

GLOBAL QUARTERLY

APRIL 2023

NORTH AMERICA

KEY TRANSACTIONS

- Realty Income to acquire \$1.5 billion convenience store portfolio under a sale-leaseback with EG Group.
- INDUS Realty to be taken private by affiliates of investment Centerbridge Partners and GIC Real Estate in \$868 million deal.
- Realty Income Corp. acquired a 4.6 million square-foot portfolio for \$894 million.
- As part of \$3 billion regional investment strategy, RXR Realty acquired North Carolina mixed use development site Veridea for \$91 million.
- Blackstone's latest secondary private equity fund, Blackstone Strategic Partners IX, closed at \$22.2 billion.
- Goldman Sachs Asset Management closed West Street Mezzanine Fund VIII with a total fund size of \$15.2 billion.
- Crescent Capital Group raised close to \$6 billion in total equity for its latest private credit fund, Crescent Credit Solutions VIII.
- Artemis Real Estate raised \$1.9 billion for latest US value-add fund.
- Connecticut Retirement Plans and Trust Funds (CRPTF) plans to invest \$1.2 billion in real estate and infrastructure this year.
- Oregon PERF plans to allocate up to \$1.1 billion for 2023 real estate investments.
- LACERA invested \$600 million into CBRE IM's open-ended core US real estate fund.

PEOPLE MOVES

- KKR appointed Pete Stavros and Nate Taylor global Co-heads of the Private Equity Business.
- Craig Solomon, former CEO of Square Mile, named CIO and Vice Chairman of Affinius.
- Melanie Gersper named Managing Director of Asset Management at Pretium Partners.
- UTIMCO CEO Britt Harris to resign June 30; CIO Rich Hall to be promoted to CEO and President.
- Wayne Park appointed CEO of John Hancock Retirement, replacing Sue Reibel.
- The Pennsylvania Public School Employees' Retirement System named Benjamin Cotton its next CIO.
- Emily Wiener succeeded Nick Liolis as TIAA's next CIO.
- After two decades with the firm, Blackstone promoted Brad Marshall to Global Head of Private Credit Strategies.
- Northleaf Capital Partners announced that Stewart Hay has joined the firm as Vice Chair, Global Investor Solutions.
- New York Life named Naïm Abou-Jaoudé as CEO of New York Life Investment Management.
- Daniel Turner, former Ivanhoé Cambridge CEO, replaced Michael Turner at Oxford Properties.
- Effective May 1, Zach Buchwald will assume the roles of CEO and Chairman of Russell Investments.
- Andrew Schlossberg, a Senior Managing Director and the Head of the Americas at Invesco, will become the new CEO and join the board of directors.
- Newmark Group hired CBRE's Jack Fraker as President and Global Head of Industrial and Logistics.
- CIFIC hired Anna Kunz as Managing Director for its Investor Solutions Team.
- CBRE Investment Management CEO, Charles Leitner, retired at the end of 2022.

INDUSTRY TRENDS & EVENTS

- Transaction volumes are down in all property types including office, retail, industrial, hotel, and multifamily.
- Health-care real estate deals reach an all-time high of \$26 billion according to JLL report querying 130 health-care industry leaders.
- Despite big tech being bruised by layoffs and economic challenges, data centers continue to boom with no slowdown in sight.
- Unless projects were already underway or financing had been secured, the rising cost of capital has stalled most commercial real estate development in 2023.
- The US Mall Industry remains shaky. Interest rates are soaring from record-low levels, and lenders are beginning to move aggressively against property owners.
- As travel demand stays hot, hotel brands, REITs beat expectations: major hospitality brands edge toward all-time-high stock prices while revenue per room has surpassed pre-pandemic levels.
- CBRE survey: there will be a significant reduction in buying and lending this year.
- Retailers are following workers out of city centers as major retail brands are choosing smaller suburban locations over downtowns and malls.
- CRE investors expect good returns this year with 59% of investors planning to remain active in the first half of this year, finds Marcus & Millichap special report.
- The number of high-earning Americans opting to rent instead of owning a home are increasing, pushing up demand for rental properties, The Wall Street Journal reported.
- According to McKinsey & Company, private equity is the only alternatives asset class with a negative return with a -9.2% net internal rate of return for the year ended Sept. 30.
- More than 76% of office occupants that have moved in Manhattan since the start of the pandemic have upgraded property class, according to CompStak.
- The CoreLogic HPI Forecast indicated that home prices will decrease by 2.8% in 2023.
- Tech giants dumping millions of square feet of office space, pushing vacancies in city centers to record highs and increasing pressure on the commercial real estate industry.
- US offices in San Francisco, Chicago and Austin reached return-to-office levels of 40% or above, a post-pandemic first.

GLOBAL QUARTERLY

EUROPE

KEY TRANSACTIONS

- Primonial has acquired 64% of the shares in Icade Santé for €1.4 billion and has also agreed to acquire Icade Healthcare Europe's €850 million portfolio.
- Quadreal has purchased a stake in Précis Capital, now rebranded as Precede Capital, as part of an agreement to deploy €1.1 billion into development loans.
- Aggregate has sold Portuguese residential developer VIC Properties to a consortium of institutional investors for c. €670 million.
- Dubai Holding has acquired a Paris hotel for €650 million.
- Generali has acquired a retail asset in Munich for a reported c. €500 million and an office in London for £320 million.
- A consortium of banks has supplied HB Reavis with a €475 million loan to refinance its Warsaw mixed-use development, Varso Place.
- Singaporean investor City Developments Limited has purchased St Katharine Docks in London for €444 million from Blackstone.
- Dimand and Premia Properties REIC have acquired 573 Greek real estate assets for €438 million.
- Sainsbury's has acquired 21 new supermarket stores from Supermarket Income REIT for £421 million.
- Landsec has sold a London office development to Chinachem Group for £349.5 million.
- GreenPoint Partners has acquired a UK carpark portfolio for €343 million.
- Telford Homes and a JV partnership between Ridgeback Group and Angelo Gordon have finalised a £300 million forward-funding deal for three London BTR developments.
- Prallariz, the Spanish family office, has acquired three Milan office assets for €300 million.
- Konzern Versicherungskammer has acquired a portfolio of twelve properties in Munich for a reported €250 million.
- Tristan Capital Partners has acquired a residential portfolio in Germany for €240 million in a JV with Lübke Kelber.

PEOPLE MOVES

- CBRE IM has appointed Jan-Willem Bastijn as Head of EMEA Transactions within its direct real estate business.
- Unibail-Rodamco-Westfield has hired Penny Cameron as Head of Development and Brent Seaton as Head of Construction.
- Telford Homes has appointed Lesley Chen Davison as COO.
- Wenzel Hoberg has joined Fiera Real Estate as Global Head of Real Estate.
- Richard Croft has stepped down from M7 Real Estate and David Ebbrell will take responsibility for managing the business.
- Goldman Sachs has appointed Sara Roure as Managing Director, Co-Head of the Real Estate Client Solutions Group EMEA and Alice Wilcox as Managing Director, Co-Head of Real Estate Client Solutions & Capital Markets EMEA.
- Greystar has hired Thomas Charvet as Managing Director, France and Philip Hirst as Director for Sustainability.
- LaSalle IM's Beverley Kilbride has been promoted to COO, Europe.
- Heimstaden has appointed Thomas Alexander Hansen as CFO.
- Sirius Real Estate has appointed Chris Bowman as CFO.
- Palm Capital has appointed Alex Gebauer as Senior Partner.
- Ardian has appointed Tami Chuang as MD Investor Relations – Real Estate.
- Clarion Partners has recruited Christian Schulte Eistrup as Managing Director, Co-Head of EMEA Distribution.
- La Française Real Estate has appointed Thierry Molton and Guillaume Allard to its executive board.
- Ilke Homes has appointed David Scott as COO.

INDUSTRY TRENDS & EVENTS

- European real estate's debt funding gap reached a total of €51 billion in Q4 2022.
- According to Savills, Q1 2023 European real investment volumes are expected to fall 59% YoY compared to Q1 last year.
- According to KKR, although constrained liquidity amongst European real estate investors hasn't favoured larger deals in Q1 2023, liquidity remains available for deals in the €50-€150 million range.
- In Q1 2023, the transaction volume of the German CRE market totalled €5.1 billion representing a 72% decline YoY, according to Cushman & Wakefield.
- Arrow Global has exceeded its target for its second fund and raised over €2.75 billion.
- Tristan Capital Partners has raised €2 billion for its value add/opportunistic fund dubbed Episo 6.
- Areim has announced the close of its fifth fund at €877 million.
- M&G has launched its €578 million European Living Property Fund.
- Ares has announced that its European real estate debt team has closed its sixth European loan, bringing total transactions since launching in January 2022 to around €800 million.
- Privately-owned real estate manager Redevco has bundled its retail warehouse park properties into a single, pan-European asset management platform worth €4.5 billion, at a time when retail real estate values are experiencing a rebound.
- According to Workthere, the flexible workspace platform backed by Savills, occupancy rates of flexible office space hit 90% in H2 2022, showing an increase of 71% year-on-year.
- In 2022, European real estate funds produced negative returns of -9.3% in Q4 2022, according to MSCI Real Assets.
- UK investors are set to increase their adoption of opportunistic investment strategies up from 11% in 2022 to 35% in 2023, according to CBRE's Investors Intentions Survey.
- The European Parliament has agreed that all new buildings should be carbon-neutral by 2028.
- Research conducted by BNP Paribas suggests that over 50% of inner-London commercial stock will fail to meet the impending minimum energy efficiency standards (MEES) from 2027.

GLOBAL QUARTERLY

ASIA PACIFIC

KEY TRANSACTIONS

- PAG raised an additional \$260 million for its third pan-Asian real estate fund.
- ARCH Capital & Manulife launched a digital infrastructure platform, Digital Halo.
- CapitaLand fund acquired Shanghai office complex from Tishman Speyer for \$1.1 billion.
- Digital Edge JV committed \$2 billion to 300MW Mumbai data centre debut.
- Lendlease to start first Australian build-to-rent project in a partnership with QuadReal Property Group.
- CBRE IM to manage a \$3 billion global RE portfolio (direct & indirect) currently managed by Income Insurance.
- Goodman extended the life of an existing Asia fund, raising a total of A\$2.4 billion in new equity.
- Hines plans a \$1 billion development project to build & operate a 74-storey mixed use complex in Busan, South Korea.
- Mapletree partners with Ivanhoe Cambridge to launch a \$1.9 billion office venture in India.
- Gaw Capital JVs with Singapore's A3 Capital to form a Southeast Asia data centre platform.
- Abacus Group created Abacus Storage King REIT, a new A\$3 billion ASX listed self-storage REIT.
- QIC submitted the DA linked to the A\$5 billion Cross River Rail project in Brisbane's CBD.
- AustralianSuper invested over A\$364 million in Assemble platform to acquire and develop 3 build-to-rent sites in VIC.
- HMC Capital raising funds for A\$1.2 billion acquisition of Healthscope assets.
- CapitaLand launched a China data centre fund with S\$530 million in committed equity and a \$1.1 billion China Special Situations fund.
- Mitsui & Co., and Patrizia launched a sustainable APAC infrastructure strategy, targeting up to \$1 billion in AUM.

PEOPLE MOVES

- Serene Nah joined Digital Realty as Managing Director and Head of APAC.
- Vantage Data Centres hired Paul Gilsenan of AWS as Senior Director of Site Selection & Acquisition, APAC.
- James Abe, ex-Westmont, joined JLL as MD and Head of Investment Sales Hotels & Hospitality Group, Japan.
- Dexus opened Singapore office and hired Brian Kwon as Head of Distribution for Asia.
- Stephen Conry AM has been appointed as an Independent Non-Executive Director at Charter Hall.
- Mike Zorbas was appointed as the fifth CEO of the Property Council of Australia.
- Vicinity announces Peter Huddle's permanent appointment to the role of CEO.
- CBRE IM has appointed Daniel McDonald as Managing Director and Head of the APAC Logistics Operator Division.
- Nicholas Toh joined DCI Data Centers from ST Telemedia as Group CEO.
- Lendlease appointed Garry Wilcox as Head of Capital Transactions.
- ADP Consulting appointed Belinda Coates as CEO.
- Cushman & Wakefield announced the internal appointment of Guy Bennett as Managing Director, CRE ANZ
- Qualitas has announced the appointment of Fiona Reynolds as Chair of the Qualitas ESG Advisory Group.
- Vanessa Wang has been appointed as Head of Asia Pacific at DWS.
- Novaland has appointed Dennis Ng Teck Yeow as its new CEO.
- Jonathan Yap will succeed Jason Leow as CEO of CapitaLand.
- MaxCap appointed Bruce Wan as Head of Research.

INDUSTRY TRENDS & EVENTS

- Commercial property investments in Shanghai fell by 23% in 2022.
- Investment in the alternative real estate sector in Aus has surged over the last four years, to an estimated A\$235 billion.
- APAC fundraising for private real estate strategies dropped by 6% in 2022.
- Commercial real estate investment in APAC dropped 27% in 2022.
- Chinese will allow formation of real estate private equity funds under a pilot programme to boost financing for developers.
- Capital raising by China private real estate firms hit 7-year low in 2022.
- Japan commercial RE investment rose by 14% y-o-y to ¥1.4tn in Q4 2022 driven by domestic investors (CBRE).
- Singapore's prime retail rents in 2022 were still 9.2% below pre-pandemic levels.
- Blackstone plans to increase its investment in build-to-rent in Australia.
- Australian REITs are trading at 14.9x earnings, compared to 15.7x in the US, 18.4x in the UK, and 23.4x in Japan.
- Demand and rents for life sciences real estate in APAC have remained resilient.
- Bahrain's Investcorp opens Tokyo office to target Japanese private equity real estate deals.
- Investcorp is increasing its investments in India warehouses with greater demand for logistics assets.
- Hotel deals expected to top A\$2 billion in 2023 amid tourism rebound in Australia.