

# Investment Criteria

Acquisitions, Joint-Ventures, Preferred Equity, and Senior/Mezzanine Debt

# American Realty Advisors is a private equity real estate investment manager of institutional quality commercial real estate portfolios



**\$11.0B<sup>1</sup>**

**in Assets**

**36YR**

**Track Record**

With a national footprint, 36-year track record and a deep understanding of U.S. real estate markets, ARA's investment professionals source opportunities nationwide leveraging its extensive network of principals, partners, brokers, developers, lenders, industry contacts, and local market experts. We believe our experience and investment process assures sellers and partners that transactions can be executed quickly and successfully.

<sup>1</sup> As of March 31, 2025



# ARA values the strong relationships with our partners and borrowers, as well as our reputation as a trusted and reliable investor active in U.S. institutional real estate.

We continually seek to establish new relationships with experienced real estate operators to strengthen our joint-venture partner and borrower network.

## Real Estate Investment Parameters

<b>Investment Structures</b>	Property/portfolio acquisitions or recapitalizations, direct equity, joint-venture equity, preferred equity, mezzanine debt, high leverage senior loans and full capital stack debt, and equity structures	<b>Target Investment Size</b>	\$20 to \$500 million (smaller industrial and self-storage acquisitions will be considered)
<b>Investment Strategies</b>	Core, core-plus, and value-add	<b>Leverage</b>	All cash or moderate use of leverage (up to 65%) including the assumption of debt as part of an acquisition
<b>Asset Types</b>	Industrial, residential (multifamily and single-family rental), retail, office and select investments in self-storage, life science or lab, data center, industrial outdoor storage, climate-controlled warehouse, age-restricted housing, mixed-use, and land entitlement	<b>Investment Terms</b>	3 to 7 years; with longer terms up to 10 years considered for core strategies

# A Focus on Quality Institutional Real Estate Assets



**ARA seeks to invest in institutional-quality industrial, residential (multifamily and single-family rental), retail, office, and other select property type investments**, either directly, through joint-ventures, or a variety of structured finance opportunities. Our research-driven investment strategy evaluates the merits of any proposed investment and is illustrated in the following core asset specific property type examples.

In addition to the core strategy, ARA pursues core-plus and value-added investment opportunities within the same property types, seeking to achieve upside through the following strategies:

Renovation	Repositioning	Re-tenanting	Lease-up of Existing Vacancies
Undertaking Near-term Lease Rollover Risk		Solving Distressed Debt/Ownership	
Operational Improvement	Re-capitalization	Market Recovery	Development

# Examples of ARA Core Assets



## Residential

### Northshore Austin, TX

- + Strong housing markets and high-income demographics
- + Modern design and physical specifications
- + Transit-oriented locations near employment and retail centers



## Industrial

### NYC Urban Logistics Center Queens, NY

- + Strategic last-mile, supply-constrained locations
- + Pricing reflective of lease term, tenant credit, and property characteristics
- + New construction to target user demand



## Self-Storage

### Infill Storage Portfolio Nationwide

- + Infill locations with limited inventory relative to population
- + Markets with strong fundamentals, demographics, and growth drivers
- + Healthy occupancy and leasing performance through effective management



## Residential

### Birdsong at Alamo Ranch San Antonio, TX

- + Communities with amenitized public spaces tailored to capture demographic shifts
- + Under-supplied residential submarkets with growing renter demand
- + Desirable neighborhoods with outdoor, retail, and entertainment amenities

# Joint-Venture Investments



## JV Investment Parameters

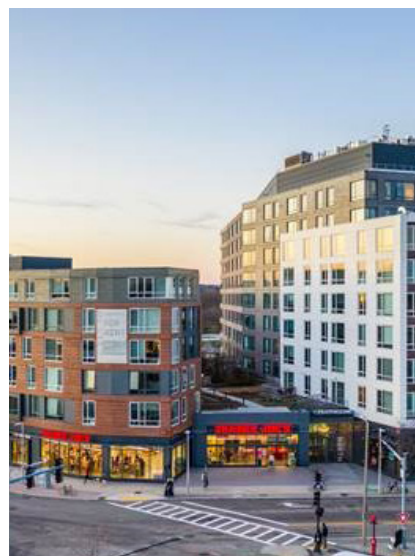
<b>Investment Structures</b>	Joint-venture and preferred equity for acquisitions, repositionings, lease-ups, developments, operational improvements, rescue capital, workouts, recapitalizations, partnership buyouts, and restructurings
<b>Equity Investment Size</b>	\$15 to \$150 million (will consider higher size in certain situations)
<b>Gross Deal Size</b>	\$20 to \$500 million (per asset) - (investments in smaller industrial and self-storage assets will be considered)
<b>Senior Leverage</b>	50% to 65% (will consider higher leverage in certain situations)
<b>Investment Terms</b>	3 to 5 years; with longer terms up to 10 years considered in select circumstances
<b>Yield Parameters</b>	11%+ internal rate of return, depending on leverage/risk. Preferred returns (joint-venture equity) range from 7% to 12% levered
<b>Asset Types</b>	Existing income-producing assets and transitional institutional-quality projects of the following commercial real estate types: industrial, multifamily, single-family rental, retail (preference for grocery anchored neighborhood centers), office, self-storage, climate-controlled warehouse, mixed-use, and select investments in hotel, medical office, life science and lab, data center, land, and age-restricted housing

# Representative Joint-Venture Real Estate Transactions



## Pacific Commons Logistics Center Fremont, CA

- + Development of a state-of-the-art, 814,901 sf warehouse/distribution facility
- + Strong infill location on the I-880 corridor with lack of modern competitive product
- + Ideal build-to-core profile given quality of development and long-term viability of location and market



## Continuum Boston, MA

- + Grocery anchored, mixed-use multifamily development adjacent to Harvard Business School
- + Urban, infill location provides significant barriers to entry
- + Opportunity to partner with a local sponsor who has an exceptional track record developing, owning, and operating similar projects



## Miami Central Commons Miami, FL

- + Four buildings with different vintage and functional design characteristics located in Doral, FL, with exceptional airport access
- + Newly redeveloped (2 buildings, Phase I) 343k square foot Class-A industrial product
- + Strong fundamentals in a market with scarce land available for new development



## Westminster Residences Westminster, CO

- + Garden-style apartment complex with strong value-add return potential
- + Attractive suburban location in high-growth market with easy access to employment and major highways
- + Strong market fundamentals with limited supply in the pipeline and robust resident demand

# Structured Investments



**ARA is aggressively seeking preferred equity and mezzanine debt investments for its fully discretionary private fund vehicles.**

We have deep experience with complex investment/legal structuring to address sponsor tax/accounting and economic objectives, existing or new senior lender requirements, etc. We have extensive senior lender relationships cultivated over our nearly 36+ years in the real estate investment management business.

# Structured Investments



<b>Size</b>	\$10 to \$100 million per investment
<b>Maximum Project Capitalization</b>	\$250 million
<b>LTC/LTV</b>	Up to 85%
<b>Purpose</b>	To fund recapitalizations/refinances, partner buy-outs, lender DPOs/note purchases, new acquisitions, development capital
<b>Pricing</b>	Pay rate dependent on risk profile and position within the capital stack. May include profit participation and/or loan fees (origination, extension, exit)
<b>Structure</b>	Flexibility to do both hard (current pay) and soft pay (current with some accrual, all accrual)
<b>Term</b>	Generally 3 – 10 years. Preferred equity and mezzanine debt to be coterminous with senior loan
<b>Prepayment</b>	Prepayable generally subject to a minimum make-whole or equity multiple
<b>Property Types</b>	Industrial, residential, retail, office, and select specialty asset types

## West Region

### Desert

Las Vegas  
Phoenix  
Reno

### Mountain

Boise  
Denver  
Salt Lake City

### Pacific

Bay Area  
Southern California

### Pacific Northwest

Portland  
Seattle

## East Region

### Mid-Atlantic

Baltimore  
Washington D.C.

### Northeast

Boston  
New Jersey  
New York  
Philadelphia

### Southeast

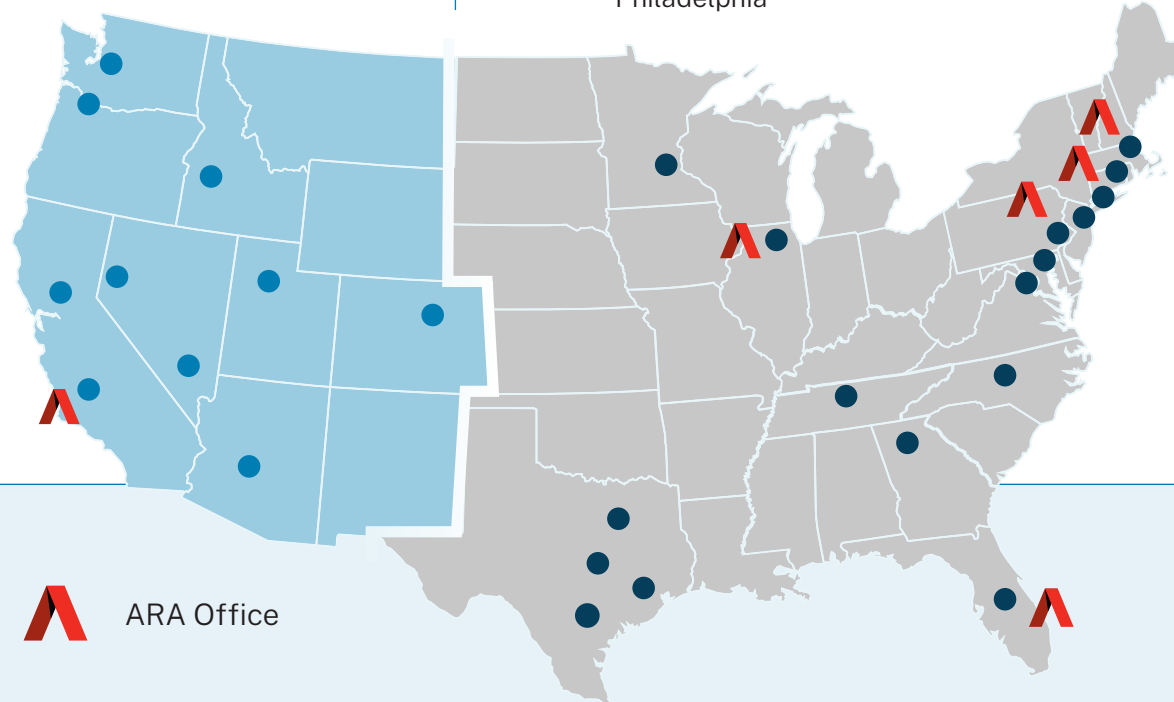
Atlanta  
Charlotte  
Nashville  
Raleigh  
Orlando  
Miami  
Tampa

### Southwest

Austin  
Dallas  
Houston  
San Antonio

### Midwest

Chicago  
Minneapolis



ARA Office

**ARA invests in a diverse set of markets across the U.S.,  
led by research and validated by our investment team.**

ARA will selectively consider investment in markets not identified above.

# Meet Our Team



**Kirk Helgeson**  
President and  
Chief Investment Officer  
Los Angeles, CA  
khelgeson@aracapital.com  
213.233.5779

## Residential



**Todd Hanson**  
Co-Lead Residential Sector  
Los Angeles, CA  
thanson@aracapital.com  
213.233.5824



**Glen Weisberg**  
Co-Lead Residential Sector  
Chicago, IL  
gweisberg@aracapital.com  
312.216.4716

## West Region



**Nathan Munson**  
Senior Director,  
Investments  
Los Angeles, CA  
nmunson@aracapital.com  
213.233.5723



**Xander Dyer**  
Senior Director,  
Investments  
Boston, MA  
xdyer@aracapital.com  
214.584.6063



**Jay Hlavacek**  
Associate Director,  
Investments  
Boston, MA  
jhlavacek@aracapital.com  
857.578.4312



**Luke Yeager**  
Associate Director,  
Investments  
Boston, MA  
lyeager@aracapital.com  
857.412.9440

## Structured Finance Opportunities



**Daniel Robinson**  
Managing Director,  
Capital Markets  
Los Angeles, CA  
drobinson@aracapital.com  
213.233.5742



**Douglas Rush**  
Senior Vice President,  
Capital Markets  
Los Angeles, CA  
drush@aracapital.com  
213.233.5774



**Don Pecano**  
Senior Vice President,  
Investment Risk Mitigation  
Los Angeles, CA  
dpecano@aracapital.com  
213.233.5798



**Bill Pantazopoulos**  
Senior Vice President,  
Dispositions  
Chicago, IL  
bpantazopoulos@aracapital.com  
312.216.4711



This brochure is for your information only, is not intended to be relied on to make any investment decisions, and is neither an offer to sell nor a solicitation of an offer to buy any securities or financial instruments in any jurisdiction. The information in this brochure is as of March 31, 2025 unless noted otherwise. Past performance of any kind referenced in this brochure in connection with any particular strategy should not be taken as an indicator of future results of such strategies. It is important to understand that investments of the type referenced in this brochure pose the potential for loss of capital over any time period. Photos used in this brochure were selected based on visual appearance and are used for illustrative purposes only to reflect strategies followed by ARA in the past. This brochure should be considered confidential and may not be copied, reproduced, republished, or posted in whole or in part, in any form and may not be circulated or redelivered to any person without the prior written consent of American.

**Forward-Looking Statements:** This brochure may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements are statements that do not represent historical facts and are based on our beliefs, assumptions made by us, and information currently available to us. Forward-looking statements in this brochure are based on our current expectations as of the date of this brochure, which could change or not materialize as expected. Actual results may differ materially due to a variety of uncertainties and risk factors. Except as required by law, we assume no obligation to update any such forward-looking statements.

**To learn more about our equity and debt investments, visit:**  
[aracapital.com/resource/equity-and-debt-investments](https://aracapital.com/resource/equity-and-debt-investments)



INSTITUTIONAL CAPITAL MANAGEMENT

515 S. Flower St., 49th Floor, Los Angeles, CA 90071

T 213.233.5700 | [www.aracapital.com](https://www.aracapital.com)

Signatory of:



Printed in-house | ©2025 American Realty Advisors, LLC