

CrowdStreet + CrowdStreet Advisors: Building Real Equity Solutions



226 Unit,
Class A Multifamily

Development
Cost: \$117.5M
(\$519,760/unit)

THE DEAL: A UNIQUE COMBINATION OF FACTORS

iStar Residential, an affiliate of iStar, Inc. (NYSE:STAR), made its CrowdStreet Marketplace debut with SURFHOUSE Asbury Park, a multifamily development located in the Asbury Park, New Jersey waterfront redevelopment zone.

In addition to being CrowdStreet's first deal with a publicly traded sponsor, SURFHOUSE brought a unique combination of factors sought after by investors:

- Qualified Opportunity Zone location
- Co-investing alongside a master developer - iStar owns and/or controls 70% of available waterfront development opportunities
- Land sold to iStar and subsequently ground leased from its subsidiary
- 30-year PILOT tax abatement

THE CHALLENGE: ONE EQUITY SOURCE

For this particular deal, one of iStar's requirements was to limit their limited partner (LP) equity to strictly one source. To this end, they were looking for the entire LP equity portion of their capital stack to be funded through CrowdStreet.

THE SOLUTION: A BLENDED APPROACH

With the LP equity limited to one source, CrowdStreet was tasked with crafting a strategy that would completely fulfill the sponsor's raise requirements.

A critical factor in signing the deal was the demand from CrowdStreet Advisors, because the deal met the objectives of multiple funds. CrowdStreet Advisors was able to commit \$10M of capital to the deal. With a \$22M allocation, that translated into having roughly 45% of equity already committed before taking the 55% balance of available equity to the Marketplace.

This blend of CrowdStreet Advisors and Marketplace capital made a material difference in the eyes of the sponsor and proved instrumental in creating the comfort-level necessary for iStar to utilize the CrowdStreet Marketplace.

THE LESSON: COMBINED DEMAND

Over the years, CrowdStreet has evolved both the investment opportunities we provide to investors as well as the methods we utilize to fulfill sponsor allocations. For iStar Residential's SURFHOUSE Asbury Park transaction, the combined demand between the Marketplace and CrowdStreet Advisors is a clear example of how these two cornerstones of our business can partner to create wins for sponsors while at the same time extending quality investment opportunities to CrowdStreet investors.



We have watched [CrowdStreet] successfully work on other projects and, over the past year or so, we've been looking for an opportunity to partner with them.

- Jay Sugarman
Chairman and Chief
Executive Officer, iStar, Inc.¹

1) The opinion expressed herein describes an individual experience. It is not a reflection of all real life experiences, is not representative of all of those who have used our products and/or services, and is not indicative of future performance or success.

ABOUT ISTAR RESIDENTIAL

Under the control and direction of its management team, iStar Residential, together with its parent company, iStar (NYSE: STAR), and its sister companies, has been a prolific investor in residential real estate throughout the U.S., with \$10 billion financed and invested in residential projects over the past two decades. The portfolio has included interests in over 18,000 condominium units and 65,000 acres in master-planned communities with the potential for an estimated 50,000 single family and multifamily units.

CROWDSTREET

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2) As reported by Dr. Adam Gower in Best Real Estate Syndication Platforms | Gower Crowd - UNLEASHED, published 2022, based on dollars raised by individual investors.

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