

May 2015

ADVALUREM GROUP COMPLETES FOLLOW-ON EQUITY INVESTMENT IN 1000 FLORAL VALE

Advalurem Group is pleased to announce the completion of a follow-on common equity investment in 1000 Floral Vale, a 2009-built, Class A office building located in Yardley, Pennsylvania, an affluent suburb of Philadelphia. Advalurem originally closed on a majority-controlling, preferred equity investment in the asset in 2014.



In this transaction, affiliates of Advalurem Group acquired a significant portion of the common equity that had been bridged at the initial close by an existing member of the general partnership entity. Advalurem Group's operating partner still retained a meaningful stake of ~10%.

According to Principal Gabriel Pozo, "The transaction presented a compelling opportunity for Advalurem because we could invest at the original acquisition basis despite significant leasing activity that increased occupancy from 79.9% to 91.8%, greatly enhancing cash flow and asset value – thereby lowering the risk profile of the investment."

The Property was built in November 2009 to institutional, energy-efficient and environmentally safe design standards, earning it a LEED Gold certification among other accolades. It is the newest and one of the most sophisticated buildings in its submarket. The Property is 91.8% leased primarily to two 'investment grade' tenants on long-term leases with extension options. All tenants entered into lease agreements post-recession and represent first generation space at market terms. The Property is located in a high-income demographic area of northern Philadelphia, proximate to many employment demand drivers, transportation networks and commercial retail nodes. Lower Makefield Township remains one of Philadelphia's more prominent submarkets, ranking #1 wealthiest area in Pennsylvania and consistently is a top finisher in CNN/Money's rankings of "Best Places to Live" in the U.S.

Advalurem Group is a private real estate investment firm that specializes in middle-market commercial real estate. The firm targets moderately sized real estate investments through joint venture structures and aims to become the leading capital partner of this market segment. The group invests across all major property sectors and along the risk/return spectrum with an emphasis on core-plus and value-added strategies. Advalurem Group currently owns, through joint ventures, approximately 1 million square feet of commercial properties in Dallas, Chicago, Philadelphia and other cities across the country. The firm is based in New York.

For more information, please contact us at info@advaluremgroup.com.