

## Transcontinental Realty Lands \$25M Multifamily Construction Loan for McKinney project

**216-unit project in McKinney to cost \$52M; one of three multifamily projects in development via subsidiary Pillar Income Asset Management**

Dallas, TX (April 01, 2024) - Transcontinental Realty Investors landed a construction loan for a McKinney multifamily project.

The publicly traded Dallas-based firm received a \$25.4 million loan to build the Merano, according to an SEC filing. The interest rate is prime plus 0.25 percent, and the loan matures in November 2028. The lender wasn't identified in the filing.

The 216-unit property is expected to be completed in 2025 and will cost almost \$52 million, about \$240,000 per unit. It will be located at Heritage Drive and Pearson Avenue in McKinney, a booming suburb about 35 miles from downtown Dallas.

The Merano is one of three projects in development by the firm, via subsidiary Pillar Income Asset Management. TCI is also building a 240-unit building in Lake Wales, Florida, and a 216-unit building in Temple. The Lake Wales project is expected to cost \$55 million, about \$229,000 per unit; the Temple project is expected to cost \$50 million, about \$231,000 per unit. Both developments are expected to be delivered next year.

For the Lake Wales property, Transcontinental landed a \$33 million construction loan in March 2023. The firm secured a \$23.5 million loan for the Temple project in December.

TCI's financing feats come amid a tough lending environment.

High interest rates have dried up the recently robust development pipeline. Multifamily building permits were down more than 10 percent for the year ending in November, the Dallas Morning News reported. Meanwhile, DFW is starting to reckon with the results of the multifamily building spree. Between November 2022 and November 2023, apartment occupancy rates decreased from 91.8 percent to 90 percent.

TCI has a portfolio of four office buildings and 14 multifamily properties, including Northside on Travis, an apartment complex in Sherman.

In 2022, the firm and Australia's Macquarie Group entered into a joint venture known as Victory Abode Apartments. TCI and its subsidiary Southern Properties Capital contributed more than 50 multifamily assets to the joint venture's portfolio; Macquarie made "a substantial equity investment."

**About Transcontinental Realty Investors, Inc.**

[Transcontinental Realty Investors](#) maintains a strong emphasis on creating greater shareholder value through acquisition, financing, operation, development, and sale of real estate across every geographic region in the United States. A New York Stock Exchange company, Transcontinental is traded under the symbol "TCI". Transcontinental produces revenue through the ownership and professional management of income producing apartments and office buildings that are "undervalued" or "underperforming" at the time of acquisition. Value is added under Transcontinental ownership, and the properties are repositioned into higher classifications through physical improvements and improved management. Transcontinental has dramatically expanded its development capabilities associated with luxury apartment homes through its wholly owned subsidiary Abode Properties, principally on land it owns or acquires.