

Aragon Holdings Sells Apartment Portfolio to Harbor Group International for \$1.85 Billion

Deal marks the largest multifamily transaction since 2016 and 5th largest ever

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Harbor Group International, LLC →

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LOS ANGELES and NEW YORK, Jan. 15, 2020 /PRNewswire/ -- Aragon Holdings, LLC ("Aragon"), and Harbor Group International, LLC ("HGI"), announced today that affiliates of HGI have purchased a portfolio of 36 apartment properties comprising of 13,243 units from Aragon for \$1.85 billion. The acquisition is the 5th largest apartment portfolio sale ever, and the largest since 2016.

The deal is part of Aragon's broader \$2 billion sale of its entire apartment portfolio consisting of 15,000 units located in 12 cities and 8 states across the nation.

Commercial real estate services firm Newmark Knight Frank (NASDAQ: NMRK) represented the seller in the sale and the buyer for the debt financing.

"We decided to sell our portfolio because we recognized that, in the present market conditions, the properties would have the greatest value in the hands of a 'value-add' operator," said Larison Clark, Founder, Chairman and CEO of Los Angeles-based Aragon Holdings. "Harbor Group targets value-add opportunities, making this an ideal transaction for both firms."

The portfolio, which had been acquired over the last 10 years, is primarily in the southern portion of the United States, from Arizona to Florida. The properties average 350 units each, comprised of two- and three-story buildings located in suburban areas near employment centers, shopping, highly rated schools and easy transportation access.

"The purchase of the portfolio demonstrates Harbor Group International's significant growth and evolution as a leading industry player as we continue to execute on larger, more complex, and attractive opportunities for our investors," said Jordan Slone, CEO of HGI. "This transaction marks a significant step for HGI as we continue to grow our portfolio in lucrative markets and provide our investors with a strong, diversified portfolio."

Dan Guy, Aragon's President and Chief Operating Officer, noted that Aragon Holdings initially focused on multifamily housing because "we saw the opportunity for strong investor returns in the wake of the 2008 economic crisis. Since then we have achieved exceptional cash-on-cash and IRR returns for our investors," Mr. Guy said. "Our team is now analyzing commercial real estate opportunities that provide the best risk-adjusted returns for our investors."

NorthMarq Capital represented the Seller for debt assumptions and defeasance. Meridian Capital Group was used by the Buyer as an advisor.

About Harbor Group International

Harbor Group International, LLC, is a private real estate investment and management firm which controls a portfolio of worldwide assets valued at \$12.5 billion. Founded in 1985 by Jordan E. Slone, Chairman and CEO, HGI is headquartered in Norfolk, Virginia with offices in New York, Baltimore, Los Angeles and Tel Aviv. The company's real estate holdings include 3.7 million square feet of commercial properties and, with the acquisition of the Aragon properties, approximately 50,000 apartment units.

www.harborgroupint.com.

About Aragon Holdings

Aragon Holdings, based in Los Angeles, was founded in 2008 by Larison Clark as a private real estate investment and fund management company. Prior to Aragon, Mr. Clark founded Diamond Key Homes (DKH), a Phoenix-based builder and developer. In 1995 DKH was listed in

the INC 500 as one of the nation's Top 20 fastest-growing companies, and three years later the firm was acquired by a NASDAQ-listed company. Dan Guy, who worked with Mr. Clark at DKH, joined Aragon Holdings as a partner and President/COO shortly after its founding.

Aragon Holdings creates private investment funds with the goal of providing tax-deferred monthly income to investors by acquiring commercial real estate properties throughout the US, in cities that have exhibited, and are projecting, healthy economies with positive employment growth. www.aragonusa.com.

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