

# THE SpareFoot Storage Beat

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## Texas firm makes splash with 18-property purchase



A real estate company in Dallas, TX, has more than tripled its self-storage holdings with the acquisition of 18 facilities in five states.

[Rosewood Property Group](#) closed on the portfolio earlier this month for an undisclosed amount. Debt

financing for the transaction was arranged by Talonvest Capital.

“We invest our own capital, so we are able to do things a little bit quieter,” Bill Flaherty, president and CEO of Rosewood (pictured at top), told The SpareFoot Storage Beat. “I’m not sure people knew we were in this 18-property portfolio until we closed it.”

Greg Wells, a broker with Cushman & Wakefield’s Self Storage Industry Group, represented the seller, whose identity wasn’t available.

The company’s primary holdings are in land, office, industrial, retail and multifamily assets. Before the 18-facility deal, Rosewood owned seven self-storage properties, which are in Oklahoma City, OK; Denver and Colorado Springs, CO; and Houston and Arlington, TX.



One of the 18 facilities purchased by Rosewood Property Group in Harrisburg, PA.

## **New assets, new markets**

The newly acquired facilities are in Pennsylvania, Maryland, New Jersey, Indiana and Kentucky. Extra Space Storage managed the facilities at the time of sale, and Flaherty said the REIT would continue as the third-party manager.

“We think extremely highly of Extra Space. It was clear from the time that we showed interest that we intended to keep them in place,” Flaherty said.

Extra Space also manages some of Rosewood’s other facilities.

Flaherty said the acquisition gives Rosewood a foothold in new markets that could be springboards for expansion.

The portfolio covers 1.14 million rentable square feet and 9,365 units. A list of exact locations wasn’t released.

## **Development on deck**

This year, Rosewood also plans to expand its self-storage holdings through development. The company teamed up with Dallas-based Cornerstone Development in December 2014 to invest as much as \$75 million in the construction of new facilities.

“We believe we are at the beginning of a long development cycle in storage that offers an attractive development spread and stable yields,” Flaherty said.

Cornerstone brings a wealth of self-storage experience to the partnership. The company has developed, owned and managed more than 60 facilities in 13 states.

Flaherty said the joint venture will build roughly 10 facilities in six markets: Dallas-Fort Worth, Austin, San Antonio and Houston, TX; Denver; and Kansas City, MO. Several sites already have been selected, Flaherty said, and construction will be “well underway” by this summer.