

Starwood Capital Group Acquires Residential and Commercial Real Estate Portfolio from Forestar Group

MIAMI, FL – February 8, 2018 — A joint venture between an affiliate of Starwood Capital Group, a leading global private investment firm, and an affiliate of Land Strategies Management (DBA Starwood Land Advisors), announced today that it has acquired a diverse portfolio of residential and commercial real estate assets concentrated in high-growth markets throughout Texas, the Southeast and the Western United States. The venture acquired equity interests in the portfolio from Forestar Group (NYSE: FOR) (“Forestar”) for \$232 million.

The acquired portfolio is primarily comprised of nearly 4,800 fully entitled residential lots spread across 20 projects in a majority of the top homebuilding markets in the United States including Dallas, Austin, San Antonio, Houston, Charlotte, Nashville, Raleigh, and Denver. The acquisition further included a joint venture interest in an existing multifamily community located in Katy, TX, additional commercial land within six distinct projects, and 730 acres of unentitled land in Southern California. Land Strategies Management will manage the assets on behalf of the joint venture.

“The acquisition of a portfolio of this size and quality in many of our favored growth markets is a rare opportunity in the residential land sector. Our extensive land development experience and longstanding relationships with both Forestar and D.R. Horton allowed us to execute this transaction quickly, efficiently, and on an off-market basis,” said David Baker of Starwood Capital Group. “Rising household formations, strong job creation, and improving wage growth has created significant pent-up demand across the buyer spectrum with a particular focus on starter and first-time move-up homes. Ninety-five percent of this portfolio is concentrated in markets with less than four months of resale supply while housing starts remain well below long-term averages. Collectively, these healthy supply-demand fundamentals are driving homebuilders to seek finished lots in well-located communities in commuter corridors throughout these markets.”

“The communities acquired in this portfolio are well positioned to capture the increasing demand driven by demographic shifts and strong growth from both younger and older buying profiles,” said Mike Moser, CEO of Land Strategies Management. “The assets we are acquiring from Forestar represent compelling additions to our portfolio, with impressive landscaping, amenities and spine road infrastructure, as well as an attractive risk-reward profile. Land Strategies Management has developed valuable operational experience and deep relationships with public and private homebuilders throughout this cycle, which will be invaluable in executing the business plan. We look forward to managing this portfolio and developing outstanding residential and commercial real estate assets.”

About Starwood Capital Group

Starwood Capital Group is a private alternative investment firm with a core focus on global real estate, energy infrastructure and oil & gas. The Firm and its affiliates maintain 10 offices in four countries around the world, and currently have approximately 3,700 employees. Starwood Capital Group has raised \$44 billion of equity capital since its inception in 1991, and currently manages approximately \$56 billion in assets. The Firm has invested in virtually every category of real estate on a global basis, opportunistically shifting asset classes, geographies and positions in the capital stack as it perceives risk/reward dynamics to be evolving. Over the past 26 years, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises in both the private and public markets. Additional information can be found at starwoodcapital.com.

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