

Real Estate Finance & Investment

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Charlesbank Realty Fund V, a \$495 million discretionary real estate investment fund managed by Boston-based **Charlesbank Capital Partners**, has formed a joint venture with **McCarthy Cook & Company**. The venture, McCarthy Cook Investors III, will target office and mixed-use properties as well as debt secured by office properties. The investors are focusing primarily on California and are exploring opportunities in Washington, Oregon, Colorado and Arizona.

The two firms chose to form the partnership based on reputation and specialization, said **Maura Turner**, Charlesbank's director of communications. "We wanted to forge an alliance that would allow us to take advantage of opportunities out West that we expect to arise within the coming year," she added. Los Angeles-based McCarthy Cook specializes in office properties.

McCarthy Cook will be providing the local connection and management in California for Charlesbank. "Our model has been to bring complementary business cultures together," said **Edward Cook**, the company's co-president. "Our goal for this third venture is to bring in intelligent capital from the East Coast to the West." The previous joint ventures were established with **Blackstone Real Estate Advisors** in 1996, and with PaineWebber Real Estate Fund I in 2000.

The venture expects to start making investments immediately and expects to acquire at least \$200 million in assets per year, Cook said. "Potentially, we could make it in one deal," he said. "Our typical approach is to focus the attention of senior managers on a few large assets as opposed to many smaller assets in order to get large returns quickly." The rate of targeted leverage returns is expected to be in the mid-teens or higher.