

Fund Shop Lands CalSTRS Investment

Belay Investment has received a \$250 million commitment from **California State Teachers** to invest in other real estate firms.

The separate account, which closed last month, will give the Sherman Oaks, Calif., shop some \$650 million of investment capacity. Belay lined up the capital without a placement agent.

The account, dubbed Belay Ventures 3, will be used to expand existing relationships with local owner-operators and to create new ones. Investment targets will include workforce housing, last-mile industrial and life-science properties, as well as adaptive re-use projects.

CalSTRS has backed several of the firm's vehicles, including the \$400 million AVP Fund 1, which held a final close in 2009, and Belay Partnership Ventures 2, another separate account. Belay has used that capital to form joint ventures with a Hispanic-focused workforce-housing specialist, a multi-family developer focused on certain markets in the Southeast and Mid-Atlantic regions, and a company concentrated on the acquisition and renovation of multi-tenant, light-industrial properties in high-growth markets in Florida, Texas and the West Coast.

"Whenever we see major disruptions in the market, as we've witnessed since the onset of Covid-19, it serves as a reminder that real estate is a local business where those with the greatest depth of knowledge and relationships within their respective markets are better equipped to obtain the best opportunities," said **Eliza Bailey**, managing principal in charge of investments for Belay.

Belay has invested \$175 million of equity since the beginning of the year. All told, Belay and its predecessor firm, **AVP Advisors**, have invested \$300 million of separate-account equity for CalSTRS in six operators since 2004, when AVP was



founded by several former executives of **Arden Realty**.

The firm was rebranded as Belay in 2015. It's owned by its three managing principals: Bailey, **Amy Ko** and **Barry Chase**, who is also chief executive. ❖