

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



\$11.1B¹

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.

¹ As of December 31, 2024

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

Investment Structures	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	Target Investment Size	\$20 to \$500 million (smaller industrial and self-storage acquisitions will be considered)
Investment Strategies	Core, core-plus, and value-add	Leverage	All cash or moderate use of leverage (up to 65%) including the assumption of debt as part of an acquisition
Asset Types	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	Investment Terms	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

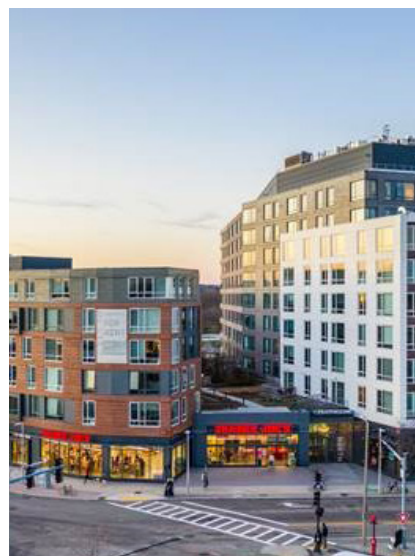
Investment Structures	Joint-venture and preferred equity for acquisitions, repositionings, lease-ups, developments, operational improvements, rescue capital, workouts, recapitalizations, partnership buyouts, and restructurings
Equity Investment Size	\$15 to \$150 million (will consider higher size in certain situations)
Gross Deal Size	\$20 to \$500 million (per asset) - (investments in smaller industrial and self-storage assets will be considered)
Senior Leverage	50% to 65% (will consider higher leverage in certain situations)
Investment Terms	3 to 5 years; with longer terms up to 10 years considered in select circumstances
Yield Parameters	11%+ internal rate of return, depending on leverage/risk. Preferred returns (joint-venture equity) range from 7% to 12% levered
Asset Types	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, 816,970 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) 318k 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



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

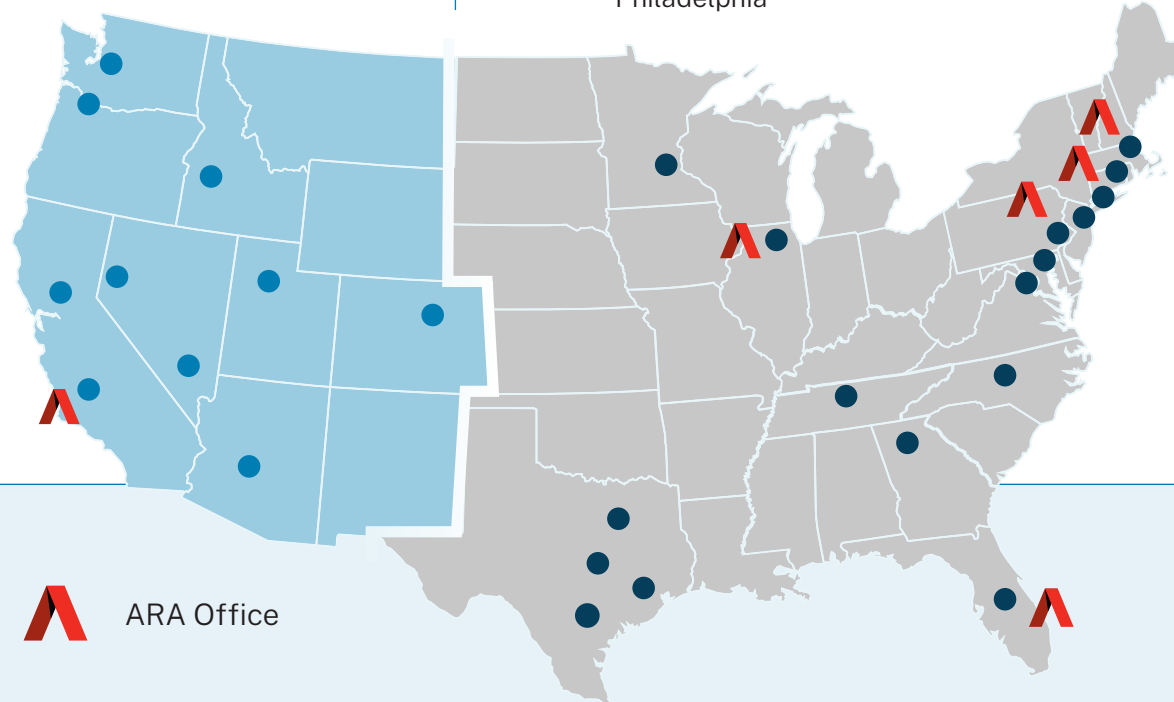
Atlanta
Charlotte
Nashville
Raleigh
Orlando
Miami
Tampa

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



National Coverage



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To learn more about our equity and debt investments, visit:
aracapital.com/resource/equity-and-debt-investments



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