

Equus To Pay \$930M For 5.5M SF Prologis Industrial Portfolio

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Equus Capital Partners (<https://www.bisnow.com/tags/equus-capital-partners>) has inked a deal to buy a 5.5M SF industrial portfolio from industrial real estate giant Prologis (<https://www.bisnow.com/tags/prologis>) for about \$930M.



The portfolio includes 77 properties, with 28% of its income generated by 1.3M SF in South Florida. At a price of nearly \$170 per SF, the cap rate for the portfolio is about 3.5%, which reflects intense investor demand for industrial properties, Green Street reports (<https://www.greenstreet.com/news/real-estate-alert?breakdownId=1>).

Besides Florida, the deal involves properties in Georgia, Maryland, South Carolina, Texas and Virginia. The portfolio is 97.2% leased.

Prologis, which owns or co-owns about 994M SF of industrial worldwide, is taking advantage of the hot industrial market and investor demand to rake in some cash, especially by selling off some of the properties the company acquired when it bought Industrial Property Trust for \$4B (<https://www.bisnow.com/national/news/industrial/prologis-black-creek-group-sale-acquisition-merger-99887>) in 2019.

U.S. logistics space, the company says (<https://www.prologis.com/news-research/press-releases/warehouse-space-sold-out-demand-all-time-high>), is effectively sold out. A surge in retail sales and supply chain problems have been driving industrial leasing, according to Prologis' own research. Net industrial absorption nationwide reached a record-high 115M SF in Q3 2021 and 280M SF so far this year — more than double the same period last year.

Demand for industrial space has thus pushed vacancy to a new low of 3.9%, Prologis reports, adding that higher inventories will require 800M SF or more of logistics space to fix the current shortage and build in future.

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The deal with Prologis is only the latest industrial acquisition for Philadelphia-based Equus. In October, the company acquired a 74-property, 7.3M SF industrial portfolio (<https://rebusinonline.com/equus-capital-partners-acquires-7-3-msf-industrial-portfolio-in-arizona-for-1-1b/>) in the Phoenix and Tucson metro areas in Arizona for about \$1.1B.

Equus has been a buyer from Prologis before. Also in October, the investor completed a \$56.8M acquisition (<https://www.commercialsearch.com/news/equus-capital-pays-57m-for-virginia-industrial-portfolio/>) of a four-property industrial portfolio totaling about 655K SF in Suffolk and Chesapeake, Virginia, sold by Prologis.

CORRECTION, NOV. 23, 4:45 P.M. ET: *A previous version of this story had an error in Green Street's name. The story has been updated.*

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