



FEATURED CASE STUDY

EQUINOX AT KNIGHT

📍 Fayetteville, GA

PROJECT OVERVIEW

	PROFORMA	ACTUAL
EQUITY MULTIPLE	1.9X	2.03X
AVERAGE ANNUAL RETURN	18%	26.3%
INTERNAL RATE OF RETURN	15.6%	26.8%

OVERVIEW

In December 2019, Grocapitus acquired a prime 194-unit multifamily property in the rapidly growing submarket of Fayetteville, GA, part of the Atlanta Metro. Originally branded as Weatherly Walk, the property was strategically rebranded to Equinox at Knight as part of Grocapitus' value-add strategy.

Purchased for \$23.8 million, Equinox at Knight offered substantial value-add potential with below-market rents and opportunities for operational improvements. The property was well-maintained, having undergone \$3 million in upgrades over the previous four years, yet still had room for further enhancements.





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THE OPPORTUNITY

Located in one of the fastest-growing submarkets of the Atlanta Metro, Equinox at Knight represented an ideal value-add opportunity. **The property's rents were approximately \$250 below market value**, allowing for immediate income growth through rental increases. Furthermore, occupancy was at 92.3%, providing significant upside potential with the implementation of Grocapitus' acclaimed marketing and leasing techniques.

Fayetteville, GA is part of a thriving micro-neighborhood with strong fundamentals. Job growth in the area was recorded at 3.41% last year, with a **median household income of \$71,000**. The submarket offered impressive stats, including a school district ranked 10 out of 10 in the state and a projected rent growth of 17% over the next five years.

With no new multifamily developments in the area for over 20 years and high demand for rental housing, Equinox at Knight was positioned for strong occupancy growth and rental income appreciation.

THE SOLUTION

We implemented a proven value-add strategy at Equinox at Knight—starting by rebranding the property and repositioning it from a Class B- to a Class B+ asset. The team completed significant exterior renovations, including:

- ✓ Facade Improvements
- ✓ Redesigned Community Spaces
- ✓ Pickleball Courts
- ✓ Bocce Ball Area
- ✓ BBQ Stations



These upgrades created a family-friendly, community-oriented environment that aligned with the desires of the local tenant base.

On the interior, our team executed a robust renovation program to modernize the units and boost rents. **Strategic rent increases, along with ongoing lease-up efforts, drove occupancy gains and enhanced the overall appeal of the property.**

Additionally, we capitalized on low-interest rates and **refinanced the property twice during the hold period, allowing investors to recoup capital tax-free and maximize returns.**



THE RESULTS

After holding Equinox at Knight for 47 months, **we exited the property in December 2023, surpassing initial return projections.** Despite market challenges, the team achieved a peak sales price of \$203.6K/unit—on par with newly built properties in the area—while Equinox at Knight was over 30 years

26.8% IRR: Grocapitus exceeded the original IRR projection of 15.6%, delivering a 26.8% internal rate of return to investors.

2.03x Equity Multiple: The original proforma projected a 1.9x equity multiple, but the final result was a 2.03x multiple, doubling investors' money in under four years, delivering a 26.8% internal rate of return to investors.

109.2% Total ROI: Investors realized a 109.2% total return on investment, well above initial projections.

1031 Exchange Option: Investors were offered the opportunity to participate in a 1031 exchange and reinvest proceeds into a new, highly attractive multifamily project.

By leveraging our world-class efficiency techniques and local market expertise, Equinox at Knight delivered outstanding results and underscored our organization's ability to execute successful value-add strategies, even during a volatile market environment.



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