

Start-Up Aims at Mid-Range Deals

Two fund veterans have joined forces to launch an investment firm targeting equity stakes in “middle-market” properties in the Western U.S.

Longtime PCCP partner **Greg Galusha** and former **Apollo Global Real Estate** principal **David Parsky** formally launched their **Arris Investments** last month. The Los Angeles shop plans to provide equity, typically \$5 million to \$15 million at a time, to buyers of various property types, primarily in California. It will consider larger commitments on a select basis.

The firm also will invest in distressed debt that could lead to control of the collateral. Arris will look to line up partners on a one-off basis, targeting yields in the mid-teens. Separately, it has an arrangement to source opportunistic investments for an unidentified fund operator.

Galusha and Parsky believe buyers targeting properties that are neither large nor small are finding it difficult to line up equity commitments. Institutional investors prefer bigger deals, while family offices and wealthy individuals — traditional backers of smaller plays — have pulled back in recent years.

Galusha left PCCP, formerly known as Pacific Coast Capital Partners, in January after 10 years as a partner overseeing the El Segundo, Calif., fund operator’s originations in the Southwest. He previously had stints with **Morgan Stanley Real Estate’s** fund operation, **Kearny Real Estate**, **Amstar** and **Trammell Crow**.

Parsky was most recently a principal in Apollo’s Los Angeles office. He left in February to join Galusha, with both serving as managing partners of Arris. Parsky previously ran West Coast acquisitions for **Citi Property Investors**, which New York-based



Apollo acquired in 2010. He also had stints at **Colony Capital** and **Security Capital**. ❖