

CASE STUDY

WATERMARK RETIREMENT COMMUNITIES

\$1,020,000 | Multiple Locations, FL | May 18, 2021



FINANCED RIGHT®

HJ SIMS CO-INVESTS WITH WATERMARK RETIREMENT COMMUNITIES IN FLORIDA DEVELOPMENTS



PARTNERED RIGHT®

Watermark Retirement Living (“Watermark”) manages 65 communities in 21 states with additional communities under development, including CCRC’s, standalone independent living, assisted living and memory care communities in addition to Medicare-certified rehabilitation and skilled nursing neighborhoods. Watermark has an ownership interest in many of these assets, both on its own and through its acquisition and development arm, The Freshwater Group. Watermark was founded by David Freshwater and David Barnes, who have been leaders in the development, acquisition, management and innovation of senior living and care communities across the nation.

Watermark has partnered with ZOM Living (“ZOM”) to develop two luxury senior living communities in South Florida. ZOM is a highly regarded luxury multifamily developer, and has joint ventured or directly developed over 23,000 apartment units, nationwide, with an aggregate value of nearly \$4.5 billion. Throughout its 43-year history, ZOM has garnered more than 180 industry awards for project design and development expertise, including the prestigious national Multifamily Development Firm of the Year award.

STRUCTURED RIGHT®

HJ Sims had the opportunity to acquire an ownership interest in Watermark’s interest in two luxury senior living communities currently under development in South Florida: The Watermark at Coral Gables and The Watermark at West Palm Beach. The Watermark at Coral Gables Community will be an 8-story AAA luxury senior living community consisting of 103 independent living, 63 assisted living and 30 memory care units. The West Palm Community will be an 8-story AAA luxury senior living community consisting of 100 independent living, 34 assisted living and 20 memory care units.

Watermark Retirement Communities At A Glance

Partnered Right®	Structured Right®	Executed Right®	Financed Right®
<ul style="list-style-type: none">» Watermark is a best-in-class senior living owner, operator, and developer with 65 communities in 21 states under management.» Watermark partnered with ZOM, a leading luxury apartment development company to develop two luxury senior living communities in South Florida.	<ul style="list-style-type: none">» HJ Sims had the opportunity to acquire an interest in Watermark’s interest in two high-end development projects in Florida.» The Watermark at Coral Gables will be an 8-story AAA luxury senior living community consisting of 196 independent living, assisted living, and memory care units.» The Watermark at West Palm Beach will be an 8-story AAA luxury senior living community consisting of 154 independent living, assisted living, and memory care units.	<ul style="list-style-type: none">» HJ Sims formed a joint venture with Watermark through which it acquired an interest in the General Partner of both projects.» HJ Sims structured its investment to meet the needs of its investors while providing additional upside to Watermark.	<ul style="list-style-type: none">» The customized financing structure helps Watermark with its financing and development goals.» This loan marks HJ Sims’ sixth financing with Watermark.

EXECUTED RIGHT®

HJ Sims and Watermark formed a joint venture, through which HJ Sims acquired a minority interest in the General Partner owner of both communities (the “GP Co-Investment”). HJ Sims sold securities through its Private Client Group to fund the GP Co-Investment. HJ Sims structured its investment to meet the return thresholds of its investors, while providing promoted returns to Watermark.

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The customized financing structure benefits Watermark, as the GP Co-Investment allows Watermark to preserve capital for additional growth opportunities, while providing additional upside through promoted returns as the project sponsor. This investment marks HJ Sims’ sixth investment with Watermark. HJ Sims excels in providing customized financing solutions allowing valued partners such as Watermark to focus on what it does best – develop, own and operate premier senior living communities.

**For more detailed information
on how Watermark
Retirement Communities
was Financed Right® by HJ Sims,
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