

October 12, 2021

## Equus Acquires \$1.15 Billion+ Arizona Industrial Portfolio



Equus Capital Partners, Ltd. (“Equus”), one of the nation’s leading real estate investment managers, has acquired a 74 property, 7.3 million square foot industrial portfolio located across the Phoenix and Tucson metropolitan areas in Arizona. The portfolio is comprised of predominantly multi-tenant in-fill shallow bay properties located in established transportation corridors and population centers. The portfolio is approximately 98% leased and consists of 342 buildings in 74 business parks. Approximately 85% of the portfolio is located across six strategic sub-markets in Phoenix and about 15% of the portfolio is in Tucson; both metropolitan areas are some of the top growth markets in the United States and poised for

continued economic expansion.

The portfolio was acquired in early October 2021 through Equus sponsored value-added funds and a consortium of strategic co-investment partners.

The investment aligns with Equus’ strategy of aggregating high quality multi- and single-tenant in-fill properties located in desirable growth corridors across the United States. “Our focus is to invest in markets with favorable strong supply and demand fundamentals enabling our investment partners to capitalize on continued economic expansion. Robust population and employment growth resulting from the state’s pro-business stance and high quality of life features

are strong drivers for continued expansion of the Arizona economy,” commented Robert Butchenhart, Vice President, Head of Western Region.

The diversified portfolio includes a tenant roster that spans twenty-two different industry segments. No single tenant occupies more than 1.5% of the occupied square footage. Capitalizing on economies of scale, the diversified tenant roster and geographic locations provide for tenant expansion and incubation while maintaining a balanced cash flow stream. The 7.3 million square foot portfolio includes industries spanning e-commerce, logistic providers, manufacturing, business-to-business, and business-to-consumer uses with no tenant industry accounting for more than 25% of the revenue. The strong historical occupancy and short-term nature of the rent roll provide for an immediate value expansion through mark-to-market of rental rates and lease duration expansion. The micro-location of each asset is favorably positioned to capture continued business in-migration across the state of Arizona.

“The Equus platform is well-suited to operate the complexities and high velocity nature of this portfolio. Due to the low single digit market-wide industrial vacancy and growing demand, the portfolio is poised to be the beneficiary of continued out-performance through a thoughtful and strategic focus on intense hands-on asset management. Our

strategy emphasizes a flexible and entrepreneurial approach that will enable the growth of attractive in-place cash returns and long-term value enhancement,” said Kyle Turner, Partner and Director of Investments of Equus. “We will continue to source creative and complex real estate transactions on behalf of our investment partners and will look to grow our presence in the industrial sector up and down the risk curve.”

As part of this transaction Equus is onboarding twenty-six highly talented and experienced professionals from the seller’s property management team to continue the operation of the portfolio. Equus will add its eighth office location in the Phoenix metropolitan area to continue the expansion of the platform and boots on the ground operating strategy. Equus currently owns and operates approximately 25 million square feet of industrial space across the United States and owns or controls land capable of supporting another 12 million square feet of new industrial development. Equus is focused on expanding this portfolio’s holdings in the industrial asset class and has allocated capital available to continue to increase its presence in the Phoenix and Tucson metropolitan areas.

Kyle Turner, Christopher Locatell and Robert Butchenhart, along with Laura Brestelli, Vice President and Director of Capital Markets, and Peter Russo, Analyst, oversaw the transaction for the firm.

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### **About Equus Capital Partners, Ltd.**

Equus Capital Partners is one of the nation’s leading real estate investment managers. Equus’ diversified portfolio consists of office, multi-family, and industrial properties located throughout the United States. The firm is headquartered in the Philadelphia area with regional offices in Chicago, Los Angeles, Washington D.C., Atlanta, Raleigh-Durham, and South Florida. For additional information, please visit the company’s website at [www.equuspartners.com](http://www.equuspartners.com).

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