

Cardinal Group Buys Value-Add Property Near the University of Texas

By Lynn Peisner



Century Square will be positioned as a Mint Urban property.

Austin, Texas — Cardinal Group Investments (CGI) and Fundamental Advisors have acquired Century Square Apartments from Investors Alliance and Roscoe Properties. ARA National Student Housing Co-Directors Chris Epp and Chris Bancroft along with ARA Austin brokers Andrew Shih, Matt Pohl and Pat Jones represented the sellers. The buyer plans to reposition the asset, which was built in 1971 and partially renovated in 2007, to fit Cardinal Group's Mint Urban brand. The company seeks value-add assets and flips them into boutique student living.

HFF arranged \$9 million in financing on behalf of the joint venture buyers to secure a 10-year fixed-rate FNMA loan. Loan proceeds were used to acquire the community, which is in the North Campus neighborhood, directly north of the University of Texas.

Cardinal Group has sponsored similar rebranding projects. Mint Urban – Hilltop in a transitioning neighborhood in Denver, for example, was another turnaround project that Cardinal Group purchased in 2011 for \$7.1 million. The firm invested \$4 million to achieve the Mint Urban concept, marketed as part boutique hotel, part multifamily.

Fundamental Advisors was formed in July 2007 to invest in special situations related to the municipal revenue bond market, seeking to revitalize distressed assets in such sectors as senior care, affordable housing, student housing, infrastructure and hospitality. Co-founders Laurence Gottlieb, who previously co-headed Citigroup's Municipal Distressed & Special Situations proprietary trading desk, and Dana Fusaris, who led Madison Capital Management's distressed and defaulted municipal bond effort, have worked together as industry colleagues or partners for more than a decade.

Century Square is a 138-unit; 155-bed Class B student housing property. The community was 100 percent occupied when it was acquired on Nov. 15th.

The property primarily caters to upperclassman and graduate students attending UT as well as young professionals. The asset features an outdoor pool with a barbecue pit, landscaped courtyard, business center/study lounge, leasing office, structured parking deck and a laundry room.