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THE WEEKLY UPDATE ON THE INSTITUTIONAL MARKETPLACE

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THE GRAPEVINE

Newmark has hired five brokers from **JLL** to bolster its multi-family practice in the Southeast. **Derrick Bloom** and **David Gutting** joined Newmark this week as vice chairmen, along with executive managing directors **Vince Lefler** and **Tarek El Gammal** and associate director **Brandon Beaty**. Bloom and Gutting, who spent nine years at JLL as managing directors, are now in charge of Newmark's capital-markets operations in Atlanta, with Beaty on their team. Lefler and Gammal

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Stonelake Shops 35 Texas Warehouses

Stonelake Capital is marketing a portfolio of “last-mile” warehouses in Texas with a combined value of about \$250 million.

The offering encompasses 35 light-industrial buildings totaling 3.1 million square feet in Dallas, Houston and San Antonio. At the estimated value of \$81/sf, a buyer's initial annual yield would be 5.3%. **CBRE** is marketing the properties as a package for Stonelake, a Dallas fund shop.

The portfolio is 90% leased by 94 tenants under leases that have annual rent bumps. No single tenant occupies more than 5% of the total space. The pitch is that a buyer could boost income by leasing up vacant space and raising rents upon rollover. The weighted average remaining lease term is 3.8 years, and the average in-place rent is 10% below the market rate.

The seller is touting the location of the warehouses in “high-growth” markets. Dallas, with 15 buildings totaling 1.3 million sf, accounts for 41% of the portfolio, followed by Houston (35%), with 14 buildings totaling 1.1 million sf, and San Antonio (24%), with six buildings totaling 746,000 sf. The marketing campaign also is emphasizing the “last-mile” profile of the warehouses, which can be used by online retailers to ship goods to consumers.

The properties, averaging 88,000 sf, were built between 1980 and 1996. Some 60% of the buildings have had new roofs installed since 2016, minimizing near-term capital costs for a buyer. Ceiling heights are mostly in the 20-25 foot range.

Stonelake began assembling the portfolio in 2013 via its \$176 million Stonelake Opportunity Partners 3 vehicle. The firm, founded in 2007, owns a total of 10.5 million sf of industrial, office and multi-family properties in Texas.

Stonelake is led by founders **Kenneth Aboussie** and **John Kiltz**. ❖