



DivcoWest closes Fund III on \$800m

The San Francisco-based real estate investment management firm exceeded the capital raising target for its third value-added real estate fund within six months.

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DivcoWest has held a final close for its DivcoWest Fund III, the latest in a series of real estate funds focusing on investments in technology-oriented growth markets in the US.

The fund, together with a co-investment vehicle, has attracted more than \$871 million in equity, surpassing the sponsor's original target of \$800 million. Greenhill & Co's real estate advisory group acted as placement agent for the fund, which was launched last June and closed six months later.

With leverage, Fund III is expected to have more than \$2 billion of capital available to acquire and operate office, research and developments in the US.

The value-added vehicle, which is targeting 10 to 13 percent returns, has been used for four investments with a total gross value of more than \$200 million to date. They include the five-building Walsh Bowers portfolio in Santa Clara, California; 1275 Market Street, a 350,000-square-foot office property in San Francisco; and Genesee Executive Plaza, a 159,425-square-foot office campus in San Diego.

Investors in Fund III included pension funds such as the Ohio Police & Fire Pension Fund and the Massachusetts Pension Reserves Investment Management Board, investment management firms, endowments, foundations and high net worth individuals. DivcoWest, led by principal Stuart Shiff, was founded in 1993 since when it has acquired more than 22 million square feet of real estate across the US. The firm and its affiliates are currently managing more than \$2 billion of equity.