

# GTIS Joint Venture to Develop Two Industrial Projects in S.C. Opportunity Zone

GTIS Partners, a real estate investment firm and sponsor of qualified opportunity zone funds, have formed a joint venture with industrial developer, Collett Industrial, to purchase and develop two industrial projects in a South Carolina opportunity zone with a total capitalization of \$140 million.

The developments, located in the Greenville-Spartanburg metropolitan statistical area, are located directly adjacent to one another within the same opportunity zone on the eastern edge of the South Carolina Technology & Aviation Center, one of the largest business parks in the state that houses the operations of more than 110 companies. Upon completion, the projects will total nearly 1.2 million square feet of industrial space.

The companies said that demand in the Greenville-Spartanburg industrial market is supported by “a diverse set of factors,” including the strong availability of labor, proximity and connectivity to the Port of Charleston and Inland Port Greer, and the long history of manufacturing in the region.

One of the projects, Willimon Business Park, has reportedly executed leases or letters of intents with tenants totaling approximately 520,000 square feet for long term occupancy at the property.

“Fueled by the ongoing growth of e-commerce and onshoring, the demand for industrial warehouses remains strong, and we are excited to continue our expansion in the sector in partnership with the team at Collett Industrial,” said Robert McCall, a senior managing director at GTIS Partners. “With a focus on opportunity zone properties specifically, we are also pleased

to bring more jobs and economic opportunities to these communities, and look forward to encouraging development across the region.”

With these two new projects, GTIS’ global industrial portfolio totals 13 million square feet with a total project cost of \$1.25 billion across 14 projects.

In July, GTIS Partners launched its second qualified opportunity zone fund, GTIS Qualified Opportunity Zone Fund II, which is structured as a real estate investment trust and has a minimum investment of \$100,000.

GTIS Partners manages \$4.7 billion in gross assets and invests across a range of real estate sectors including single family and multifamily housing, office, industrial/logistics and hospitality as well as opportunity zone investments.

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## **GTIS Partners Launches Second Opportunity Zone Fund**

GTIS Partners, a real estate investment firm focused on residential and industrial investments, has reported the launch its second qualified opportunity zone fund, GTIS Qualified Opportunity Zone Fund II, on July 1, 2022. The fund is structured as a real estate investment trust and has a minimum investment of \$100,000.

GTIS Qualified Opportunity Zone Fund II is open to individual investors through financial advisors or directly through an electronic subscription service in partnership with +SUBSCRIBE, an order management system for alternative product

transactions.

The company said that the latest fund is a continuation of the strategy employed by its predecessor, GTIS Qualified Opportunity Zone Fund I, [which raised \\$630 million](#) and placed among the top five largest qualified opportunity zone funds raised to date.

GTIS Qualified Opportunity Zone Fund I has committed to 15 investments mostly focused on large regional Sunbelt markets across multifamily, single-family rental, and industrial property types.

“We are excited to continue our investment strategy utilizing the tremendous tax benefits of opportunity zones,” said Tom Shapiro, president and chief investment Officer of GTIS Partners. “We believe that residential and industrial fundamentals remain attractive especially in an inflationary environment, and look forward to capitalizing on the opportunities we have in our pipeline.”

Opportunity zones were created under the Tax Cuts and Jobs Act of 2017 to spur long-term private investments in lower income areas by providing potentially significant tax benefits to investors. According to Novogradac, qualified opportunity zone funds tracked by the firm [have raised](#) a cumulative \$28.4 billion of equity as of March 31st.

The most significant benefit is the eventual tax forgiveness of capital gains if the investment is held for a minimum of 10 years, provided the investment adheres to the requirements of the program.

“QOZ tax benefits can provide a very meaningful enhancement to investor returns, and in today’s inflationary environment real estate is one of the best portfolio diversifiers,” noted Peter Ciganik, head of capital markets at GTIS Partners. “But we also believe in the spirit of the QOZ program and look forward to supporting increased economic development in underserved

communities, and managing our projects in an environmentally responsible way.”

Since the announcement of the QOZ program, GTIS has completed three development projects located in opportunity zones at a total project cost of approximately \$460 million. The projects comprise 566 residential units and more than 630,000 square feet of commercial space leased to technology and distribution companies.

Five additional projects are currently at advanced stages of construction, with plans for more than 700 multifamily units, 200 single-family rental homes, 430 student housing units and over 130,000 square feet of commercial space.

GTIS Partners manages \$4.7 billion in gross assets and is active across a range of real estate sectors including single-family and multifamily housing, office, industrial/logistics and hospitality, as well as renewable energy infrastructure and opportunity zone investments.

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## **GTIS Reports Equity Raise for Qualified Opportunity Zone Fund**

GTIS Partners, a real assets investment firm, has raised \$630 million for its GTIS Qualified Opportunity Zone Fund I, a private real estate investment trust that was available to accredited investors with a \$100,000 minimum investment. Investors include approximately 1,600 individuals across more

than 100 registered investment advisors, as well as family offices.

The opportunity zone program was created as part of the 2017 Tax Cuts and Jobs Act and is designed to spur investment and economic development in underserved communities by offering potentially significant tax incentives to investors.

To date, GTIS has invested in 14 projects located in qualified opportunity zones, including seven in the opportunity zone fund, committing more than \$400 million of equity capital. The projects comprise more than 5,300 residential units and 1.6 million square feet of commercial office and industrial distribution space and are predominantly located in Sunbelt markets such as Phoenix, Las Vegas and Charlotte.

“Our investment strategy thus far has focused on [qualified opportunity zones] that we believe will experience significant positive transformation over the next 10 years and where our investments will make a strong contribution to that transformation. As we deploy the fund’s remaining capital, we will continue to execute on that strategy, leveraging the attractive opportunities in our pipeline to enhance the fund’s already strong asset mix and diversification,” said Tom Shapiro, president and chief investment officer.

GTIS recently sold RÊVE Boulder, a mixed-use project of three multifamily and one office building developed with Southern Land Company. RÊVE represented GTIS’ first completed project located in an opportunity zone.

GTIS Partners manages \$4.3 billion in gross assets and is active across a range of real estate sectors including single-family and multifamily housing, office, industrial/logistics and hospitality, as well as renewable energy infrastructure and opportunity zone investments.

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# GTIS Partners Opportunity Zone REIT to Close at Year End

GTIS Partners, a real asset investment and development firm, has reported that its GTIS Qualified Opportunity Fund will close on December 31, 2021.

GTIS Qualified Opportunity Fund has raised \$450 million in capital from family offices, registered investment advisors, and directly from high-net-worth individuals. The fund, which launched in early 2019 and sought to raise \$500 million from accredited investors, is structured as a Regulation D 506(c) real estate investment trust and has a \$100,000 investment minimum.

GTIS has invested in 14 projects located in qualified opportunity zones, including the seven projects in their opportunity zone fund, committing more than \$400 million of equity capital to date. The projects comprise more than 5,300 residential units and 1.6 million square feet of commercial office and industrial distribution space and are predominantly located in Sunbelt markets such as Phoenix, Las Vegas and [Charlotte](#).

“Against the backdrop of the pandemic, we were able to acquire properties over the past two years at attractive valuations and, given that the projects are now well advanced in construction with locked-in construction contracts, we have great protection on controlling costs in a quickly rising inflationary environment,” noted Partner Josh Pristaw.

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Tax Cuts and Jobs Act and is designed to spur investment and economic development in underserved communities by offering potentially significant tax incentives.

“By transferring eligible investments into a qualified opportunity zone vehicle, capital gains on appreciated assets ranging from stocks, bonds and options, to real estate, business sales, cryptocurrency or art, can be deferred for five years,” said Peter Ciganik, senior managing director of strategy, research and investor relations at GTIS Partners.

“Additionally, 2021 is the last year that investors are also eligible for a 10 percent capital gains reduction when the deferred tax comes due in 2026. But most importantly, the real estate acquired with the deferred gain will become completely free of capital gains tax and depreciation recapture after a minimum hold period of 10 years. This powerful tax incentive can add 3.5 percent to 5 percent of incremental [internal rate of return] on top of the underlying investment return,” he added.

The fund is available through the iCapital alternative investments platform. Previously, GTIS raised capital primarily from pension plans and endowments.

GTIS Partners manages more than \$4 billion in gross assets with a focus on residential and industrial logistics investments.

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