



BKM Capital Partners acquires 9-building industrial property for \$17.4 million

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Tempe, AZ BKM Capital Partners (BKM), a vertically integrated institutional fund manager, has completed the \$17.4-million acquisition of Ash Business Center, an 89,728 s/f small-bay industrial facility. The deal represents BKM's 100th acquisition since its inception a decade ago.

Since 2013, the Newport Beach-based real estate fund manager and operator has completed \$3.6 billion worth of transactions involving 18 million s/f of small and mid bay industrial space in the Western U.S.

Last year was particularly active for BKM, which invested more than \$575 million in 11 strategic acquisitions across 15 properties. The firm also added 20 new staff members and executed over two million s/f of leasing. The momentum continued well into 2024, with Ash Business Center bringing BKM's acquisitions total to \$800 million and more than 4.2 million s/f of space in 17 transactions since 2023.

"As a longtime strategic investor, BKM has always maintained a bullish outlook on the light industrial sector, even when market conditions prompted others to pull back," said Brian Malliet, BKM's CEO and CIO. "While market conditions kept a lot of others on the sidelines, we remained steadfast in our approach, continuing to identify and acquire value-add opportunities in our core markets. Our commitment to this strategy has paid off, enabling us to aggressively expand our portfolio and solidify our position as one of the most active and largest players in the space. The momentum we've built is evident in our ongoing acquisitions well into 2024, and we're excited to see where this trajectory takes us."

Located at 4666-5010 S. Ash Ave., Ash Business Center consists of nine light industrial buildings housing 89,728 s/f of space. Built in 1986, the park features 16 units averaging 5,608 s/f, 16- to 18-foot clear ceiling heights, 16 grade-level doors and ample parking. The property previously underwent a large overhaul of both the exterior facade and select interior suites, utilizing periodic vacancies to produce high-quality spaces that would appeal to Downtown Tempe's dense population centers and providing necessary upgrades to the property's operational efficiency, curb appeal and overall value.

"We have seen exceptional growth in the Phoenix market in the past few years, creating yet another

fantastic opportunity for BKM to deploy its proven investment thesis onto a high performing asset,” said Brett Turner, BKM’s senior managing director of acquisitions and dispositions. “Although the property is at near-full occupancy, we feel there’s more value to be extracted given the market’s high trailing rent growth.”

BKM intends to take advantage of the asset’s 2.8-year WALTs and consistent tenant demand for infill small-bay projects to correct the existing 22% market deficiency in rents. The firm also plans to reduce the property’s share of office space as leases roll to deliver more functional suite layouts sought after by high-profile industrial tenants.

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