

# Toll Brothers Apartment Living® and CrossHarbor Capital Partners Announce Joint Venture to Develop 501-Unit Rental Community in Washington, DC

May 16, 2022

## JV Secures \$162.7 Million Construction Loan from Bank OZK

FORT WASHINGTON, Pa., May 16, 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 CrossHarbor Capital Partners have announced a new joint venture to develop 113 Potomac, a 501-unit multifamily rental community located at 113 Potomac Ave SW in Washington, DC. The project is being financed through a \$162.7 million construction loan facility from Bank OZK. The debt and equity were arranged by Toll Brothers' in-house Finance Department.

113 Potomac is located in the fast-growing Buzzard Point neighborhood within the Capitol Riverfront Business Improvement District, a dynamic, amenity-rich urban neighborhood along the Anacostia River, just south of Downtown Washington, DC, and a 4-mile drive to Amazon HQ2. As one of the largest entertainment districts in Washington, DC, the Capitol Riverfront is home to Audi Field, the D.C. United soccer stadium, Nationals Park - home to the Washington Nationals - and over 10 acres of parks and activated green spaces. 113 Potomac is within walking distance of the Capitol Riverfront's 35,000 employees and both the Navy Yard and Waterfront Metro Stations along the WMATA Green Line. Another Toll Brothers rental community, the 595-unit two-building Parc Riverside, is located just north of the Nationals Baseball Stadium, a 5-minute walk from the 113 Potomac site.

113 Potomac is a 501-unit multifamily Opportunity Zone project. The property will consist of 460 market rate and 41 affordable units with 37,000 square feet of retail, and below-grade garage parking. It will offer views into the adjacent Audi Field and will feature high-end luxury finishes and best-in-class amenities, including a state-of-the-art fitness center, rooftop resort-style pool and amenity space, luxurious clubhouse and lounge, coffee bar, co-working space, and pet spa.

Charles Elliott, President of Toll Brothers Apartment Living (TBAL), stated: "113 Potomac continues our tremendous progress within the flourishing Washington, DC multifamily market, and joins our nearby luxury communities of Parc Riverside and Union Place, along with our other projects currently under development across the city. With the introduction of 113 Potomac, we're proud to be part of reinvigorating the historic Buzzard Point neighborhood."

Fred Cooper, Toll Brothers' Senior Vice President, Finance and Investor Relations, stated: "113 Potomac represents our fifth Opportunity Zone project across the U.S. and our fourth transit-oriented development community within Washington, D.C. Toll Brothers, Inc. has been building for-sale home communities in the Metro D.C. region for

nearly thirty years. Now, with over 3,000 rental units completed or under development within Washington, D.C., our Apartment Living division is extending the Toll Brothers brand and reputation in this dynamic market. We are thrilled to be teaming up with CrossHarbor, with whom we have partnered on multiple transactions, and to be undertaking our first construction loan with Bank OZK, which is quite active in this market.”

“We are pleased to partner with Toll Apartment Living on this opportunity,” says James O’Leary, Director, CrossHarbor Capital Partners, “and excited to continue to expand our portfolio in the Greater Washington DC market.”

For future updates and information regarding this community, please visit [TollBrothersApartmentLiving.com](https://TollBrothersApartmentLiving.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](http://TollBrothersApartmentLiving.com).

## **ABOUT CROSSHARBOR CAPITAL PARTNERS**

CrossHarbor Capital Partners is a Boston-based privately owned alternative investment management firm that invests in core-plus, value-add, and opportunistic commercial real estate transactions. The firm seeks short and medium duration debt and equity investments that offer a compelling case for generating high absolute returns. CrossHarbor was founded in 1993 and has invested in over 340 real estate transactions representing more than \$24 billion of commercial real estate on behalf of a diversified and highly regarded group of endowments, foundations, public and corporate pension plans, financial institutions, family offices, and sovereign entities.

## **ABOUT BANK OZK**

Bank OZK (Nasdaq: OZK), through its Real Estate Specialties Group (RESG), provides financing on commercial real estate projects throughout the nation. RESG is considered a preeminent, market-leading construction lender focused on senior secured financing for a variety of property types including mixed use, multifamily housing, condominiums, office, hospitality, life sciences, industrial and retail. During the five years ended December 31, 2021, RESG originated approximately \$35 billion in new commercial real estate construction loans. For more information visit [www.ozk.com](http://www.ozk.com).

## **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/47e9e5d6-136a-454a-8580-cf27484ee3b4>



Source: Toll Brothers, Inc.

## 113 Potomac



Washington, DC