



CASE STUDY

Luxe at Katy



Luxe at Katy

Luxe at Katy (formerly Remington at Katy) is a 352 unit "A+" class property located in Katy, Texas which was purchased on October 31st, 2017 with an institutional equity partner.

The property is a 2015 construction in a rapidly growing submarket and currently maintains near-100% occupancy levels. Remington was originally constructed with the intent to sell within 3 years of completion. During this process, priority by management was placed in rapidly getting full occupancy. Due to this, rents were not competitively adjusted to market rates in the area and concessions were relied on heavily to reach this target. By lowering the market rents, instead of fighting the concessions, ValCap created a new opportunity for its investors.

In December of 2020, ValCap refinanced the asset in partnership with the Houston Housing Authority in efforts to bring more affordable housing to the area. In exchange, the county appraisal district eliminated the property tax bill. This led the property to have a higher occupancy and a significant value creation through the property tax savings. Our institutional investor received a 1.60X multiple at the refinance. The remaining partnership has been receiving double-digit cash on cash returns annually since the refinance.



Acquisition

Purchase Date:	November 2017
Purchase Price:	\$46,500,000
Equity:	\$12,834,875
NOI at Purchase:	\$2,220,408

Valuation (est.)

Valuation Date:	January 2023
Value:	\$75,000,000
NOI:	\$3,423,092

LUXE AT KATY
APARTMENTS

