

GLOBAL QUARTERLY

OCTOBER 2022

NORTH AMERICA

KEY TRANSACTIONS

- PS Business Parks has agreed to sell the entirety of its common stock to affiliates of Blackstone for \$7.6 billion.
- Landmark Properties announced a \$2 billion joint venture with Abu Dhabi Investment Authority (ADIA) to expand U.S. student housing.
- Bally's Corp. to divest the real property assets of its two casino properties in Rhode Island to Gaming & Leisure Properties through GLP Capital for \$1 billion.
- Black Spruce Management and Orbach Affordable Housing Solutions to purchase six rental apartment buildings in Manhattan for \$1.75 billion.
- Brookfield buys U.S. renewable developer Scout Clean Energy for \$1.5 billion.
- A JV between Ocean West Capital Partners, Tiger Alternative Investors and Realty Income sells industrial logistics portfolio for \$905 million.
- Amazon culls 53 million sf from warehouse footprint.
- Blackstone Inc. secured \$24.1 billion for Blackstone Real Estate Partners X fund.
- Brookfield raises \$14.5 billion for flagship real estate fund.
- New York State Pension invests over \$3 billion in alternative investments.
- GID Investment Advisors' new open-ended U.S. apartment fund crosses \$2 billion mark.
- Oak Street makes \$2 billion bid for Kohl's real estate property.
- AllianceBernstein raises \$1.3 billion for U.S. real estate debt fund.
- Dallas-based NexPoint converts \$944 million fund to diversified REIT.

PEOPLE MOVES

- At Carlyle, CEO Kewsong Lee exits while Dave McCann named Global Head of Investor Relations; BlackRock's Doug McNeely to join as Partner.
- The Kentucky Public Pensions named Steve Willer CIO.
- Minnesota State Board selected Jill Shurtz as new CIO; Mansco Perry III retired.
- Eric Baggesen, former CalPERS managing director, joined Rhode Island's treasury as CIO.
- Prologis has appointed Global Head of Deployment Dan Letter as President; CIO Gene Reilly to become Vice Chairman.
- Scott Crowe was named President of CenterSquare Investment Management.
- HIG Capital names Kim Leinwand Erie as Global Head of ESG.
- Morgan Stanley's Richard Hill joined Cohen & Steers as Senior Vice President and Head of Real Estate Strategy and Research.
- Warburg Pincus Managing Director and Head of Business Services Stephanie Geveda departed to form middle-market PE firm.
- H.I.G. Capital names Carlos Soto Managing Director and Head of U.S. Private Equity Business Development; Alejandra Arguello was named a Managing Director with the Capital Formation Group.
- Star Mountain Capital has appointed Jack Le Roy, former head of global software investor Thoma Bravo's credit division, as Managing Director.
- Slate Asset Management adds Jeff Rodgers as Managing Director for North America infrastructure.
- CBRE Investment Management hired Cassandra Mehlum As Senior Director in Commercial Acquisitions.
- Rob Speyer, Marty Burger and Mary Ann Tighe named to new NYC Real Estate Life Sciences Board.
- Shahab Rashid was named Managing Partner and co-head of L Catterton's new private credit platform.
- Andrew Carter and Tim Henn joined J.P. Morgan Asset Management in the new positions of head of private credit secondaries and lead portfolio manager for private equity secondaries.

INDUSTRY TRENDS

- CRE investment into smaller cities has risen sharply and the volume of interstate investment has surged.
- "Stagflation" is affecting CRE valuations with implies effects for the real estate industry.
- Alternative investment managers are having a tougher time raising capital as investors deal with public market volatility.
- Private debt is now the cheaper financing option for big-ticket leveraged borrowers than the public market.
- Sovereign wealth and pension funds taking steps to improve ESG scores.
- Single family rentals accounted for nearly 45% of rental households last year.
- Climate change is making location even more important for real estate and infrastructure.
- More CRE firms using climate intel to inform investment decisions, evaluating exposure to changing climate; climate change is making location even more important for real estate and infrastructure.
- Capital offerings by publicly traded Canadian real estate investment trusts pulled in C\$1.33 billion in the second quarter, down 45.6% year over year.
- U.S leads global real estate market growth.
- CBRE: prepare for highest construction cost increase in years.
- NYU/Columbia study forecasts \$500 billion lost in office value due to work from home shift.
- Record number of homebuyers interested in relocation.
- Multifamily firms projecting rent growth into 2023; higher dividends may follow.

GLOBAL QUARTERLY

EUROPE

KEY TRANSACTIONS

- GIC has acquired a “leading” stake in €2.3 billion Mediterranean resort group Sani/Ikos Group.
- Prologis has acquired 128 logistics properties and 6 developments for €1.5 billion across 7 European countries.
- AXA IM Alts has acquired a City of London site to develop a net zero skyscraper. Financial details were not disclosed, but according to unofficial reports, AXA IM Alts will invest over £1 billion in the project.
- King’s Cross Central Limited Partnership has secured a £1 billion loan facility underwritten by Morgan Stanley.
- UBS Asset Management has partnered with Reef Group to develop a major life science campus in Stevenage for around €900 million.
- Cain International and Saudi Arabia’s Public Investment Fund has invested €885 million in Aman Group, the luxury hotel business.
- Lendlease has acquired 21 Moorfields for £809 million.
- Asda has acquired a £600 million petrol station portfolio from The Co-Operative Group.
- Vivion has acquired a c.15% portion of the Quartier Heidestrasse mixed-use project in Berlin for €456 million.
- Norges Bank Investment Management has invested €438 million in a majority stake in both a Paris office and a Berlin mixed-use asset in JV with Swiss Life.
- AXA IM Alts has sold a Berlin office complex to Caleus Capital Partners II for a reported €400 million.
- Corvette Capital and Crown Student Living have entered a £400 million JV to develop a 2,600-bed portfolio in the UK.
- Abrdn’s AIPUT fund has secured a £350 million credit facility led by Wells Fargo.
- Blackstone’s Bourne Leisure Group has sold the real estate assets of resort operator Butlins to Universities Superannuation Scheme for €354 million.
- Immofinanz has purchased a CEE portfolio of retail assets for €324 million.

PEOPLE MOVES

- Brookfield Asset Management has appointed Mark Carney as Chairman.
- ULI Europe has appointed Lars Huber as its new Chairman.
- Allianz Real Estate has promoted Annette Kroeger to Chief Executive Officer, Europe.
- Schroders Capital has hired Johan Brakenheilm as Head of Nordics for Real Estate.
- Cadillac Fairview has appointed Christopher Lankin as Managing Director and Julian Neave as Director to boost its European business.
- Boreal IM has appointed Nikos Koulouras as Partner.
- JLL has recruited Wenceslao Bunge as CEO Spain and Portugal, CEO of the firm’s European investment banking function, and Chairman of the Global Real Estate business. Jaime Riera has also joined the company as EMEA Head of M&A and Corporate Advisory.
- Fabian Toscano has joined Lendlease as Managing Director, Investment Management for Europe.
- KKR has hired Alexander Thams as Head of Nordics.
- Bert-Jan Scheffer has joined Edmond de Rothschild as Head of Business and Product Development; and Martijn Vlasveld as Head of ESG.
- ImmoCap Capital Partners has appointed Melinda Knatchbull as Chief Financial and Operating Officer.
- BNP Paribas Real Estate has internally appointed Rick Niemeijer as CEO, Netherlands.
- CBRE has appointed Anders Liljenstolpe as CEO, Sweden.
- Atrium European Real Estate has internally appointed Anna Dafna as Chief Financial Officer.
- Delin Property has appointed Gary Jones as Chief Financial Officer.

INDUSTRY TRENDS AND EVENTS

- Investment banks have returned to the headlines after JP Morgan, Bank of America, and Deutsche bank closed large financing deals in the UK, and Pbb Deutsche Pfankbriefbank provided logistics loans across Continental Europe.
- According to a report published by AEW, between 2023 and 2025, investors should expect a €24 billion debt funding gap across the UK, France, and Germany.
- The outlook for the European debt market has taken a negative turn. According to the CREFC Europe Quarterly Sentiment Survey for Q3 2022, “This quarter we saw a sharp deterioration in sentiment across a number of areas. However, the counter-weight to this were various signals of improving underwriting terms for lenders”.
- H1 2022 saw more than €27 billion invested in European Multifamily assets, according to Savills.
- The UK’s BTR sector has grown 13% year-on-year, according to the British Property Federation.
- Rents are increasing in the European PBSA sector, propelled by a significant uptick in CEE where growth rates reached 17.4% in the academic year 2021-2022.
- 82% of real estate investors foresee a rise in distressed sales, according to an Auxadi poll of 100 senior real estate fund professionals in the UK, Continental Europe, and North America.
- Savills has forecast that the volume of German real estate transactions in 2022 could be down 18% compared to 2021.
- Italian NPLs are expected to rise by €82 billion by 2024, according to a report by Banca Ifis.
- Berlin Hyp has attracted €5.8 billion of investor demand for its green mortgage Pfandbrief.
- CEE volumes in H1 2022 have totalled approximately €5.3 billion (+8.5 y/y), owing, predominantly, to M&A activity, while it is anticipated that year-end volumes will surpass €9-10 billion.
- Aermont has raised €3.8 billion for its Real Estate Fund V.
- The Valesco Group has announced plans to invest £1 billion in UK and European office assets in the next 12-18 months.
- LXI REIT has withdrawn from its deal to acquire 18 supermarkets from Sainsbury’s for £500 million due to share price volatility.

GLOBAL QUARTERLY

ASIA PACIFIC

KEY TRANSACTIONS

- ESR selling portfolio of 9 China logistics assets to GIC JV for \$730 million.
- CapitalLand Development acquires prime mixed-use site in Ho Chi Minh City for \$714 million.
- Quinbrook Infra Partners launched \$1.7 billion data-storage campus “Supernode” projects in Australia.
- Mirvac wins control of \$7.7 billion AMP office fund over rival Dexus.
- AW Holdings sells One Circular Quay to Lendlease & Mitsubishi Estate for approximately A\$800m.
- Barings acquires A\$6 billion asset manager Altis Property Partners as Asia-Pacific launching pad.
- APG completes A\$600 million mandate with MaxCap.
- GIC buys 50% stake in Amazon-anchored Melbourne project.
- GIC backing Workspace Property Trust’s \$1.13 billion investment in 41 US suburban office assets.
- LaSalle’s sixth Asia Pacific opportunistic real estate fund (LAO VI) raises \$2.2 billion.
- Blackstone RE Partners Asia III hits \$7.9 billion as Samsung Group commits \$650m to Blackstone managed RE funds.
- Kasumigaseki Capital and Mitsui & Co., Digital AM, launch a ¥17bn Tokyo focused urban residential fund.
- GIC secures majority stake in €2.3 billion Mediterranean resort group.
- GIC teams up with Oak Street for \$14 billion buyout of Warren Buffet’s Store Capital REIT investment.
- S. Korea’s Tiger Alternative Investors sold a 7-property US industrial portfolio for more than \$900 million.
- Atlas Arteria spends A\$3 billion to buy 67% stake in Chicago Skyway toll road.

PEOPLE MOVES

- Melbourne based Nick Ping is appointed as Deputy CIO for Manulife IM’s global timberland business.
- Noboru Hirabayashi joined CBRE as Senior Director, Head of Capital Advisors, Japan.
- Trent Iliffe joins ESR-LOGOS REIT board with ex-EY Partner, Nagaraj Sivaram. Karen Lee, appointed as Deputy CEO.
- Gaw Capital hires Nitin Gupta from Macquarie Asset Management as MD and Head of India to lead expansion.
- Shangri-La Asia appoints Chua Chee Wui as CFO, a role he will hold alongside his current CIO responsibilities.
- APG Asset Management Asia appoints Thijs Aaten as the firm’s new CEO.
- Oxford Properties hires Chirag Gupta from Apollo as Director of Real Estate Investments.
- Daigo Hirai joined BlackRock Real Assets as Managing Director and Head of Real Estate Japan.
- Frasers Property Capital hires Wong Ping from CBRE IM as Chief Investment Officer.
- ESR-LOGOS REIT appoints Don Kok Chew Meng as Chief Financial Officer.
- Robert Hattersley (previous CIO of AMP Capital) joins MaxCap as Group Head of Capital.
- South Korea’s NPS appoints Kim Tae-Hyun as the pension fund manager’s new Chairman.
- Longevity Partners hires Kemmu Kawai as Country Director, expanding its global footprint to Japan.
- Brett Draffen to leave Mirvac as Chief Investment Officer.
- Macquarie GIG moves Ed Northam from Europe to Singapore to become Head of APAC.
- GLP hires Jennifer Wetzel from Microsoft to lead its global data centre business.
- DigitalBridge Group appoints Tae E Ahn from Partners Group as Managing Director, Head of Asia Capital.
- Bryan Southergill joins Ares SSG from KKR, as Head of Real Estate Asia.
- Mark Fong, formerly of Digital Realty, is named CEO of APAC data centre platform, Empyrium.
- Shane Miyama relocates from Oxford Properties’ Toronto to Singapore office as Development Director.
- Michael Tanujaya of CPPIB joins ST Telemedia Global Data Centres as Head of Strategy.
- LOGOS hires Paul Dwyer from Equinix as Head of Data Centres, based in Singapore.
- Marat Zapparov named Pentagreen Capital CEO; Temasek & HSBC’s new Asian infra debt business.
- Victoria Sharpe is promoted to Head of Real Assets APAC at HSBC.
- New York based Pretium Partners hires Jayme Han of JLL as Managing Director to launch their Asia office.
- DRC Savills IM has hired Steve Willingham as Head of Asia who will be based in Hong Kong.
- Charlotte Brabant is appointed as Realterm’s Head of Investments, APAC.
- Nuveen hires Mark Cameron from JLL as Head of Sustainability, APAC, based in Hong Kong.
- Vivek Dahiya is promoted to Head of Data Centre Advisory, APAC, for Cushman & Wakefield.

INDUSTRY TRENDS

- Sumitomo Mitsui Trust will invest \$1.5 billion in Apollo funds in a partnership ranging from PE and RE to infra.
- Singapore real estate investments climbed to \$14.5 billion in first half of 2022, up by 89% from same time last year.
- Temasek’s portfolio hit record \$297 billion, re-establishing Singapore as its investment location, over China.
- APAC commercial property investment down 17% in H1 as deal activity cools across office, logistics, retail (JLL).
- APAC cold storage deals could quintuple to \$5 billion a year by 2032 driven by Australia, China, and India (JLL).
- NPS of South Korea to commit an additional \$7 billion to infrastructure investments.
- CapitalLand Investment’s India arm looks to double AUM to \$8 billion across offices, warehouses, and data centres.
- CapitalLand Investment saw profit drop of 38% as China’s lockdown slowed down asset divestment.
- PGGM and Sentinel create build-to-rent venture in Australia.
- BlackRock plans to deploy A\$1 billion into Australian energy storage.
- GPT commences management of UniSuper’s A2.8 billion direct real estate mandate.
- Singapore overtakes Hong Kong as Asia’s top financial centre, and third in the world after NY and London.