

JV Plans \$42M Student Housing Project

By Jennifer Duell Popovec



The Reserve Lubbock

LUBBOCK, TX—A partnership between Landmark Properties and Harrison Street Real Estate Capital LLC plans to develop a \$42-million student housing project near Texas Tech University.

The 218-unit project, dubbed The Retreat Lubbock, is scheduled to deliver 853 beds by fall 2011. It is the third of its kind between Landmark Properties, an Athens, GA-based student housing developer, and Harrison Street Real Estate Capital, a Chicago-based private equity firm that invests heavily in the student housing sector.

The two firms established a \$200 million joint venture more than a year ago, according to Brian Thompson, vice president of Harrison Street Real Estate Capital. "This is a long-term partnership, and our intent is to grow the business and roll out the Retreat cottage concept across the country," he tells GlobeSt. "Prior to the Lubbock project, the cottages were a regional concept. Now we're moving West."

In addition to the Lubbock project, the partnership is currently developing phase two of The Retreat at Lake Tamaha, a 172-unit, 669-bed project in Tuscaloosa, AL and The Retreat Knoxville, a 65-unit, 265-bed project in Knoxville, TN. Both projects are scheduled for a fall 2010 delivery.

The Retreat communities are low-density developments designed as cottages. Each cottage offers private bathrooms for every bedroom, spacious closets, a gourmet kitchen and an expansive living room.

The Retreat cottages also offer craftsman-style details such as built in bookcases, crown molding, modern appliances and full-size washers and dryers. A typical Retreat community also offers a large social clubhouse with a resort-style pool, a stadium-seating movie theater, a state-of-the-art cyber-cafe, a health club-quality fitness center, technology-rich clubrooms, and on-site security.

"Students love this cottage concept, and parents love it as well," Thompson says. "And, because these projects outperform in all their markets, lenders really like the concept too."

Thompson says it's fairly difficult to finance new student housing construction; however, the Landmark/Harrison Street partnership has strong lender relationships including one with Wells Fargo Bank, which has already committed to provide construction debt for The Retreat Lubbock.

"Based on current and projected enrollment numbers at Texas Tech, the demand that we've seen for our product in similar settings, and Lubbock's strong rental and occupancy rates, we felt it was the perfect time to bring our Retreat brand to the market," says Wes Rogers, president and CEO of Landmark Properties. "We believe students in Lubbock and in other select university markets want a high-quality, amenity-rich place to live."

Located only minutes from Texas Tech University, with a student enrollment totaling 30,000, The Retreat Lubbock will offer a mix of two, three, four and five-bedroom cottages featuring high-quality finishes, resort-style amenities and spacious units averaging almost 1,800 square feet.

Collegiate Construction, an affiliate of Landmark Properties, will oversee construction on The Retreat Lubbock, just as it has in Tuscaloosa and Knoxville.