
Arden Group and Arcapita launch \$800 million real estate JV and plan to grow AUM to \$2 billion

- *Joint Venture will focus on multi-tenant warehousing and will be seeded by a portfolio of over seven million square feet, consisting of over 32 properties and 1,100 tenants, across nine markets*
- *Majority of the properties are financed through a CMBS financing and a Revolving Acquisition Facility, both led by Goldman Sachs & Co.*

November 1, 2021: Arden Group (“Arden”), a US real estate investment firm, and Arcapita Group Holdings (“Arcapita”), the global alternative investment firm, have announced a joint venture to acquire multi-tenant industrial properties in urban centers across major markets in the United States. The new venture closed on an initial portfolio of properties valued at over \$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 US industrial markets.

The venture’s initial portfolio totals approximately five million square feet spread across 18 industrial parks, located in seven US markets: Atlanta, Charlotte, Columbus, Dallas, Houston, Philadelphia, and Indianapolis.

Atif A. Abdulmalik, Arcapita’s Chief Executive Officer, commented: “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 twenty 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 A. 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 multi-tenant 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 US supply chain and have become increasingly important given the acceleration of logistics and business services,” adds Shike Goedar, President and Chief Investment Officer of Arden Logistics Parks. “We intend to capitalize on strong US demand from a growing variety of tenants by providing institutional quality facilities in strategic locations.”

“The overall US industrial market is driven by powerful long-term tailwinds and sustained capital inflows, generating growing investor demand in the multi-tenant sub-sector,” said Brian Hebb, Managing Director and Head of Arcapita’s US 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.”

Gibson, Dunn & Crutcher served as Arcapita’s legal counsel and Cozen O’Connor served as Arden Group’s legal counsel. Jones Lang LaSalle Securities served as Arden Group’s exclusive financial advisor in connection with the transaction and provided debt and equity financing services to the joint venture.

