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Kayne Anderson sells student housing portfolio for \$863m

The Armonk, New York-based private equity firm has sold 19 properties and one site under development to American Campus Communities.

Armonk, New York-based Kayne Anderson Capital Advisors has sold a portfolio of 19 student housing properties with 12,049 beds to American Campus Communities (ACC) for \$862.8 million. The sale also includes one property under development.

Under the terms of the deal, the Austin, Texas-based REIT will assume \$396.2 million of outstanding mortgage debt and pay \$466.6 million in cash. ACC will become the managing and leasing agent for the development property. The deal is expected to close sometime in early to mid-December.

Al Rabil, chief executive officer of Kayne Anderson Real Estate Advisors, the firm's real estate investment arm, told PERE that the firm purchased these properties over the course of the last four years. Seven of the assets originally were acquired on behalf of its Kayne Anderson Real Estate Partners (KAREP) fund, while 13 were bought on behalf of KAREP II. "We felt it was an opportune time to go to market and realise a premium exit," he added.

Various media reports state that ACC expects to invest \$12.3 million in capital improvements, although Rabil noted that the properties "are in outstanding shape." In fact, most of the properties are less than four years old. The properties, which currently are 92 percent occupied, are located in 13 states: Georgia, Louisiana, Michigan, New York, Texas, Kentucky, Missouri, New Hampshire, North Carolina, California, Florida, Virginia and Ohio.

Separately, Kayne Anderson still is investing on behalf of KAREP II, which closed on \$575 million in equity commitments in October 2011. Approximately 54 percent of the fund's capital is accounted for, and it is anticipated to be fully invested within the next nine

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