

**Boston Capital Real Estate Partners holds final close for its second Luxembourg domiciled U.S. multifamily fund, hitting fundraising target with \$300m of capital commitments**

Boston Capital Real Estate Partners (“BCRE”), a U.S. based real estate investment manager specializing in U.S. multifamily, announces the final closing of its most recent offering, Boston Capital Income and Value U.S. Apartment Fund II (“BCIV Fund II”), at USD 300. BCRE also expects to increase overall capital commitments through co-investment vehicles attached to the Fund.

BCIV Fund II continues BCRE’s successful strategy of investing in and rehabilitating market rate rental apartments positioned at an affordable price point relative to new luxury rental housing. This segment appeals to financially resilient middle-income residents seeking renovated communities in lower density, suburban locations in attractive primary and secondary markets throughout the U.S. For Investors, BCIV Fund II provides attractive returns within a resilient middle income band in a necessity asset class.

Investors include prominent pension funds, financial institutions, foundations, and family offices. As with BCIV Fund I, BCIV Fund II is structured to tax-efficiently accommodate foreign pension funds, as well as other non-U.S. and U.S. institutions.

The Fund acquired four properties during 2021 for a total cost of USD 327m, deploying USD 131m of fund equity. The portfolio comprises 1,280 units of garden-style, low-density units with an average occupancy >93% diversified across four states. In addition, the Fund recently acquired an additional 208 unit property in Kansas City, KS, which will bring the Fund to 50% invested. BCRE has grown the Fund portfolio’s leading-edge rents more than 25% since property acquisitions, driven by significant under-renting at acquisition, strong market rental growth, and rental premiums generated from early renovations. 2021 third party appraisals valuations came in meaningfully above acquisition costs, with appraised values for 2022 showing similar strength. Given the limited renovations that have been completed so far due to the short ownership period, there is significant continuing upside to be generated as value-add programmes are implemented upon lease rollovers. BCRE seeks to maintain 90% occupancy throughout the renovation period. The portfolio is currently delivering healthy quarterly cash distributions in line with or exceeding underwriting.

Commenting on the final close announcement, Mark Dunne, Managing Partner, said, “We have done well by investing in a resilient, necessity asset class, and within it, a particularly defensive middle income / value-add strategy. As a result, we maintain control over the predominant portion of our investment returns through active management rather than relying solely on market forces. Our focus on NOI creation through renovation, capital improvements, and management initiatives underpins the defensive nature of our investment approach. When the market outperforms, we expect to exceed our targeted returns, and when the market moves against us, we rely on the manufacturing of quality rental apartment renovations to produce reliable cash distributions and saleable NOI to achieve our return objectives. Our investment strategy remains geared for capital preservation and upside through ground level, tactical management in an inflation protected asset class.”

Jeff Goldstein, Managing Partner, added, “We are delighted to have held such a strong final close, particularly during the brunt of Covid 19 and this extended period of widespread global uncertainty. The strengths of our strategy and track record have resonated with new and existing Investors, even though we largely could not travel for in-person meetings. And the economic uncertainties created by inflation, conflict, and recession fears put in relief the relative safety and potential of our investment thesis. In addition, the re-use and rehabilitation of existing physical structures and communities with energy reduction improvements helped contribute to Investors’ ESG goals. We are thankful for the continued support from our existing and new investors and remain confident in the exceptional fundamentals and defensiveness of our investment strategy.”

Duncan Woodard, Managing Director, Fund Portfolio Manager, added “we are excited to have 50% of our Fund commitments available to capitalize on currently evolving market opportunities to build upon our solid, existing portfolio of well-financed, high performing assets. We took a cautious approach to acquisitions in 2022, when excess capital drove property prices to peak levels. Subsequently, as interest rates abruptly rose, bid/ask spreads grew with fewer transactions executed. Since then, we have been actively and cautiously testing the market to discover dislocations and buying opportunities and purchased our fifth Fund acquisition in late 2022 . We are very excited about the opportunities ahead in 2023.”

**Ends**

## Notes to Editors:

### About the Fund

The Fund's strategy is to acquire capital-deprived and/or under-managed Class B apartment communities in high-growth markets with strong demographics across the U.S. Assets are targeted where there is potential for significant NOI growth through rolling renovation programmes, repositioning, and management efficiency. While classified as value-add, the risk profile is comparable to core-plus strategies, with high occupancy (>90%) maintained throughout renovations and a strong portion of investment returns expected to derive from quarterly income. The Fund is limited to a 60% leverage cap. BCIV Fund II was advised in its fundraising by JLL (formerly CAPRA Global Partners).

BCRE's predecessor fund, BCIV Fund I, has now returned 100% of investor capital and all accrued Preferred Return on just four property sales from a total of eight acquisitions in the Fund. BCIV Fund II returns to date have significantly outperformed initial targets.

### About Boston Capital Real Estate Partners

Headquartered in Boston, MA, Boston Capital Real Estate Partners ("BCRE") has been dedicated to market-rate rental housing since 2002 and has pursued various acquisition strategies over multiple cycles. BCRE has invested over USD 2bn in market-rate apartments, acquiring over fifty properties representing 15,000 apartments throughout the U.S.

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