

2 Firms Guide Elme Communities' \$1.6B Portfolio Sale

By **Grace Dixon**

Law360 (August 4, 2025, 4:24 PM EDT) -- Elme Communities announced Monday that it plans to sell 19 multifamily assets to Cortland Partners LLC in a \$1.6 billion deal, after which the multifamily real estate investment trust will liquidate remaining assets, in a deal guided by King & Spalding and Hogan Lovells.

The cash sale to Cortland encompasses a spate of properties across Virginia, Georgia and Washington, D.C., and is expected to close in the fourth quarter of 2025, pending shareholder approval, Elme said.

The Monday announcement is the culmination of Elme's February acknowledgment that its board had begun eyeing "strategic alternatives."

"Despite our successful transformation into a focused multifamily platform with strong operating capabilities, market conditions have not allowed us to lower our cost of capital in a way that supports accretive growth," CEO Paul McDermott said in a statement.

The REIT rebranded from WashREIT to Elme Communities in 2022, signaling its pivot to focus solely on multifamily assets and its expansion into other Sunbelt markets.

The board's financial advisers engaged with more than 80 potential buyers including pension funds, insurance companies, institutional advisers, financial sponsors, multifamily managers, sovereign wealth funds, family offices and other public REITs, Elme said.

"Our evaluation process was robust, underpinning the board's unanimous determination that the combination of the sale of assets to Cortland and subsequent sale of the remaining assets is most likely to result in the greatest value for shareholders as compared to the company's other strategic alternatives, including continuing to operate the business as an independent going concern," lead independent trustee Benjamin Butcher said in a statement.

Once the sale is complete, Elme will look to sell its remaining assets, which include nine multifamily properties in Georgia, Maryland, Virginia and Washington, D.C., and one office property in Washington, D.C. Elme added that expects to complete these sales within 12 months.

The Cortland sale will see shareholders receive between \$14.68 and \$15 a share. The entire liquidation of the REIT will result in distributions of between \$17.58 and \$18.50 per share, per the Monday statement.

Elme also received a commitment from Goldman Sachs Bank USA to provide \$520 million in debt financing secured by the assets that are not subject to the Cortland sale, the REIT said.

A representative for Cortland did not return a request for comment Monday.

Cortland is advised by John Wilson, Spencer Johnson, John Anderson, Wayne Pressgrove, Dave Powell, Todd Holleman and Julia Schmidt of King & Spalding LLP.

Elme is advised by Paul D. Manca and Elizabeth Banks of Hogan Lovells LLP.

--Editing by Alyssa Miller.

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