

Heights 2121- Houston V:

September 19, 2022- Houston, TX- Arel Capital, L.P. (“Arel”) partnered with Texas Essential Housing Public Facility Corporation (“TEHPFC”) to preserve affordable housing at this 540-unit multifamily community, Heights 2121 (“the Property”) in Houston, TX. The Property is 377,800 square-feet on a 15.1-acre total site area.

The Property is located within the Heights submarket, one of Houston’s oldest neighborhoods. The Heights attracts many millennials thanks to its “live, work and play” atmosphere as well as the direct access to I-610/Hwy 290 or I-10 making for easy commutes.

The Property will receive a full abatement of its property taxes and maintain affordability for about 50% of its units. Arel had originally purchased the Property in December of 2018 as a market-rate property and recapitalized it when the Property entered this affordable housing program with a 10-year agency loan.

Arel plans to pursue a comprehensive renovation program for Heights 2121 to create higher quality units and amenities. A renovation of about 80% of the units, as well as the fitness center, dog park and clubhouse are projected to begin within the first year after recapitalization, and last over a 7-year hold.

About Texas essential Housing Public Facility Corporation (TEHPFC)

For many years Texas cities and other municipalities have used these vehicles to issue bonds to build public buildings. These buildings are then eligible for a 100 percent property tax exemption. Texas has amended the laws governing these Corporations in order to provide a similar tax break to private developers.

Developers receive a full abatement of the Property’s real-estate taxes, by making at least 50% of units at the Property affordable at 80% AMI (Area Median Income) and under.

About Arel Capital

Arel Capital is based in New York and was founded in 2013 to invest in real estate assets, with an emphasis on mid-sized (\$50 to \$200 mm) multi-family residential properties in large urban US markets. Since its inception, the firm has invested about \$2 billion in 10 markets (New York, Denver, Houston, Austin, Charleston, Charlotte, Nashville, Tampa, Philadelphia, and Bozeman).