

SmartStop Asset Management REIT Sells Florida Student Housing Property to Blackstone Affiliate

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Strategic Student & Senior Housing Trust Inc., a publicly registered non-traded real estate investment trust sponsored by SmartStop Asset Management, has sold YOU@Tallahassee, a Class A student housing property located next to the Florida State University campus.

According to a filing with the Securities and Exchange Commission, the property was originally purchased in the third quarter of 2017 for \$47.5 million, excluding acquisition costs. The property was sold to an affiliate of the Blackstone Group for \$50 million in cash, less closing costs. The \$23.5 million mortgage loan encumbering the property was repaid in full at closing with the buyer paying the yield maintenance fees, and the net proceeds from the sale will primarily be used to pay down its KeyBank bridge loans, the filing said.

The 125-unit, 434-bed property consists of a mix of student apartments, study rooms, a fitness center, a pool and a clubhouse and is 98 percent pre-leased for academic year 2022-2023.



“The sale of the YUnion@Tallahassee property will improve our balance sheet,” said John Strockis, president and chief investment officer of the REIT. “Our strategy of acquiring Class A, purpose-built and pedestrian-to-campus student housing communities augmented by our trademarked YUnion Student Living brand and hands-on asset management proved invaluable. We...rebranded the community in 2018 to YUnion@Tallahassee resulting in average property occupancies of 98 percent over the hold period.”

SmartStop is a diversified real estate company focused on student housing and senior housing, and has a managed portfolio of approximately \$400 million of assets.

Strategic Student & Senior Housing Trust invests in Class A student housing and senior housing communities and owned two student housing properties and four senior housing properties, as of the third quarter of 2021. The REIT raised approximately \$93 million from its private offering which ended in March 2018, and its public offering was declared effective in May 2018. The company raised \$17.4 million in investor equity in its primary public offering.

In March 2021, the REIT suspended its primary public offering and share redemption program, as well as distributions to shareholders, citing the coronavirus (COVID-19) pandemic and its potential financial impact on the company.

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