

CNL Growth Properties to Liquidate

CNL Growth Properties Inc., a publicly registered non-traded real estate investment trust, is seeking shareholder approval to liquidate and dissolve the company.

In August 2015, the REIT's board of directors appointed a special committee to oversee the strategic alternatives exploratory process, and a month later, it engaged CBRE Capital Advisors to act as its exclusive financial advisor.

CNL Growth Properties told shareholders that the principal purpose of the plan of dissolution is to maximize stockholder value by selling its assets, paying its debts and distributing the net proceeds of liquidation to its stockholders. The company's board of directors and the special committee each unanimously recommended that shareholders vote for the plan's approval.

In reaching these conclusions, the board of directors and the special committee each considered a number of factors, including current market conditions, which they believe have made the liquidation of its assets desirable at this time.

The company estimates that if the proposed plan is approved and implemented successfully, the net proceeds from liquidation could range between approximately \$8.41 and \$9.39 per share.

Combined with the previously issued special distributions of \$3.00 per share stemming from the sale of five of properties in 2014 and 2015, the REIT estimates shareholders could receive a total amount of between approximately \$11.41 and \$12.39 per share.

The plan of dissolution requires shareholder approval before

it can be implemented.

CNL Growth Properties, which commenced its initial public offering in October 2009, raised approximately \$208.3 million in investor equity before terminating its follow-on offering in April 2014.

As of March 31, 2016, the company owned interests in 13 Class A multifamily properties, nine of which were operational and four of which were under development, including two which were partially operational. Twelve of the company's multifamily properties are owned through joint ventures.

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