



You are here: [Home](#) > [Daily News](#) > PPI Gets 44% Gain in Student Housing Sale

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## PPI Gets 44% Gain in Student Housing Sale

By **Brian J. Rogal** | Chicago

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300 N. Salisbury, West Lafayette, IN, one of 25 buildings recently sold by PPI

CHICAGO, WEST LAFAYETTE, IN—**Prime Property Investors** has just finished selling a 25-building student housing portfolio near **Purdue University** for a total of \$47.2 million, marking the Northbrook, IL-based firm's exit from the West Lafayette, IN market.

PPI officials say that in order to maximize returns, the company sold the portfolio through 18 separate transactions, the first in late 2011 and the last in December 2015. Buyers included a combination of local, national and foreign investment groups.

PPI acquired the portfolio of 777 beds across 25 buildings, all within blocks of the Purdue campus, in a series of transactions beginning in 2005, for \$32.8 million. But with the **tremendous interest many investors now have in student housing**, especially at growing universities such as Purdue, it was time to sell.

"We were not going to be buying at these prices, and the loans for these properties were coming due," **Barbara J. Gaffen**, co-chief executive officer of PPI, tells [GlobeSt.com](#). "There is a large group of local owners, and since we have been in the market for so many years, we know all these people. When we began selling, ears perked up."

Selling to different buyers made sense because the properties were very diverse and included a mix of studio, one-, two-, three- and four- bedroom apartments, and also had loans that matured at different times.

"There is a lot of new development going on at Purdue," she adds. "Cap rates are very low and we gave our investors great returns." The company plans to redeploy "that capital into other high-growth sectors – including multifamily and, most recently, healthcare – that will allow us to achieve attractive returns on behalf of our investors."

PPI owned and managed all of the West Lafayette properties. The buildings consistently operated at 100% occupancy throughout PPI's years of ownership. Purdue's West Lafayette campus had a fall 2015 enrollment in excess of 39,000 students.

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### About Our Columnist



*Brian J. Rogal is a Chicago-based freelance writer with years of experience as an investigative reporter and editor, most notably at [The Chicago Reporter](#), where he concentrated on housing issues. He also has written extensively on alternative energy and the payments card industry for national trade publications.*

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