



For Immediate Release

## **STARWOOD CAPITAL GROUP TO PURCHASE NATIONAL MULTIFAMILY PORTFOLIO FOR \$5.365B IN THE LARGEST NON-HOTEL ACQUISITION IN THE FIRM'S HISTORY**

**GREENWICH, CT – October 26, 2015** – Starwood Capital Group, a leading global private investment firm, announced today that Starwood Global Opportunity Fund X (SOF X), through a controlled affiliate, has entered into an agreement to acquire an institutional-quality portfolio of 23,262 apartment units in 72 communities across the United States from Equity Residential (NYSE: EQR). Expected to close in the first quarter of 2016, the acquisition—valued at \$5.365 billion—is the largest non-hotel purchase in Starwood Capital Group's history.

Comprising a mix of mid-rise and garden-style apartment buildings, the portfolio's assets are located in five states—including major concentrations in South Florida, Denver, Colorado, Washington, D.C., Seattle, Washington and Inland Empire, California. The portfolio is being sold unencumbered of existing debt, providing maximum flexibility for new acquisition financing.

"The size of this transaction underscores our conviction in multifamily housing's continuing ability to offer superior risk-adjusted returns. The strong underlying demographics for apartments and positive leverage—resulting in robust cash-on-cash yields—make this portfolio a very attractive investment," said Barry Sternlicht, Chairman and CEO of Starwood Capital Group. "We are excited to increase our exposure to these growth markets, and to add such high-quality assets to our rapidly expanding portfolio of multifamily properties."

Starwood Capital Group has extensive experience investing in the multifamily housing sector. Following the final closing of the transaction, Starwood Capital Group will control more than 88,000 units—making the Firm one of the largest owners of multifamily housing in the United States. Including this transaction, Starwood has acquired or is under contract to acquire approximately 67,800 multifamily units over the last 12 months.

"The acquisition of a portfolio of this size and quality is a very rare opportunity. Our intimate market knowledge and access to capital allowed us to execute on this transaction quickly and efficiently," said Christopher Graham, Senior Managing Director and Head of Real Estate Acquisitions for the Americas at Starwood Capital Group. "Our existing multifamily portfolio provides us with tremendous insights into market fundamentals and developing trends, allowing us to recognize and capitalize upon the dynamic growth across these markets. The two largest markets in this new portfolio—South Florida and Denver—are both seeing very impressive and sustainable indications of growth, driven by compelling demographics, affordability and fundamentals."

The markets represented in the portfolio have demonstrated strong market rent growth of 5.4% annually over the last five years—well above the national average. These markets are also projected to experience employment and income growth well above the forecasted national average. These factors, coupled with strong fundamental shifts in household formation and homeownership rates, should continue to drive demand, providing consistent rent growth across the portfolio.

**About Starwood Capital Group**

Starwood Capital Group is a private investment firm with a core focus on global real estate. Headquartered in Greenwich, CT, the Firm maintains 10 offices in four countries around the world, and currently has more than 1,400 employees. Starwood Capital Group has raised approximately \$32 billion of equity capital since its inception in 1991, and currently manages over \$45 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. For more than two decades, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises around real estate portfolios in both the private and public markets. Additional information can be found at [starwoodcapital.com](http://starwoodcapital.com).

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