

# GLOBAL QUARTERLY

JULY 2023

## NORTH AMERICA

### KEY TRANSACTIONS

- Extra Space Storage to acquire Life Storage in an all-stock deal valued at \$12.4 billion, creating the biggest storage company in the U.S. valued at approximately \$47 billion.
- Brookfield to acquire Triton, a freight container lessor, in a take-private deal worth \$13.3 billion.
- Goldman Sachs' joint venture has invested \$1.15 billion in affordable housing, with 90 properties located in cities such as Chicago and Dallas.
- Simon Property Group will invest \$1.5 billion in mixed-use projects on its mall properties.
- The Cordish Companies and Caesars Entertainment to co-develop The Pomp, a \$2 billion mixed-use development in Pompano Beach, Florida.
- TPG to acquire investment firm Angelo Gordon in \$2.7 billion deal.
- Toronto-based insurer Fairfax Financial Holdings to acquire portfolio of 63 construction loans valued at \$2.1 billion from property investment company Kennedy Wilson.
- Ontario Teachers' Pension Plan and Brookfield Infrastructure Partners agree to acquire Compass Datacenters in a \$5.5 billion deal.
- Amazon will invest \$7.8 billion in additional data centers in central Ohio.
- Prologis to acquire industrial property portfolio worth \$3.1 billion from Blackstone.

### PEOPLE MOVES

- Brookfield Real Estate Income Trust announced that Brian Kingston, leader of its real estate business, is replacing Zachary Vaughan as CEO.
- Carlos Cruz joined HarbourView Equity Partners as the Managing Director and Head of Capital Markets.
- Blue Owl named Chris Crampton, former Goldman Sachs executive, as Managing Director to lead the firm's new Strategic Equity Strategy.
- Transwestern promoted Greg Munson to President of Transwestern Real Estate Services.
- Savills hired industry veteran Whit McCrary as an Executive Managing Director.
- Justine DelMonico joined NAI Capital Commercial as Managing Director of Capital Commercial Management.
- Reina Abboud joined JLL Capital Markets as a Senior Director in the firm's Washington, D.C. office.
- Patrick Burke joined Premier, an end-to-end architecture, design, procurement and capital management firm in Dallas, as a Senior Vice President of Architecture.
- Colliers hired Mark Hay as a Vice President as the firm continues to expand its presence across the New Jersey.
- WeWork CEO Sandeep Mathrani to step down as board member David Tolley assumes interim CEO role.
- Trion Properties promoted Lauren Feder to Director of Asset Management, a new leadership position.
- Will McGirr joined King Street Capital Management as Managing Director in its marketing and investor relations team.
- PGIM promoted Jamie Shen to Head of Agricultural Investments, leading the firm's combined debt and equity agriculture platform.
- Cadillac Fairview President and CEO John Sullivan to retire on November 1 after 25 years at firm.
- Holland Partner Group appointed Steve LeBlanc as CIO.

### INDUSTRY TRENDS & EVENTS

- Moody's Analytics reports that commercial real estate prices in the U.S. have declined for the first time since 2011.
- Major banks are reducing their exposure to commercial real estate debt while allocating significant amounts of money into reserves.
- Core real estate total returns are projected to decrease by 7.6% this year.
- Colliers suggests that 2023 could be a turning point for converting underused offices into housing.
- Following a push from the Real Estate Round Table, the Biden administration is advocating for a policy shift that would require federal employees to return to in-person work.
- With hybrid work seemingly here to stay, the Canadian government wants to dispose of half of its office buildings.
- A growing number of single-family rental investors are selling properties at a loss.
- Luxury multifamily properties are beginning to experience rental pressures as renters scale back due to economic uncertainties.
- The homeownership rate has reached its lowest point in 53 years, while the number of renter-occupied housing units continues to steadily rise over the years.
- Survey data reveals that around 25% of millennial renters have abandoned the idea of homeownership; two-thirds of those aspiring to own a home have not saved enough for a down payment.
- Brookfield has made a commitment to transition its U.S. office portfolio to zero-emissions electricity by 2026.
- Sunbelt cities Nashville and Austin are currently the hottest job markets in the nation.
- Rent in Manhattan, Brooklyn, and Queens reached record highs in March.
- In Chicago, a combination of factors including company layoffs, excess supply, struggling properties, and the continued remote-working trend resulted in a record-high vacancy rate of 22.4% in the first quarter.

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## 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.
- Vonovia has sold a minority equity stake of its Südewo portfolio to Apollo for €1 billion.
- Godwin Developments has created a JV with an unidentified institutional investor to build a £1 billion BTR portfolio.
- Blackstone has borrowed €680 million from Morgan Stanley and Credit Agricole to refinance 15 Spanish hotels.
- Aggregate has sold Portuguese residential developer VIC Properties to a consortium of institutional investors for c. €670 million.
- AD Ports Group has purchased Noatum Logistics for €660 million.
- Dubai Holding has acquired a Paris hotel for €650 million.
- Brookfield AM has borrowed £648 million from bond investors to refinance six holiday villages in the UK and Ireland.
- Kering Group has acquired a super prime mixed-use block in Paris for c.€600 million.
- European Investment Bank has supplied a €600 million loan to Vonovia.
- CBRE IM has acquired a Multifamily portfolio of 1,350 apartments in Germany for c. €560 million.
- A group of investors led by the family office Imfarr has acquired three segments of Berlin's Quartier Heidestrasse development for €488 million.
- Blackstone has acquired 650,000 sqm of UK logistics assets from Harbert Management Corporation for a reported cost of \$480 million.
- Singaporean investor City Developments Limited has purchased St Katharine Docks in London for €444 million from Blackstone.
- Sainsbury's has acquired 21 new supermarket stores from Supermarket Income REIT for £421 million.

### PEOPLE MOVES

- PATRIZIA has appointed Asoka Wöhrmann as its CEO Designate to succeed the firm's founder Wolfgang Egger, and Slava Shafir as CEO to drive development of business operations, IT and Fund Services, and ensure efficient operations of the firm's international product portfolio.
- Redevco has appointed Neil Slater as CEO, succeeding Andrew Vaughan.
- abrdn has appointed Anne Breen as Head of Real Estate following Neil Slater's departure.
- Dr. Nedim Cen has moved from his former position as Corestate's Chairman of the Supervisory Board to his new role as CEO as part of the firm's corporate governance reorganisation.
- Goldman Sachs has promoted Javier Solís as the sole Head of EMEA Real Estate Asset Management following the retirement of Ludovic Rodhain.
- Unibail-Rodamco-Westfield's UK business has hired Penny Cameron as Head of Development and Brent Seaton as Head of Construction to expand its Country Management team and to grow and deliver its development pipeline in the UK and Italy. The firm has also made changes to its Management Board to harness future growth, hiring Vincent Rouget as Chief Strategy and Investment Officer and electing Anne-Sophie Sancerre to the Management Board as Chief Customer and Retail Officer.
- Cromwell has promoted Susan White to CFO, Europe to aid its transition to become a capital investment and fund manager in Europe.
- Apollo Global Management has hired Rosa Brand as Principal and Tom Rix as Executive Director of Lapithus within its European Core Plus platform.
- M&G Real Estate has appointed Robin Hubbard as Global Head of Real Estate Investor Relations and Investment Specialists to spearhead its growth and manage institutional client relationships in the UK, North America, Europe and Asia.
- Tishman Speyer has recruited Rodrigo Cortés as Managing Director to lead capital partner relationships in the UK, Ireland, the Netherlands, Southern Europe and Israel.
- Canary Wharf Group has appointed John Mulqueen as CIO, effective August 2023, to continue to expand its investment and development pipeline.
- Sirius Real Estate has appointed Chris Bowman as CFO to allow the interim CFO, Alistair Marks, to focus on leading the firm's investment strategy for the UK and Germany as CIO.
- Palm Capital has appointed Alex Gebauer as Senior Partner to drive the firm's expansion in Germany.
- La Française Real Estate has appointed Thierry Molton and Guillaume Allard to its executive board.

### INDUSTRY TRENDS & EVENTS

- Privately-owned real estate manager Redevco has bundled all its retail warehouse park properties into a single, pan-European asset management platform worth €4.5bn, at a time when retail real estate values are experiencing a rebound.
- Urban Partners/NREP has reached final close for its value added fund, NSF V, at €3.65 billion.
- Aviva Investors has launched Aviva Investors Real Estate Active (REALTAF), an open-ended UK Long Term Asset Fund (LTAF), with €1.7 billion of real estate seed assets supplied by Aviva's UK life annuity business.
- Repricing and an improved macroeconomic situation will spark an increase of returns in European real estate, according to a report from AEW.
- Oaktree's European Capital Solutions Fund III closed at €1.2 billion.
- An unspecified global investor has mandated Tritax to invest €565 million in UK logistics assets.
- PATRIZIA has raised €273 million for its PATRIZIA Europe Residential Plus fund to date.
- Fiera Real Estate has raised €100 million of seed equity for its Pan-European open ended senior secured debt vehicle.
- Schroders launches global 'semi liquid' real estate fund, aiming to 'democratise' assets. The series has grown to over \$1 billion of AUM.
- Ares has announced that its European real estate debt team has closed its sixth European loan, bringing total transactions since launching in the space in January 2022 to around €800m.
- European CRE investment dropped to an 11-year low in Q1 2023, according to MSCI.
- According to Savills, prime rental growth in logistics and industrials will remain robust across the Continent having increased by 10.4 percent in the last four quarters.
- According to Bloomberg Intelligence, prime office assets in London and Paris remain in distress due to the continuing trend of remote working.
- UK retail footfall has improved but remains below pre-pandemic levels.
- A green rental premium is emerging for energy efficient stock across European CBDs, according to Savills.

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## ASIA PACIFIC

### KEY TRANSACTIONS

- AIA has invested \$1.3 billion into a grade A office-retail complex in Shanghai.
- Ping An acquired two industrial assets and two office assets in Shanghai and Beijing for about \$7 billion.
- GIC acquires a portfolio of 6 logistics assets in Japan from Blackstone for \$800 million.
- Actis launches \$500 million onshore wind and solar platform in Japan.
- Kenedix plans to merge its sponsored 3 J-REIT - KDO, KDR and KRR into a single trust with AUM totaling \$8.2 billion.
- Proprium Capital Partners, Manulife and Mubadala partner with Samurai Capital for \$600 million Japanese multifamily JV.
- GLP Capital Partners raised \$3.2 billion for its logistics focused Japan Income Fund.
- GIC has formed a joint venture with Brookfield India REIT to acquire two office assets in India for \$1.4 billion.
- CDL enters Australia's BTR, with plans to build 500 apartments at two projects in Brisbane and Melbourne.
- Brookfield to develop its first Australian build-to-rent asset with a A\$400 million dual-tower project in Brisbane.
- Mirvac secured Australia's Clean Energy Finance Corporation as an investor in its \$1.8 billion BTR fund.
- Greystar and Malaysian developer UEM Sunrise will jointly deliver Collingwood's first build-to-rent project.
- Samsung Life Insurance acquired 20% of infrastructure fund Meridiam.

### PEOPLE MOVES

- OMERS elevated Ashish Goyal to the newly created post of Executive Vice President and Head of Asia Pacific.
- Tishman Speyer hired Adrian Lee, in Singapore, as Senior Director of Acquisitions, and Jerry Hyunjae Park, as Senior Director of Acquisitions based in Seoul, as it grows its Asia Pacific team.
- Jae Choi joined ICG in Singapore as Managing Director of the APAC marketing and client relations team.
- Hines hired Tim Jowett as MD, Head of Asia Research; and adds 3 new team members in Japan: Kiyohito Motoyama, Director, Logistics & Industrial; Saiko Ishii, Director, Asset Management; and Ryo Shino, Director, Compliance.
- CapitaLand Investment Limited appointed Hideto Yamada as Managing Director for Japan, succeeding Tan Lai Seng, who becomes an Advisor; and in Singapore, Hwang Yu joined CapitaLand Investments as an Executive Director.
- Embassy Office Parks REIT has appointed Aravind Maiya as CEO.
- Keppel Capital hires Ken Negishi as Chief Executive Officer for Japan.
- Keppel DC REIT has appointed Loh Hwee Long as CEO, succeeding Anthea Lee.
- Levande has appointed Kevin McCoy as permanent CEO, following two months as interim CEO.
- ISPT welcomes a new Executive Leadership Team: Matthew Brown, Group Executive, Head of Funds Management; William Walker, Chief Investment & Development Officer; and Amanda Steele, Group Executive, Head of Property.

### INDUSTRY TRENDS & EVENTS

- Asia Pacific investors dominate global real estate capital raising.
- Blackstone raised \$8.2 billion for its 3rd Asia opportunistic real estate fund, hitting 89% of the \$9 billion target.
- KIC to expand its real assets portfolio, focusing on real estate debt and distressed investments opportunities.
- Integrated Resorts to come to Japan with MGM & Orix's JPY1.1tn Osaka Resort bid gaining government approval.
- China's RE developers shell out \$7.5 billion for 19 lots in Shanghai's first land auction in 2023.