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COMMERCIAL REAL ESTATE

Stonelake Capital sells dozens of industrial buildings across US for \$920 million

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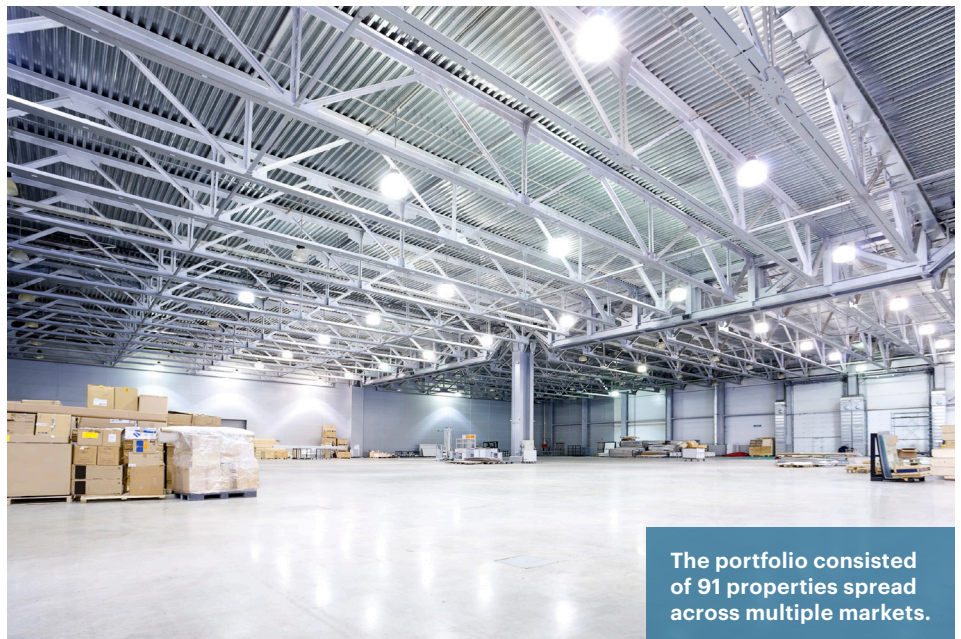
A Dallas-based real estate private equity firm has in recent months sold 91 properties located across the United States and totaling nearly 7.6 million square feet.

Stonelake Capital Partners LLC announced July 17 it sold the industrial buildings in markets including Nashville, Atlanta, Dallas, Houston, El Paso and Austin. The properties sold for \$920 million through 13 separate transactions over the course of six months. The exact locations of the properties were not immediately available.

Stonelake still owns billions of dollars worth of commercial real estate across the Sun Belt region, including 211 industrial buildings totaling 19.3 million square feet.

At the time of sale, the portfolio was roughly 93% leased by 190 tenants, according to the announcement. It was mostly made up of small-format buildings that on average span about 83,500 square feet. The initial investments in these buildings reflect the firm's belief in light industrial, multi-tenant properties located near urban cores.

Stonelake did not disclose every single buyer of its former portfolio but shared that the buyers mostly included large pension funds and institutional investment managers. Brookfield Asset Management appears to have bought a large chunk of Stonelake's portfolio, along with JP Morgan Asset Management, New York-based BGO and Atlanta-based Invesco.



The portfolio consisted of 91 properties spread across multiple markets.

Stonelake said in the announcement it shed these properties in part due to significant institutional demand for these assets, “making this a good moment to exit and recycle capital.” Still, the Texas firm plans to forge ahead on developing and acquiring light industrial warehouses in places where population growth is abundant, including in places like Dallas, Tampa, Orlando, Charlotte and Phoenix.

The deal culminates “seven years of hard work” by the team, which first began assembling this portfolio in 2018, Managing Partner Kenneth Aboussie said. It was fully assembled by 2022 through 49 separate deals.

“This successful outcome demonstrates the

merits of Stonelake's investment strategy and we are grateful to our Limited Partners for their trust and support of our efforts,” Aboussie said in a statement.

The industrial portfolio was 100% owned and managed by the firm's fifth and sixth discretionary private equity funds, Stonelake Opportunity Partners V LP and Stonelake Opportunity Partners VI LP. The firm closed on its seventh fund, totaling \$746 million, in late 2023.

Industrial real estate remains hot in North Texas, with construction flourishing on the outskirts of the Metroplex. According to an industrial report from JLL, DFW was the only market to surpass 4 million square feet in positive net absorption during Q2.