



## Arden Group Sets Up Industrial Owner-Operator Subsidiary

It is looking to build up acquisitions, leasing business, and needed employees.

By **Erik Sherman** | November 17, 2021 at 06:50 AM

A recent press release from Arden Group, a real estate investment management firm focused on the top 25 US markets, might at first read as though the company had gone into the software business, with its talk of a best-in-class logistics real estate operating platform.

But the launch of Arden Logistics Parks instead takes the 32-year-old company into a new type of business: not just owning real estate but operating it with an internal team, as well.

Arden has “operated in multiple asset classes: hotel, office, and industrial,” Barbara Rea, COO for the new Arden Logistics Parks, tells GlobeSt.com. “This is segregating out our industrial assets and making it an operating company.”

“It’s really to give it more focus,” she adds. “We’re going to do property management in-house, so we’re internalizing the operations.”

Rea notes that the specific asset class is small- to mid-bay industrial. “It’s not big box at all and it won’t be development,” she says. “We’ll be buying

existing product and it will be multi-tenant. This multi-tenant space represents 40% of all industrial space. There is a lot of it out there.”

Arden Logistics Parks is the face of the [joint venture with Arcapita](#) to buy and roll up similar properties, starting with 32 buildings and 1,100 tenants across nine markets. Currently valued at \$800 million, the venture looks to expand to \$2 billion in gross asset value.

Technology is an important aspect of the new business, but as a user, not a developer and provider. “There’s so much leasing velocity. That is why our release talks about needing technology,” Rea explains. “Our portfolio has 1,100 tenants. Whether it’s renewal or up for new leasing, what that does is make it really a high transaction volume. That high velocity means it needs streamlined processes.”

Arden has adopted third-party tools and technology to “easily get a quick overview of what’s happening across the portfolio ... making sure we have systems that allow us to make quick and efficient decisions,” Rea says.

The new venture hopes its initial marketing will attract three groups: those who have properties they want to sell, those who need to lease properties, and those who might want to work with or for the company.

“We want to be known as people who can evaluate and be responsive to deals,” in an open nod to existing brokers in their markets. “A lot of this is messaging to brokers to know that we’re here, we’re growing, and we’re in their market.”