



Stonelake Capital Partners sells 35-Building Industrial Portfolio

DALLAS, HOUSTON & SAN ANTONIO, Texas (Oct. 19, 2020) – Stonelake Capital Partners (“Stonelake”), a real estate private equity firm with offices in Austin, Dallas & Houston, closed on the sale today of a 35-building, 3.1 million square feet “last mile” industrial portfolio to California-based investment firm, Westcore Properties.

The Stonelake Urban Logistics Portfolio (the “Portfolio”) is comprised of 35 warehouse buildings totaling 3,089,799-sf located in Dallas (15 buildings; 1,272,837-sf), Houston (14 buildings; 1,070,507-sf) & San Antonio (6 buildings; 746,455-sf). Stonelake created the Portfolio by assembling the 35 buildings in twelve (12) separate transactions from 2014 - 2016.

Stonelake owned 100% of the Portfolio with no outside operating partner via its third (3rd) discretionary private equity fund, Stonelake Opportunity Partners III, LP. The Portfolio is comprised of light industrial, multi-tenant distribution properties in densely populated infill locations serving the “last mile” distribution channel for online retailers and suppliers to consumers near the urban core. Through active asset management and in-house property management, Stonelake increased the Portfolio’s Net Operating Income by 55% over its 6 years of ownership. The Portfolio is currently 93% leased to approximately 95 tenants, and no single tenant represents more than 5% of the Portfolio.

"Our sale today of the Stonelake Urban Logistics Portfolio to Westcore represents the culmination of 6 years of hard work by the entire Stonelake Team. Stonelake assembled and created this portfolio in 12 separate transactions, and I am proud of our team for its execution over the last 6 years. The interest we received in this Portfolio demonstrates the resiliency of the industrial warehouse asset class as well as the strength of the Texas markets," said Kenneth Aboussie, Managing Partner at Stonelake, who went on to say, "Jack Fraker and Jonathan Bryan of CBRE National Partners did a fantastic job of canvassing the market in an unusual environment to identify a great buyer in Westcore who understands the value of the Portfolio today and also understands the value to be created in the years ahead."

Prior to this transaction, Stonelake owned 170 industrial buildings totaling 15.0 million square feet.

Following this transaction, Stonelake will continue to be a significant owner and operator of industrial warehouses and will continue to own 135 industrial buildings totaling 12.0 million square feet in markets such as Austin, Atlanta, Dallas, Houston and Nashville. "Stonelake will continue to execute on our investment strategy of both acquiring and developing industrial warehouses to create portfolios of institutional-size and quality in infill locations in markets experiencing significant population growth," Aboussie said.

Stonelake has been an active acquirer of infill warehouse buildings in high barrier to entry submarkets across Dallas, Houston, Austin, San Antonio, El Paso, Atlanta, Nashville, Tampa and Orlando. Since 2014, Stonelake has acquired 170 warehouse buildings totaling 15.0mm square feet. In addition to acquiring & developing industrial warehouses, Stonelake develops Class-A multifamily and Class-A office in walkable, urban locations.

"The Stonelake Urban Logistics Portfolio which Westcore acquired today is located in infill locations in markets where population growth is headed. We believe the population growth trends in Texas will continue and likely accelerate as companies and people flee high-tax states for a business-friendly environment."

Jack Fraker, Jonathan Bryan and Randy Baird of CBRE National Partners represented Stonelake on the transaction.

About Stonelake Capital Partners

Stonelake Capital Partners is a real estate private equity firm with offices in Austin, Dallas and Houston. Stonelake acquires and develops industrial, multifamily and office properties and owns over \$3.0 billion of commercial real estate in high growth markets including Austin, Dallas, Houston, Atlanta and Nashville. Stonelake owns, is developing or has developed over 5,000 multifamily units, 2.5 million square feet of office buildings, and 15.0 million square feet of industrial warehouses.

Stonelake manages institutional capital through discretionary private equity investment partnerships and counts among its investors some of the country's largest college endowments, charitable foundations and hospital systems. Stonelake has raised \$1.5 billion of equity across six (6) private equity funds over the last 13-years. Stonelake was founded in Austin, Texas in 2007 by Kenneth Aboussie and John Kiltz. For more information please visit www.stonelake.com.