

2016 Will Be PEP's Biggest Acquisition Volume Yet; Could Be Industry High, Too

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Pierce Education Properties recently closed on an **888-bed**, 288-unit community just southeast of the **East Carolina University** campus, named **The Landing**. The purchase was finalized in late February for **\$42M** with debt financing of **\$21.4M** provided by **KeyBank Real Estate**. The state-of-the-art property features a garden-style gated community with units that come fully furnished in two-, three- and four-bedroom floor plans. The purchase represents the latest in PEP's strong push into the market and an overall plethora of student housing sales in 2016.



Founder and CEO **Fred Pierce** (above right with family) told *Bisnow* back in **January** he expected this to be PEP's biggest year yet, and he's proving that very quickly, with **\$180M** closed or pending already in 2016. He expects his company will purchase in excess of **\$300M** in student housing this year, growing his portfolio by 6,000 beds.



In addition to two closed housing acquisitions, PEP has three in escrow for Q2 closing that represent over **2,350** beds for approximately **\$90M**. They're consistent with PEP's strategy of seeking core and value-add, purpose-built student housing investments at public universities with **15,000** or more students that play Division I football. PEP is specifically targeting individual assets valued between **\$15M** and **\$65M** with **400** to **1,000** beds.

One of the factors spurring PEP's blistering pace in 2016 is a much larger volume of student housing assets **available** for sale early in the year than in years past. Generally, the majority of annual sales take place in **Q4**, 2015's huge transaction volume (**over \$5B**) has overflowed into **Q1 2016** with no signs of slowing. Fred expects 2016 to rank as one of the largest years of sales volume in **industry history**.

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