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Company looks to crowd funding for an Alamo Heights apartment complex

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ArborCrowd, an online commercial real estate company and crowdfunding platform is looking for investors in the Quarry Station Apartments in Alamo Heights.

The company wants to raise \$3.2 million in equity for site improvements on the complex, which is said to have a total capitalization of \$40.8 million. ArborCrowd, which has crowd-funded four other multifamily properties, says its model is unique because they crowd fund projects that already exist and are already purchased.

Quarry Station, formerly known as the Crescent at Alamo Heights, was built in 1993. It has 306 units across 18 buildings and offers one, two and three bedroom models. It is currently 85 percent occupied.

According to Kara Yi, ArborCrowd's vice president of marketing communications, the company's business model works like this. First, a property is purchased by a "sponsor" – in the case of Quarry Station, two sponsors. Then, ArborCrowd turns to crowdfunding to raise money to reinvest in the property for various improvements. After money is raised, the company will generally wait two to five years before flipping the property.

In the case of Quarry Station, the property's two sponsors are Arbor Management Acquisition Company (AMAC) and EBEX Holdings. The property's targeted internal rate of return (IRR) is 16 to 19 percent. The company is asking for a minimum investment of \$25,000 from accredited investors.

Though the company did not say how much it had raised so far, but before the campaign went live it had already received almost \$2 million in commitments.



ArborCrowd is seeking \$3.2 million from crowdfunding for improvements on its Quarry Station Apartments.

The company says its business strategy for Quarry Station is to increase effective rents and the overall value of the property. Since the property was purchased in June, the has already seen a change in management and has rebranded itself.

"Every deal we offer – including Quarry Station – is measured against the standards and benchmarks of what a real estate institution would expect. That's the difference in what we offer compared to other crowdfunding platforms," said Ivan Kaufman, co-founder and CEO of ArborCrowd.

The company, which started in 2016, has already successfully crowdfunded a few multifamily developments in Florida, Alabama and two in New York City. Yi says each crowdsourcing campaign has gone better than expected.

"It has never taken us longer than two months to reach a goal. For example, with the campaign we had going for our property in Huntsville, Alabama, we raised \$2 million in 3 business days," said Yi.

Adam Kaufman, co-founder and managing director at ArborCrowd, says these campaigns have been successful and their investors have returned because they believe in the quality of the product as well as the targeted returns they say they'll meet.

The Quarry Station Apartments are located at 340 Treeline Dr. and was last appraised at \$37 million, according to the Bexar County Assessor. The property is currently managed by United Apartment Group, which manages over 29,000 units and is currently the largest property manager in San Antonio.