

avanath+

AVANATH ACQUIRES 315-UNIT HIGH-RISE APARTMENT ASSET IN WASHINGTON, D.C. AND 36-UNIT AFFORDABLE SENIOR HOUSING COMMUNITY IN ORANGE COUNTY, CA

2M Street Apartments



Avanath has acquired two apartment communities: a 315-unit high-rise luxury apartment complex in Washington, D.C. and a 36-unit senior affordable housing community in Orange County, California.

2M Street Apartments is a mixed-income apartment tower located near the Capitol Building and the Red Line Metro station in Washington, D.C. The apartment community, which offers a variety of unique amenities, was designed to LEED Gold standards and features.

“The Washington, D.C. metro has continued to perform over the last several years and is positioned for long term growth,” says John R. Williams, President and CIO at Avanath Capital Management. “In fact, 2M is located in the heart of the NoMa submarket, which is one of the fastest growing locations within the district.”

The company plans to implement a series of upgrades throughout the community and integrate a variety of social programs and services for residents.

Avanath has also acquired St. John’s Manor in Costa Mesa, California, the company’s third acquisition in the Orange County region in 2021. The fully occupied property is located just one mile from the Pacific Ocean and near major highways including the 55, 73, 405 and 1.

“We entered the Orange County market earlier this year, and plan to continue to be extremely bullish in the region,” says John R. Williams, President and CIO at Avanath Capital Management. “Senior housing is an asset class that remains particularly of interest to us as it has been one of the best performing asset types within our portfolio throughout the pandemic.”

Avanath plans to implement a series of improvements to the property that are aligned with its ongoing mission of delivering quality rental housing that is affordably priced.

2M Street Apartments is located at 2M Street NE in Washington D.C. St. John’s Manor is located at 2031 Orange Avenue, Costa Mesa, CA.

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A message from the chairman

ENABLING FUTURE GENERATIONS OF AFFORDABLE HOUSING COMMUNITIES: AVANATH LAUNCHES FIRST OPEN-ENDED FUND

by Daryl J. Carter, Founder, Chairman & CEO

There is good news to share: I am proud to announce that we have completed the initial closing of our first open-ended affordable housing fund, the Avanath Affordable Housing Renaissance Fund.

What sparked this closing? We believe it is a stronger focus on doing what's right on a massive scale, which is driving investment into affordable housing. In fact, institutional investors – particularly those with more socially-conscious decision makers at the helm – have been increasing allocations to affordable housing to meet their ESG goals.

With capital increasingly being allocated to the sector, now is the perfect time for Avanath, as one of the most prominent impact investors in the affordable housing sphere, to innovate new ways to further our mission of delivering budget-friendly homes to those who need them most, along with social programs at these communities that will help elevate residents' quality of life.

That is the goal of the Renaissance Fund.

This Fund is the first of its kind in affordable housing, and it will enable us to progress our mission exponentially. Moreover, it will serve as Avanath's sole investment vehicle for new affordable and workforce housing acquisitions moving forward, creating a more efficient process for achieving our goals.

One aspect of the Renaissance Fund of which we're particularly proud is that its portfolio has 27 stabilized assets, which establishes the vehicle to have current cash flows from the very beginning and seeded and stabilized assets going forward. We believe this positions the Fund for success now and well into the future.

This closing represents our ability to accelerate Avanath's growth and widen our acquisition capacity as we continually invest in affordable housing that builds communities and improves lives for those in need across the nation. We will also be selectively pursuing a limited number of new, ground-up development initiatives to add to the supply of affordable and workforce housing. Most of these will be in the context of redeveloping and expanding some of our existing assets. It also brings us closer to achieving our ESG and sustainability initiatives, both for our investors and our residents.

The Fund also helps us provide impactful social programs that align with today's sustainability goals. As ESG becomes increasingly important to the world at large, capital flows to social programs will continue to rise – especially programs that serve to elevate the lives of affordable housing residents in a multitude of ways.

We are excited to offer this unique financing vehicle and to begin an auspicious new chapter for our company. As we move into a highly promising year for affordable housing, we couldn't be more excited about how far the sector has come and where it is heading.

And that is good news for all of us.



U.S. AFFORDABLE HOUSING IS INCREASINGLY ATTRACTING OVERSEAS INVESTORS

*Guest column by Bert van den Hoek,
Senior Portfolio Manager North America for Bouwinvest Real Estate Investors*

As ESG initiatives rise to the forefront of investment criteria, American investors are allocating greater amounts of capital to the affordable housing sector. For the same reason, U.S.-based affordable housing is also increasingly appealing to overseas investors.

Our company is a great example of this. Bouwinvest, which is based in the Netherlands, manages the international real estate investments of the Dutch pension fund for construction workers in the Netherlands (bpfBOUW). We also manage - on behalf of this pension fund and other Dutch pension funds - a portfolio of roughly 21,000 housing units in our country, including affordable housing.



We believe that an investment strategy of a pension fund must provide housing for those who need it, and social impact and long-term sustainable income investing are central to our purpose: real value for life. Investing in U.S. affordable housing enables us to achieve these goals for our client.

Within our global real estate portfolio, we have set out to make a meaningful allocation to affordable housing as it provides the perfect combination of social impact, long-term attractive financial returns, and attaining our sustainability goals.

It's clear to us that Avanath is as focused as we are on the financial impact of its investments and the social impact of its properties on the tenants to which they are ultimately serving. The entire Avanath team is committed to providing high-quality housing for those who meet the criteria, and at every layer, the team believes in what they do—not only in the high quality of the properties they manage, but also in the social programs and community projects that come with being a good, affordable housing manager.



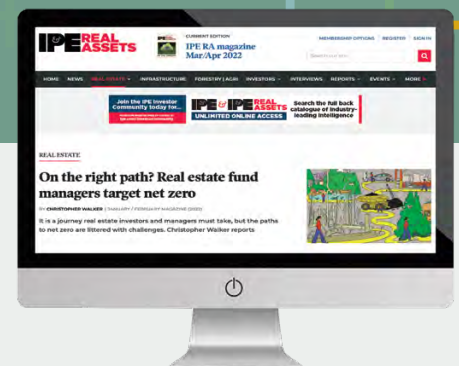
Bert van den Hoek

As our Dutch client encourages us to maintain or increase allocations to U.S.-based affordable housing, we urge Avanath to continue showing us case studies on how their affordable housing properties are making a real difference for low-income residents throughout the country. This sector and this firm put our capital to work in all the right ways.

IN THE NEWS: AVANATH PRESIDENT AND CIO HIGHLIGHTED IN IPE REAL ASSETS

IPE Real Assets recently featured an article by John R. Williams, President and CIO at Avanath Capital Management. The article discusses how institutional and foreign investors are increasingly allocating capital to ESG-focused affordable housing investment.

To read the complete article, [click here](#).



COMMUNITY SPOTLIGHT: SAXON TRACE DEMONSTRATES HOW AFFORDABLE LIVING COMMUNITIES CAN BE INDISTINGUISHABLE FROM LUXURY MARKET-RATE HOUSING



Dayami Reyes and Cali Anthony at Saxon Trace

In Orange City, Florida, about 30 miles outside Orlando, sits a 192-unit affordable housing community called Saxon Trace. This resort-style, family-friendly property, which Avanath acquired in May 2020, is in many ways indistinguishable from luxury apartment communities in the market.

According to Dayami Reyes, regional manager Southeast for Avanath, the similarities between Saxon Trace and market-rate housing are evident as soon as she drives onto the property.

"Saxon Trace is extremely well-managed," says Reyes. "The landscaping is beautiful, and everything about the community is clean and well-kept. The impact of this care is reflected in our very high retention and occupancy rates. We stay fully occupied, and

few people want to move out."

Cali Anthony, community manager for Saxon Trace, notes that Avanath's mission to provide high-quality, well-maintained, and safe apartment communities is embedded in the property's management staff.

"This property has a great team, and we work together to ensure that the entire leasing process is favorable for residents," says Anthony, who along with Reyes has been with Avanath and Saxon Trace since November 2021. "I came from affordable housing myself and can honestly say Saxon Trace looks like market rate. It's luxurious, it stands out, while at the same time its rental rates are competitive."

Saxon Trace offers a mix of one- to four-bedroom units, which Reyes says is unusual in affordable housing communities. Common amenities include a clubhouse with an internet café, a business center, fitness studio, and resort-style pool with sundeck, and planned amenities include a dog park and outdoor gym.

But what differentiates the community's offerings from others in the area is its evolving resident service programs. Avanath recently hired a full-time resident coordinator for the property, who will be responsible for running a free after-school care program, quarterly educational events on finance and health, and monthly social programming such as breakfast-on-the-go, hotdogs by the pool, and other resident appreciation events that are ramping up now that COVID-19 restrictions are receding.

"We're doing what we need to do to provide an excellent resident experience," says Anthony. "Continuing to enhance that experience is our main goal."

SAVE THE DATE: MEET US IN BROOKLYN, NEW YORK

This year's annual meeting will take place at 1 Hotel Brooklyn Bridge in Brooklyn, N.Y. on Tuesday, December 6 and Wednesday, December 7, 2022. We will also be live streaming the conference, so there will be an option to attend virtually. Official invites will follow in June.

Click [here](#) to add this event to your calendar.

