

Ares Management Corporation Closes \$3.8 Billion Net Lease Acquisition of Capital Automotive

Feb 17, 2022 6:45 AM

Latest Transaction Brings Ares' Total Net Lease Gross Asset Value to More Than \$7 Billion Over the Last 15 Months

NEW YORK--(BUSINESS WIRE)-- Ares Management Corporation (“Ares”) (NYSE: ARES) announced today that funds managed by its Alternative Credit strategy and Real Estate Group have acquired Capital Automotive LLC (“CARS”) from a Brookfield private real estate fund for \$3.8 billion. This latest transaction highlights Ares’ increased focus on serving sponsors and companies in need of flexible net lease solutions.

Headquartered in McLean, VA, CARS is a self-managed real estate company that provides highly tailored, sale-leaseback capital to automotive dealers in the U.S. and Canada to support them in acquiring new locations and upgrading facilities. The company owns a diversified portfolio of over 250 high-quality, operationally essential real estate assets that are structured as long-term triple net leases.

Using the complementary strengths of the Ares Real Estate and Alternative Credit teams and a dedicated team of seasoned net lease investment professionals, Ares has accelerated its net lease activities. Including the recent investment in CARS, Ares’ funds have invested in over 1,200 assets totaling approximately \$7.2 billion of gross asset value in the U.S. and Europe over the last 15 months. This includes net lease investments spanning retail, industrial and office assets leased to tenants with varying credit profiles.

“Our net lease capabilities sit at the nexus of our leading credit and real estate teams, providing us with a 360-degree view through which we can offer highly flexible net lease solutions,” said Joel Holsinger, Partner and Co-Head of Alternative Credit. “We are excited by growing market demand from sponsors and companies seeking a creative partner to help them unlock the value of their real estate assets. We are committed to being a partner of choice to them.”

“This is an area of the market that plays to Ares’ strengths as a platform given the different disciplines that are in constant collaboration. We believe that our ability to apply a hybrid real estate and credit lens to assess opportunities is a key differentiator,” said David Roth, Partner and Co-Head of U.S. Real Estate. “We provide our partners with the advantages of scale and experience to deliver a full suite of solutions that are unconstrained by asset type, tenant profile and structure.”

“I’m excited to be partnering with the team at Ares and believe that together we will be well positioned to take advantage of the expanding opportunity set in the net lease market,” said Jay Ferriero, President and Chief Executive Officer of CARS. “Beyond the competitive edge of the Ares platform and the experience of the team, the strength of this partnership is reinforced through our shared commitment to accelerating positive social impact.”

Ares’ dedicated net lease investment team brings deep industry experience combined with an integrated operating platform. The team focuses on high quality real estate and tenants while

seeking to provide creative structuring and financing solutions in order to maintain maximum capital flexibility.

About Ares Management Corporation

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager offering clients complementary primary and secondary investment solutions across the credit, private equity, real estate and infrastructure asset classes. We seek to provide flexible capital to support businesses and create value for our stakeholders and within our communities. By collaborating across our investment groups, we aim to generate consistent and attractive investment returns throughout market cycles. As of December 31, 2021, Ares Management Corporation's global platform had approximately \$306 billion of assets under management, with approximately 2,100 employees operating across North America, Europe, Asia Pacific and the Middle East. For more information, please visit www.aresmgmt.com.

About Alternative Credit

Ares' Alternative Credit strategy focuses on lending to and investing in assets that generate contractual cash flows and fills gaps in the capital markets between credit, private equity and real estate. Ares Alternative Credit targets investments across the capital structure in specialty finance, lender finance, loan portfolios, equipment leasing, structured products, net lease, cash flow streams (royalties, licensing, management fees), and other asset-focused investments. Co-Headed by Keith Ashton and Joel Holsinger, Ares Alternative Credit leverages a broadly skilled and cohesive team of approximately 50 investment professionals as of December 31, 2021. Aligning Ares' investment activities with its societal impact, Ares and Alternative Credit portfolio managers have committed to donating a portion of carried interest from certain Alternative Credit funds to global health and education charities.

About Ares Real Estate Group

The Ares Real Estate Group manages comprehensive public and private, equity and debt strategies, with approximately \$41.2 billion of assets under management and over 200 investment professionals, as of December 31, 2021. The real estate team maintains a time-tested and consistent investment approach across equity and debt strategies focusing on major property types that have value creation opportunities, located in liquid markets with diversified economies.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20220216006214/en/): <https://www.businesswire.com/news/home/20220216006214/en/>

Media

Carl Drake, +1 888-818-5298

or

Brittany Cash, +1 212-301-0347

[\[email protected\]](#)

Source: Ares Management Corporation