



TAKING A LONG-TERM APPROACH TO RESIDENTIAL DEVELOPMENT AMIDST COVID-19

By David Gardner, CEO and President of Larken Associates

BRANCHBURG, NJ, July 24, 2020 — 2020 promised to be a great year for our growing Larken Living portfolio. We had several exciting new multifamily projects about to break ground and a couple that were just months away from officially opening their doors to residents. However, the emergence of COVID-19 quickly altered the prospects for commercial real estate developers across the nation and forced many of us to rethink our plans for 2020 and beyond. While these are truly unprecedented times, our long-term ownership strategy, experience, and in-house capabilities have provided us with the blueprint for successfully moving projects forward through even the most challenging of times, allowing our projects to stay on track and on schedule.

As a second-generation family-owned business, we have taken a consistent, long-term approach to ownership which has allowed our firm to remain on stable financial footing during even the most turbulent market conditions. While this provides a measure of stability once projects are completed, it also provides our team with the confidence to continue to advance in-progress projects as market conditions change, even when the change is as unexpected and sudden as the emergence of COVID-19 has been. We have been able to duplicate this template with a great deal of success on a wide variety of commercial and residential projects throughout our 50-plus-year history and are continuing to do so today.

Our Hillsborough Village Center project stands out as the perfect example of how we leveraged our experience and in-house capabilities to provide our team with the perspective and resources needed to move a large, complex mixed-use project forward during the height of COVID-19.

In February, just weeks before New Jersey's shutdown, we broke ground on Hillsborough Village Center, a mixed-use project comprised of 191 luxury market rate and affordable apartments with approximately 28,000 square feet of ground-level retail space located in Hillsborough, N.J.

Once COVID-19 struck, forcing most construction sites to abruptly shut down, the calculus underpinning many commercial real estate projects across the nation changed overnight. However, our long-term approach to construction and ownership provided us with the clarity needed to move this project forward. In New Jersey, the approval process for projects of this scale are often lengthy. For example, this project took over five years to receive approval to proceed and had gained a significant amount of momentum even before we broke ground this year. Our experience provided us with the insight to recognize that the planning and construction process, especially in states like New Jersey, must be viewed through a long-term lens.

Through our long-term perspective, we recognized that the pandemic's shutdowns and restrictions were temporary hurdles that would need to be cleared to execute our broad vision and continue to build upon the momentum we had already created for the project. This has allowed our team to take a



measured and calculated approach to managing the project during what was a time of great uncertainty and confusion within the construction and real estate industries.

As we charted our next steps, we were fortunate to perform utility work on the site that the state deemed as essential construction because of the affordable units, allowing us to continue. Our experience in executing similar projects in the state, albeit under better circumstances, allowed us to develop a strategy for tackling this work while also being cognizant of social distancing requirements. We quickly implemented guidelines for both our team and our contractors and subcontractors to ensure that our job sites could operate safely.

The final component of our development team's COVID-19 response has been our robust suite of in-house capabilities spearheaded by Core Enterprises, our real estate services company. Core Enterprises provides high-level expertise in all aspects of construction and unparalleled mastery in building and design, land and property development, property management and maintenance solutions. As COVID-19 struck, the benefits of having an in-house construction and development management team has paid immediate dividends as we have been able to work quickly and collaboratively with our own team to craft solutions to a rapidly escalating situation and redeploy resources as needed.

Similar to our approach to Hillsborough Village Center, we have leveraged the same long-term perspective backed by one of the most experienced teams in the industry to ensure several other under-construction Larken Living projects have stayed on track during COVID-19. Joining Hillsborough Village Center, we were also able to break ground on The Reserve at Crosswicks, a 272-market rate and affordable unit residential community in Bordentown, N.J. earlier this spring. Lastly, our Autumn Ridge community remains on schedule to bring 198 units to Lopatcong, N.J. later this summer.

Not just limited to projects in New Jersey, we have now been able to progress on the construction of The Enclave at Copper Chase, a 107-unit residential complex on the site of our 132-unit The Reserve at Copper Chase residential rental community in York, Pa. Once again, our long history of successful development in Pennsylvania provided our team with the roadmap and perspective they needed to move this project forward in a state with different rules and regulations surrounding construction in the era of COVID-19.

COVID-19 will inevitably bring deep and potentially lasting impacts to the commercial real estate industry. However, it has also reaffirmed long-held industry best practices and, in our case, our business' approach to development and investment. Through assessing each of our projects on a long-term scale and leveraging our team's decades of development and construction experience, we were able to provide the steady leadership and guidance that were needed to keep each of these projects moving forward in a truly unprecedented situation.

About Larken Associates

Larken Associates is a regional leader in commercial and residential real estate building, development and management. Leveraging over 50 years of experience, they are dedicated to bringing great spaces to live and work to life through a long-term ownership strategy and full suite of in-house capabilities. With a diverse commercial portfolio consisting of nearly three million square feet and 800 tenants across office, industrial, retail and mixed-use and approximately 2,000 owned and/or managed residential units across 22 unique communities, Larken



Associates' is deeply committed to the communities in which they work as well as the tenants and residents who call their buildings home.

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