

# Toll Brothers Apartment Living® and PGIM Real Estate Announce Joint Venture to Develop 422-Unit Luxury Rental Community in San Diego, California

August 18, 2022

## JV Secures \$187 Million Construction Loan from BNY Mellon and Wells Fargo

FORT WASHINGTON, Pa., Aug. 18, 2022 (GLOBE NEWSWIRE) -- Toll Brothers, Inc. (NYSE: TOL) ([TollBrothers.com](https://www.tollbrothers.com)), the nation's leading builder of luxury homes, through its Toll Brothers Apartment Living® rental division, and PGIM Real Estate, the \$208.7 billion real estate investment and financing business of PGIM, have announced a new joint venture to develop The Lindley, a 37-story, 422-unit multifamily rental community in San Diego, Calif. The Lindley, which is the first Toll Brothers Apartment Living (TBAL) project in the city of San Diego, is being financed through a \$187 million construction loan facility from BNY Mellon and Wells Fargo. The equity and debt were arranged by Toll Brothers' in-house Finance Department in collaboration with the PGIM Real Estate Capital Markets Team.

The Lindley was designed by the renowned Joseph Wong Design Associates and is located at the corner of Columbia Street and Ash Street in San Diego's Columbia business district. The Lindley offers convenient access to PETCO Park, Balboa Park, the Santa Fe Rail Station, and the San Diego International Airport as well as many dining and entertainment options in Little Italy, Harborview, Embarcadero, and the Gaslamp Quarter.

The Lindley will consist of 422 rental apartments and an above- and below-grade parking garage with 561 parking spaces, including capacity for 222 EV (electric vehicle) charging stations. The apartment units will feature high-end luxury finishes including LVT flooring, energy-efficient LED lighting, and smart thermostats. Residents will enjoy a best-in-class amenity package, including concierge, mailroom, secured package room, keyless entry, and more than 22,000 square feet of interior and exterior amenity space. The amenity space will feature an outdoor pool and spa, barbecue grills, pet spa and dog walk, indoor/outdoor fitness center, massage rooms, yoga spaces, sauna, coworking spaces, game room, club room, lounge, and wine bar. Rooftop amenities include a rooftop lounge, demo kitchen, and sky deck providing excellent views of downtown San Diego.

The Lindley expects to earn LEED Gold certification. To achieve this standard, all demolition materials were responsibly recycled, and sustainably sourced materials will be employed throughout. Rainwater will be collected from the site and passed through biofiltration processes before entering stormwater drainage. Environmentally friendly cleaning products will be exclusively used in the building's operations. Residents will also be able to enjoy EV fast-charging stations. Affordable housing is also a critical part of the development project. As part of The Lindley's entitlement agreement, Toll Brothers Apartment Living is making a significant contribution toward the development of affordable housing in San Diego, which helps to fulfill the city's initiative of increasing

affordable housing opportunities for its residents. This contribution will directly support the construction of 44 affordable housing units off-site in downtown San Diego.

The Lindley marks the first Toll Brothers Apartment Living project to break ground in San Diego, and the third to break ground in California. It follows the 262-unit Cameo in Orange, Calif., which was sold in 2021, and the 218-unit Rafferty in Santa Ana, Calif., which is scheduled to open its doors to residents in early 2024. The Lindley represents the continued expansion of Toll Brothers Apartment Living in California.

“As our first project in San Diego, we are proudly planting our flag here with The Lindley,” said Charles Elliott, President of Toll Brothers Apartment Living. “We will stay true to the brand that Toll Brothers is known for and bring to this market the same quality of product and service we’ve been delivering for over 55 years. The Lindley is located in perhaps the most vibrant part of San Diego, which is among the most dynamic areas of Southern California. The Lindley will appeal to the most discerning residents who want the perfect blend of luxury and lifestyle in the middle of it all.”

“The Lindley will be a Class A trophy asset situated in arguably the most desirable neighborhood in downtown San Diego,” said Cathy Marcus, global chief operating officer and head of U.S. equity for PGIM Real Estate. “In addition to its high-end features and amenities, the property will benefit from strong market fundamentals in San Diego overall, which has experienced employment growth largely driven by the technology sector and migration from other major cities.”

Fred Cooper, Senior Vice President, Finance and Investor Relations for Toll Brothers said, “The Lindley marks the fifth urban high-rise rental project we are developing in joint venture with PGIM and complements our current partnership projects in Boston, Cambridge, Atlanta, and Washington, D.C. We are very excited to once again have the support of BNY Mellon and Wells Fargo as our construction lenders. Together, we look forward to bringing this LEED Gold-designed transit-oriented development project to fruition while also supporting the development of additional affordable housing units in downtown San Diego.”

For more information about this community visit [LiveTheLindley.com](https://LiveTheLindley.com).

## **ABOUT TOLL BROTHERS**

Toll Brothers, Inc., A FORTUNE 500 Company, is the nation's leading builder of luxury homes. The Company was founded 55 years ago in 1967 and became a public company in 1986. Its common stock is listed on the New York Stock Exchange under the symbol “TOL.” The Company serves first-time, move-up, empty-nester, active-adult, and second-home buyers, as well as urban and suburban renters. Toll Brothers builds in over 60 markets in 24 states: Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, and Washington, as well as in the District of Columbia. The Company operates its own architectural, engineering, mortgage, title, land development, golf course development, smart home technology, and landscape subsidiaries. The Company also operates its own lumber distribution, house component assembly, and manufacturing operations.

Toll Brothers was named the World's Most Admired Homebuilder in FORTUNE magazine's 2022 survey of the World's Most Admired Companies®, the seventh year it has been so honored. Toll Brothers has also been named

Builder of the Year by Builder magazine and is the first two-time recipient of Builder of the Year from Professional Builder magazine. For more information visit [TollBrothers.com](https://TollBrothers.com).

Toll Brothers discloses information about its business and financial performance and other matters, and provides links to its securities filings, notices of investor events, and earnings and other news releases, on the Investor Relations section of its website ([investors.TollBrothers.com](https://investors.TollBrothers.com)).

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## **ABOUT TOLL BROTHERS APARTMENT LIVING®**

Toll Brothers Apartment Living is the apartment development division of Toll Brothers, Inc. (NYSE: TOL), an award-winning FORTUNE 500 company, and the nation's leading builder of luxury homes. Toll Brothers Apartment Living brings the same quality, luxury, and service for which Toll Brothers is known to its exceptional rental and mixed-use communities in select markets, including Atlanta, Boston, Dallas, Los Angeles, New York, Philadelphia, Phoenix, and Washington, DC. Toll Brothers Apartment Living communities combine the energy of vibrant locations with unparalleled amenities, resident services, design, and the expertise of America's Luxury Home Builder®. In 2022, NMHC ranked Toll Brothers Apartment Living the 11th largest apartment developer in the United States. The firm has developed nearly 8,500 units, has nearly 4,500 units under management, and controls a national pipeline of more than 20,500 units. For more information visit [TollBrothersApartmentLiving.com](https://TollBrothersApartmentLiving.com).

## **ABOUT PGIM REAL ESTATE**

As one of the largest real estate managers in the world with \$209 billion in gross assets under management and administration,<sup>1</sup> PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the \$1.4 trillion global asset management business of Prudential Financial, Inc. (NYSE: PRU).

PGIM Real Estate's rigorous risk management, seamless execution, and extensive industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing,<sup>2</sup> and the deep local expertise of professionals in 32 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world. For more information visit [pgimrealestate.com](https://pgimrealestate.com).

<sup>1</sup> As of March 31, 2022, net AUM is \$138 billion and AUA is \$46 billion.

<sup>2</sup> Includes legacy lending through PGIM's parent company, PFI.

## **TOLL BROTHERS' FORWARD-LOOKING STATEMENTS**

This release contains or may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. One can identify these statements by the fact that they do not relate to matters of a strictly historical or factual nature and generally discuss or relate to future events. These statements contain words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "may," "can," "could," "might," "should," "likely," "will," and other words or phrases of similar meaning. Such statements may include, but are not limited to, information and statements regarding: the impact of Covid-19 on the U.S. economy and our business; expectations regarding interest rates and inflation; the markets in which we operate or may

operate; our strategic objectives and priorities; our land acquisition, land development and capital allocation priorities; housing market conditions; demand for our homes; anticipated operating results and guidance; home deliveries; financial resources and condition; changes in revenues; changes in profitability; changes in margins; changes in accounting treatment; cost of revenues, including expected labor and material costs; selling, general, and administrative expenses; interest expense; inventory write-downs; home warranty and construction defect claims; unrecognized tax benefits; anticipated tax refunds; sales paces and prices; effects of home buyer cancellations; growth and expansion; joint ventures in which we are involved; anticipated results from our investments in unconsolidated entities; our ability to acquire or dispose of land and pursue real estate opportunities; our ability to gain approvals and open new communities; our ability to market, construct and sell homes and properties; our ability to deliver homes from backlog; our ability to secure materials and subcontractors; our ability to produce the liquidity and capital necessary to conduct normal business operations or to expand and take advantage of opportunities; and the outcome of legal proceedings, investigations, and claims.

Any or all of the forward-looking statements included in this release are not guarantees of future performance and may turn out to be inaccurate. This can occur as a result of incorrect assumptions or as a consequence of known or unknown risks and uncertainties. The major risks and uncertainties – and assumptions that are made – that affect our business and may cause actual results to differ from these forward-looking statements include, but are not limited to:

- the effects of the ongoing Covid-19 pandemic, which remain highly uncertain, cannot be predicted and will depend upon future developments, including the duration of the pandemic, the impact of mitigation strategies taken by applicable government authorities, the continued availability and effectiveness of vaccines, adequate testing and therapeutic treatments and the prevalence of widespread immunity to Covid-19;
- the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar;
- market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions;
- the availability of desirable and reasonably priced land and our ability to control, purchase, hold and develop such land;
- access to adequate capital on acceptable terms;
- geographic concentration of our operations;
- levels of competition;
- the price and availability of lumber, other raw materials, home components and labor;
- the effect of U.S. trade policies, including the imposition of tariffs and duties on home building products and retaliatory measures taken by other countries;
- the effects of weather and the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters, and the risk of delays, reduced consumer demand, and shortages and price increases in labor or materials associated with such natural disasters;

- the risk of loss from acts of war, terrorism or outbreaks of contagious diseases, such as Covid-19;
- federal and state tax policies;
- transportation costs;
- the effect of land use, environment and other governmental laws and regulations;
- legal proceedings or disputes and the adequacy of reserves;
- risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, indebtedness, financial condition, losses and future prospects;
- the effect of potential loss of key management personnel;
- changes in accounting principles;
- risks related to unauthorized access to our computer systems, theft of our and our homebuyers' confidential information or other forms of cyber-attack; and
- other factors described in "Risk Factors" included in our Annual Report on Form 10-K for the year ended October 31, 2021 and in subsequent filings we make with the Securities and Exchange Commission ("SEC").

Many of the factors mentioned above or in other reports or public statements made by us will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from our forward-looking statements.

Forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

For a further discussion of factors that we believe could cause actual results to differ materially from expected and historical results, see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K filed with the SEC and in subsequent reports filed with the SEC. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995, and all of our forward-looking statements are expressly qualified in their entirety by the cautionary statements contained or referenced in this section.

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A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/c9c6664d-5eac-404e-ade6-0b37a964e83b>



Source: Toll Brothers, Inc.

The Lindley



San Diego, CA