accredited investors are invited to download an investor kit: [Broadstone.com/CRP1](http://Broadstone.com/CRP1)

## **About Chesapeake Realty Partners:**

Headquartered in Owings Mills, Maryland, Chesapeake Realty Partners builds on more than 70-years of success in the Mid-Atlantic real estate market. CRP is actively engaged in all aspects of real estate development – land acquisition; land planning and land development; residential lot sales; construction and operation of residential rental communities; and construction and operation of commercial properties. Recent award-winning apartment communities include Winthrop (295 units; Towson, MD); Paragon (320 units; Columbia, MD); Fair Lakes (150 units; Fair Lakes, VA); and Belvoir Square (283 units; Fort Belvoir, VA). For additional information about CRP and its projects, go to [www.ChesapeakeRealtyPartners.com](http://www.ChesapeakeRealtyPartners.com)