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## MARKETS

### Singapore Investor Piles Into Student Housing in \$1.6 Billion Deal

Mapletree Investments buys 18 properties from Kayne Anderson

By Peter Grant

A Singapore-based investor has purchased a portfolio of 18 North American student housing complexes and four rental apartment properties from a U.S. private-equity firm in three deals valuing the properties at about \$1.6 billion, according to the companies.

The acquisition over seven months by Mapletree Investments Pte. Ltd., a real-estate unit of Singapore sovereign-wealth fund Temasek Holdings Pte. Ltd., is the latest sign foreign investors are expanding their appetite for U.S. property beyond trophy buildings in top cities.

Foreign investors increasingly are buying more targeted assets such as student housing in smaller cities because their prices are lower than the most sought-after office buildings and shopping centers.

The seller of the assets, Kayne Anderson Real Estate Advisors, is one of country's biggest developers of and investors in off-campus student housing. The Boca Raton, Fla., firm has built or bought complexes with about 40,000 beds in the past decade,

according to Chief Executive Al Rabil.

Mapletree bought one portfolio of student housing from Kayne Anderson in November and two in May. They totaled 12,000 beds in 16 cities and are close to such schools as the University of Minnesota, Colorado State University and the College of Charleston in South Carolina.

The recent deal with Kayne Anderson increases Mapletree's total student-housing portfolio in the U.S., Canada and the U.K. to 43 assets with about 18,000 beds in 29 cities. The firm is expected eventually to convert the portfolio into a publicly traded real-estate investment trust on the Singapore Stock Exchange. Mapletree currently manages four Singapore-listed REITs.

Hiew Yoon Khong, Mapletree's group chief executive, said in a written statement: "Since 2016, Mapletree has expanded into the student-housing asset class on a global scale as it generates stable and consistent earnings."

Many investors used to shun student housing partly because its business model wasn't well understood. But now "it's 180 degrees from that," Mr. Rabil

said. "You have a very broad buyer-base both domestically and internationally."

Still, the properties can be tricky to manage. About 65% of their tenancy turns over every year and marketing has to be amped up at different locations at different times depending on when classes start at the nearby colleges.

There is also the issue of the age of the tenants. "You're dealing with a lot of different dynamics that don't exist in" more traditional rental apartment complexes, Mr. Rabil said.

What about destructive parties and other antics often associated with college living? Mr. Rabil said that hasn't been a problem because Kayne Anderson focuses on higher-quality housing with a lot of amenities. The average rents of \$700 to \$1,000 per bed a month require more of a financial commitment from students and their parents, he said.

"Kids will be kids," he said. "But we have very little incidents of insurance claims or anything of the 'Animal House' nature," referring to the 1978 movie starring John Belushi about a wild fraternity house.