

October 16, 2020

Asia

Key Transactions

- Schroders acquired majority stake in Pamfleet.
- AXA acquired Nagoya residential complex ¥20 billion.
- Dexus Australian Logistics Trust (Dexus and GIC JV) acquired 7 assets in in July for A\$443.4 million.
- OMERS has acquired a stake in Australia's energy transmission company Transgrid.
- CIP plans a \$10 billion offshore wind project in Vietnam.
- Gaw Capital closed two vehicles for Asia property and education with up to \$900 million in commitments.
- Blackstone is in a discussion buy India commercial portfolio for approx. \$1.5 billion.
- GIC and Charter Hall have invested A\$1 billion to acquire Caltex service station assets.
- AMP Capital has reacquired MUFG's 15% stake in the company as part of a strategic review.
- PAG raises \$2.75 billion for an Asia real estate fund.
- GIC has committed a further \$337 to ESR Australia Logistics Partnership, increasing their stake to 80%.
- EG secured \$400 million from GIC to target commercial, industrial and retail assets in Australia.
- GIC will invest in five offshore wind projects in South Korea totaling 2.3GW of capacity.
- Brookfield and GOIC have acquired a \$3.4 billion Indian telecom tower firm from Reliance.
- Bain's Asia data center platform Chindata has raised \$540 million through a US listing.
- Orix has acquired 20% of Indian renewables platform Greenko Energy for \$980 million.
- David Faulkner appointed ULI President for APAC.
- Charles de Portes will step down as President of ESR with Josh Daitch assuming a broader role.
- Jie Wei joined HSBC as Global Head of Real Estate Investment Banking.
- Takehiko Uehara was appointed as Representative Director & President of PATRIZIA Japan.
- OTPP opened a Singapore office led by Bruce Crane who joined from OMERS to lead infrastructure.
- David Matheson is named as Executive Vice President, APAC, for Oxford Properties.
- Blackstone's Head of China Real Estate Tim Wang will leave the firm at the end of 2020.
- Mirvac's restructuring will see retail head, Susan MacDonald, and Chief Financial Officer, Shane Gannon leave. Campbell Hanan steps up to lead commercial.

Industry Trends

- Investment volumes in Q2 2020 down 68% in Singapore, 65% Hong Kong, 58% Australia, 20% Japan and 15% China, according to JLL.
- NH Investment & Securities and D&Co plan to launch Korea's first multi-asset REIT.
- Cushman & Wakefield predicts 2020 PERE inflows into Indian real estate will be 45-50% down.
- Indonesia plans \$430 billion of infrastructure spending by 2024.
- Hong Kong remains most expensive real estate market globally despite rents falling.
- RCA notes that China is the only major APAC market to report positive deal growth in 2020.
- GPIF targets global brownfield infrastructure and core real estate in Japan, Europe and USA.
- Real Estate PE firms, Blackstone and Brookfield are targeting Indian retail malls.
- Beike, a China property listings website backed by Gaw Capital, raises \$2.44 billion IPO on the NYSE.
- OMERS plans to double its allocation to Asian infrastructure by 2025.

People Moves

- Karen Lee Kiah Ling replaces outgoing Chief Executive Officer of ARA LOGOS Logistics Trust's manager, Daniel Cerf.
- Carmel Hourigan has left AMP Capital to join Charter Hall. Kylie O'Connor succeeded her. Boe Pahari has moved back to Head of Infrastructure.

Europe

Key Transactions

- EQT is set to acquire two Southern European online real estate classifieds platforms, idealista and Casa.it, the former for €1.3 billion.
- Swiss Life bought a Zurich shopping center for c. €1 billion.
- Intu's Trafford Centre is for sale, for a reported £1.3 billion.
- Allianz Real Estate acquired two prime Parisian office buildings for €500 million and completed a £400 million loan for five central London offices owned by Lazari Investment.
- Covivio acquired a portfolio of eight hotels across Europe for €573 million.
- NorthWest Healthcare Properties acquired a \$454 million hospital portfolio in London.
- Prologis is set to sell its £435 million UK logistics portfolio.
- Henderson Park acquired a 1.5 million sq. ft. business park in Lisbon for €421 million.
- Hong Kong-listed Link REIT is set to acquire Morgan Stanley's European HQ, from Hines, for £371 million.
- APG is set to acquire Hammerson's remaining 50% stake in VIA Outlets, for €301 million.

People Moves

- Tom Arnold stepped down from his role as ADIA's Global Head of Real Estate.
- Chad Pike, former Co-Head of Blackstone's real estate business, is set to retire from the firm.
- Will Rowson joined Global Student Accommodation as Chief Executive Officer.
- Union Investment RE hired Michael Butter as Chairman of the Management Board and Chief Executive Officer.
- Hammerson appointed Rita-Rose Gagné as its new Chief Executive Officer.
- Philip La Pierre was appointed European Chief Executive Officer at LaSalle.
- Harworth Group appointed Lynda Shillaw as Chief Executive Officer with effect from 1st November.
- MRM appointed Francois Matray as Chief Executive Officer.

- Schroders hired Sophie van Oosterom as Global Head of Real Estate.
- OMERS appointed Paul Brundage as Deputy Chair of Investments.
- Karsten Kallevig was appointed Special Advisor to NBIM's Chief Executive Officer with a focus on Real Assets.
- Mark Carney, the former governor of the Bank of England, joined Brookfield as Vice-Chair and Head of ESG and Impact Fund Investing.

Industry Trends

- Aggregate European commercial real estate investment is expected to fall by 30–40% year-on-year in 2020. Despite this, investment activity is forecast to return to pre-COVID levels by 2022.
- Blackstone's latest global real estate debt fund, BREDS IV, held its final close with \$8 billion of capital commitments.
- As European countries increase their debt-to-GDP ratios to combat the economic effects of COVID, higher real estate risk premia may lead to tactical buying opportunities for investors willing to take a longer-term view.
- CDC committed to invest €11 billion into France's housing market, with a focus on social housing, especially for key workers such as medical staff.
- Long-term economic and social trends, plus the increased view of real estate providing space as a service rather than a product, are driving investment appetite for operational real estate.
- Residential strategies were the most popular for investors in August, attracting c. 75% of all capital allocated in European real estate.
- London is the world's number one cross-border office investment market, bringing in £3.2 billion of capital in H1 2020, ahead of Paris and Manhattan.

Americas

Key Transactions

- 7-Eleven to buy Marathon Petroleum's Speedway stores for \$21 billion.
- Brookfield raises \$23 billion, expects to ramp up pace of deals.
- CIM Real Estate Finance to merge with three net lease REITs in \$5.9 billion deal.
- Apartment Investment & Management Co. is planning to split its business into two publicly traded companies. One entity, Apartment Income REIT, will provide a way to invest in the multifamily sector, while Aimco will retain the business of developing apartment communities.
- Brookfield explores \$1.3 billion sale of Simply Self Storage.
- CalPERS readies more than \$1 billion for new office and retail investments.
- Colony Capital sells six hotel portfolios to Highgate in \$2.8 billion deal.
- Wafra Inc. is acquiring a minority stake in Digital Colony, the digital investment management division of Colony Capital.
- PGIM Real Estate has bought a 30-property US industrial portfolio for \$700 million in partnership with Perlmutter Investment Company's IAC Properties.
- CPPIB plans to invest up to a third of its funds in emerging markets over the next five years.
- Blackstone gets back into rental houses with \$300 million minority investment in Tricon Residential Inc.
- QuadReal buys 50% stake in CA Ventures' US student housing platform.
- Texas Teachers plans to invest \$4.2 billion in real estate in 2020.

People Moves

- Cushman & Wakefield taps Andrew McDonald as new Americas Chief Executive Officer.
- CalPERS begins search for new Chief Investment Officer as incumbent Meng resigns.
- Welltower names Shankh Mitra as Chief Executive Officer.
- Columbia Endowment names Kim Lew as Chief Executive Officer.

- Natixis has named Michael Magner and Andy Taylor as Co-Heads of Real Estate and Hospitality Americas for Natixis CIB Americas.
- Dune Real Estate has appointed Aaron Greeno to the newly created position of Head of West Coast.
- Long-time JLL executive Bill Grice is moving to CBRE as an executive vice president who will help lead CBRE's hotel-focused debt and structured-finance unit.

Industry Trends

- Real estate investors committed more capital to global funds but to fewer managers in the second quarter of 2020.
- Institutions want manager diversity; investors see now as the time to change the way business will be done in future.
- Higher vacancy rates, lower rent growth expected in multifamily market.
- US office sales plunged to a 10-year low in the second quarter.
- US may need another 1 billion square feet of warehouse space by 2025 as e-commerce booms.
- A sharp drop in the cost of currency hedging is making U.S. real estate look like a bargain for some foreign buyers.
- Uncertainty in occupier demand reduces investor appetite for offices.
- Data center demand holds amid pandemic as an attractive investment play for real estate buyers seeking stability and yield.
- Landlords that lease to life science operations are finding that demand is strong amid the race for a COVID-19 vaccine.
- Investors in hotels are betting on a V-shaped recovery.
- Occupancy in senior housing hits 15-year low on pandemic fears.
- US retail sales return to pre-pandemic levels.
- Office leasing to recover by 2025, Cushman & Wakefield report predicts.