

Kayne Anderson's Rabil talks up the partnership advantage for medical office deals

The company also invests in student housing and senior living assets

Roodgally Senatus | 7th October 2020, 9:46 pm

Kayne Anderson Real Estate Partners, which has a roughly 20 million square foot portfolio of medical office properties, believes that its ability to work on an exclusive basis with a seasoned operating partner in the sector has been a key factor in its ability to source and execute deals.

The company, which has about \$10bn in assets under management in real estate, works with **Remedy Medical Properties** on its transactions in the sector, according to **Al Rabil**, co-founder, managing partner and CEO.

"We have strategic and exclusive joint venture operating partners that work very closely with us in managing our medical office, senior housing and student housing portfolio and effectively operate as part of our platform," Rabil told *REFI US*.



Al Rabil.

Medical office properties, a niche asset class, has been growing with the aging of the Baby Boomers. "As the US population continues to age, demand continues to grow," Rabil said. "That's a pretty good recipe [and] that's the macro picture. The micro picture is that we've got best-in-class operators that are either exclusive to us or are very strategic relationships."

The Boca Raton-based company believes tight partnerships like this allow Kayne Anderson to tap into long-term strategic relationships that Remedy, formerly **MB Real Estate**, has with healthcare companies and hospital systems. "We've been able to provide the equity and debt capital and capital markets capabilities," Rabil said.

Remedy has been in the medical office business since 1984. "Our partnership offers significant advantages from an operating perspective," Rabil said. "We can be responsive to healthcare and hospital systems' needs, but specifically to practitioners' needs as well."

Rabil declined to comment on the firm's capital raising or real estate private equity funds.

The firm is targeting a reported \$2.5bn for [Kayne Anderson Real Estate Partners VI](#), which received a \$50m allocation from the **Arkansas Teacher Retirement System** on September 28, according to *REFI US* data. *Fund VI* also received commitments from the **Teachers' Retirement System of Louisiana** and the **Kansas City Public School Retirement System** this year, *REFI US* data has tracked.

The value-added and opportunistic fund has a two-fold mission, to acquire medical office, senior housing and student housing properties and to develop a portfolio of these specialized properties in the US market.

The Kayne Anderson fund will acquire properties that are undermanaged and undercapitalized with potential for lease-up and NOI growth via renovations and other operational improvements. The fund will also target stalled development projects and over-levered sellers that are facing problematic refinancings of well-performing and well-located properties.

The firm's funds are split between a roughly \$4.6bn allocation to opportunistic strategies, another \$1.6bn in core funds, and \$3.6bn in debt funds.

FUNDRAISING ☆

