

GLOBAL QUARTERLY

MAY 2024

NORTH AMERICA

KEY TRANSACTIONS

- Brookfield is set to acquire ATC India for \$2.5 billion, securing its position as the leading telecom tower company in the country.
- BlackRock has acquired Global Infrastructure Partners, an infrastructure investor, for \$12 billion.
- The Arizona Retirement System is planning to sell and restructure \$4 billion worth of real estate assets.
- Cabot aims to invest \$3.5 billion in logistics following the closure of a \$1.6 billion fund.
- Welltower is set to acquire an active adult portfolio for almost \$1 billion.
- Crow Holdings has successfully secured \$3.7 billion for its value-add real estate strategy in the United States.
- Choice Hotels abandons its \$8 billion takeover bid for Wyndham.
- Oracle is investing \$10 billion into expanding its data center infrastructure, which includes constructing 100 new data hubs and increasing capacity at 66 existing data centers.
- As baby boomers reach retirement age, REITs allocated \$2 billion toward healthcare facilities investments in the last quarter.
- Kering SA, owner of Gucci and Balenciaga, bought a Fifth Avenue building in Manhattan for \$963 million, marking another major real estate acquisition by a luxury brand.
- Blackstone Inc. agreed to sell the Arizona Biltmore hotel in Phoenix to London-based Henderson Park for \$705 million.

PEOPLE MOVES

- Chris Ailman, CIO of the California State Teachers' Retirement System, will retire on June 30.
- Blackstone elevates Ken Caplan and Lionel Assant to global co-CIO positions at the alternatives firm.
- John Meyer has been named COO at Terreno Realty Corporation.
- Roger Stattel has been appointed as the CEO of Capital Automotive Real Estate Services.
- John Saunders transitioned from BlackRock to become the Group Chief Investment Officer at Link Real Estate Investment Trust.
- G. Hunter Haas has been named CFO and Chief Investment Officer at Bimini Capital Management.
- Timothy Doherty was appointed as Chief Investment Officer at Safehold.
- Nadeem Meghji has been named Global Co-Head of Real Estate at Blackstone.
- Chris Womack has been appointed as Chairman, President, and CEO at Southern Company.
- Omar Thowfeek has been appointed COO at Hines Global Income Trust Inc.
- George Currall has been appointed CFO at The NRP Group.
- Doug Brown, CIO of Exelon, will retire, and Jessica Hart will succeed him.
- Starwood Capital Group has appointed Jonathan Pollack as President.
- Jeff Currie has assumed the newly created role of Chief Strategy Officer at Carlyle Group, with a focus on energy pathways.
- Colorado PERA has appointed Andrew Roth as CEO.
- Pantheon has announced Kathryn Leaf as its first CEO, succeeding Managing Partner Paul Ward and set to assume the position in 2025.

INDUSTRY TRENDS & EVENTS

- Brokerage JLL provides optimism for the office real estate market, noting increased interest from bidders re-entering the market, and forecasts a need for property owners to secure more equity.
- Hedge funds and private equity firms propelled 2023 to become a record year for New York's most expensive office spaces.
- Real estate owners find themselves burdened with half-empty office buildings amidst the ongoing hybrid work trend.
- Trophy office space is in high demand, with shiny office towers in U.S. downtowns drawing tenants away from older buildings, yet the surge in demand for top-tier space has not been met with a corresponding increase in new supply.
- Amidst the urban transformation towards community-centric spaces, a recent RentCafe report highlights a surge in office building conversions to apartments, with the number increasing from 12,100 to 55,300 between 2021 and 2024.
- Commercial mortgage lending is expected to surge by 29% in 2024 following its slowest year in a decade, according to the Mortgage Bankers Association.
- College towns demonstrate rental resilience, with occupancy rates running 150 basis points above the national average, a doubling since the pandemic.
- Half of US renters face unaffordable apartments, with 12.1 million paying over 50% of their income on housing.
- According to a report from RealPage Market Analytics, U.S. apartment occupancy reached its lowest point in a decade by the end of 2023.
- Self-storage supply is expected to decrease after 2025, as the number of abandoned and deferred projects rose in the latter half of 2023.
- Goldman Sachs asserts that office prices must decrease by 50% for housing conversion projects to become viable.
- While the rest of the US experiences relief, New York rents are surging.
- Top real estate CEO Scott Rechler cautions that '500 or more' banks will either fail or be consolidated in the next two years.
- Renting is expected to remain more economical than buying for the foreseeable future, driven by limited inventory, soaring prices, and diminishing pressure on rent increases, rendering ownership more costly.

GLOBAL QUARTERLY

EUROPE

KEY TRANSACTIONS

- Barratt has secured a deal worth £2.5 billion to acquire fellow UK housebuilder Redrow.
- LondonMetric issued over 942 million shares after completing the £1.9 billion acquisition of fellow real estate investment trust LXI REIT.
- Starwood Capital acquired the Radisson Blu Edwardian London hotel portfolio for £800 million and invested c.£685 million in Echelon Data Centres.
- Reitan Eiendom's EC Dahls acquired the entire 13-asset office portfolio in Trondheim from Entra for c.€564 million.
- S Immo acquired a mixed-use portfolio across the Czech Republic for €495 million from CPI Property Group.
- LaSalle Investment Management and Swiss Life Asset Managers have formed a JV to recapitalize a seed portfolio consisting of five logistics properties in Germany, valued at €320 million.
- Elliott Management and Oval Real Estate acquired the Lotus portfolio of 27 London mixed-use assets for approximately £300 million.
- Santander's Moon GC&P Investments acquired a three-hotel Meliá portfolio in London, Menorca, and Tenerife for €300 million.
- Deka acquired the office asset Veneto 89 in Rome for €280 million from Ardian.
- W.P. Carey acquired the Fedrigoni industrial portfolio in Italy, Spain, and Germany for €280 million, under 20-year index-linked leases.
- Partners Group acquired a 183,000 m² retail park portfolio across Belgium and Portugal from Mitiska REIM for approximately €280 million.
- Clarion Partners Europe acquired a Dutch & German logistics portfolio from Blackstone for €270 million, comprising 241,400 m².
- Sixth Street and Starwood Capital acquired a food retail portfolio across Italy for €258 million from IGD, which retained a 40% stake.
- City Developments acquired Hilton Paris Opera (hotel) for €244 million from Blackstone.

PEOPLE MOVES

- Partners Group has appointed Karim Habra as Global Co-Head of Real Estate, Henrick Orrbeck as Co-Head of Real Estate Europe, and Stephen McCall as Global Head of Platforms and OpCos.
- Columbia Threadneedle has internally appointed Joseph Vullo as Head of Real Estate, Europe.
- Heimstaden has internally appointed Christian Fladeland as Co-CEO, 'to enhance financial and operational performance'.
- Chancerygate has appointed Michael Treiving as its CFO and Simon Cowley as Head of Investment and Asset Management.
- Paul Brennan, the global co-head of real estate based in London, has been promoted to partner at King Street Capital Management.
- PPHE has internally appointed Greg Hegarty as Co-CEO to manage the day-to-day running of the business and implement the firm's growth strategy.
- Schroders Capital has appointed Allen Chillten as Global Head of Real Estate Capital Formation and Ingo Heinen as Global Head of Business Development and Product.
- ActivumSG has appointed Eric Lemer as Head of Global Client Solutions and Capital Formation.
- Redevco has appointed Sasha Silver as Head of Global Client Group to lead the firm's client relations and capital raising.
- Newmark has appointed Matthew Featherstone as Head of Debt & Structured Finance, UK and Europe.
- Wellcome Genome Campus has hired Matt Green as Interim CFO to focus on the financial strategy and operations of the Hinxton life sciences campus development.
- LaSalle has internally appointed Alexandre Arhuis-Grumbach as Head of Transactions, Europe, Core and Core+ Strategies.
- Federated Hermes has appointed Mark Russell as Head of Fund Management (Real Estate), in a newly created role.
- Ashling Fox has been appointed the new Managing Director of Student Roost by owners GIC and Greystar.
- Jeremy Bishop, the co-founder of Oxenwood, has announced he is setting up his own business, Arkus Real Estate.

INDUSTRY TRENDS & EVENTS

- The European real estate sector continues to face significant refinancing challenges, with around €300 billion needing refinancing in 2024.
- Investment volumes in European real estate were estimated to be €32.7 billion Q1 2024, marking a 10% decrease from the previous year and representing the lowest level for a Q1 since 2011. Despite these declining volumes, the market is beginning to show signs of stabilization compared to previous quarters.
- Blackstone raised \$2.2 billion for Blackstone Real Estate Partners Europe VII in Q1 2024.
- Apollo Global Management targets €1 billion in commitments for its European real estate debt fund.
- PIMCO Real Estate is actively seeking to raise €750 million for a debut fund focused on investing in European data centres.
- CTP issued a €750 million green bond for eligible green logistics projects with a 6-year tenure and a fixed 4.750% coupon.
- The P3 Group launched a €600 million green bond aimed at eligible green logistics, featuring a 6-year maturity and a fixed coupon of 4.625%.
- North Wind Capital, in collaboration with Banor Capital, has launched a new vehicle targeting underperforming, distressed small and mid-sized hotels in the UK, Italy, and Southern Europe, seeking to amass a €500 million portfolio.
- Apollo Global Management withdrew the sale of a circa €500M Irish hotel portfolio and is looking to refinance the assets instead.
- Edmond de Rothschild REIM launched its Pan European High Yield Real Estate Debt Fund II, targeting €500 million of investment across Western Europe with a focus on whole loans.
- Housing Fund, in partnership with Activate Capital, is launching a €500 million fund dedicated to providing debt capital for new residential developments in Dublin, Cork, Galway, and Limerick.
- Catella Real Estate's CELF+ fund is targeting a volume of at least €500 million, focusing on investing in new properties as well as modern existing properties from the Core and Core+ segments.
- Ex-TPG executive Michael Abel has launched a new platform, Greykite, securing €320 million of equity from investors Constellation and Leucadia for opportunistic investing in operationally intensive sectors mainly in Western Europe.
- Ares has attracted €200 million for its European value add real estate fund from New Mexico State Investment Council.
- Investors are turning to secondary data centre markets such as Oslo, Milan, Berlin, Madrid, and Johannesburg due to challenges and opportunities in strategic locations, data sovereignty, and global connectivity.

GLOBAL QUARTERLY

ASIA PACIFIC

PEOPLE MOVES

- Frasers Property has promoted Anthony Boyd, currently CEO of its Australia business, to the newly created role of Group COO, based in Sydney. Lim Hua Tiong who is the current CEO of Frasers Property Vietnam will take on an expanded role as CEO of Asia emerging markets, based in Bangkok
- Prologis has appointed Eddie Huang as President of Greater China.
- PGIM Real Estate appointed David Fassbender as Country Head of Japan. In addition to his new role, he will continue as senior portfolio manager for the firm's Asia Pacific value-add funds.
- Following its acquisition of SilkRoad Property Partners, HSBC Asset Management has named Takashi Hamajima as Head of Real Estate Japan.
- Korea's IGIS Asset Management appointed Tae-seok Oh as Head of Infrastructure.
- Blackstone has promoted Peng-Wei Tan to Senior Managing Director in Singapore.
- John Carfi will join Ingenia Communities as CEO effective 1 April 2024 replacing Simon Owen.
- Scott Jackman has been appointed Managing Director of Project Leaders for Australia at Colliers.
- Elanor Investors has elected Ian Mackie as Chair replacing Paul Bedrock.
- Goh Chin Kiong is taking over the real estate CIO role at GIC from Lee Kok Sun who is retiring.
- Harry Ip has rejoined Gaw Capital in Hong Kong after spending more than 13 years with ADIA.
- Tim Graham from JLL has been appointed the Global Lead of International and Strategic Capital for the firm's Capital Markets team.
- Chris Fossick has stepped down as JLL Southeast Asia CEO.
- Tom Woolhouse has joined Equalbase, a Singapore based industrial developer and fund manager, from JLL.
- Alok Aggarwal, Brookfield India REIT's CEO, is joining the board as an Executive Director. Brookfield Properties also hired Ankit Gupta as President of Brookfield Properties India and promoted Shantanu Chakraborty to COO.
- Edwin Low has joined Global Infrastructure Partners as a Partner based in Singapore.
- Gaw Capital has appointed Daisuke Taniguchi as Managing Director, Head of Asset Management in Japan.
- Tripp Gantt is stepping down as CEO of Manulife US REIT on 30 June 2024. John Cassante will join from DWS as CEO and CIO of the REIT, subject to the approval of Singapore regulators. Mushtaque Ali, Head of Finance for Singapore and SEA at Manulife Investment Management will relocate to Singapore and succeed the CFO role.
- Russell Prout and Ross Du Vernet commenced as CEO at GPT and Dexis respectively.
- GPT Group has appointed Merran Edwards as CFO, commencing by 1 July 2024.

KEY TRANSACTIONS & INDUSTRY TRENDS

- PAG has raised \$100m from the Teacher Retirement System of Texas for its latest opportunistic real estate fund.
- Amazon Web Services are going to invest \$15.2bn in Japan from 2023 to 2027 including expanding data centres.
- South Korea's credit market showed signs of stabilizing after government pledged to expand a \$66bn program for builder's debt.
- Guocoland, Hong Leong, and Mitsui have formed a JV making the sole bid for a mixed-use development site in Singapore for SG\$771m.
- Keppel Ltd has purchased a mixed-use commercial building in Singapore on behalf of PGGM for SG\$348m.
- Japan based Daiwa House Logistics Trust acquired a newly built cold chain asset in Vietnam for VND483bn.
- LOGOS and Ivanhoe Cambridge have formed a JV to develop industrial development project in India, with committed capital of INR11bn.
- Korea Investment Corporation is going to open an office in Mumbai, India, this year.
- Realterm enters the Australia market with the acquisition of a self-storage asset in Sydney through its logistics JV with Partners Group.
- Sekisui House, a Japanese developer, has acquired US builder MDC Holdings for \$4.95bn making them the fifth largest homebuilder in US.
- Goldman Sachs and Mubadala have formed a \$1bn JV to invest in private debt in APAC, including real estate.
- CapitaLand Investment has set up a \$600m APAC fund targeting serviced residence and co-living assets.
- Hillhouse Investment is rebranding its property division to Rava Partners
- Gaw Capital has sold a portfolio of three logistics assets in China to Ping An for over RMB2bn.
- KR's J-REIT, Industrial & Infrastructure Fund, acquired 28 industrial assets for \$830m from a KKR owned logistics company, Logisteed.
- Weave Living is launching a \$500m Japan fund which is backed by Warburg Pincus and Weave Founder and CEO Sachin Doshi.
- Bridgestone is selling its company housing complex in Roppongi, Tokyo for more than \$423m to a domestic buyer.
- Mitsubishi Estate is selling stakes in 2 Tokyo office / mixed use buildings for a total of \$239m to its REIT.
- Tokyu Land Corporation is selling a 49% stake in a recently developed office complex in Shibuya, Tokyo, for over \$673m.
- Brookfield AM is going to increase debt on the International Finance Center in Seoul to \$2bn.
- Charter Hall commences work on \$1.8bn Sydney CBD Chifley South office development.
- Starwood Capital will acquire a 10.7% stake in ESR from ESR's co-founders.
- ESR Group is selling parts of ARA Private Funds to Sumitomo Mitsui and Kenedix for \$270m. The business sold manages \$9.8bn of assets across 22 funds, comprising office, retail and hospitality assets in Australia, Singapore, South Korea, and the US.
- GDS Holdings is raising \$587m from Hillhouse, Rava Partners, Boyu, Princeville Capital, and Tekne to fund DigitalLand Holdings, the holding company for GDS' international data centre assets and operations.
- Seibu, Japan is considering selling an office building in Tokyo for \$2bn.
- ALIBABA Group is planning to build a logistics centre in South Korea for \$1.1bn over the next 3 years.