

# Stonelake Capital Partners Closes on Its Largest Fund Yet in Bet on Industrial Market

Texas Firm Seeks To Invest in Industrial Properties in 11 Sun Belt Markets



Stonelake Capital Partners bought this five-building, 413,790-square-foot industrial park called Space Park East in Nashville, Tennessee, with its latest fund. (CoStar)

By [Candace Carlisle](#)

CoStar News

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A Texas-based real estate investment firm recently closed on a \$746 million private equity fund to buy industrial real estate throughout the nation's Sun Belt, making way for further acquisitions as it continues to bet on the strength of the industrial market.

This is the latest fund by Stonelake Capital Partners, which has offices in Austin, Dallas and Houston and has raised a series of funds totaling \$1.7 billion in the past three years with the close of this seventh opportunistic fund, [Stonelake Opportunity Partners VII LP](#).

The firm exceeded its \$700 million target raise in the 15 months leading up to the closing, in which it was capped with \$746 million in total equity commitments.

This was Stonelake's largest fund that it has raised since its creation in 2007. About 15% of the fund's capital has been committed across 26 industrial buildings totaling 1.8 million square feet in the Dallas-Fort Worth, Atlanta, Nashville, Phoenix, Orlando and South Florida markets, Kenneth Aboussie Jr., a Dallas-based managing partner for Stonelake, told CoStar News.

The successful close of the fund during "a period of uncertainty" reflects the trust Stonelake has built with its limited partners — most of which are existing partners, Aboussie said, adding that about "90% of our existing limited partners from Stonelake VI committed to Stonelake VII, representing [about] 70% of the fund's commitments."

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The remainder of the equity commitments, or about 30%, made to the fund came from new limited partners, he said. In all, the fund brought in roughly 50 institutional investors from hospital systems, college endowments, public pensions, insurance companies and family offices seeking to bank on the industrial investment play.

Stonelake's latest fund is expected to seek industrial deals in 11 Sun Belt markets: Dallas-Fort Worth, Austin, Houston, Atlanta, Nashville, Phoenix, Tampa, Orlando, El Paso, San Antonio and South Florida. To date, the firm owns \$4.5 billion of property, including 330 industrial properties spanning 28 million square feet and 8,155 apartment units.

The firm's continued bet on industrial space in the nation's Sun Belt comes on the heels of Stonelake unveiling plans for a new office tower along McKinney Avenue in Uptown Dallas. Aboussie declined to disclose any additional information on the timeline of the project or if any tenants have signed on.

Like Stonelake's last fund, the firm plans to acquire and develop industrial warehouses.

"The market is experiencing a period of deleveraging and time of illiquidity [and] firms with discretionary capital are going to have compelling opportunities in the years ahead," Aboussie said.

## For the Record

Goodwin Procter of Boston served as Stonelake's fund formation counsel. The subscription-secured credit facility was led by Bank of America. Stonelake raised the fund directly with its investor coverage team, including Ben Harper, Claire Wiggins, Cal Spangler and John Bryant.

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