

Adler Kawa Carves a \$455M Niche

By Jennifer LeClaire | Miami

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Matthew Adler

MIAMI—What can **Adler Kawa Real Estate Advisors** (AKREA) do with another \$56 million? We'll soon find out as the firm just closed the AKREA Fund II less than a year since its initial launch.

AKREA Fund II's investor base attracted both domestic and international high net worth individuals and family offices. About 50% of the fund's capital originates in South Florida and large contingents coming from Brazil and Texas. The closed-end fund focuses on acquiring and managing multi-tenant, management-intensive office and **industrial**

properties in the southern and eastern US.

"We debuted AKREA with the goal of creating a fund platform focused on allocating discretionary capital through direct investments alongside a strong focus on operations," says AKREA president and CEO **Matthew L. Adler**. "Our success raising funds over the past year validates our initial belief that today's investors have an appetite for a yield-oriented, self-operating model that offers strong risk-adjusted returns."

AKREA has carved out a niche for itself as one of the few firms stateside with discretionary capital pursuing middle-market acquisitions valued between \$10 million and \$40 million. The fund's management team has grabbed four properties valued at a combined \$70 million over the past six months.

Those properties include Carmel Executive Park in Charlotte, a 225,000-square-foot office park is currently 95% leased to more than 100 tenants; Bammel Business Park in Houston, a 110,400-square-foot complex constructed in 2008; Legacy Park in Houston, a 91,451-square-foot development combining light office and **industrial** space in Northwest Houston; and Vista Point North in Dallas, a 144,000-square-foot, four-building complex combining office and **light industrial space** near Dallas Fort Worth International Airport.

"The assets AKREA has acquired to date are a good reflection of our underlying investment strategy aimed at middle market deals that are too large for individual investors but too small for large institutions," says Adler. "We think of ourselves as sharpshooters, since we follow a specific strategy and excel at finding the right properties and properly managing them. Investors appreciate this level of focus and consistency."



AKREA was founded as a joint venture between **Adler Group** and alternative investment firm **Kawa Capital Management**. The partnership leverages Adler's vertically-integrated operational capabilities in tandem with Kawa's and portfolio management expertise. AKREA Fund II follows the completion of the AKREA team's first fund, which was involved in transactions valued at more than \$455 million and acquired assets totaling more than 4.8 million square feet.

Looking ahead, AKREA believes there is a strong deal pipeline in place that lends itself to a third fund raise over the coming year. While his primary objectives are deploying the remainder of our available capital and actively managing our existing assets, Adler says he's already laying the groundwork for our next fund.

"Once 75% of Fund II is allocated, likely by late 2014, we'll plan to roll out Fund III," Adler says. "Our goal is to establish AKREA as the mid-market investment platform of choice for both private investors and large institutions such as pensions, endowments and insurance companies."