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BV Capital and Archway Properties Launch Net-Leased Fund

The companies will target triple net-leased properties in Texas through the \$50 million fund, which has acquired its first holding in Houston.

By Ingrid Tunberg | April 12, 2021

HOUSTON, TX – BV Capital and Archway Properties have launched the \$50 million, BV Archway Real Estate Income Fund. The fund plans to acquire 10 to 12 single-tenant, triple net-leased properties in Texas, in effort to build an institutional-quality portfolio of assets.

The companies have initiated the fund with the off-market acquisition of a triple net-leased asset in Houston, TX. The acquired asset is a 79,684-square-foot showroom and warehouse, which is triple net-leased to the publicly-traded company, Floor & Décor. Located in an 111-acre business park, within the mixed-use development, Park Air 59, the fund's first holding was developed by Archway Properties and delivered in late 2019.

"Floor & Décor is pandemic-resistant, as evidenced by its stellar growth in the past year," says Rob Anderson, president of BV Capital. "It's a strong start for the BV Capital Archway Fund portfolio. Archway Properties truly is a great partner for sourcing and acquiring properties."

"The fund has four more properties under contract," Anderson says. "Our acquisition sweet spot is \$5 million to \$15 million."

The companies expect for the fund to be fully invested within one to two years, with a strategy calling for an anticipated five-year hold.

The companies will focus on sourcing build-to-suit developments and one-off acquisitions of newer buildings that are long-term NNN-leased to creditworthy tenants.

As a real estate alternative for accredited income investors, the fund aims to produce a stable monthly income for investors throughout the hold. BV Capital is projecting a 7% annual preferred return for the fund.

"The beauty is we've created a fund that produces cash flow for accredited investors with tax benefits minus the turbulence of today's markets," states Anderson.