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Lynd-Topaz Joint Venture Sells Jacksonville Apartment Community for \$66 Million

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Topaz Villas in Jacksonville, Florida Lynd

Lynd Acquisitions Group (LAG), a division of the Lynd Group, and its JV partner Topaz Capital, sold a 444-unit value-add multifamily asset in Jacksonville for \$66 million just three years after acquiring it for \$35.15 million.

The partnership invested approximately \$5 million updating both living spaces and common areas. They renovated approximately 75% of the units, increasing average rents from \$783 per month to \$1,078 per month at the time of closing.

“When we acquired the asset, we saw an opportunity to execute our value-add construction program and increase rents significantly,” said A. David Lynd, CEO of The Lynd Group, a national real estate firm that owns, develops and operates multifamily assets throughout the U.S. “We were able to boost rents nearly 30% over three years and achieve a return on equity of 3.5x.”

Located at 5327 Timuquana Road, the garden-style Topaz Villas features one-, two- and three-bedroom units. The community is located near major employment centers, the St. John's River and the beach. The pools, playgrounds and recreational areas all received facelifts.

Lynd's history with the property goes back to 2017 when it managed the property for a nonprofit owner. After renovating a few units with its own money to test the market, Lynd recognized an opportunity to improve a well-located asset in a rapidly strengthening housing market and partnered with Topaz to buy it outright in June 2019.

"Just as we were rolling out our renovation program, COVID 19 hit which shut down the economy and created headwinds in the housing market," said Marc Hershberg, CEO of Topaz, a New York City-based private equity firm. "While many operators halted further investments during this period, Lynd marched through the uncertainty and relied on its 40-plus years of boots- on-the-ground experience to drive value and control the outcome of the investment."

As the housing market started to rebound in 2020, Lynd invested in two different priced renovation packages to see how the market would respond.

"What we found is that the market responded very favorably by renting these homes at record rates," said Constantine Scurtis, Chief Investment Officer of Lynd Acquisitions Group. "Our ability to adapt at a time of uncertainty while managing risk along the way paid off."