

Tuesday, Jan. 24, 2023

Amplify Development Expands Geographic Footprint, Enters East Coast Markets

Amplify Development Co., which is coming off its most active year ever, is looking to continue expanding its footprint in certain eastern markets it only recently entered.

The Culver City, Calif., company, which was founded in 2016, pursues student-housing properties and those specifically leased to fraternity and sorority organizations. It previously had focused on California and Arizona and had expanded into Colorado in 2021. Last year, it made its first investments in Pennsylvania and South Carolina.

It has a portfolio of 10 properties with 1,400 units, or 4,800 beds, valued at more than \$600 million.

Last year, it acquired a 19-unit, or 45-bed, property at 321 Fraternity Row that serves the Pennsylvania State University in State College, Pa. Amplify purchased it through its Greek Housing Platform, which invests in fraternity and sorority houses that are subject to long-term net leases with the organizations, whose affiliates occupy them.

This month, meanwhile, it made its first purchase in Clemson, S.C., having acquired another frat property, at 172 Old Greenville Highway, that serves the students at Clemson University. Details about the property and the sale could not be learned immediately.

The company hopes to acquire and develop more properties in State College, Clemson, as well as markets in which it already has a presence. It also plans to enter new markets soon. For instance, it's looking in Fayetteville, Ark., and specifically near the University of Arkansas, as the school's football team plays in the Southeastern Conference, or SEC, among the

Power Five conferences.

"We like to focus on markets that we see high growth potential in, and being in a power-five conference really does drive enrollment," explained Alec Paddock, co-founder and managing partner at Amplify.

The sports teams at Penn State play in the Big Ten Conference, while Clemson plays in the Atlantic Coast Conference, both are Power Five conferences.

Last year, it had acquired three properties, completed the construction of three others and broke ground on another. It also lined up entitlements for three other development projects.

It was able to maintain such activity even as the year went on and the market became turbulent because of its relationship with Union Bank & Trust of Lincoln, Neb., which has provided financing for the company's last six deals.

"Securing debt has been the most difficult component in getting deals done over the last six months, so we are fortunate to have this relationship," Paddock said.

Additional capital for its deals comes through a network of institutional investors, family offices and high-net worth individuals.

Given the current market conditions, Paddock doesn't expect this year to be as active as last.

*Reprinted with permission from Commercial Real Estate Direct
Copyright ©2023 www.crenews.com*