

Crittenden Real Estate Buyers™

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NDC CAPITAL, ATHENA BUY SENIOR MANUFACTURED HOUSING

As institutional investors clamor for independent-living facilities nationwide, a smaller number of investors are paying attention to another type of senior community — manufactured housing. Don't be surprised to see more private equity investors put money into senior MHCs, such as **NDC Capital Partners LLC**, which acquired a property with **Athena Real Estate**. Meanwhile, private companies with an eye on the graying boom, such as **Jensen's Residential Communities**, are developing these parks in the East.

Age-restricted manufactured housing communities are very popular in Florida as a low-cost alternative to pricier independent-living apartment complexes. But these investors search in other senior markets as well. Cap rates can be low and comparable to traditional multifamily properties in certain Florida and California markets. While these investors don't plan on converting properties, it is comforting for them to know that the real value and risk insurance is regarding the future development potential of the land.

The joint venture between NDC and Athena could buy 12 communities in the next year, or between \$25M and \$75M in properties. The partnership paid approximately \$4.2M for its first age-restricted park, Lucerne Lakeside in Winter Haven, Fla. The 14.5-acre property is situated on Lake Smart and offers residents 650 feet of shoreline including dock berths. Residents 55 and older own their own homes and lease space. The 40-year-old property's 140 home sites are 95% leased. Other amenities include a community center and shuffleboard courts.

The JV will be looking for more deals primarily in Eastern markets, but don't be surprised if they also buy properties in Western markets popular with retiring seniors, such as Phoenix or Texas. Athena buys properties with at least 100 rental pads and that are serviced by public utilities. Targeted cap rates are 7% or better.

NDC Capital Partners is a private advisory firm that co-invests in office, multifamily and retail properties nationwide. This year it has participated in the acquisition of eight properties worth approximately \$150M. The company is led by Managing Partner **Anthony Niosi** and Principal **Eric Jones**.

Athena Real Estate is a firm started last year by CEO **Richard O'Brien**, formerly with GE Capital (now known as **GE Commercial Finance Real Estate**). The company will focus on alternative real estate types, starting with manufactured housing, including all-age communities. Independently, it owns another MHC in Florida. It has three more JV deals under contract. Don't be surprised to see Athena buy self-storage facilities in the future.

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