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Adler Snaps Up 16 Building Houston Portfolio

By *Jennifer LeClaire*



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HOUSTON—After snapping up prime land on Miami's Biscayne Bay to develop a luxury **multifamily** community in May, **Adler Real Estate** is looking beyond Florida's borders again. A joint venture between the **Adler Real Estate Fund** and **Kawa Capital Management** just acquired 16 buildings in five Houston properties.

The 467,000-square-foot portfolio includes office, industrial and flex space located near Houston's primary roadways, major business districts, high-end residential communities, and George Bush Intercontinental Airport. The portfolio is 96% occupied and has a roster of more than 85 tenants, including Exxon Mobil, Samsung, Ryder, Schlumberger, and Alford Services. Financial terms of the transaction were not disclosed.

The specific assets are: Plaza Southwest; Crescent Ten; Commerce Park North; Technipark Ten; and Westchase Park. The deal marks Adler's second purchase in the Houston area in the past 10 months

and makes Houston Adler's third-largest market, following Washington D.C. and South Florida.

"This is another example of our strategy to buy properties where we think we have a chance of making good risk adjusted returns," **Matthew L. Adler**, president of Adler Group, tells GlobeSt.com. "As an operator, we like to invest in places where we have boots on the ground and understand how to increase the income of the property."

Although South Florida is Adler's largest market, the firm has had a portfolio outside the state for about 15 years. Adler says the firm is actively pursuing properties in South Florida but hasn't found a match for its criteria.

"Pricing does have something to do with that," Adler says. "There's no question that **foreign capital** plays a role and a lot of foreigners, especially people from Latin America, tend to come to South Florida. There is flight capital to the market but price is not the only factor we consider when looking for risk adjusted returns."

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