

DivcoWest holds \$976m final close for fourth fund

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May 9, 2014

DivcoWest has had a \$976 million final close on DivcoWest Fund IV. The value-added fund launched in August 2013 looking to raise between \$750 million and \$888 million, and raised its hard cap to \$976 million due to strong demand.

The fund will target office and R&D properties in technology and energy growth markets — such as Austin; Boston; Denver; New York City; Portland, Ore.; Raleigh-Durham, N.C.; the San Francisco Bay Area; Seattle; Southern California; and Washington, D.C. — with a minimum of 50 percent of the fund's capital invested in the San Francisco Bay Area. The fund will use multiple investment strategies including acquisition, repositioning, redevelopment and, in some cases, new development.

The fund has a target gross IRR of 14 percent to 18 percent, with a net IRR of 11 percent to 15 percent. It will use leverage up to 65 percent LTV. DivcoWest has co-invested in the fund up to \$15 million.

Recent institutional investors in the fund included the San Francisco Employees' Retirement System, which committed \$50 million to the fund in January.

Founded in 2006, San Francisco-based DivcoWest specializes in operating and investing in office properties located in major U.S. metropolitan technology hubs.