

Freddie Mac Morgan Properties Jason Morgan

Morgan Properties expands Freddie Mac securitization portfolio

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12 September, 2018

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organ Properties, a King of Prussia-based multifamily investment management company, has closed on its third Freddie Mac b-piece with the acquisition of the first loss position of K-WO6. The roughly \$666m securitization is backed by 45 mortgages on workforce apartment properties throughout the U.S.

Jason Morgan, senior v.p. of acquisitions, told *REFI* that the acquisition is part of a larger focus into the Freddie Mac K series. The transaction's focus on workforce housing is a great fit with the assets in Morgan Properties' portfolio, which is comprised mainly of older Class B properties that are typically rented by individuals who are making 60-80% of the area median income. There have only been six Freddie Mac deals focused on workforce housing to date, he added.

"We've always been invested in debt products within the multifamily sector and we've been very interested in the Freddie Mac K series, which offers very attractive returns and also gives us the opportunity to diversify in the capital stack," Morgan said. "There is a plethora of capital pursuing multifamily opportunities and investing in debt gives us the ability to earn an attractive risk-adjusted return. And at this point in the cycle, we'd rather than that senior position."

The company, which last year completed \$1.2b of transactions that included a major portfolio deal in Alexandria, Va., has seen competition and pricing rise this year. "We've seen interest rates rise and cap rates are coming in as investors are searching for deal volume," Morgan said. "Pricing has been extremely high on the acquisitions side, which means that we've been more selective."

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