

INVESTORS - NOVEMBER 2, 2021

## **Arcapita and Arden group launch \$800m JV, plans for \$2b AUM**

BY ANDREA ZANDER



Arcapita Group Holdings and Arden Group have formed a joint venture to acquire multitenant industrial properties in urban centers across major markets in the United States.

The new venture closed on an initial portfolio of properties valued at more than \$550 million, with an additional \$250 million of properties closing in the near term. Plans are to grow the portfolio to up to \$2 billion in gross asset value across the top 25 U.S. industrial markets.

The venture's initial portfolio totals approximately 5 million square feet spread across 18 industrial parks, located in seven U.S. markets: Atlanta; Charlotte, N.C.; Columbus, Ohio; Dallas; Houston; Indianapolis; and Philadelphia

Atif Abdulmalik, Arcapita's CEO, said, "This joint venture is 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. We are pleased to partner with Arden and provide our investors with this highly diversified portfolio."

“This niche industrial sector has been a thematic investment strategy for Arden and continues to provide attractive cash yields,” said Craig Spencer, chairman and CEO of Arden Group. “We are pleased to align with Arcapita, a trusted and proven strategic partner, which shares our long-term vision for the asset class more broadly.”

The joint venture is targeting in-fill warehouses which have experienced very low new supply due to the limited availability of undeveloped land near urban centers. With growing demand across the logistics spectrum, rent growth for the multitenant subsector is expected to continue. The joint venture’s technology-enabled operating platform aims to disrupt the decentralized, local ownership groups that characterize this asset class.

“Infill industrial facilities are critical in the U.S. supply chain and have become increasingly important given the acceleration of logistics and business services,” added Shike Goedar, president and CEO of Arden Logistics Parks. “We intend to capitalize on strong U.S. demand from a growing variety of tenants by providing institutional quality facilities in strategic locations.

“The overall U.S. industrial market is driven by powerful long-term tailwinds and sustained capital inflows, generating growing investor demand in the multi-tenant sub-sector,” concluded Brian Hebb, managing director and head of Arcapita’s U.S. real estate team. “The aggregation plans for this joint venture will allow us to build a sizeable market share within a highly fragmented sector. We look forward to combining Arcapita’s long-standing presence in global industrial real estate with Arden’s best-in-class management team to grow this platform over the long term.”