

Waypoint Residential Gets an A+

by Jeffrey Steele

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The investment manager has achieved success in tertiary markets.

Houston—A pair of high-quality apartment properties have been added to the growing portfolio of real estate investment manager Waypoint Residential.

One of the properties is Valencia Place, a brand new 246-unit, Class A+ property in Houston. Situated at 3131 West Bellfort Avenue in Houston, Valencia Place is in close proximity to the world's largest medical complex, Texas Medical Center.

The medical center is in the process of a multi-billion dollar expansion that will substantially boost the number of area jobs. Valencia Place is also accessible to major highways offering easy access to Houston's primary job hubs.

"We are active in markets from Texas to the Carolinas and Florida," Atlanta-based Waypoint Residential Chief Operating Officer Raymond Barrows told *MHN*.

"This year, we've been buying in tertiary markets, because we feel the yields we're getting there are justifying the risk of going to those markets," he said. "In Houston, [the acquisition] was a case of timing. We put that property under contract when oil was first starting to decline and there was nervousness in the market. We were able to buy with less competition than there otherwise would have been."

The other rental property acquired by Waypoint is Village at Rice Hope, a 200-unit rental community at 203 Magnolia Boulevard in the Savannah, Ga. submarket of Port Wentworth. Situated near one of the country's largest and fastest-growing ports, The Port of Savannah, Village at Rice Hope is a component of the 1,300-acre Rice Hope master-planned development.

The community is steps from a Publix-anchored shopping center and a grade 3-8 school, both slated to be unveiled in the autumn of this year.

Waypoint has plans to develop an additional 159 apartments while undertaking interior upgrades to each existing unit. Improvements to the property's clubhouse, pool and fitness center are also in the plans.

The acquisition of the community was complicated due to the fact there are existing units and Waypoint plans many more. Barrows reported.

"We feel we have a unique skill set because we can look at properties that have an existing phase with developable land," he said. "When we're done, we will have a 350-unit property that will look like a new property."

The new units will be added at a lower cost to Waypoint than the company would have incurred developing an entirely new property, he added.

"Our primary business has been buying older properties and repositioning them through the upgrades to units and common areas," Barrows said. "We have a good skill set in repositioning properties. Through targeted upgrades, we create better properties."

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