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Arden Group forms \$800M joint venture to focus on infill industrial investments



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2010 Cabot Blvd. in Langhorne was part of the Bucks County portfolio Arden Group bought in 2018 and parlayed into a new joint venture.

Courtesy of Cushman & Wakefield

In This Article



By [Natalie Kostelni](#) – Reporter, Philadelphia Business Journal
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In 2018, early in its quest to accumulate a sizable amount of industrial real estate, Arden Group paid \$45 million for 12 buildings totaling 607,890 square feet in Bucks County.

Since then, Arden has amassed a portfolio of 32 properties totaling 7 million square feet across nine markets and has now parlayed that into an initial \$800 million joint venture with Arcapita Group Holdings, an international investment firm.

“We were lucky to get into this space three years ago and scale up to \$800 million,” said Craig Spencer, CEO at Arden Group. “We’re long-term believers in this space and committed to it long term.”

The goal is to grow the new joint venture's industrial holdings, targeting infill warehouses, to \$2 billion in 25 markets across the United States. It made progress on that front with an initial purchase of 18 industrial parks totaling 5 million square feet of space and valued at \$550 million, and the venture is working on another \$250 million in acquisitions.

Arden isn't the only one chasing infill industrial real estate, which is one of the most sought-after assets across the country. Properties are attracting a range of national and international investors, as well as regional players in local markets, and competition is fierce. Shike Goedar, president and chief investment officer of Arden Logistics Parks, described the firm as a “being a bridesmaid a lot” on deals it pursued.

“Allocations from office, retail and hotels have been shifting to multifamily and industrial,” Goedar said. “While that makes it great for asset owners, in terms of growth, it means you have to have a defined strategy. We’re often going direct with the owners.”

The market is so fragmented with so many owners that Arden believes it can strike deals with owners looking to seize on the rising values of the real estate. The venture is targeting the Southeast, Mid-Atlantic and Midwest, such as the cities of Minneapolis and Columbus, and areas in the West such as Salt Lake City, Denver and Phoenix.

Arden sought out a joint venture partner and engaged JLL to run the process, which led it to strike a deal with Arcapita. “It really lined up well with them,” Goedar said.

In a statement, Arcapita said the joint venture was “part of our broader industrial real estate strategy, having completed roughly \$5.5 billion in industrial and logistics real estate transactions globally for nearly 20 years.”

A majority of the properties that have or are being acquired were financed through CMBS and a line of credit dedicated to acquisitions, both of which are led by Goldman Sachs & Co.

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