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Lineage Logistics raises US\$1.6bn



Surge in demand for cold storage prompts new investment in leading cold chain solutions provider

Lineage Logistics has raised US\$1.6bn from investors including Oxford Properties Group, private equity firm BentallGreenOak and D1 Capital Partners, in order to expand its cold storage real estate, as the pandemic puts greater pressure on global food supply chains.

Michigan-based Lineage has more than 5,000 customers, including Walmart, Tyson Foods, and Amazon, and has 320 facilities with 54,000,000m³ of storage capacity across over 5,200,000m² of real estate.

In a report published by Bloomberg co-chairman Adam Forste said the real estate investment trust plans to use the equity to expand, in part by pursuing acquisitions.

"In addition to expanding or building new sites, we've closed 16 acquisitions in the year to date and our future pipeline is deep," explained Forste.

Lineage, which uses software made by companies including WorkDay, Mulesoft, and Turvo, is also planning to spend some of its fresh capital on technology.

"We're focused on being the most innovative player in our industry whether that's in automation, customer visibility, or key performance indicator management," added Forste.

The latest fundraising values Lineage at US\$15.5bn including debt, which if it were public, would be the third-largest US industrial real estate

investment trust (REIT) by enterprise value, behind warehouse owners Prologis and Duke Realty Corp.

Other investors in its latest fundraising include Cohen and Steers, OPTrust, CenterSquare Investment Management and funds managed by Morgan Stanley Tactical Value.

Oxford Properties President Michael Turner will join Lineage's board while BentallGreenOak senior managing partner John Carrafiell and SOHO China Chief Executive Officer Zhang Xin will be board observers.