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From the Austin Business Journal:

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## Chicago firm enters Austin market by acquiring Westlake apartments for \$58M

**Seller was affiliate of J.P. Morgan; apartments to be revamped**

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Feb 22, 2019, 7:24am CST

Chicago-based Morningside Group of Companies recently bought Nalle Woods, a 238-unit luxury apartment community in Westlake, for \$57.65 million.

It is the first investment in Central Texas by Morningside, a real estate development firm focused on multifamily and mixed-use properties with a portfolio that spans from condos in Michigan to a children's museum in the Chicago suburb of Oaklawn, Illinois.

"This is a truly unique property in a high growth region with very strong potential," Morningside Group President David Strosberg said in a statement

The sale price breaks down to \$242,230 a unit.

Nalle Woods was developed by The Peel Company of Austin and completed in 2004.

The project was sold by an affiliate of J.P. Morgan Asset Management of New York, which acquired Nalle Woods in 2010, according to Travis Central Appraisal District records.

Nalle Woods has an appraised value of \$54.4 million, according to TCAD.

Buying multifamily could be a good bet for Morningside — Austin's rent is growing faster than anywhere else in the nation, according to RealPage Inc., which found that apartment rents in the Texas capital grew 4.7 year-over-year as of January. Austin's occupancy rate last month was 94.3 percent, compared with a national average of 95.1 percent, according to RealPage.

Nalle Woods, which is 95 percent leased, is a garden-style community surrounded by environmentally protected conservancy land. Nalle Woods is adjacent to Lake Austin in Austin's high-priced Westlake neighborhood and within the acclaimed Eanes Independent School District.

Amenities at the property include a resort-style pool with grilling areas, fire pits and surrounding lounging areas. The neighboring clubhouse building contains a fitness center, club room, game room, conference room, business center, sauna and spa.

Morning plans to overhaul both apartment interiors and shared space at Nalle Woods.

While based in Chicago, Morningside also has offices in Austin, Seattle and Ann Arbor, Michigan.

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MORNINGSIDE GROUP

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