

# PLUS

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The firm's most recent acquisition, Rivers Senior, is an affordable senior housing community in West Sacramento, California

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## Avanath Continues to Strategically Grow and Operate Portfolio

The firm's most recent acquisition, Rivers Senior, is an affordable senior housing community in West Sacramento, California.

While this past year presented challenges in the market that had many investors on the sidelines, Avanath focused on bolstering its operations and continued making strategic acquisitions, ultimately adding more than 625 units to its total of over 15,000 apartment homes throughout the country in 2023. With its most recent purchase, the firm expanded its portfolio of affordable communities serving the senior population with Rivers Senior, a 120-unit property located in West Sacramento, California. Rivers Senior is Avanath's 19th acquisition in Northern California and its 13th in the greater Sacramento area.

Daryl Carter, Avanath's Founder, Chairman, and CEO, explains: "With market-rate housing overdeveloped in the Sacramento metro area, the need for affordable housing units is deep—especially for seniors, many of whom are living on fixed incomes. Sacramento is one of the fastest-growing markets in the country, as evidenced by 12% rent growth over the last 12 months and average home price increases of 8.12% per annum over the last five years. In fact, Sacramento is being called one of the most overpriced housing markets in the country, and affordability is seen as its biggest housing-market challenge. Given the current dynamics of rising market-rate rents, elevated cost of living, and inflation, this purchase is especially significant and came at a critical time."

Constructed in 2008, Rivers Senior features 96 one-bedroom and 24 two-bedroom units, 60 of which are reserved for residents at 50% of area median income (AMI) and 59 units of which are reserved for residents at 60% of AMI. The property consists of nine two-story buildings situated on 4.80 acres.

"Opportunities to own a 98%-occupied senior community like Rivers Senior in a strong location are rare," says John R. Williams, President and CIO at Avanath Capital Management. "By drawing upon our deep and longstanding relationships in the Sacramento market, we were able to complete this transaction and bring our total number of units under management in the Greater Sacramento area to 1,974. This allows us to leverage economies of scale while expanding the availability of high-quality affordable apartment homes to the seniors who need it most."

The multifamily community offers unit amenities including dishwashers, private balconies/patios, garbage disposals, and in-unit washer/dryer connections. Common amenities include a clubhouse, leasing office, business center, library, fitness center, heated swimming pool, community garden, laundry facilities, and gated entry.

Since the acquisition, Avanath has managed the property internally and is implementing several capital improvements. The firm is also incorporating ESG principles aligned with its mission, including upgrading the property with LED lighting and completing additional energy-saving projects. In addition, social impact programming aligned with Rivers Senior residents' needs is underway, and the company is providing all residents access to Wellbeats, a fitness app that offers various virtual classes and allows residents to exercise at home. In addition, Avanath is committed to operating the community transparently in a manner that fosters, cultivates, and preserves a culture of diversity, equity, and inclusion.





# GRESB Score Demonstrates Avanath's Unwavering Commitment to ESG

By David Natt, Senior Vice President of Sustainability

As investors, employees, and residents increasingly focus on Environmental, Social and Governance (ESG) strategies, property owners and operators have ramped up efforts to make their properties more sustainable. An excellent measure of their progress in these efforts is the Global Real Estate Sustainability Benchmark or "GRESB" score.

GRESB is mission-driven organization that provides actionable and transparent ESG data to financial markets. The firm collects, validates, scores and independently benchmarks ESG data to score and rank different funds and investment vehicles on their ESG merits. The resulting global benchmark scores are based on a rigorous, consistent methodology so investors and managers can evaluate ESG performance.

This year, Avanath leadership is proud to report that we've received impressive GRESB scores that range from 80 to 84 across our three funds, achieving this milestone close to two years ahead of schedule. This is a remarkable accomplishment that is attributed to Avanath as a whole. Every employee from each division had their hand in this achievement. Our success exemplifies leadership's commitment to our company's ESG platform that we branded as +Amplify as well as to our long-term goals to reduce our greenhouse emissions and to continue to build out our social programs.

**The first year we filed for the GRESB assessment, our scores averaged in the 50s; in the second year, our scores increased into the 60s; and this year our scores jumped into the 80s\***—what we had thought would take us five years to achieve, we accomplished in three. This is an achievement that could not have been accomplished by just one person. Multiple people, including senior leadership, worked tirelessly with me to map out and execute our strategy to increase our GRESB scores.

A high GRESB score validates Avanath's unwavering commitment to sustainability and to achieve our goal of reducing our greenhouse emissions by 50% by the year 2030 in accordance with the 2015 Paris Environmental Treaty.

Avanath has taken a very strategic approach to achieving our ESG objectives. When we launched *Amplify ESG* our firm already had a strong social program—it is in our DNA. Our goal was to build a platform so that the "E" and the "G" would be as strong as the "S" and the entire multifamily industry would look to us as a leader in the multifamily space. We believe that we have achieved this goal.

The environmental objectives we have reached are based on tracking the electric, gas, and water consumption data as well as trash production for close to 90% of our properties. We have created numerous policies that further enhance our commitment to reducing our greenhouse gas emissions while continuing to promote our company's commitment to diversity, equity, and inclusion.

We recently created an ECM (Energy Conservation Measure) survey that was used to find additional energy-saving opportunities at each of our properties. We worked very closely with Carly Stevenson's property management team on this survey to distribute, fill out and analyze the results. With the help of the property management team, we achieved an incredible response rate of 100%, further demonstrating the company-wide commitment to sustainability and reducing our carbon emissions. The survey itself enables us to determine which projects we need to undertake at each property and how to execute them. These projects range from installing LED lighting to replacing antiquated equipment with energy-efficient systems, and so much more.

With all we have accomplished in sustainability, there is still more to do. Being environmentally responsible means, among many initiatives, purchasing energy from green suppliers, installing solar panels on the roofs, replacing antiquated low-efficiency HVAC systems, and electrifying our properties to move away from fossil fuels. All of these projects have the goal of lowering our carbon emissions, creating a better community for our residents, and generating an accretive return for our investors.

We continue to upgrade outdated equipment to reduce our energy use and associated greenhouse gas emissions, and to work closely with our ESG consultant, ReTech, to identify other areas where we can improve. We understand the ever-evolving nature of ESG and the importance of working with our residents, competitors, suppliers, contractors, service providers, and municipalities on this ever-important global issue.

As we move ahead with our ESG strategies, we look forward to continually raising our GRESB score and reducing our greenhouse emissions in the years ahead. While this is an enormous endeavor, it is well worth the time, energy, and effort—and Avanath is exceedingly up to the task.

*GRESB provides an independent, third-party ESG reporting framework for real estate that allows us to measure our ESG performance, compare against our peers, and identify areas for improvement in our ESG strategies. Avanath pays GRESB an annual filing fee of \$6,000 per fund for this service.*



# 80-84

**GRESB SCORES  
ACROSS OUR  
THREE FUNDS**

**✓ ACHIEVED**

Year 1 Average: 50s  
Year 2 Average: 60s  
**Year 3 Average: 80s**

This goal  
was achieved  
**2 years ahead**  
of schedule.



# Resident Services: A Vital Piece of the Affordable Housing Puzzle

By Kaniesha Washington, Resident Services Director for Avanath



While most people in the multifamily industry know that resident services is a key component of customer service, they may not realize how profoundly our division is connected to the success of our properties.

Avanath considers customer service to be one of our **7 Core Proficiencies**, and resident services is a subset of customer service. In truth, a well-planned and executed resident

services program impacts virtually every aspect of operating a multifamily community—and it is especially critical in the affordable housing space, where residents may have special needs in finances, physical and mental health, socialization, education, and more.

At Avanath, our resident services program enables us to deepen our relationships with our residents—our most valuable stakeholders—to provide them with a better experience at our properties. This, in turn, allows our affordable housing communities to continuously evolve and thrive.

Ensuring our resident services and customer service remain best-in-class is vital to a flourishing multifamily community portfolio. As Director of Resident Services, I meet regularly with our on-site teams through regional and one-on-one meetings to discuss strategies for handling any issues they may be having with residents and the

causes of these issues. I communicate the value of resident services as a customer service and property operations tool to our vice presidents and regional teams. We develop resident services plans for each property that reflect both the needs of the residents and the complexities that come along with each asset. That resident services plan is revised on an as-needed basis. I also coordinate regularly with our asset management, acquisition, and budget divisions to ensure that the resources our site teams need to execute their resident services plans are available to them.

Of course, maintaining a resident services program that is best-in-class requires continuous improvement. To that end, Avanath acquires industry designations that benchmark proficiency in multifamily ownership and operations—including certification from the Certified Organization for Resident Engagement & Services (CORES), which we achieved earlier this year. Awarded to organizations that have developed a robust commitment, capacity, and competency in providing resident services coordination in affordable rental housing, CORES is the most prominent industry assessment tool companies can use to measure the performance of their resident services platforms. The resident services strategies we employ at Avanath are heavily guided by CORES policies.

Our own internal benchmarks are also used to measure success. We utilize in-person and virtual training to maintain excellence and we are constantly evaluating the effectiveness of our practices and adjusting our approach to maximize stakeholder value. We are also always seeking ways to increase buy-in from our stakeholders to improve outcomes.

Our goal in resident services is to ensure our on-site teams tap into the benefits and tools we offer to help them manage their assets. We are also beginning to measure the efficacy of our programs, as well as resident services' impact on property operations and resident satisfaction. We look forward to deepening our focus on mental and emotional health—

not only for our residents' sake, but also in a way that contributes to a healthier work environment, high employee retention, and assists community managers in doing their jobs more effectively. We want to keep being good neighbors so that local organizations, agencies, and businesses see us as positive contributors to the community. Through resident services, Avanath can continue to support, elevate, and give back to the communities in which we are investing in a meaningful way.

# Avanath is proud to attract and grow with the industry’s best and the brightest talent, and Fernando Beltran is a prime example

Fernando came to our company in 2021 as a maintenance temp with a third-party service provider at Vintage Tower, a 59-unit restricted-income apartment community in San Jose, California. Within a few months, he was offered a full-time position with us as Maintenance Supervisor at Crescent Cove, a 236-unit affordable housing community in San Francisco, California. A detail-oriented technician, Fernando is recognized for his broad-ranging skills and abilities, can-do attitude, and cheerful demeanor.

“My work speaks for me,” Fernando says modestly. “It’s important to do your job with passion and love. Do what you like, and you will do it well.”

Fernando is responsible for ensuring interior and exterior building systems at Crescent Cove function correctly and that the community is clean and well-maintained at all times. He is also in charge of keeping permits up to date and attending to work orders in a timely manner.

“A couple of months after I began working at Crescent Cove, a supervisor noticed a big change at the property,” Fernando says. “He had gotten a lot of positive feedback from the community manager and told me Avanath was excited to have me as part of the team. I asked, ‘Where do I sign?’”



**Avanath is a great place to work. I’m grateful to be here.**

Fernando notes that he jumped at the chance to work directly for Avanath for several reasons.

“When you work through a vendor or some other management company, you don’t know what it will take for you to advance,” Fernando explains.



“I had been going through a rough time during the pandemic and was without a full-time job. I prayed I was able to do whatever I could to better my life. When I got hired at Avanath, I knew it was the right place for me. As soon as I started working here, I found out what the company is about, and it motivated me.”

Fernando’s passion and pride for his work are evident. “I love my job, I love what I do, and I’m really good at it,” he says confidently. “A lot of people say they have to go to work and are not happy about it. I thank God I have a job. I used to be in the car industry and was making a lot of money, but I wasn’t happy—money is not everything in life.”

Moving ahead, Fernando says he is eager to grow at the company and is open to the career opportunities Avanath provides. “Avanath is a great place to work. The people here are good people, and the company has good vibes. Every time I go to the annual conference, I have a wonderful time. I’m looking forward to staying here. Avanath has changed my life—my family is happy, and I’m happy. I’m grateful to be here.”





## Daryl Carter Talks Career, Affordable Housing, and Diversity in CRE with Urban Land

Our Founder, Chairman, and CEO Daryl Carter recently sat down with Urban Land Magazine to discuss his more than 40 years in real estate and how his journey led him to his current success with Avanath and role as an industry leader—including a position on Urban Land Institute (ULI)'s Global Board of Directors.

Carter gets candid about the people and organizations that influenced and inspired him along the way, as well as the continued need for intentional support of diverse real estate companies serving diverse communities.

View the full article at  
<https://rb.gy/y9r2x>  
or scan QR code



## Carly Stevenson Wins Nomination for Orange County Business Journal's "Women in Business" Award

Avanath's Executive Vice President of Property Management, Carly Stevenson, was nominated this year for the Orange County Business Journal's 29<sup>th</sup> annual Women in Business Awards. The event recognizes outstanding professional women who have made significant contributions to their organizations, their professions, and the Orange County, California community.

We congratulate Carly for this much-deserved nomination and look forward to her ongoing achievements with the Avanath team.

View the full article at  
<https://rb.gy/l3r3q>  
or scan QR code

