PEI Alternative Insight

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Third Edition | perenews.com

FOR THE WORLD'S PRIVATE REAL ESTATE MARKETS

APAC FUND MANAGER GUIDE 2018

Devil in the detail

There is no arguing that 2018 has got off to a much more positive start for Asia-Pacific fundraising than previous years. Over $12 billion has been raised via seven closed-end private real estate vehicles so far this year, surpassing the $10.7 billion raised in the whole of 2017. It is true fundraising volumes are still far off the record $19 billion raised in 2013, but we are also at a much loftier point in the cycle coupled with political and macro uncertainties.

Blackstone's massive $7.1 billion raise for its second Asia opportunistic fund this year added significant heft to the overall tally, as did substantial capital hauls by managers running successful regional and pan-Asia fund series, including PAG, Fortress, LaSalle and sector-specialist GLP. All these names feature prominently in *PERE*'s latest ranking of the top 15 managers raising capital for Asia-Pacific-focused funds.

However, a deeper analysis of the data somewhat dampens the overarching positive sentiment. For one, it is taking much longer to close funds. According to *PERE* data, managers took an average 21 months, from launch to final close, to raise their APAC-focused vehicles in H1 2018, the longest of any year since 2010. Fewer US-based managers are in the market currently, although this could also be a function of their fundraising timelines. In 2016, when *PERE* last published this report, 43 percent of the funds in the region were manged by US-based firms; that has dropped to 27 percent. Consolidation continues, with fewer managers raising bulk of the capital.

What is particularly noteworthy is the absence of any significant core and debt-focused fundraises. Not one single core or core-plus fund in Asia has announced a final close this year so far, while historically 20 percent of the total capital raised since 2010 was raised for the low risk/return strategies. Open-ended funds continue to coral capital in the region, but those are limited in number. The tide appears to be swaying in favor of more risk, with 68 percent of the capital raised for opportunistic investments.

Enjoy the report,

Arshiya Khullar
Senior Reporter

ISSN 1558-7177
www.perenews.com
Senior Editor
Jonathan Brasse
+44 20 7566 4278
jonathan.b@peimedia.com
Special Projects Editor
Helen Lewer
+44 20 7566 5478
helen.l@peimedia.com
Contributing Reporters:
Lisa Fu
Evelyn Lee
Meghan Morris
Mark Cooper
Stuart Watson
Managing Editor – Production
Mike Simlett
+44 20 7566 5457
mike.s@peimedia.com
Design & Production Manager
Glen Reynolds
+44 20 7167 2039
glen.r@peimedia.com
Head of Marketing Solutions
Real Assets Group
Nick Hayes
+44 20 7566 5448
nick.h@peimedia.com
Marketing Solutions Manager
PERE
Annie Liu
+ 852 2153 3843
annie.l@peimedia.com
Subscriptions and reprints
John Kral
+1 646 545 6297
john.k@peimedia.com
Andrew Adamson
+8 522 153 3141
andrew.a@peimedia.com
Chris Grant
+44 20 7167 2035
chris.grant@peimedia.com
Customer Service
Fran Hobson
+44 20 7566 5444
fran.h@peimedia.com
An Nguyen
+1 212 645 1919
an.n@peimedia.com
For subscription information
visit www.perenews.com
Editorial Director
Philip Borel
philip.b@peimedia.com
Head of Research & Analytics
Dan Gunner
dan.g@peimedia.com
Publishing Director
Paul McLean
paul.m@peimedia.com
Chief Executive
Tim McLoughlin
tim.m@peimedia.com
Managing Director – Americas
Colm Gilmore
colm.g@peimedia.com
Managing Director – Asia
Chris Petersen
chris.p@peimedia.com

New York
130 West 42nd Street
Suite 450
New York, NY 10036
+1 212 645 1919
Fax: +1 212 633 2904
London
100 Wood St,
London EC2V 7AN
+44 20 7566 5444
Fax: +44 20 7566 5455
Hong Kong
19F On Hing Building
1 On Hing Terrace
Central
Hong Kong
Tel: +852 2153 3240
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The Top 50

Rank	Firm Name	Global HQ	Capital raised [$m]*	Page
1	Blackstone	New York, United States	11,960.4	4
2	GLP	Singapore, Singapore	8,430.36	4
3	Gaw Capital Partners	Hong Kong, Hong Kong	5,135	5
4	ESR	Singapore, Singapore	3,935.69	6
5	PAG	Hong Kong, Hong Kong	3,355	7
6	Keppel Capital (through Alpha Investment Partners)	Singapore, Singapore	3,300	10
7	Fortress	New York, United States	3,076.65	11
8	Tishman Speyer	New York, United States	2,674.68	12
9	LaSalle Investment Management	Chicago, United States	2,141	12
10	Prologis	San Francisco, United States	2,058	13
11	Mapletree Investments	Singapore, Singapore	1,876.49	13
12	BPEA Real Estate	Hong Kong, Hong Kong	1,525	13
13	AEW	Boston, United States	1,512.4	16
14	SC Capital Partners	Singapore, Singapore	1,288	17
15	Piramal Enterprises	Mumbai, India	1,184.88	18
16	InfraRed Capital Partners	London, United Kingdom	1,130.9	18
17	GreenOak Real Estate	New York, United States	1,122	19
18	Angelo Gordon	New York, United States	1,013	22
19	CLSA Capital Partners	Hong Kong, Hong Kong	1,000	22
20	CBRE Global Investors	Los Angeles, United States	1,000	23
21	CITIC Capital	Hong Kong, Hong Kong	935.08	23
22	Phoenix Property Investors	Hong Kong, Hong Kong	911.7	23
23	IDERA Capital Management	Tokyo, Japan	860.15	24
24	Realterm	Annapolis, United States	844	24
25	The Carlyle Group	Washington DC, United States	786	24
26	Kotak Realty Fund	Mumbai, India	775	25
27	LimeTree Capital	Hong Kong, Hong Kong	685	25
28	PGIM Real Estate	Madison, United States	639.46	25
29	Pamfleet	Hong Kong, Hong Kong	638.5	28
30	Fosun Capital Group	Shanghai, China	598.51	28
31	ARA Asset Management	Singapore, Singapore	598.26	28
32	Apollo Global Management	New York, United States	588	29
33	EG Funds Management	Sydney, Australia	586.88	29
34	Orion Partners	Hong Kong, Hong Kong	583.81	29
35	Hony Capital	Beijing, China	568.5	30
36	TH Real Estate	London, United Kingdom	550	30
37	Altis Property Partners	Sydney, Australia	520.48	30
38	BlackRock Real Estate	New York, United States	515	31
39	Qualitas	Melbourne, Australia	460.72	31
40	SilkRoad Property Partners	Singapore, Singapore	445.5	34
41	Everbright Ashmore	Hong Kong, Hong Kong	419.36	34
42	Pro-Invest Group	Sydney, Australia	404.11	34
43	ARCH Capital Management	Hong Kong, Hong Kong	355	35
44	HDFC Property Fund	Mumbai, India	321	35
45	ASK Property Investment Advisors	Mumbai, India	314.97	35
46	ArthVeda Fund Management	Mumbai, India	289.61	36
47	Starcrest Capital Partners	Shanghai, China	276.5	36
48	Godrej Properties	Mumbai, India	275	36
49	Ascendas-Singbridge	Singapore, Singapore	239.32	37
50	KaiLong	Shanghai, China	238	37

** see methodology on p39*

1 Blackstone

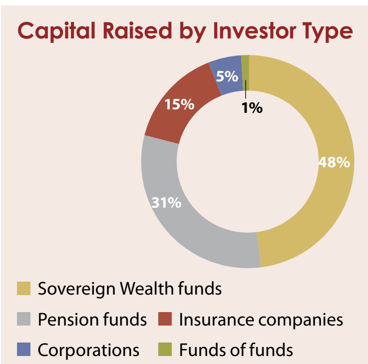
YEAR FOUNDED	1985
CAPITAL RAISED [$M] *	11,960.4
WEBSITE	www.blackstone.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 449,600
TELEPHONE	+1 212 583 5000
FUND STRATEGY	Opportunity, Value-add, Core, Core plus, Debt/mezzanine
SECTOR FOCUS	Diversified, Healthcare, Hospitality, Industrial, Multi Family / Residential, Office, Other, Retail, Student Housing
APAC OFFICE LOCATIONS	Hong Kong, Tokyo, Singapore, Mumbai, Shanghai, Beijing, Sydney
GLOBAL HQ	New York, United States

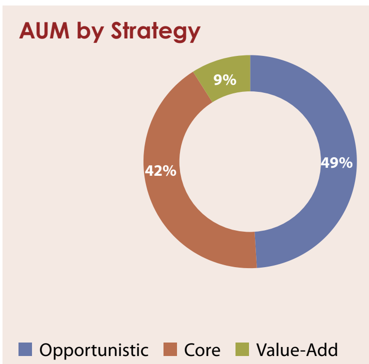
Blackstone

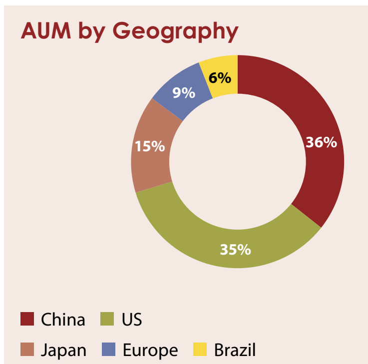
2 GLP

YEAR FOUNDED	2010
CAPITAL RAISED [$M] *	8,430.36
WEBSITE	www.glprop.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 50,000
TELEPHONE	+65 6643 6388
FUND STRATEGY	Opportunity, Value-add, Core
SECTOR FOCUS	Industrial
APAC OFFICE LOCATIONS	Singapore, Tokyo, Shanghai
GLOBAL HQ	Singapore

GLP is a leading global fund manager, with over US$50 billion in assets under management across its real estate and private equity segments. The Company's real estate fund platform is one of the largest in the world and provides a range of investment opportunities globally, from opportunistic to core. □







GLP

Gaw Capital Partners

YEAR FOUNDED	2005
CAPITAL RAISED [$M] *	5,135
WEBSITE	www.gawcapital.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 17,300
TELEPHONE	+852 2583 7700
FUND STRATEGY	Opportunity, Value added
SECTOR FOCUS	Diversified, Office, Co-working, Co-living, Retail, Industrial, Residential, Hospitality, Logistics
APAC OFFICE LOCATIONS	Hong Kong, Shanghai, Seoul, Tokyo
GLOBAL HQ	Hong Kong, S.A.R.

Gaw Capital Partners is a uniquely positioned private equity fund management company that focusing on real estate markets in greater China and other high barrier-to-entry markets globally.

Specializing in adding strategic value to under-utilized real estate through redesign and repositioning, Gaw Capital runs an integrated business model with own in-house asset management operating platforms in retail, hospitality, property development and logistics. The firm's investments span the entire spectrum of real estate sectors, including residential development, offices, retail malls, hospitality and logistics warehouses.

Gaw Capital has raised five commingled funds targeting the Greater China and APAC regions since 2005. The firm also manages value-add/opportunistic funds in Vietnam and the US, a Pan-Asia hospitality fund, a European Hospitality Fund, a UK creative office vehicle, and also provides services for separate account direct investments globally.

Gaw Capital has raised equity of USD$ 10 billion since 2005 and commands assets of USD$ 17.3 billion under management as of Q1 2018. □

Managing Principals of Gaw Capital Partners: *(from left)* Kenneth Gaw, Humbert Pang, Christina Gaw, Goodwin Gaw

** see methodology on p39*

4 ESR

GEOGRAPHIC FOCUS

China, Japan, South Korea

YEAR FOUNDED

2016‡

CAPITAL RAISED [$M] *

3,935.69

WEBSITE

www.esr.com

AUM (M) [AS OF 1ST JUNE 2018]

USD 10,807

TELEPHONE

+852 2376 9600

FUND STRATEGY

Value-add, Core

SECTOR FOCUS

Industrial

APAC OFFICE LOCATIONS

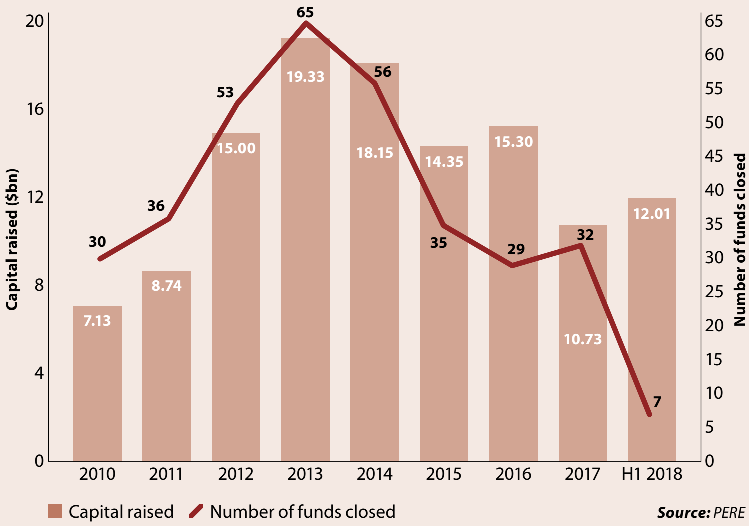
Hong Kong, Singapore, Shanghai, Tokyo, Osaka, Seoul, Mumbai, Sydney, Guangzhou and Beijing

GLOBAL HQ

Hong Kong

Dataroom
Year-on-Year fundraising

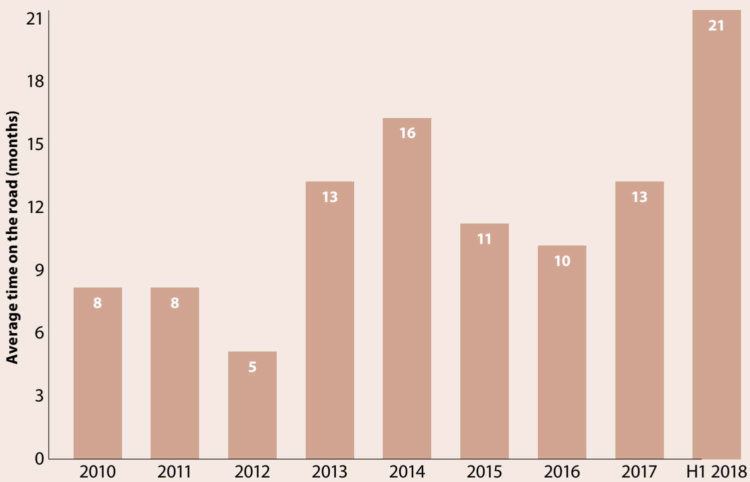
The last bumper fundraising year for closed-ended private real estate vehicles with a sole focus on Asia-Pacific was back in 2013 when $19.3 billion was raised. There was a slight uptick again in 2016 from the total raised in 2015 (from $14.4 billion to $15.3 billion), but the level tailed off significantly again in 2017 when only $10.7 billion was raised. However, 2018 has got off to a more positive start with the capital raise at H1 already greater - at $12 billion - than for the whole of 2017. That capital has been raised from a relatively small number of funds - just 7



Source: *PERE*

Dataroom
Time on the road

In H1 2018, managers of Asia-Pacific-focused private real estate funds are taking an average 21 months to raise their vehicles from launch to final close - the longest of any year since 2010 and already almost double the length of time taken in the whole of 2017 when the average was 13 months



Source: *PERE*

‡ (Merger Redwood 2006 / e-Shang 2011)

ESR

PAG

5

YEAR FOUNDED	CAPITAL RAISED [$M] *
2002	3,355
WEBSITE	**AUM (M) [AS OF 1ST JUNE 2018]**
www.pagasia.com	USD 20,000
TELEPHONE	**FUND STRATEGY**
+852 2918 0088	Opportunity, Value-add, Core, Core plus

SECTOR FOCUS

Diversified, Real Estate Debt and Corporate Real Estate, Securities

APAC OFFICE LOCATIONS

Tokyo, Hong Kong, Shanghai, Beijing, Sydney, Singapore, Seoul

GLOBAL HQ

Hong Kong, S.A.R.

GEOGRAPHIC FOCUS

Australia, China, Japan, Singapore, South Korea

PAG Real Estate is one of Asia's largest and most experienced real estate investment platforms, with a track record that spans multiple market cycles since its inception in 1997 as Secured Capital.

In total, the firm has invested more than US$27 billion in the region across the debt and equity spectrum, covering more than 6,800 properties.

PAG Real Estate focuses on Opportunistic, Value Add/Core Plus, and Core real estate investments in several Asia-Pacific markets. The 140+ members of its team have proven expertise across multiple investment strategies, ranging from NPLs and real estate-backed debt to direct real estate investment. The firm also has a unique, dedicated in-house asset management team, allowing it to maximize the investment potential of its properties and portfolios.

PAG, a leading Asia-focused alternative investment firm, manages funds across real estate, private equity, private debt and absolute return strategies. Based in Hong Kong, PAG delivers value to its investors and investment partners by providing a world-class platform and an unparalleled network of local, experienced professionals in 10 offices across Asia and around the world. □

Funds Overview

Funds	Vintage	Committed Capital †	Strategy
PAG Real Estate Partners II (PREP II)	n/a	US$1,000m‡	Value Add/Core Plus
SCREP VI	2017	US$1,900m	Opportunity
PAG Real Estate Partners I (PREP I)	2016	US$1,300m	Value Add/Core Plus
Secured Capital Real Estate Partners V (SCREP V)	2013	US$1,455m	Opportunity

† This figure differs from the ranking total as it includes core plus capital. ‡ First close

Key Personnel

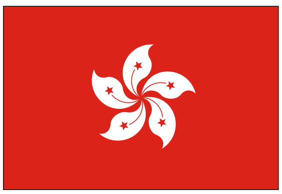
Niklas Schelander Group Head of Investor Relations	**Telephone** +852 3719 6382 **Email** nschelander@pag.com
Jon-Paul Toppino Group President	**Telephone** +65 6603 5135 Email jptoppino@pag.com
Phi Le Partner	**Telephone** +81 3 5776 1590 **Email** ple@pag.com
Broderick Storie Partner	**Telephone** +852 3719 3335 **Email** bstorie@pag.com

PAG

** see methodology on p39*

Spotlight on Hong Kong

It is not easy to source deals in Hong Kong's expensive and competitive property market, but private equity players are finding value in one of Asia's busiest cities, writes Mark Cooper



Local developers, REITs, Chinese players and private buyers dominate the Hong Kong property investment market, but a small group of local and international private equity players have built up a successful track record and remain active in the city.

Home-grown real estate private equity firms include Gaw Capital Partners, PAG Asia, CLSA Capital Partners' Fudo Capital, Pamfleet and Phoenix Property Investors, all of which have invested in their home city as well as the wider region. International firms that have invested in Hong Kong include AEW Capital Management, Infrared Capital Partners, Baring Private Equity Asia, Blackstone Group, BlackRock, Morgan Stanley and Angelo Gordon.

Managers tend not to raise funds solely for Hong Kong, but the city is almost always included in Greater China and Asia-Pacific mandates.

Strong domestic competition

Rising asset prices and competition from local investors in particular have made life difficult for private equity investors. A fund manager's concerns about a fund's internal rate of returns can be brushed aside by the local player investing long-term capital. For example, the largest single asset deal in real estate history took place last November, when a consortium of local private investors bought office tower The Center from CK Asset Holding for HK$40.2 billion ($5.5 billion; €4.4 billion). A Chinese company was originally slated to take a 55 percent stake but after it dropped out, two of the six Hong Kong private investors stepped in. Few private equity funds could move huge quantities of capital so swiftly and decisively.

This means private equity companies have been operating in niche sectors and districts and seeking out unloved or undermanaged assets.

Neighborhood retail a big deal

The biggest private equity deal of the past 12 months was the

Gaw Capital-led acquisition of a HK$23 billion ($2.9 billion) portfolio of neighborhood shopping centers from Link REIT, the largest real estate investment trust in Asia-Pacific. The deal, which also involved Goldman Sachs' private equity group and China's Great Wall Asset Management, gave the Gaw-led consortium ownership of 2.2 million square feet of retail space in 17 malls. The deal was priced off a tight yield of 2.9 percent and Gaw will look to improve portfolio income.

Other private equity firms, including KKR and Blackstone Group, are understood to have looked at the portfolio, a rare opportunity to acquire a diverse group of malls with asset management potential. The neighborhood retail segment is not exactly niche, but as the malls are all located on public housing estates, the new owners will have to play a careful public relations game; Link REIT has received flak for removing smaller retailers from its malls in the past. Gaw Capital chairman Goodwin Gaw said earlier this year that the consortium would take a long-term view of the portfolio.

In January this year, Chelsfield made the first acquisition for its Asia value-add fund, also targeting the neighborhood retail sector in Hong Kong. The UK firm bought Provident Square, a 210,000 square feet neighborhood shopping mall on Hong Kong island in a joint venture with Pamfleet and two local partners for $257 million. Chelsfield plans asset improvement and re-leasing work.

Weakest links

High street luxury retail has been Hong Kong's weakest sector for the past three years, with sharp falls in rent and asset values. JLL's rental and capital value index for the sector fell more than 40 percent between the fourth quarter of 2013 and the first quarter of 2018. However, rental falls have been slowing and Chelsfield took the opportunity to buy four units on Queen's Road Central, in the heart of the city's business and shopping district, from Hermes for HK$670 million. It is understood the French luxury brand had previously attempted to sell the units in 2016 for more than twice the price Chelsfield paid. JLL predicts rents and values will at least flatten out this year, so more investors may try to buy for the recovery.

Hong Kong is the most expensive office market in the world, according to CBRE, with overall prime occupancy costs of $307 per square feet, well ahead of London's West End, in second place on $253 per square feet. High and rising prices plus huge lot sizes mean private equity buyers are pushed to outlying areas. For example, PAG Asia bought a 50 percent stake in an office building in Cheung Sha Wan, North-West Kowloon, which is expected to develop as an office area due to falling vacancy in the main East Kowloon office district and record prices on Hong Kong Island.

Think niche

Niche sectors favored by private equity firms include self-storage – Infrared invested $50 million in Red Box self-storage in May – and co-living. Both Gaw and Pamfleet have both invested in co-living projects in Hong Kong.

JLL predicts that values and rents in the office and industrial sectors will rise this year, as will residential prices, with retail rents and values being flat at worst, suggesting no easy opportunities going forward. Private equity investors are therefore more likely to be active in niche districts and sectors. □

9	**$3.07bn**
Number of Hong Kong-based funds in market	Capital targeted by Hong Kong-based funds in market

6 Keppel Capital (through Alpha Investment Partners)

GEOGRAPHIC FOCUS

Australia, China, Hong Kong, Indonesia, Japan, Philippines, Singapore, South Korea, Taiwan, Vietnam

YEAR FOUNDED	2004
CAPITAL RAISED [$M] *	3,300
WEBSITE	www.kepcapital.com
AUM (M) [AS OF 1ST JUNE 2018]	SGD 13,500
TELEPHONE	+65 6803 1818
FUND STRATEGY	Opportunity, Value-add, Core, Core plus
SECTOR FOCUS	Diversified, Hospitality, Industrial, Multi Family / Residential, Office, Other, Retail, Student Housing, Data Centres
APAC OFFICE LOCATIONS	Singapore, Seoul, Shanghai, Taipei, Tokyo, Sydney
GLOBAL HQ	Singapore

Keppel Capital

Data Room

Asia Pacific-Focused Fundraising in Numbers, January 2010 - 1 July 2018

343
Asia Pacific-focused funds closed

$120.74bn
Raised for Asia Pacific-focused funds

Funds managers that have closed Asia Pacific-focused funds
142

27% of Asia Pacific-focused funds were managed by US-based firms

down from 2016 when PERE last published the APAC report

43% *2016*

Source: *PERE*

Data Room

Institutional investors with an appetite for Asia Pacific-focused private real estate funds

1,129
Institutional investors globally

▼ **69** *from 2016*

8.9%
The average allocation towards private real estate

down from 2016
10.8% *2016*

392
private and public pension funds globally

▼ **30** *from 2016*

267
Asia Pacific-based investors with an appetite for the region

▼ **68** *from 2016*

Source: *PERE*

Fortress

YEAR FOUNDED	CAPITAL RAISED [$M] *
1998	3,076.65

WEBSITE	AUM (M) [AS OF 1ST JUNE 2018]
www.fortress.com	USD 36,300

TELEPHONE	FUND STRATEGY
+81 3 6438 4400	Opportunistic

SECTOR FOCUS

Diversified

APAC OFFICE LOCATIONS

Tokyo, Hong Kong, Shanghai, Sydney

GLOBAL HQ

New York, United States

FORTRESS

Fortress Investment Group LLC is a leading global investment management firm. In addition to global real estate investments , Fortress offers a range of alternative investment strategies for institutional and private investors around the world.

Fortress's Credit and Real Estate business was launched in 2002. Today, the Fortress Credit and Real Estate team consists of approximately 465 professionals and is focused on investing globally, primarily in undervalued assets and distressed and illiquid credit investments. With approximately 105 professionals dedicated to asset management across 14 geographic locations, the Fortress Credit and Real Estate team also has the experience and expertise to manage and service assets with operational complexity.

The Fortress Global Real Estate Team is led by Tom Pulley and is comprised of 100+ professionals. The team focuses on distressed opportunistic investing. Since 2009, the Fortress Global Real Estate business raised total commitments of $8.9 billion across twelve U.S. European, and Japanese real estate funds. The Fortress Real Estate Funds have in aggregate closed on 145 investments, representing 195 transactions , deploying total equity of $4.6 billion (as of June 30, 2018).

The real estate investment portfolios are built upon a credit oriented approach which combs for distressed or complex situations to find value "on the buy". Our portfolios use modest leverage and emphasize sustainable cash flows which provide a current yield and natural buoyancy. Intensive asset management focuses on gritty details and execution seeking to maximize the investment multiple of every portfolio asset. □

Funds	Vintage	Total Size	Geography	Strategy
Fortress Japan Opportunity Domestic Fund	2009	¥75bn	Japan	Opportunistic
Fortress Real Estate Opportunities Fund	2011	$515m	U.S./Europe	Opportunistic
Fortress Japan Opportunity Fund II (Dollar)	2011	$737m	Japan	Opportunistic
Fortress Japan Opportunity Fund II (Yen)	2011	¥73bn	Japan	Opportunistic
Fortress Real Estate Opportunities Fund II	2014	$1.0bn	U.S./Europe	Opportunistic
Fortress Japan Opportunity Fund III (Dollar)	2014	$487m	Japan	Opportunistic
Fortress Japan Opportunity Fund III (Yen)	2014	¥78bn	Japan	Opportunistic
Fortress Japan Opportunity Fund IV (Dollar)	2018	$875m	Japan	Opportunistic
Fortress Japan Opportunity Fund IV (Yen)	2018	¥65bn	Japan	Opportunistic
FJOF3 Residential Co-investment Fund (Dollar)	2017	$348m	Japan	Opportunistic
FJOF3 Residential Co-investment Fund (Yen)	2017	¥15bn	Japan	Opportunistic
Total		**$7.2 billion‡**		

‡ *Yen-based funds are converted to dollars according to the methodology out lined in each respective fund 's confidential private placement memorandum.The above schedule only includes funds that have completed their fund raising.* ***Note:*** *The above summary does not constitute an offer to sell or a solicitation of an offer to buy any security, and may not be relied upon in connection with the purchase or sale of any security*

* see methodology on p39

8 Tishman Speyer

YEAR FOUNDED	1978
CAPITAL RAISED [$M] *	2,674.68
WEBSITE	www.tishmanspeyer.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 49,300
TELEPHONE	+1 212 715 0300
FUND STRATEGY	Opportunity
SECTOR FOCUS	Office, Multi Family / Residential, Diversified
APAC OFFICE LOCATIONS	Hyderabad, Bangalore, Gurgaon, Mumbai, Shanghai, Beijing, Chengdu
GLOBAL HQ	New York, United States

9 LaSalle Investment Management

YEAR FOUNDED	1978
CAPITAL RAISED [$M] *	2,141
WEBSITE	www.lasalle.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 59,026
TELEPHONE	+1 312 897 4000
FUND STRATEGY	Opportunity
SECTOR FOCUS	Office, Diversified, Multi Family / Residential, Industrial, Hospitality, Retail
APAC OFFICE LOCATIONS	Singapore, Sydney, Hong Kong, Tokyo, Shanghai, Seoul
GLOBAL HQ	Chicago, United States

LaSalle Investment Management, Inc. (together with its global investment advisory affiliates, "LaSalle") is one of the world's leading real estate investment managers. LaSalle on a global basis manages approximately $60 billion as of Q1 2018 of private and public equity and private debt investments. LaSalle's diverse client base includes public and private pension funds, insurance companies, governments, corporations, endowments and private individuals from across the globe. LaSalle sponsors a complete range of investment vehicles including separate accounts, open- and closed-end funds, public securities and entity-level investments. LaSalle Investment Management, Inc. is a wholly-owned, operationally independent subsidiary of Jones Lang LaSalle Incorporated (NYSE: JLL), one of the world's largest real estate companies. □

10

Prologis

YEAR FOUNDED
1983

CAPITAL RAISED [$M] *
2,058

WEBSITE
www.prologis.com

AUM (M) [AS OF 1ST JUNE 2018]
USD 81,000

TELEPHONE
+1 415 394 9000

FUND STRATEGY
Core, Development

SECTOR FOCUS
Industrial

APAC OFFICE LOCATIONS
Shanghai, Chengdu, Shenzhen, Beijing, Tokyo, Osaka, Singapore

GLOBAL HQ
San Francisco, United States

Prologis

11

Mapletree Investments

YEAR FOUNDED
2000

CAPITAL RAISED [$M] *
1,876.49

WEBSITE
www.mapletree.com.sg

AUM (M) [AS OF 1ST JUNE 2018]
SGD 39,500

TELEPHONE
+65 6377 6111

FUND STRATEGY
Opportunity, Value-add, Core plus

SECTOR FOCUS
Retail, Industrial, Office, Multi Family / Residential, Diversified, Student Housing

APAC OFFICE LOCATIONS
Singapore, Shanghai, Hong Kong, Kuala Lumpur, Tokyo, Bangalore, Seoul, Beijing, Guangzhou, Foshan, Sydney, Hanoi, Ho Chi Minh City, Thu Dau Mot City

GLOBAL HQ
Singapore

Mapletree Investments

12

BPEA Real Estate

YEAR FOUNDED
1997

CAPITAL RAISED [$M] *
1,525

WEBSITE
www.bpeasia.com

AUM (M) [AS OF 1ST JUNE 2018]
USD 11,000

TELEPHONE
+852 2843 9300

FUND STRATEGY
Opportunity, Value-add, Debt/mezzanine

SECTOR FOCUS
Diversified

APAC OFFICE LOCATIONS
Beijing, Hong Kong, Shanghai, Singapore, Tokyo, Delhi, Jakarta

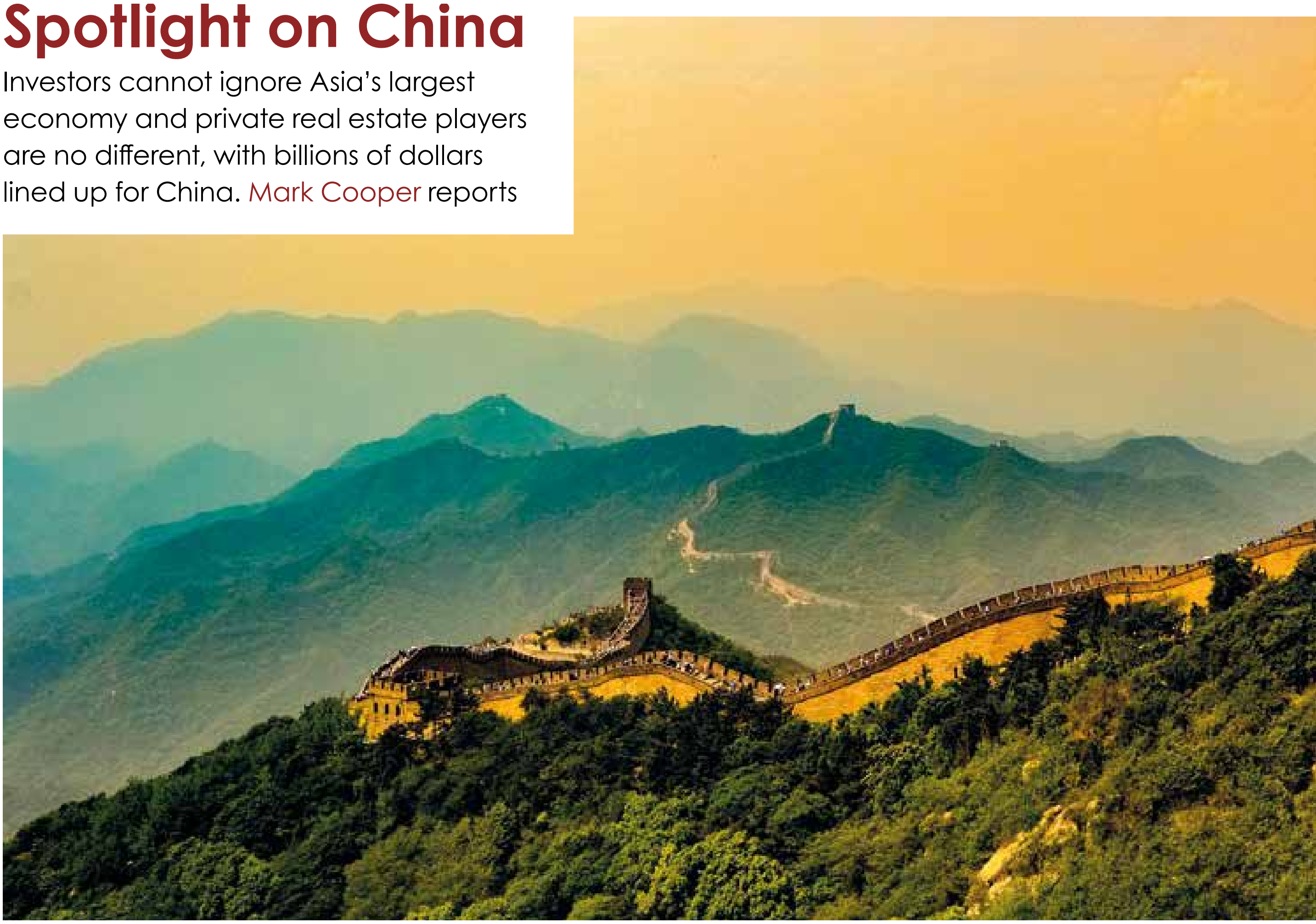
GLOBAL HQ
Hong Kong, S.A.R.

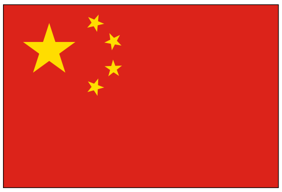
Baring Private Equity Asia

* see methodology on p39

Spotlight on China

Investors cannot ignore Asia's largest economy and private real estate players are no different, with billions of dollars lined up for China. Mark Cooper reports





PERE research shows China-focused private real estate funds raised $26.34 billion of equity since the beginning of 2013. Further, China is a major target for Asia-Pacific private real estate funds. A number of large funds have reached a final close this year and most are aiming to invest significantly in China.

Blackstone Group's $7.1 billion Blackstone Real Estate Partners Asia II, AEW's $1.12 billion AEW Value Investors Asia III and Baring Private Equity Asia's $1 billion BPEA Real Estate Fund II are all expected to invest significantly in China.

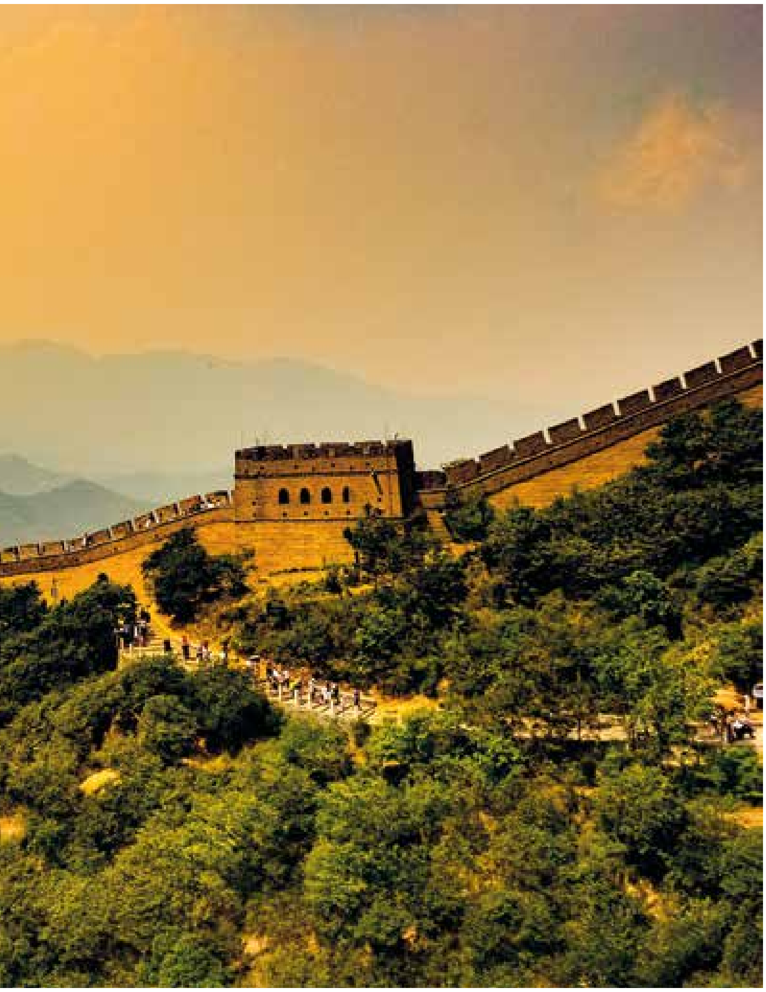
As in many developing markets, the number of foreign private equity players involved is relatively small but new entrants continue. For example, BPEA made its first China investment relatively recently, but the nation is expected to be a major focus for Fund II.

A ripe rental market

A major focus for private equity investors has been rental housing, a sector that has seen significant fundraising from both domestic and international firms. They have been lured by the as-yet underdeveloped market, which has been granted a coveted seal of approval from the highest levels of Chinese government, including President Xi Jinping.

Rising prices have made buying a home difficult for Chinese citizens, particularly young professionals, and Beijing wants to see the development of a private rental sector with long-term ownership and professional management of assets. Of particular interest to private equity investors has been the co-living sector, which provides small apartments with shared facilities such as kitchens, gyms and rooftops.

Earlier this year, Gaw Capital Partners and Chinese co-living group Harbour Apartments set up a $1 billion vehicle which will acquire existing properties to convert into co-living apartment blocks. In May, GIC Private and Warburg Pincus-backed platform Nova joined forces to launch a 4.34



billion yuan ($630 million; €540 million) rental housing business. Warburg Pincus is already a backer of co-living operator Mofang. Meanwhile multifamily specialist Greystar is active in China via its joint venture with Macquarie Capital.

China's rental housing sector offers significant scale and less competition from major domestic developers, most of which focus on building to sell and which do not have long-term ownership and management capabilities.

State control remains a concern

Government intervention remains arguably the single most significant factor for investors in China.

For example, while the rental residential sector is being encouraged, attempts to slow price growth in the build-to-sell sector continue. A range of cooling measures, such as increased lending costs and restrictions on second home ownership, are in place and Chinese media is predicting more to follow.

Nonetheless, measures imposed to control real estate-backed borrowing could be a boon for overseas private equity investors, which can step in to buy assets if domestic developers cannot raise finance. Private equity players can also profit from lending to Chinese real estate companies. InfraRed Capital Partners announced in July that it had made an $88 million mezzanine loan on a development in Yangzhou.

However, one particular strand of government intervention is likely to add to competition for private equity investors. After a series of high-profile overseas investment sprees from Chinese investors, the government has cracked down on foreign real estate investments. A more rigorous approval process was introduced in 2017 and this is expected to lead to more capital invested at home.

In the longer term, China is expected to be a major source of capital for private equity real estate groups, as its pensions and insurance businesses continue their rapid growth. In May, Savills Investment Management announced plans to raise a renminbi fund and said there was "an enormous opportunity" to raise renminbi capital to invest locally. US developer Tishman Speyer raised its first renminbi fund in 2012 while domestic managers continue to raise billions of yuan.

Logistics: A favored sector, but vulnerable to trade wars

The logistics sector has been favored by both local and domestic private equity investors in recent years and remains a hot tip for the future. A Colliers International report released in June identified 14 areas of opportunity, of which five were in the logistics sector. The broker picked Shenyang, Chengdu, Beijing and a number of provincial cities as potential investment destinations.

The logistics sector may be vulnerable to external threats, however. China headlines have been dominated in recent months by the growing trade war with the USA. Both nations have imposed swinging tariffs on a number of products. This has not yet affected real estate prices in China, but stock markets have fallen around 20 percent since the US's first move and the RMB has weakened considerably against the dollar, which will advantage foreign capital in the short term.

Henry Chin, head of Asia-Pacific research at CBRE, says the effect of the trade war has been "fairly benign" so far, but argues that if it develops further, the industrial and logistics sector is the most vulnerable. □

9
Number of China-based funds in market

$3.83bn
Capital targeted by China-based funds in market

13 AEW

GEOGRAPHIC FOCUS

Brunei Darussalam, China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam

YEAR FOUNDED	1981
CAPITAL RAISED [$M] *	1,512.4
WEBSITE	www.aew.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 68,100
TELEPHONE	+1 617 261 9000
FUND STRATEGY	Value Added
SECTOR FOCUS	Office, Retail, Multi Family / Residential, Industrial, Diversified
APAC OFFICE LOCATIONS	Hong Kong, Singapore,
GLOBAL HQ	Boston, United States

AEW

Data Room
Asia Pacific-focused funds in market, as at H1 2018

80 Funds in market targeting the APAC region

4 APAC-based funds targeting $1bn plus

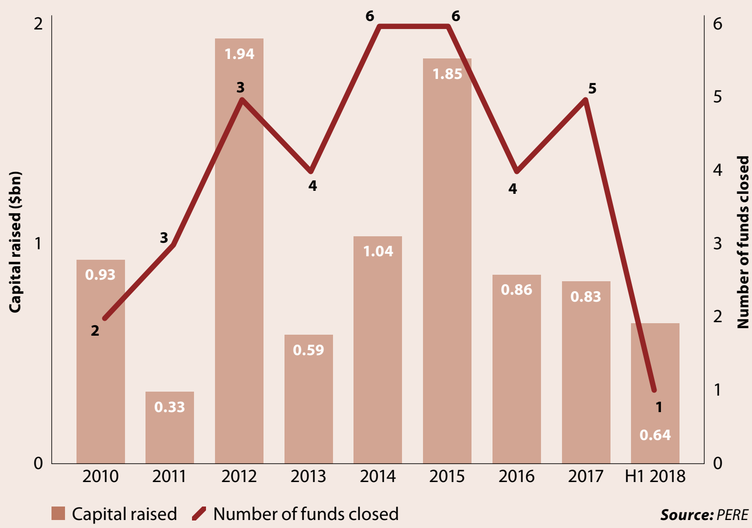
65 Fund managers currently raising capital

8 APAC-focused funds targeting $1bn plus

Source: *PERE*

Dataroom Asia Pacific-Focused Debt Fundraising in numbers, January 2010 - H1 2018

There has been much focus in 2018 around the growing popularity of private real estate debt globally, but this trend is not playing out in Asia-Pacific thus far. Fundraising for private real estate debt reached a peak in 2012 when five funds collectively raised just under $2 billion. The next best performing year for debt was 2015 when six funds raised $1.85 billion. That performace was not replicated in 2016 or 2017, and in H1 2018 only one private real esate debt fund closed raising $0.64 billion



Source: *PERE*

SC Capital Partners

YEAR FOUNDED	CAPITAL RAISED [$M] *
2004	1,288
WEBSITE	**AUM (M) [AS OF 1ST JUNE 2018]**
www.sccpasia.com	USD 1,367
TELEPHONE	**FUND STRATEGY**
+65 6887 5800	Opportunity, Value-add, Core, Core plus

SECTOR FOCUS

Diversified

APAC OFFICE LOCATIONS

Bangkok, Hong Kong, Shanghai, Tokyo

GLOBAL HQ

2 Nassim Road, Singapore 258370

GEOGRAPHIC FOCUS

Australia, China, Hong Kong, Indonesia, Japan, New Zealand, Singapore, South Korea, Thailand, Vietnam

SC Capital Partners (SCCP) and its affiliates are managers of the Real Estate Capital Asia Partners (RECAP) series of five opportunistic real estate funds as well as an open-ended core to core plus fund (SCORE+). The firm has a 14-year track record across Asia-Pacific and has raised approximately $2.7 billion in equity commitments from a diverse pool of institutional investors. With 43 people across its five locations of Singapore, Hong Kong, Bangkok, Tokyo, and Shanghai, SC Capital Partners' competitive advantage stems from being firmly embedded in local knowledge, cultures and jurisdictions, giving us the resources and networks necessary to execute successfully in the region. The flagship opportunistic fund series, RECAP, focuses on value creation through refurbishing, repositioning and operating real estate assets where market inefficiencies and strong macroeconomic fundamentals yield attractive opportunities. RECAP is sector-agnostic, and invests across Asia, including (but not limited to) Japan, Greater China (mainland China, Hong Kong, Macau and Taiwan), South Korea, Thailand, Singapore, Malaysia, Indonesia, Vietnam, Australia and New Zealand.

SCORE+ is an exclusive open-ended investment vehicle investing in core and core-plus direct property assets in the gateway cities of Asia Pacific. The fund seeks to offer investors stable and resilient income growth and long term capital appreciation, with a target of 10-12% gross returns. The Fund is currently in its investment phase, and will be open for subscriptions when the fund is 95% deployed, anticipated to be not later than 2020.

The firm and its affiliates are led by Chairman and Founder, Mr. Suchad Chiaranussati, alongside Managing Directors Ian Lien, Andrew Heithersay and Freddy Chua. □

Funds	Vintage	Capital Raised	Fund Strategy
RECAP I	2005	$221m	Opportunistic
RECAP II	2008	$190.3m	Opportunistic
RECAP III	2012	$530m	Opportunistic
RECAP IV	2014	$850m	Opportunistic
RECAP V*	2017	$438m	Opportunistic
SC Core Fund	2016	$451.5m	Core to core-plus

** RECAP V is still in the process of being raised. Numbers reflect capital raised as of Jun 30, 2018*

Key Personnel

Suchad Chiaranussati
Founder & Chairman, Singapore

Ian Lien
Managing Director, Singapore

Andrew Heithersay
Managing Director, Singapore

Freddy Chua
Managing Director, Hong Kong

Liwen Ho
Director Investor Relations, Singapore

Telephone +65-8428-6021
Email liwen@recapinvestments.com

* see methodology on p39

15 Piramal Enterprises

Piramal Enterprises

YEAR FOUNDED	1988
CAPITAL RAISED [$M] *	1184.88
WEBSITE	www.piramal.com
AUM (M) [AS OF 1ST JUNE 2018]	INR 67,270
TELEPHONE	+91 22 3095 6666
FUND STRATEGY	Opportunity
SECTOR FOCUS	Multi Family / Residential, Retail, Industrial, Office, Diversified
APAC OFFICE LOCATIONS	Mumbai
GLOBAL HQ	Mumbai, India

16 InfraRed Capital Partners

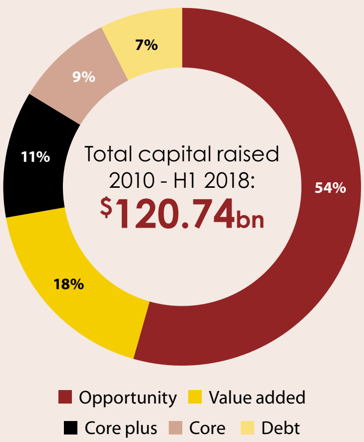
InfraRed Capital Partners

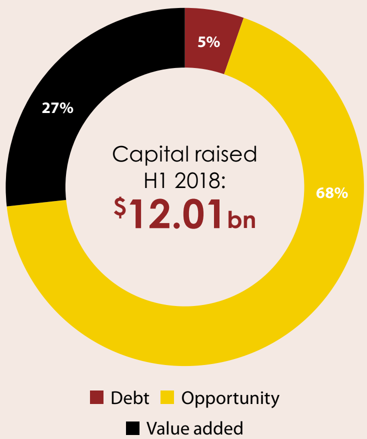
YEAR FOUNDED	1997
CAPITAL RAISED [$M] *	1,130.9
WEBSITE	www.ircp.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 10,000
TELEPHONE	+44 20 7484 1800
FUND STRATEGY	Value-add, Debt/mezzanine
SECTOR FOCUS	Industrial, Office, Multi Family / Residential, Retail
APAC OFFICE LOCATIONS	Seoul, Hong Kong, Sydney
GLOBAL HQ	London, United Kingdom

Dataroom

Funds closed by strategy

A total of seven Asia-Pacific-focused private real estate funds closed in the first half of 2018, amassing $12.01 billion from institutional investors. Of that total raised, 68% is for opportunistic investments, 27% for value-add and 5% for debt. However, so far in 2018, no funds with a core or core plus strategy have closed, although looking historically these strategies combined have made up 20% pf the total capital raised since 2010





GreenOak Real Estate

YEAR FOUNDED	CAPITAL RAISED [$M] *
2010	1,122
WEBSITE	AUM (M) [AS OF 1ST JUNE 2018]
www.greenoakrealestate.com	USD 3,980
TELEPHONE	FUND STRATEGY
+1 212 359 7800	Value Added, Opportunity
SECTOR FOCUS	
Diversified	
APAC OFFICE LOCATIONS	
Tokyo, Seoul, Mumbai	
GLOBAL HQ	
New York, United States	

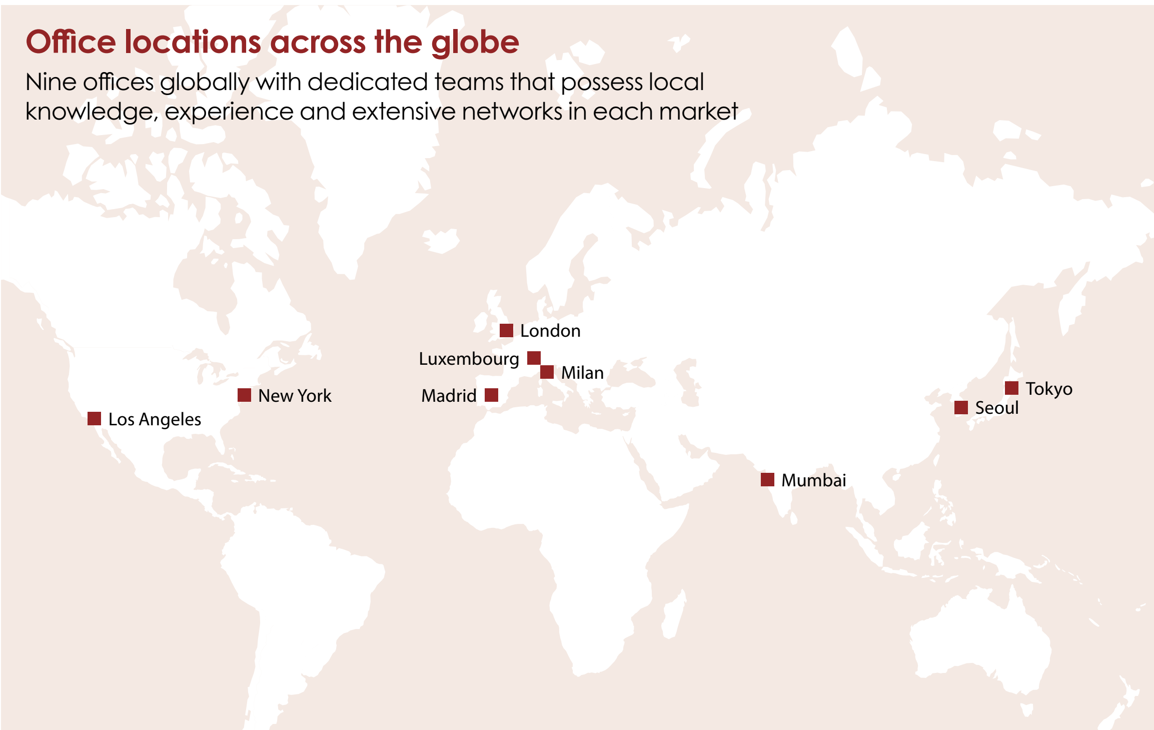
GEOGRAPHIC FOCUS

GreenOak is a leading global investment management firm with approximately $9.4 billion of AUM, across discretionary closed-end funds for both equity and debt strategies in Asia, Europe and the US. Founded in 2010, GreenOak has acquired approximately 200 assets representing 39 million square feet and $13.3 billion of real estate value within its target markets in gateway cities.

The GreenOak Asia platform was launched in 2012 with its first Asia-focused fund, which is now fully monetized, returning a realized gross levered IRR and equity multiple of 45% and 1.9x with corresponding net levered IRR and equity multiple of 33% and 1.7x. GreenOak is focused on investing primarily in undervalued assets sourced through its proprietary relationships throughout Asia. □

Office locations across the globe

Nine offices globally with dedicated teams that possess local knowledge, experience and extensive networks in each market



GreenOak Real Estate

* see methodology on p39

Spotlight on India

The big news in India's private real estate market is the public equity market. A number of players are gearing up for the first round of investment trust flotations. Mark Cooper reports

India introduced REIT legislation in 2014 and has been honing the regime since then. The first REIT IPOs are expected to hit the market in the final quarter of this year and a trust sponsored by Blackstone Group and Indian developer Embassy Group is widely predicted to be the first to launch. Canada's Brookfield is also tipped as a potential REIT sponsor. In June, India's IIFL Holdings said it had registered a REIT with the Securities and Exchange Board.

In the longer term, REITs will offer huge potential as an exit for private equity investors. *PERE* data show that India-focused private equity real estate funds raised $8.27 billion between 2013 and 2017, with more capital allocated from regional and global strategies.

While India-based developers and, to a lesser extent, private equity investors have focused on the residential development space, overseas private equity has focused on commercial real estate, especially the business park sector. Cushman & Wakefield (C&W) research estimates that 67 percent of investment in India's office sector between 2008 and Q1 2018 came from overseas investors. In that time, the top investors in the office sector were Blackstone, Brookfield and The Xander Group. C&W estimates $2 billion was invested in the office sector in 2017 by foreign funds.

Looking ahead, C&W expects more investment in the office sector and new entrants to the market. For example, South Korea's Mirae Asset Global Investments plan to invest $500 million in the office and residential sectors. Meanwhile India's ICICI Prudential Asset Management and Indiabulls Asset Management are both raising office funds.

In the past three to four years, India's retail sector has attracted private equity interest, with Blackstone, APG and other overseas players acquiring assets and forming platforms.

The sector had been plagued by oversupply and there is still a gulf between the performance of good malls, where average vacancy is only around 5-10 percent, JLL research suggests, and secondary malls, where vacancy could be 25-35 percent.

India is in the early stages of developing a modern warehouse market and private equity firms, often sector specialists, are becoming more involved. Canada Pension Plan Investment Board-backed Indospace is raising a $550 million third fund, while Logos India launched an $800 million vehicle for logistics development. India's Milestone Capital Advisors is also seeking to raise an industrial and warehouse fund.

A legislative boost

Both the retail and logistics sectors, and indeed real estate overall, have benefitted from a raft of legislative changes introduced by the Modi government. Earlier this year, the government allowed 100 percent foreign direct investment in single brand retail, which is expected to boost the number of overseas brands in India. A nationwide goods and services tax (GST) has also been introduced. This replaces a range of taxes levied by Indian states, which had made movement of goods across the nation difficult. With this barrier removed, India can now develop a national logistics market, which will in turn boost retail.

The Real Estate (Regulation and Development) Act 2016 was introduced to protect homebuyers and to help boost investments in the real estate industry. It consists of a number of measures designed to improve transparency and professionalism. However, the measures outlined in the act have not yet been fully implemented. For example, of the 25,000 real estate projects now registered as required by the act, 62 percent of these are in a single state.

Affordable housing a national priority

In 2017, India granted 'infrastructure status' to the affordable housing sector, underscoring its importance. India faces an affordable housing shortfall of 18.8 million units, enabling banks to lend more and at cheaper rates. This is expected to lead to more investment in the sector from domestic and overseas private equity. HDFC Holdings is raising a second affordable housing fund and has formed a $1 billion platform with Abu Dhabi Investment Authority to invest in affordable and mid-market housing. However, Indian media reports earlier this year suggested banks were still not lending significant capital to affordable housing projects.

Niche interests

As in other markets around the world, more interest is being shown in niche property sectors such as data centers, senior living and student accommodation. Last year, Goldman Sachs bought a 75 percent stake in Yoho, a student housing platform.

India's currency has been depreciating against the US dollar since 2013 and fell to a record low in mid-August, amid rising oil prices, India's increasing trade deficit and wider concerns about emerging markets in the wake of increased US tariffs on imports. Reports suggest the weaker rupee is encouraging non-resident Indians to invest in property although they and other potential investors may be deterred if the currency continues to slide. □

28
Number of India-based funds in market

$6.72bn
Capital targeted by India-based funds in market

18 Angelo Gordon

YEAR FOUNDED	1988
CAPITAL RAISED [$M] *	1,013
WEBSITE	www.angelogordon.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 28,000
TELEPHONE	+1 212 692 2000
FUND STRATEGY	Opportunity
SECTOR FOCUS	Diversified, Industrial, Retail, Multi Family / Residential
APAC OFFICE LOCATIONS	Tokyo, Seoul, Hong Kong
GLOBAL HQ	New York, United States

Angelo Gordon is a privately-held alternative investment firm, founded in 1988, managing approximately $30 billion across real estate and credit strategies. The firm has more than 170 investment professionals in offices across the U.S., Europe and Asia.

Angelo Gordon has acquired $6 billion of properties in Asia since 2005, and a total of $27 billion globally since 1993. Its Asian real estate strategy focuses on value-add and development opportunities in Japan, South Korea, Hong Kong, China and Singapore.

The firm is one of the most active U.S.-based investors in the region, with teams in Tokyo, Seoul and Hong Kong, all native to their markets. □

19 CLSA Capital Partners

YEAR FOUNDED	1995
CAPITAL RAISED [$M] *	1,000
WEBSITE	www.clsacapital.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 4,100
TELEPHONE	+852 2600 8888
FUND STRATEGY	Value Added
SECTOR FOCUS	Diversified, Industrial, Multi Family / Residential, Office, Other, Retail
APAC OFFICE LOCATIONS	Beijing,Hong Kong,Shanghai, Tokyo, Singapore, Mumbai, Shanghai, Seoul, Sydney
GLOBAL HQ	Hong Kong, S.A.R.

20 CBRE Global Investors

YEAR FOUNDED	1972
CAPITAL RAISED [$M] *	1,000
WEBSITE	www.cbreglobalinvestors.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 101,700
TELEPHONE	+65 6593 3480
FUND STRATEGY	Opportunity, Value-add, Core, Core plus
SECTOR FOCUS	Diversified, Industrial, Multi Family / Residential, Retail
APAC OFFICE LOCATIONS	Hong Kong, Melbourne, Seoul, Shanghai, Singapore, Sydney, Tokyo
GLOBAL HQ	Los Angeles, United States

CBRE Global Investors

21 CITIC Capital

YEAR FOUNDED	2002
CAPITAL RAISED [$M] *	935.08
WEBSITE	www.citiccapital.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 2,200
TELEPHONE	+852 3710 6888
FUND STRATEGY	Opportunity, Value Added
SECTOR FOCUS	Office, Retail, Industrial, Diversified
APAC OFFICE LOCATIONS	Hong Kong, Shanghai, Beijing, Tokyo, Shenzhen
GLOBAL HQ	Hong Kong, S.A.R.

CITIC Capital

22 Phoenix Property Investors

YEAR FOUNDED	2002
CAPITAL RAISED [$M] *	911.7
WEBSITE	www.ppinvestors.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 7,600
TELEPHONE	+852 2589 3600
FUND STRATEGY	Opportunity
SECTOR FOCUS	Retail, Office, Multi Family / Residential, Diversified, Other
APAC OFFICE LOCATIONS	Hong Kong, Tokyo, Singapore, Taipei, Seoul, Shanghai, Sydney
GLOBAL HQ	Hong Kong, S.A.R.

Phoenix Property Investors

* *see methodology on p39*

23 IDERA Capital Management

IDERA Capital Management

YEAR FOUNDED	2001
CAPITAL RAISED [$M] *	860.15
WEBSITE	www.idera-capital.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 318.56
TELEPHONE	+81 3 6778 5900
FUND STRATEGY	Opportunity, Value Added
SECTOR FOCUS	Multi Family / Residential
APAC OFFICE LOCATIONS	Tokyo
GLOBAL HQ	Tokyo, Japan

24 Realterm

Realterm

YEAR FOUNDED	1990
CAPITAL RAISED [$M] *	844
WEBSITE	www.realterm.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 2,600
TELEPHONE	+1 410 280 1100
FUND STRATEGY	Opportunity
SECTOR FOCUS	Industrial
APAC OFFICE LOCATIONS	Mumbai
GLOBAL HQ	Annapolis, United States

25 The Carlyle Group

The Carlyle Group

YEAR FOUNDED	1987
CAPITAL RAISED [$M] *	786
WEBSITE	www.carlyle.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 201,500
TELEPHONE	+1 202 729 5626
FUND STRATEGY	Value Added
SECTOR FOCUS	Retail, Office, Multi Family / Residential, Diversified
APAC OFFICE LOCATIONS	Singapore, Sydney, Tokyo, Seoul, Mumbai, Beijing, Hong Kong
GLOBAL HQ	Washington DC, United States

Kotak Realty Fund

26

Kotak Realty Fund

YEAR FOUNDED	2005
CAPITAL RAISED [$M] *	775
WEBSITE	realtyfund.kotak.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 1,470
TELEPHONE	+91 22 4336 0701
FUND STRATEGY	Opportunity
SECTOR FOCUS	Retail, Industrial, Office, Hospitality, Multi Family / Residential, Other, Diversified
APAC OFFICE LOCATIONS	Mumbai
GLOBAL HQ	Mumbai, India

LimeTree Capital

27

LimeTree Capital

YEAR FOUNDED	2006
CAPITAL RAISED [$M] *	685
WEBSITE	www.limetreecapital.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 1,038
TELEPHONE	+852 2117 8590
FUND STRATEGY	Opportunity, Value Added
SECTOR FOCUS	Hospitality, Diversified, Value-added
APAC OFFICE LOCATIONS	Hong Kong, Shanghai, Bangkok
GLOBAL HQ	Hong Kong, S.A.R.

PGIM Real Estate

28

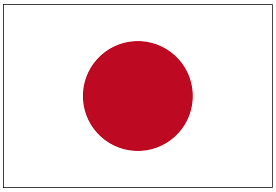
Firm name

YEAR FOUNDED	1970
CAPITAL RAISED [$M] *	639.46
WEBSITE	www.pgimrealestate.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 6,900
TELEPHONE	+1 973 734 1300
FUND STRATEGY	Value Added
SECTOR FOCUS	Office, Retail, Multi Family / Residential, Industrial, Diversified
APAC OFFICE LOCATIONS	Hong Kong, Singapore, Seoul, Sydney
GLOBAL HQ	Madison, United States

* see methodology on p39

Spotlight on Japan

Low borrowing costs, a deep market and a relatively sunny economic outlook mean Japan continues to be a popular destination for real estate investors, writes Mark Cooper



Japan is the largest investable market in the region and Tokyo the largest and one of the most liquid markets. DWS estimates 28 percent of transactions in Tokyo in the first half of 2018 involved foreign investors. Due to the low cost of borrowing, Japan offers one of the best yield spreads of any mature market. The office yield spread was 2.9 percent in Tokyo in the second quarter of 2018, compared to 2.7 percent in London, 1.8 percent in New York City and 1.6 percent in Sydney, according to DWS. With bank finance widely available, cash-on-cash returns are attractive for core investors and less risk-averse buyers are able to borrow up to 85 percent of value with senior debt and mezzanine.

Eyes on Japan

PERE data show a total of $17.55 billion of capital raised for Japan-focused private equity real estate funds. Japan is also a focus for Asia-Pacific funds, particularly core vehicles. The two largest Asia-Pacific core funds, managed by M&G Real Estate and Invesco Real Estate, have both invested heavily in Japan.

The largest deal this year involved a consortium of private equity investors including PAG Asia and Asia Pacific Land selling the Shiba Park Building to local investors for ¥150 billion. Both PAG and APL are long-term players in Japan; PAG raised $1.9 billion for its latest fund, which will be approximately 65 percent invested in Japan, last year.

Fortress Investment Group, now owned by Japan's Softbank, is another long-term private equity investor in Japan and recently closed its latest fund on $1.5 billion. Fortress traditionally focused on distressed debt opportunities but has more recently been acquiring large property portfolios from the Japanese government and corporations.

Offices difficult, but opportunities aplenty elsewhere

Private equity buyers have been active in all sectors, with the exception of Tokyo prime offices, which remain the preserve of the big developers such as Mitsubishi Estate and Mori Building.

The hospitality sector has become popular in recent years, as visitor numbers have grown substantially to 28.7 million in 2017 from 10.4 million in 2013. Nearly 16 million visitors arrived in the first half of 2018, suggesting another record-breaking year ahead. Private equity investors in Japanese hotels include Gaw Capital Partners, GIC Private and LaSalle Investment Management, which bought Hotel Ibis Styles Tokyo Bay in June. In the short term, the Rugby World Cup is expected to bring one million extra visitors next year while visitor numbers are expected to hit 40 million in 2020, Tokyo's Olympic year. In the longer term, tourists are expected to explore more of the nation, which will boost hospitality assets in provincial cities.

Logistics remains a popular sector with both foreign and domestic investors. Sector specialists such as e-Shang Redwood have raised significant capital recently: ESR raised $1.2 billion in May while LaSalle Investment Management raised $350 million in November 2017 for its fourth Japan logistics vehicle. Niche sectors are also attracting more interest: investors are looking at data centers, student accommodation, self storage, senior housing and other healthcare real estate investments.

Untapped capital pool

Perhaps the largest opportunity for private equity firms in the long term will be the export of capital. Japan has some of the world's largest financial institutions but they have invested both cautiously and domestically for the past three decades. However, investors such as the ¥162 trillion ($1.5 trillion; €1.29 billion) Government Pension Investment Fund and Japan Post Bank, with ¥210 trillion of assets under management, are now allocating more to real estate domestically and internationally in order to boost returns. For example, Japan Post plans to spend ¥3 trillion on real estate by 2021, small in the context of its overall portfolio, but enough to make it a significant global property player.

Meanwhile, Japan's Pension Fund Association for Local Government Officials, known locally as Chikyoren, has awarded international real estate mandates to UBS Asset Management and Invesco Real Estate and issued a new round of request for proposals for real estate managers in Japan and overseas markets in June.

So far, the numbers involved are small, but the sheer size of Japan's financial institutions means they will be an increasingly important port of call for capital raisers in the future. □

3

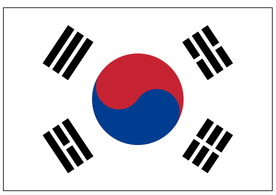
Number of Japan-based funds in market

$900m

Capital targeted by Japan-based funds in market

Spotlight on South Korea

In fundraising terms, South Korea remains a relative minnow in the Asia-Pacific market. So far, in H1 2018, only two funds – AEW Value Investors Asia III and La Salle Asia Opportunity V – include the country as target market. Hans Poulsen reports



The capital Seoul represents more than 70 percent of total real estate transaction volume in South Korea, and the city ranks fourth in Asia-Pacific behind Hong Kong, Tokyo and Shanghai. The acquisition activity of cross-border investors remains active in Seoul, which has an 18 percent share in total volume in South Korea.

$400m

Capital targeted by South Korea-based funds in market

South Korean lenders financed domestic real estate deals to the tune of $178 billion in 2017. The downward trend in interest rate levels has encouraged lenders to loosen credit standards for real estate to make up for weakened profitability. Real estate companies and operators are thus enjoying favorable financing conditions for interest-only loans. This might change, however: the Korean government is now pushing for tighter credit conditions for new real estate lending to cool down the market.

Office: Average gross rent in Seoul's central business district (CBD) has shown stable growth in the last few years, but subdued demand for office space has held vacancy rates – 9.6 percent in Q4 2017 – at elevated levels. Office supply in the CBD is expected to remain modest for the next five years. The vacancy rate in Seoul's second major business hub, Yoido, was 11.2 percent at the end of 2017.

Retail: South Korea's shrinking economy coupled with a drop in tourist numbers between 2016 and mid-2017 negatively impacted average vacancy rates in the high street retail sector, but an improvement in economic conditions at the end of 2017 improved vacancy rates.

Total retail sales grew by 4.4 percent in 2017. Growth was stronger for consumer staple retailers such as convenience stores and hypermarkets, while there has been a marginal decline in department store sales. E-commerce continues to post double-digit growth meaning it takes its place as the top retail category for the first time in South Korea. Driving this are government incentives such as tax benefits and infrastructure development around logistics areas, as well as the introduction of quota requirements to foster a third-party logistics industry.

Logistics: Suburban areas of Seoul are the hubs for South Korea's logistics assets and offer accessibility to major international airports, trade ports and Seoul's CBD. The logistics market has rapidly expanded over the last decade, yet good quality modern logistics assets remain limited.

Only 19 percent of total logistics stock is open to tenant leasing and the average rental growth for modern logistics remains robust at around 2.2 percent over the last five years. The vacancy rate is however forecast to go up in coming years as a record large supply is expected to complete during 2018-19. □

29 Pamfleet

Pamfleet

YEAR FOUNDED	2000
CAPITAL RAISED [$M] *	638.5
WEBSITE	www.pamfleet.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 664
TELEPHONE	+852 2545 5808
FUND STRATEGY	Value Added
SECTOR FOCUS	Retail
APAC OFFICE LOCATIONS	Hong Kong, Singapore, Shanghai
GLOBAL HQ	Hong Kong, S.A.R.

30 Fosun Capital Group

Firm name

YEAR FOUNDED	1992
CAPITAL RAISED [$M] *	598.51
WEBSITE	www.fosuncapital.com
AUM (M) [AS OF 1ST JUNE 2018]	CNY 6,000
TELEPHONE	+86 21 6333 5032
FUND STRATEGY	Opportunity
SECTOR FOCUS	Diversified, Multi Family / Residential, Retail
APAC OFFICE LOCATIONS	Shanghai
GLOBAL HQ	Shanghai, China

31 ARA Asset Management

ARA Asset Management

YEAR FOUNDED	2002
CAPITAL RAISED [$M] *	598.26
WEBSITE	www.ara-asia.com
AUM (M) [AS OF 1ST JUNE 2018]	SGD 35,000
TELEPHONE	+65 6835 9232
FUND STRATEGY	Opportunity, Value Added
SECTOR FOCUS	Multi Family / Residential, Office, Retail, Diversified
APAC OFFICE LOCATIONS	Singapore, Selangor, Seoul, Melbourne, Shanghai, Beijing, Guangzhou, Dalian
GLOBAL HQ	Singapore

32 Apollo Global Management

YEAR FOUNDED
1990

CAPITAL RAISED [$M] *
588

WEBSITE
www.agm.com

AUM (M) [AS OF 1ST JUNE 2018]
USD 247,400

TELEPHONE
+1 212 515 3200

FUND STRATEGY
Opportunity

SECTOR FOCUS
Diversified

APAC OFFICE LOCATIONS
Hong Kong, Singapore, Shanghai, Mumbai, Gurugram

GLOBAL HQ
New York, United States

Apollo Global Management

33 EG Funds Management

YEAR FOUNDED
2000

CAPITAL RAISED [$M] *
586.88

WEBSITE
www.eg.com.au

AUM (M) [AS OF 1ST JUNE 2018]
AUD 2,400

TELEPHONE
+61 2 9220 7000

FUND STRATEGY
Value Added, Opportunity

SECTOR FOCUS
Retail, Diversified, Office, Industrial

APAC OFFICE LOCATIONS
Sydney

GLOBAL HQ
Sydney, Australia

EG Funds Management

34 Orion Partners

YEAR FOUNDED
2000

CAPITAL RAISED [$M] *
583.81

WEBSITE
www.orionpartners.com

AUM (M) [AS OF 1ST JUNE 2018]
USD 681.9

TELEPHONE
+852 2218 2100

FUND STRATEGY
Value Added

SECTOR FOCUS
Retail, Industrial, Office, Healthcare

APAC OFFICE LOCATIONS
Hong Kong, Tokyo, Seoul, Singapore

GLOBAL HQ
Hong Kong, S.A.R.

Orion Partners

* see methodology on p39

35 Hony Capital

Hony Capital

YEAR FOUNDED	CAPITAL RAISED [$M] *
2003	568.5
WEBSITE	**AUM (M) [AS OF 1ST JUNE 2018]**
www.honycapital.com	USD 10,000
TELEPHONE	**FUND STRATEGY**
+86 10 8265 5888	Value Added

SECTOR FOCUS

Diversified, Office

APAC OFFICE LOCATIONS

Beijing, Hong Kong, Shanghai, Shenzhen

GLOBAL HQ

Beijing, China

36 TH Real Estate

TH Real Estate

YEAR FOUNDED	CAPITAL RAISED [$M] *
2014	550
WEBSITE	**AUM (M) [AS OF 1ST JUNE 2018]**
www.threalestate.com	USD 107,000
TELEPHONE	**FUND STRATEGY**
+44 20 3727 8000	Value Added, Opportunity

SECTOR FOCUS

Office, Retail, Multi Family / Residential

APAC OFFICE LOCATIONS

Singapore, Sydney, Shanghai

GLOBAL HQ

London, United Kingdom

37 Altis Property Partners

Altis Property Partners

YEAR FOUNDED	CAPITAL RAISED [$M] *
2008	520.48
WEBSITE	**AUM (M) [AS OF 1ST JUNE 2018]**
www.altisproperty.com.au	USD 2,000
TELEPHONE	**FUND STRATEGY**
+61 2 9233 9566	Value Added

SECTOR FOCUS

Sydney

APAC OFFICE LOCATIONS

Australia, China, Hong Kong

GLOBAL HQ

Sydney, Australia

38

BlackRock Real Estate

BlackRock Real Estate

YEAR FOUNDED
1988

CAPITAL RAISED [$M] *
515

WEBSITE
www.blackrock.com/institutions/en-us/strategies/real-assets/real-estate

AUM (M) [AS OF 1ST JUNE 2018]
USD 21,000

TELEPHONE
+1 212 810 5300

FUND STRATEGY
Opportunity

SECTOR FOCUS
Diversified, Industrial, Multi Family / Residential, Office, Retail

APAC OFFICE LOCATIONS
Hong Kong, Bengaluru, Beijing, Brisbane, Melbourne, Mumbai, Gurgaon, Seoul, Pudong, Singapore, Sydney, Taipei, Tokyo

GLOBAL HQ
New York, United States

39

Qualitas

Qualitas

YEAR FOUNDED
2008

CAPITAL RAISED [$M] *
460.72

WEBSITE
www.qualitas.com.au

AUM (M) [AS OF 1ST JUNE 2018]
AUD 1,995.48

TELEPHONE
+61 3 9612 3900

FUND STRATEGY
Opportunistic, Value-add, Core, Senior Debt, Mezzanine Debt

SECTOR FOCUS
Residential, Multi-Family, Industrial, Commercial, Logistics Retail, Hotel, Senior Living, Student Accommodation

APAC OFFICE LOCATIONS
Australia

GLOBAL HQ
Melbourne, Sydney

Qualitas is the leading Australian real estate fund manager, with AU$2 billion in committed capital and a 10-year track record. The firm has invested in assets valued at over AU$7.5 billion across the capital structure, covering equity, preferred equity, mezzanine debt and senior debt.

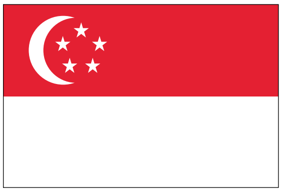
Qualitas manages a number of discretionary fund strategies that target specific sectors including residential, multifamily, commercial, industrial, logistics, retail, hotels, senior living, and student accommodation.

Qualitas acts for a diverse group of investors including Australian and international institutions, family offices and high-net-worth investors, offering investment strategies that span the risk spectrum including senior debt, mezzanine debt, core, value-add and opportunistic. □

* see methodology on p39

Spotlight on South-East Asia

In 2017, three funds targeted the region, collectively raising $2.1bn. In H1 2018, only AEW Value Investors Asia III has so far focused on the area, closing on $1.12bn. Hans Poulsen reports



Singapore

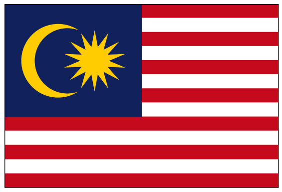
The most mature real estate market in South-East Asia, the city-state took a a hit from the global financial crisis in 2009, but bounced back rapidly and is expected to enjoy 2.9 percent GDP growth in 2018, according to the IMF. The government is pursuing a new economic growth model focusing digital technologies, innovation and improving workers' skills. This should help rebalance the country's open economy, which is vulnerable to external trade war tensions.

Real estate transaction sales totaling $7.27 billion were recorded in Q1 2018, driven by developers' active acquisitions of residential sites, particularly in the mid-tier and high-end of the market.

Office: Prime office rents have increased supported by strengthening economic fundamentals: CBD premium and grade A rents rose 4.8 percent in Q1 2018 compared to 2.7 percent growth in Q4 2017, while average vacancy rates fell 2.3 percentage points to 5.8 percent in the same period. The investment market also continued to pick up in Q1 2018, driven by future income growth expectations. The bulk of demand for CBD office space is coming from the technology and legal services sectors.

Retail: Prime retail rents remained stable across all retail submarkets in Q2 2018. Capital values moved in tandem with the rental trend, keeping yields relatively stable. Improving retail sales and tourist numbers are expected to increase demand for prime retail space, at least in the near term.

Logistics: Demand for warehouse space is being driven mainly by renewals and relocations as some firms see an opportunity to secure better quality premises at attractive rates. Gross rents and capital values for warehouse premises have remained stable now for three straight quarters, following 10 consecutive quarterly declines. A more positive economic outlook as well as a predicted fall in vacancy rates may see this trend reverse by the end of 2018.



Malaysia

Malaysia's general election in May returned former Prime Minister Tun Dr Mahathir Mohammad to office. In the year running up to the election, real estate investment in the country was on an upward trajectory reaching a total transaction volume of M$4.1 billion ($1 billion; €0.85 billion) in Q1 2018. The positive sentiment around the election result is expected to boost investment activity for the remainder of the year.

A supply boom is expected to hit the office sector in the capital Kuala Lumpur by the end of 2018. This will likely lead to a spike in average vacancy rates and an accompanying downward pressure on rentals. Demand for logistics space is growing as Malaysia's economy diversifies from natural resources to manufacturing. Rapid growth of e-commerce is also a contributing factor.

Indonesia

Indonesia reached a milestone in 2017 with an estimated GDP value of $1.004 trillion, the highest since 2014. Monetary conditions remain accommodating, with benchmark interest rates being kept at a relatively low 4.25 percent. Despite a low interest rate environment, the residential transaction market in Jakarta remained relatively modest. The total number of apartments sold in the capital of Kuala Lumpur throughout 2017 was around 6,000 units, down 50 percent from the previous year.

Complex and constraining regulations on asset transactions and ownership continue to hinder Indonesia's economic development and ability to attract foreign capital. The majority of foreign direct investment in the country is through partnerships or joint ventures with local companies. China, Japan, Singapore and South Korea remain the most active investors in Indonesia.

Demand for office space in Jakarta bounced back in 2017 after two relatively challenging years. This momentum has carried over into 2018. Technology firms were responsible for around 30 percent and 15 percent of the space leased in 2017 and early 2018 respectively.

If absorption levels fail to match the record supply coming into the market in 2018, average office market vacancy rates may trend upwards. In the retail space, there is no new supply in the pipeline in Jakarta following several department stores closures in 2017. If this trend continues in 2018 it could fuel some rental growth. □

40 SilkRoad Property Partners

SilkRoad Property Partners

YEAR FOUNDED	2012
CAPITAL RAISED [$M] *	445.5
WEBSITE	www.silkroadpropertypartners.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 445.5
TELEPHONE	+65 6922 5560
FUND STRATEGY	Value Added
SECTOR FOCUS	Retail, Industrial, Office
APAC OFFICE LOCATIONS	Singapore, Hong Kong
GLOBAL HQ	Singapore

41 Everbright Ashmore

Everbright Ashmore

YEAR FOUNDED	1997
CAPITAL RAISED [$M] *	419.36
WEBSITE	www.everbright165.com
AUM (M) [AS OF 1ST JUNE 2018]	CNY 3,620
TELEPHONE	+852 2528 9882
FUND STRATEGY	Opportunity, Value Added
SECTOR FOCUS	Diversified, Multi Family / Residential, Retail
APAC OFFICE LOCATIONS	Shenzhen, Beijing, Hong Kong, Shanghai, Qingdao
GLOBAL HQ	Hong Kong, S.A.R.

42 Pro-Invest Group

Pro-Invest Group

YEAR FOUNDED	2010
CAPITAL RAISED [$M] *	404.11
WEBSITE	www.proinvestgroup.com
AUM (M) [AS OF 1ST JUNE 2018]	AUD 1,500
TELEPHONE	+61 2 9237 6900
FUND STRATEGY	Value Added
SECTOR FOCUS	Hospitality
APAC OFFICE LOCATIONS	Sydney
GLOBAL HQ	Sydney, Australia

ARCH Capital Management

43

YEAR FOUNDED	2006
CAPITAL RAISED [$M] *	355
WEBSITE	www.archcapital.net
AUM (M) [AS OF 1ST JUNE 2018]	USD 963.08
TELEPHONE	+852 2287 4680
FUND STRATEGY	Opportunity
SECTOR FOCUS	Office, Retail, Multi Family / Residential, Industrial, Diversified
APAC OFFICE LOCATIONS	Hong Kong, Shanghai, Bangkok
GLOBAL HQ	Hong Kong, S.A.R.

GEOGRAPHIC FOCUS

China, Hong Kong, India , Philippines, Singapore, Taiwan, Thailand, Vietnam

ARCH Capital Management

HDFC Property Fund

44

YEAR FOUNDED	2005
CAPITAL RAISED [$M] *	321
WEBSITE	www.hdfcpropertyfund.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 1,090
TELEPHONE	+91 22 66316179
FUND STRATEGY	Opportunity
SECTOR FOCUS	Diversified, Industrial, Multi Family / Residential, Office, Retail
APAC OFFICE LOCATIONS	Mumbai
GLOBAL HQ	Mumbai, India

GEOGRAPHIC FOCUS

India

HDFC Property Fund

ASK Property Investment Advisors

45

YEAR FOUNDED	2007
CAPITAL RAISED [$M] *	314.97
WEBSITE	www.askpropertyadvisors.com
AUM (M) [AS OF 1ST JUNE 2018]	INR 38,890
TELEPHONE	+91 22 664 6 0000
FUND STRATEGY	Opportunity
SECTOR FOCUS	Multi Family / Residential, Retail
APAC OFFICE LOCATIONS	Mumbai, Singapore, Chennai, Bengaluru, Pune, Gurgaon
GLOBAL HQ	Mumbai, India

GEOGRAPHIC FOCUS

India

ASK Property Investment Advisors

*see methodology on p39

46 ArthVeda Fund Management

ArthVeda Fund Management

YEAR FOUNDED	2005
CAPITAL RAISED [$M] *	289.61
WEBSITE	www.arthveda.co.in
AUM (M) [AS OF 1ST JUNE 2018]	USD 250
TELEPHONE	+91 22 6774 8500
FUND STRATEGY	Opportunity
SECTOR FOCUS	Multi Family / Residential
APAC OFFICE LOCATIONS	Mumbai
GLOBAL HQ	Mumbai, India

47 Starcrest Capital Partners

Starcrest Capital Partners

YEAR FOUNDED	2010
CAPITAL RAISED [$M] *	276.5
WEBSITE	www.starcrestcap.com
AUM (M) [AS OF 1ST JUNE 2018]	USD 578.50
TELEPHONE	+86 21 6333 3990
FUND STRATEGY	Opportunity
SECTOR FOCUS	Diversified
APAC OFFICE LOCATIONS	Shanghai, Hong Kong
GLOBAL HQ	Shanghai, China

48 Godrej Properties

Godrej Properties

YEAR FOUNDED	1990
CAPITAL RAISED [$M] *	275
WEBSITE	www.godrejproperties.com
AUM (M) [AS OF 1ST JUNE 2018]	INR 61,890
TELEPHONE	+91 22 6169 8500
FUND STRATEGY	Opportunity
SECTOR FOCUS	Multi Family / Residential, Office
APAC OFFICE LOCATIONS	Mumbai
GLOBAL HQ	Mumbai, India

Ascendas-Singbridge

49

YEAR FOUNDED	CAPITAL RAISED [$M] *
2015	239.32

WEBSITE	AUM (M) [AS OF 1ST JUNE 2018]
www.ascendas-singbridge.com	SGD 24,000

TELEPHONE	FUND STRATEGY
+65 6774 1033	Opportunity, Value-add

SECTOR FOCUS

Diversified, Hospitality, Industrial, Office, Other, Retail

APAC OFFICE LOCATIONS

Singapore, Shanghai

GLOBAL HQ

Singapore, Singapore

GEOGRAPHIC FOCUS

Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Vietnam

Ascendas-Singbridge

KaiLong

50

YEAR FOUNDED	CAPITAL RAISED [$M] *
2004	238

WEBSITE	AUM (M) [AS OF 1ST JUNE 2018]
www.kailongrei.com	USD 17,000

TELEPHONE	FUND STRATEGY
+86 21 5012 1668	Value-add

SECTOR FOCUS

Diversified, Industrial, Multi Family / Residential, Office, Other, Retail

APAC OFFICE LOCATIONS

Shanghai, Hong Kong

GLOBAL HQ

Shanghai, China

GEOGRAPHIC FOCUS

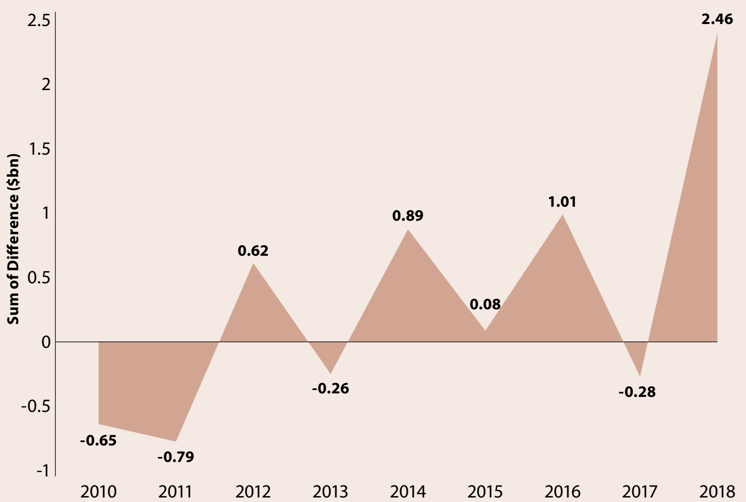
China, Hong Kong

KaiLong

Dataroom

Difference between capital raised and initial targeted

Investor confidence underpins 2018 so far. Private real estate funds which held a final close in the first half of 2018 with an Asia-Pacific focus garnered $2.46 billion more in total than their original targets - the biggest differential in the period since 2010 - and a major change from the pattern in 2017 when there was a target shortfall of just under $300 million

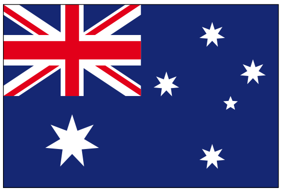


Source: *PERE*

** see methodology on p39*

Spotlight on Australia and New Zealand

Fundraising for Australia and New Zealand-focused funds reached a five-year high in 2017, writes Hans Poulsen, with 12 funds collectively raising $1.77bn, according to *PERE* data



Australia

Australia has enjoyed 27 years of continuous GDP growth and, according to IMF figures, the country can look forward to a further 3 percent in 2018.

While subdued private consumption growth, household debt levels and the longevity of low interest rates merit concern, overall the combination of GDP and population growth continues to fuel demand for real estate. Investments in infrastructure, such as the new metro and light rail systems in Sydney and Melbourne, provide attractive new submarket opportunities in the real estate space.

Foreign investment continues to flow into Australia but at a significantly reduced rate compared to previous years: H1 2018 transaction volume has declined by 52 percent compared to H1 2017, according to CBRE data. The biggest foreign investors in Australia in H1 2018 are the US ($994 milion), Singapore ($626 million) and Hong Kong ($560 million).

Chinese investment has accounted for just $250 million in H1 2018, down 81 percent from the $1.3 billion recorded in H1 2017. This general downward trend in Chinese direct investment in 2018 is mirrored in the real estate market, which is at its lowest level since 2012 and a far cry from the $2 billion peak reached in H1 2015 when Chinese capital accounted for 43 percent of offshore investment in Australian property. This is proof that Chinese capital controls are biting. If the restrictions continue, CBRE expects Chinese investment in Australia to record its lowest level since 2012.

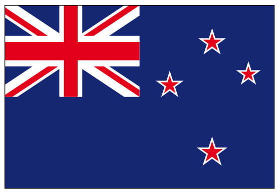
Office: In 2017 the market experienced its lowest level of net supply for 20 years according to CBRE, causing vacancy rates in central business districts (CBD) to decline to 9.7 percent by year-end. Only Sydney and Melbourne CBD office markets registered effective rental growth in Q1 2018. The constrained supply in a number of markets and improved absorption in 2018 leads CBRE to expect further decline, with a cyclical vacancy low of around 8.4 percent by mid-2019.

Retail: Sales grew by 2.5 percent in the year to February 2018. Rents from retail property were static nationally in Q1 2018: only Sydney's CBD bucked that trend with the rent in prime and secondary locations growing by 1.7 percent and 2.2 percent respectively. Q1 2018 investment activity in retail real estate experienced one of its slowest starts since 2012, consistent with patterns in the office and logistics sectors.

Logistics: Industrial and logistics yields have compressed further to reach record lows, according to CBRE. In Q1 2018, Sydney super prime yields were the sharpest in the country at 5.08 percent followed by Melbourne at 5.25 percent. Yields compressed by 25 basis points in all markets except Brisbane.

12
Number of Australian-based funds in market

$2.47bn
Capital targeted by Australian-based funds in market



New Zealand

New Zealand has enjoyed economic expansion since 2011. According to the IMF, the country's GDP is expected to grow by 2.9 percent in 2018, in line with the 3 percent recorded in 2017, but down from around 4 percent in 2014-16. A number of factors have supported this expansion: monetary policy, a net migration wave that has edged the population close to a high of 5 million, improving services exports, stronger trade terms and lower than average interest rates. However, the cost of fixed interest rate debt has started to increase, causing lenders to tighten their lending criteria.

Looking specifically at the real estate market, there has been an increase in residential construction activity, but non-residential construction activity has weakened, according to Savills Investment Quarterly Q1 2018. The weight of offshore capital seeking Auckland office assets has driven yields to a historic low at an average of 5.98 percent, according to JLL's Q2 market report. In Wellington, the capital, the office vacancy rate in the CBD remains virtually non-existent at 0.3 percent. □

Methodology

The APAC Fund Manager Guide ranks private equity real estate fund managers based on their fundraising capabilities for Asia-Pacific-focused investment opportunities. The ranking accounts for capital raised over a roughly five-year period through dedicated direct real estate programs with varying structures and strategies, as defined further below

How we determine the guide's ranking

The ranking is based on the amount of third-party capital raised by private real estate investment vehicles with a sole focus on Asia-Pacific between January 1, 2013, and March 31, 2018. Where two firms have raised the same amount of capital, the higher rank goes to the firm with the larger active pool of capital raised since 2013 (i.e., the larger single fund). If their active pools of capital have the same sizes, the higher rank goes to the firm with the more recent pool of capital.

Accuracy and confidentiality

We give highest priority to information that we receive from private real estate firms themselves, often on background. When private real estate firms confirm details, we seek to trust, but verify. Some details simply cannot be verified by us and in these cases we defer to the honor system. Lacking confirmation of details from the firms themselves, we seek to corroborate information using, among other sources, firms' websites, press releases and limited partner disclosures. We do not disclose the specific data sources we use.

Definitions

The global real estate investment industry is sprawling and varied, but we have attempted to draw some lines around the kinds of firms and strategies that should be considered for the Guide.

Private real estate

The definition of private real estate, for the purposes of the Guide, is equity capital raised privately for a dedicated program that invests in property directly. The capital is raised primarily in blind-pool limited partnerships as well as co-investment vehicles, separate accounts and joint ventures. These investment programs are further distinguished by their risk/return spectrum: they must be value-add or opportunistic in nature. The fund managers primarily do not seek to own the assets in perpetuity but to eventually exit them, realizing a capital gain and generating an internal rate of return for the fund and its investors. Within the private real estate market, there are certainly gray areas with regard to strategy and definition, but we take pains to ensure that the capital counted for the ranking falls within our definition of private real estate.

Capital raised

For the purposes of the Guide, this means capital definitively committed to a private real estate fund between 1 January 2013 and March 31, 2018. The full amount of the vehicle is counted if a close, interim or final, is held in this period.

Asia-Pacific

We only count pools of capital that invest solely in Asia-Pacific. Vehicles with a global or multi-regional investment mandate are NOT counted.

Limited partnership

In most cases, private real estate firms raise money through commitments to limited partnerships. In some cases, investment capital is raised in other ways, for example, through contributions from an affiliated entity. In all these cases, we seek to accurately determine how much investment capital has been created for the sponsor in question over the specified five-year period.

Co-investment capital

Where possible and appropriate, we count LP co-investment vehicles as well as opportunistic LP co-investment capital raised by private real estate sponsors. This co-investment capital must be invested alongside a primary limited partnership, not established for a one-off deal.

Separate account

We include capital raised for separate accounts, as long as the fund manager has full discretion over all investments. The separate accounts must not be established for a one-off deal.

Joint venture

We treat a vehicle as joint venture when it is initiated and committed to by the fund manager together with one or more external investors. Only the external share of commitments to the joint venture are included for the Guide's ranking purpose. □

Join us at **PERE Week**

Join global real estate's trendsetters in Hong Kong this March.

Building from the strength of the flagship PERE Asia conference, PERE Week will offer an opportunity to examine new strategies, markets and technologies amongst peers.

2018 **attendee snapshot:**

- AEW
- Allianz Real Estate
- Abu Dhabi Investment Authority
- Anbang Insurance Group
- APG Asset Management
- AustralianSuper
- BlackRock
- Blackstone
- Bouwinvest
- CalSTRS
- China Vanke
- CLSA
- CPPIB
- Employees Provident Fund
- ESO Capital
- ESR
- Gaw Capital
- GIC
- GLP
- Goldman Sachs
- GreenOak
- Hanwha Life
- Hong Kong Monetary Authority
- Ivanhoé Cambridge
- J. Hamer Jr. Pensioen B.V.
- J.P. Morgan Asset Management
- LaSalle Investment Management
- Morgan Stanley Investment Management
- Oaktree Capital Management, L.P.
- Oxford Properties
- PGGM
- QIC
- SFERS
- Starwood
- Sun Life Financial Asia
- White & Case
- Yardi

Attendees included:

- Manager, Director 33%
- President, CEO, CIO, CFO, Founder, Chairman, Principal 21%
- Managing Director, Managing Partner 20%
- Head of Department, Region 9%
- Senior VP, VP, AVP, Analyst, Associate 7%
- Other 10%

Company breakdown:

- Fund/Asset Managers 57%
- Investors 21%
- Service Providers 17%
- Developers 5%

Co-Sponsors

YARDI | GreenbergTraurig | KPMG | MaxCap Investment Management | PROPY

Exhibitor

REAL CAPITAL ANALYTICS

www.perenews.com/asia | #PEREAsia

PEI Alternative Insight