

PEP Looks to Double Acquisition Pipeline in '16

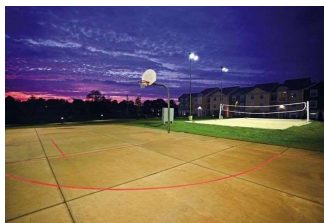
January 22, 2016 | Tonie Auer, Bisnow, Dallas-Fort Worth

Pierce Education Properties just closed on a **756-bed, 216-unit** community close to **Western Kentucky University** and has two properties—valued over **\$80M**—in escrow. The San Diego-based student housing firm **plans \$200M in acquisitions** this year, **double** what it's done each of the last three years.



PEP president and CEO **Fred Pierce** tells us his 20-year-old firm is in **growth mode** with funds to **leverage \$600M** of long-term holds in a steady diet of deals over the next two to three years. PEP has acquired \$100M each year over the last three years, and 2016 will be its **biggest year yet**, he tells us. Fred says two-thirds of the allocated capital is dedicated to **core, stabilized** property with 95% occupancy, and about \$150M (in a **JV with TIAA-CREF**) is allotted to buy value-add properties. The JV had its first acquisition last fall at Purdue.

Pictured: Fred and his family: wife, **Christine**, and daughters **Peyton** (22) and **Riley** (11) with the cruise ship, Holland America's *Zuiderdam*, in the background at the port of Kusadasi, Turkey.



PEP added to its **portfolio** of about **12,000 beds** with the acquisition of **College Suites** serving WKU students in Bowling Green. The deal closed in just 22 days from execution of the LOI to meet a seller-mandated closing by year-end. Fred says the property fits PEP's profile of serving a **public university** with more than **15,000 students** and a **Division 1 football team**. (A member of **Conference USA**, WKU ranked No. 24 in the final AP poll and defeated the University of South Florida in the Miami Beach Bowl.) Fred tells us he's following CUSA and hopes to acquire more properties at those schools because it's an up-and-coming Division 1 conference. KeyBank Real Estate Capital provided purchase debt financing.

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