

Partnership Seeks Long-Term Institutional Assets

JANUARY 21, 2016 | BY LISA BROWN

SAN FRANCISCO—Ivanhoé Cambridge and Veritas Investments acquire 16 residential properties for approximately \$200 million, with this latest joint-venture investment bringing the partnership to a total of 45 multifamily properties.



The partnership has assembled a portfolio of 45 properties including one at 610 Leavenworth.

SAN FRANCISCO—The walkable infill neighborhoods of San Francisco, representing a range of housing options, are exhibiting the low vacancy rates and demographic factors that support long-term demand. While there has been increased commercial real estate construction, the Bay Area's development-constrained marketplace tends to favor local neighborhood character and existing properties.

After acquiring 16 residential properties for approximately \$200 million as part of an execution of a residential property aggregation strategy, Canadian-based **Ivanhoé Cambridge** and **Veritas Investments Inc.** now jointly own a total of 45 properties. This exclusive partnership was **created in 2014**.

Yat-Pang Au, founder and CEO of Veritas tells GlobeSt.com: “Pensions and institutions are partnering with Veritas due to our unique ability to create value by aggregating urban mixed use apartments and retail in premier neighborhoods in San Francisco. Another differentiation we bring to the table is our innovative approach in our people and culture ... leveraging technology, creative space and amenity planning to enhance the fundamental operating value of our properties and desirability by our residents. We also take care to respect the communities in which our properties are located, and work to enhance the neighborhood by adding building improvements or by attracting unique, eclectic urban retailers that complements local history, architecture, and community character.”

The total ownership of 45 buildings is an average of 30 residential housing units per building, including many with ground-floor retail facilities. All properties are located in San Francisco's most unique and desirable neighborhoods, such as Lower and Upper Nob Hill, Russian Hill, North of the Panhandle, Noe Valley, Duboce Triangle, Alamo Square, Mission Dolores and North Panhandle.

“Our multifamily platform strategy consists in investing in key cities such as San Francisco,” said **Sylvain Fortier**, executive vice president and chief investment officer, Ivanhoé Cambridge. “Veritas is an outstanding investment and managing partner, which plays a strategic role for us in understanding the market, knowing the long-term trends and identifying the right opportunities.”

Au added: “Our investment strategy continues to focus on owning and operating multifamily housing that will be in demand now and in the long term. The San Francisco Bay Area's ecosystem of technology and innovation companies, its university and education centers and its quality of life create a strong magnet for today's mobile workforce, which is ultimately our resident base.”