

Jefferson Group Has \$360M Development/Acquisition

By Erika Morphy



Butz says JAG intends to start a development project every 90 days in 2012.

WASHINGTON, DC—**The Jefferson Apartment Group** and **Starwood Capital** are moving forward with two new projects as part of their partnership—one here and one in the Cooper City area just west of Ft. Lauderdale, FL. These two transactions are among the first of what is JAGw's \$260 million development pipeline for 2012. "We expect we will start a development project once every 90 days or so," **Jim Butz**, president and CEO of the locally-based firm, tells GlobeSt.com. Some may be with Starwood Capital, others will be with different partners or just JAG working on its own, he says.

In addition, the company is planning to make \$100 million in acquisitions this year. As a local company, Butz says at least some of these value-add acquisitions will be in the DC area or Mid-Atlantic. "We are targeting, however, the entire East Coast," he says. "Cities we like for acquisition include New York, Boston, Philadelphia, Washington, DC, certain markets in North Carolina and Florida." The company will be focusing its development in the Ft Lauderdale, Orlando, Boston and Philadelphia markets, he adds.

One of the apartment projects it is building with Starwood Capital is a 287-unit complex near the Convention Center, located on 7th Street, north of the Penn Quarter. To be called Jefferson at Market Place, it will be aimed at young professionals. This is a demographic that local REIT AvalonBay is adopting as well via its launch of two new brands, one of which, **AVA**, targets the Gen Y segment.

Indeed, this demographic and its slowly improving economic fortunes are expected to fuel multifamily growth in general over the coming years. In short, young adults are moving out of their parents' houses and off of friends' couches into their own rented apartments.

The other project, Jefferson at Monterra, will also be aimed at Gen Y, Butz says. This will be a 252-garden unit apartment community in the Cooper City area just west of Ft. Lauderdale, FL.