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[Sarah Yaussi](#)

Private Equity Revisited

Last week, I blogged about [my conversation with Tom Shapiro, president of GoldenTree InSite Partners](#), a private equity firm that's been locking up residential land and development deals at a noteworthy pace of late. In fact, in that last post, I mentioned the firm's deals with Hovnanian, LGI Homes, and Southwest Value Partners on parcels in Chicago and Palm Beach, Fla., Dallas-Fort Worth, and Phoenix, respectively. However, I also alluded to a fourth deal that had yet to be disclosed.

Well, the wait is over. The company [disclosed details of its latest residential transaction this morning](#). Here's the skinny:

- **Who?** GoldenTree InSite Partners and Hines
- **What?** Partnered to buy a 24-acre (92-lot) fully entitled residential land parcel to be called the Villas at Emerald Park
- **Where?** Emerald Valley subdivision in the Las Colinas area of Irving, Texas
- **When?** Deal was announced today (April 26)
- **Why?** Deal represented (1) a good infill land opportunity and (2) a chance for the two real estate companies to try working together

The GoldenTree/Hines venture still has some development work to do on the parcel before it can spin off some finished lots to merchant builders, but the good news is that Meritage Homes already has contracted on the lots. The GoldenTree/Hines entity will begin delivering the lots to Meritage in January 2011.

The lot location could be looked at as a nice complement to Meritage's Dallas-Fort Worth portfolio, which includes [a few communities also located near the airport](#). But the plus for this location is that it gives Meritage a land position to the east of the airport complex, which is closer to downtown job centers.

However, any way you look at it, Meritage will be going head-to-head with [Ryland Homes, in selling in Emerald Valley](#) (as well as a few other communities nearby) and likely will be chasing some of the same potential customers.

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