

# GLOBAL QUARTERLY

**NOVEMBER 2023**

**NORTH AMERICA**

## KEY TRANSACTIONS

- Public Storage's acquisition of Simply Self Storage will amount to \$2.2 billion.
- New Jersey data center firm CoreWeave invests \$1.6 billion in a 500,000-square-foot data center in Plano.
- Bridgepoint Group is set to acquire Energy Capital Partners, a North American infrastructure investor, in a \$1.1 billion deal.
- Kayne Anderson Acquires \$1.3 billion Medical Office Loan Portfolio
- Blackstone's \$8 billion investment in subsidiary QTS Data Centers targets the booming AI competition among Big Tech.
- Digital Realty and TPG Real Estate Partners have formed a \$1.5 billion joint venture agreement.
- Maxeon Solar to open a 3-gigawatt facility in Albuquerque with an estimated investment exceeding \$1 billion
- Blackstone successfully closed its Blackstone Green Private Credit Fund III, reaching its \$7.1 billion hard cap.
- Fortress Investment Group acquires \$1 billion in office loans from Capital One to revive NYC's office sector.
- Microsoft Corp. has begun construction on its \$1 billion data center Wisconsin after securing a general contractor.
- Kimco Realty acquires RPT in a \$2 billion stock deal, adding 56 open-air shopping centers to its existing portfolio of 528 properties.
- Amazon's \$11 billion investment in rural Virginia will establish two campuses and 11 hyperscale data centers.
- Illinois secures a \$2 billion electric vehicle battery plant, one of its largest industrial deals in decades, by offering significant incentives and the promise of thousands of jobs.
- Wells Fargo and Centerbridge introduce a \$5 billion private-credit fund targeting non-sponsor-backed middle-market firms.
- Goldman Sachs Asset Management raises \$4 billion for a global infrastructure fund, targeting energy transition, transport, and logistics.
- Brookfield explores a \$2.5 billion sale of Atlantis in the Bahamas, seeking buyers after owning it since a 2012 debt restructuring.

## PEOPLE MOVES

- Bryan Fujita named Chief Investment Officer for Los Angeles Fire and Police Pensions, moving from his ten-year position as deputy CIO at LACERS.
- Jody Mulkey has been named the new CTO of First American Financial Corp in Santa Ana, California.
- Oxford Properties has appointed Chad Remis to a newly created Chief Investment Officer role as part of its leadership restructuring.
- Slate Grocery REIT has named Joseph Pleckaitis as its CFO.
- Jason Marino named EVP and CFO of Marriott Vacations Worldwide Corporation.
- Marc Binda appointed as CFO and Treasurer of Alexandria Real Estate Equities, Inc.
- PGIM Real Estate names Cathy Marcus and Raimondo Amabile co-CEOs, expanding their longstanding partnership.
- Jonathan Pruzan has been appointed as President at Pretium in a newly established role.
- Chuck James has been named President and COO at SpareBox Storage.
- Tiffany Leadbetter Donato has been named the first Chief Investment Officer at Marcus Hotels & Resorts.
- Jim Walker rejoins Black Diamond Capital Management, the firm he co-founded in 1995.
- Valentina Abbott is now the Global Head of Client Solutions at Stafford Capital Partners.
- Third Eye Capital appoints David Steele as President and Chief Operating Officer.
- Erik Hirsch and Juan Delgado-Moreira to become co-CEOs of Hamilton Lane, effective January 1, 2024.
- PGIM launches PGIM Private Alternatives, with Eric Adler as President and CEO.

## INDUSTRY TRENDS & EVENTS

- McKinsey study predicts an \$800 billion decrease in office property values by 2030 due to the hybrid work trend.
- Underutilized office buildings convert into vertical farms as occupancy hovers at 50% of pre-pandemic levels, repurposing urban spaces for food cultivation.
- Experts in senior living anticipate changing housing opportunities, higher capitalization rates due to rising interest rates, and increased rents in assisted living.
- Last quarter, Austin's office vacancy rate reached a record high of 19.7%, dating back to at least 2009.
- The U.S. is on track for its first-ever net decline in office space, with more offices being demolished or repurposed than built, according to JLL.
- Rent prices in Manhattan, Brooklyn, and Queens have reached new highs, but decreasing leasing volumes suggest renters are reaching their limits.
- Single-family rental rates plateau with a 0.2% year-over-year increase; LA and San Diego lead as the most expensive markets, per the HouseCanary Q2 report.
- Wall Street is cracking down on those who are slow to return to the office, with bosses becoming more strict in their insistence on in-person work, and many firms requiring employees to be in the office at least three days a week, according to Wyld.
- Developers are predicting a significant shortage of affordable housing in 2025, as soaring prices and increasing interest rates create financing gaps and delays that may disrupt the supply.
- Morningstar warns that apartments, not offices, face greater financial vulnerability in the real estate sector.
- The Commercial Mortgage Lending Index decreased by 52.2%, with banks leading non-agency loan activity at 43.4%.
- Top economist Mohamed El-Erian suggests that the US housing market may be broken due to the Federal Reserve's aggressive interest rate hikes over the past year.
- Investors are pouring billions into student housing due to rent growth surpassing the apartment market.
- US malls are defying predictions of decline, adapting innovatively to the evolving retail landscape. In 2022, top-tier malls experienced a 12% increase in foot traffic from 2019 levels.
- Florida surpasses New York State as the second most valuable U.S. housing market, with property values growing by \$160 billion in a year, according to Zillow.

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## EUROPE

### KEY TRANSACTIONS

- Supernova Group has acquired 40 retail outlets in Austria and Germany for c. €500 million.
- Cain International completed a £500 million PBSA forward-funding deal that will support the delivery of 2,389 beds across major UK cities.
- US private equity group Searchlight acquired Gresham House for £470 million.
- NREP acquired a majority stake of 51% in Klövern.
- Valesco Group has acquired the Sequana Tower in Paris for €460 million.
- NREP has acquired 22 care home properties in Sweden for €420 million.
- Teachers Insurance and Annuity Association agreed a takeover of Norway's Self Storage Group for £330 million.
- King Street and Greystar completed the €330 million sale of 2,500 flexible accommodation homes in Madrid.
- NREP acquired two properties in Sweden from its Nordic peer Fabege for €288 million.
- Hansainvest and DFI jointly acquired a €270 million portfolio of 6 DFI logistics developments.
- Clarion acquired five German assets sold by Blackstone for €264 million.
- Covivio sold the Anjou office building for €230 million.
- The Dutch government has acquired an office building in The Hague for €217 million.
- Barratt agreed the sale of 604 properties to Citra Living Properties for £168.4 million.
- L&G has invested £150 million in a residential development in Belfast.

### PEOPLE MOVES

- The Royal Institution of Chartered Surveyors has appointed Justin Young as CEO.
- Primary Health Properties appointed Mark Davies as Chief Executive Officer, effective April 2024.
- CBRE IM has appointed Kilian Toms as Managing Director of its Real Estate Partners strategy.
- Andrea Orlandi left CPPIB and Tom Jackson has been promoted to Head of Real Estate UK & Europe.
- Cherine Aboulzelof has been appointed Managing Director and Co-Head of BGO Strategic Capital Partners, where she will co-lead the business with John So.
- Areim named Henrik Landelius as its new Chief Executive Officer.
- Cathy Marcus and Raimondo Amabile have been named Co-Chief Executive Officers at PGIM as Eric Adler moves to Head of Alternatives.
- AXA IM Alts expanded its senior real estate team with three promotions: Philippe Grasser is the new Head of European Transactions, Ulf Bachmann has been promoted to CEO, AXA IM Germany and Emilie Jaskula has been appointed Global Head of Offices within the Asset Management team.
- Zachary Vaughan has joined Arrow Global as Head of Real Estate and Toni McDermott became the CIO of credit and direct lending.
- Following Charles Weeks' decision to retire, Barings announced Nick Pink will assume the role of Head of European Real Estate. James Salmon will take on the role of Chief Operating Officer.
- DWS has appointed Jessica Hardman as Head of UK in addition to her existing role as Head of European Portfolio Management & Head of UK Real Estate Group.
- LXI REIT announced that Freddie Brooks has decided to step down as Chief Financial Officer of the company's Investment Advisor.
- Heimstaden Bostad has appointed Helge Leiro Baastad as the new Chairperson of the board.
- Harrison Street appointed Alexis Gisselbrecht as Managing Director, Portfolio Management.
- NREP appointed Wolfgang Ködel as Head of Germany.

### INDUSTRY TRENDS & EVENTS

- Pdeka Immobilien entered into a JV with VGP after securing a 50% stake in a logistics portfolio in Germany with a total value of around €1.2 billion.
- Heimstaden Bostad secured a sustainability-linked bank finance of €700 million.
- Crosstree Real Estate Partners announced it has raised £481 million at the final close of its Crosstree Real Estate Special Situations Fund III.
- Round Hill Capital has closed its European Residential Income Fund II at €440 million.
- LGIM, via its dedicated UK and European real estate debt division, provided a £400 million loan to Unite.
- Hines has raised an additional €305 million of equity for the Hines European Value Fund 3.
- VGP and Deka Immobilien secured €330 million loan from Deutsche Hypo Nord/LB Real Estate Finance.
- Neinor Homes has announced that it plans to invest €229 million in residential projects in Málaga, Spain within the next three years.
- Tikehau Capital and Altarea have committed €200 million to their new real estate credit platform which is targeting €1 billion.
- Urban Capital Partners' credit arm Veleo Capital has reached first close for its Velo Mezzanine Credit Fund (VMC) at €136 million.
- Goodstone Living secured over £100 million of debt financing and appointed a construction partner to support the delivery of the UK's largest modular BTR residential community in Birmingham.
- Blackstone's European opportunistic fund, BREP Europe VII, is expected to reach its first close in H2 2023.
- Landsec and British Land have called for changes to the UK planning system to support brownfield urban regeneration which would result in more growth, jobs, and homes in the UK.
- Colliers Germany is closing down its hotel division and laying off the entire team.
- WeWork announced it will be seeking to renegotiate nearly all of its leases around the world.

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## ASIA PACIFIC

### PEOPLE MOVES

- AEW has hired Christopher Chiang as Head of Acquisitions for Asia Pacific based in Singapore.
- Warburg Pincus promotes Jeffrey Perlman, current Head of SEA and Asia Pacific Real Estate to President.
- Warburg Pincus has also promoted Ellen Ng to Co-Head of Asia Real Estate where she will co-head with Takashi Murata who was formerly a partner at Goldman Sachs Asset Management.
- ESR Group has promoted Josh Daitch to Group CIO and Matthew Lawson to Group COO.
- Angelo Gordon has appointed Marc Lessner and Xavier Dailly as Co-Deputy Portfolio Managers of its open-ended structured credit fund.
- Ontario Teachers has promoted Bruce Crane to Head of Asia Pacific based in Singapore.
- Lawrence Wong, Singapore's Deputy Prime Minister, has been named Chairman of GIC's investment strategies committee.
- Goldman Sachs Asset Management appoints Nikhil Reddy as the Head of Real Estate for the Asia-Pacific region.
- Alan Beebe has been appointed the role of CEO of ULI for Asia Pacific.
- OMERS has appointed Michael Hill as Executive Vice President and Global Head of Infrastructure.
- Claire Cormier Thielke has joined Prologis as Chief Investment Officer for Asia and will be based in Hong Kong.
- David Lucey has been appointed Chairman of Digital Core REIT, taking over the role from Jeff Tapley who is taking on the role of Chief Commercial Officer of Digital Realty.
- Robert Wallace, former CEO of Frasers Logistics and Commercial Trust, has joined Terraplex in Australia as Director and Partner.
- GPT Group has appointed Russell Proutt as CEO, replacing Bob Johnston.
- Anastasia Clarke has been appointed CFO of Charter Hall.

### KEY TRANSACTIONS & INDUSTRY TRENDS

- Angelo Gordon announced the successful final closing of its asset-based private credit fund, securing over \$1 billion in equity commitments.
- Gaw Capital Partners' seventh Asia Pacific real estate fund closes, raising \$3 billion of equity for the opportunistic vehicle.
- GLP Capital Partners has closed China Income Fund VIII with equity commitments of approximately RMB2.6 billion.
- DNE Group established an RMB3.5 billion life science park fund for an R&D project in Shanghai.
- Keppel's private funds acquired the Bank of Korea's office building in Seoul, boosting its Korean portfolio AUM to nearly \$2 billion.
- Japan's university endowment fund managed by JST builds ¥64.3 billion alternatives portfolio, which allocates ¥13.1 billion into real estate, in debut year.
- A joint venture between CapitaLand and UOL will develop a mixed-use site in Singapore for SG\$1.2 billion.
- The A\$11 billion proposed merger of Cromwell and Australian Unity's unlisted diversified funds has been abandoned due to market conditions.
- PAG has raised \$1.8 billion in the final close on its latest pan-Asia core-plus/value-add real estate fund "PREP III".
- ESR has launched its largest-ever domestic income fund in China, with a combined investment capacity of RMB10 billion.
- Chindata Group Holdings is planning to go private, following the board's approval of an improved offer of \$3.16 billion from Bain Capital.
- ESR successfully obtains a HK\$1.6 billion green loan for its data center project in Hong Kong.
- GLP delivers a \$1.3 billion mega-scale multisite logistics project in Japan "GLP ALFALINK Nagareyama".
- Brookfield India Real Estate Trust has completed raising over INR23 billion for office investments in India.
- IJ Capital has taken over the former Aviary Toowong development site in Brisbane's inner west, and plans to create a A\$2 billion retail, office and apartment development.
- Goldman Sachs Asset Management has raised a total of \$15.2 billion for two of its private markets secondaries funds, Vintage IX and Vintage Infrastructure Partners.
- KKR will acquire a 20% stake in the APAC data centre business of Singtel, an Asian communications technology group, for SG\$1.1 billion.
- GLP launches a new data centre platform branded as Ada Infrastructure.
- Abu Dhabi sovereign investor Mubadala Investment Company has opened an office in Beijing.
- Swire Properties is acquiring a 40% stake in 2 mixed-use projects in Shanghai at a combined value of \$1.33 billion.
- Henderson Land and Swire Properties have acquired two properties in Hong Kong for HK\$6.3 billion, with plans to transform them into residential projects.
- PGIM has partnered with Point Capital on a residential-for-rent programmatic JV with seed projects in Sydney's Parramatta area and Brisbane's Fortitude Valley.
- AustralianSuper is planning to invest €1.5 billion to acquire a minority stake in Vantage EMEA and will become a key shareholder.
- Abacus de-staples and separately lists its A\$3 billion storage portfolio.