





Last year turned out to be a year of cautious optimism for the private equity real estate industry, as both GPs and LPs were a bit more active in the global property markets in 2012 following a year of uncertainty. Although investment and fundraising activity improved somewhat from 2011, caution remained as America tried to put its near default behind it and Europe tried to move past its various sovereign debt crises.

Once again, there was a bit of a have versus have-not undercurrent to the market as those firms and investors with a lot of capital at their disposal and/or a long, successful track record in the industry did better than others. The only difference in 2012 was there were a few more 'have' players to drive activity.

So, which firms, individuals and deals stood out from the crowd in 2012?

In an attempt to answer that question, we scoured our website and other real estate news sources to come up with a slate of finalists, which were vetted and then put to a vote by the readers of *PERE* and perenews.com. And vote they did, in the thousands.

If last year's awards demonstrated a return to marquee names, this year's voting confirmed the shift to larger, better-known players. For example, The Blackstone Group won four awards for 2012 – down from the firm's impressive haul of eight for 2011, but still the most by any firm – and the Canada Pension Plan Investment Board racked up three wins, as did Patron Capital. Other industry stalwarts like Brookfield Asset Management, Global Logistic Properties, Partners Group and Lone Star Funds also won awards. Newer players, however, weren't completely shut out, managing to snag an award here and there.

So, without further ado, *PERE* presents the results of the 2012 Global PERE Awards, along with brief profiles on the winning firms and individuals.



GLOBAL *pg. 8*

INDUSTRY FIGURE OF THE YEAR

Graeme Eadie, Canada Pension Plan Investment Board

FIRM OF THE YEAR

The Blackstone Group

INSTITUTIONAL INVESTOR OF THE YEAR

Canada Pension Plan Investment Board

CAPITAL RAISE OF THE YEAR

The Blackstone Group, Blackstone Real Estate Partners VII

DEAL OF THE YEAR

Global Logistic Properties' R\$2.9 billion acquisition of two industrial portfolios in Brazil

MULTI-MANAGER OF THE YEAR

Partners Group

LATIN AMERICA FIRM OF THE YEAR

GTIS Partners

MIDDLE EAST, AFRICA FIRM OF THE YEAR

Investment Corporation of Dubai

NORTH AMERICA *pg. 14*

INDUSTRY FIGURE OF THE YEAR

Barry Blattman, Brookfield Asset Management

FIRM OF THE YEAR

Brookfield Asset Management

INSTITUTIONAL INVESTOR OF THE YEAR

Teacher Retirement System of Texas

CAPITAL RAISE OF THE YEAR

Colony Capital, Colony Distressed Credit Fund II

DEAL OF THE YEAR

The Blackstone Group's takeover of the CalWest portfolio from Walton Street

EXIT OF THE YEAR

The estate of Lehman Brothers' sale of Archstone to AvalonBay and Equity Residential

PLACEMENT AGENT OF THE YEAR

Park Hill Group

DEBT PROVIDER OF THE YEAR

MetLife

LAW FIRM OF THE YEAR (FUND FORMATION)

Goodwin Procter

LAW FIRM OF THE YEAR (TRANSACTIONS)

Goodwin Procter

EUROPE *pg. 20*

INDUSTRY FIGURE OF THE YEAR

Keith Breslauer, Patron Capital

FIRM OF THE YEAR

Lone Star Funds

INSTITUTIONAL INVESTOR OF THE YEAR

Norwegian Government Pension Fund Global

CAPITAL RAISE OF THE YEAR

Patron Capital, Patron Capital IV

DEAL OF THE YEAR

Patron Capital and TPG Capital's takeover of Uni-Invest and its office portfolio

EXIT OF THE YEAR

The Blackstone Group's sale of student accommodation business Nido

PLACEMENT AGENT OF THE YEAR

Lazard

DEBT PROVIDER OF THE YEAR

AXA Real Estate

LAW FIRM OF THE YEAR (FUND FORMATION)

Clifford Chance

LAW FIRM OF THE YEAR (TRANSACTIONS)

Clifford Chance



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INDUSTRY FIGURE OF THE YEAR

Jeffrey Schwartz, Global Logistic Properties

FIRM OF THE YEAR

ARA Asset Management

INSTITUTIONAL INVESTOR OF THE YEAR

Canada Pension Plan Investment Board

CAPITAL RAISE OF THE YEAR

Fortress Investment Group, Fortress Japan Opportunity Fund II

DEAL OF THE YEAR

The A\$1.9 billion privatization of the Charter Hall Office REIT by the Government of Singapore Investment Corporation and Canada's Public Sector Pension Plan

EXIT OF THE YEAR

LaSalle Investment Management's \$1.6 billion sale of a logistics portfolio in Japan to Global Logistic Properties and China Investment Corporation

PLACEMENT AGENT OF THE YEAR

Macquarie Capital

DEBT PROVIDER OF THE YEAR

HSBC

LAW FIRM OF THE YEAR (FUND FORMATION)

Clifford Chance

LAW FIRM OF THE YEAR (TRANSACTIONS)

Clifford Chance

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GLOBAL

INDUSTRY FIGURE OF THE YEAR

1 Graeme Eadie, Canada Pension Plan Investment Board

- 2 Barry Blattman, Brookfield Asset Management
- 3 Jeffrey Schwartz, Global Logistic Properties

For one of the most prominent figures in real estate, Graeme Eadie, senior vice president of real estate at the Canada Pension Plan Investment Board (CPPIB), has kept one of the lowest profiles, routinely declining interviews with the media and appearances at industry events. Instead, Eadie has preferred to let his organization's prodigious real estate investment activities do the talking.

With Eadie at the helm, CPPIB has led one of the world's largest institutional investors in one of its most active years for real estate, with close to C\$4 billion (€2.98 billion; \$3.98 billion) invested in approximately 15 deals globally so far in fiscal year 2013, which began on April 1. This comes off a record year of real estate investment activity in fiscal 2012, when the C\$170.1 billion pension plan deployed C\$5.4 billion in 29 new transactions.

Eadie, who previously served as chief financial officer, chief operating officer and president of Cadillac Fairview, the real estate subsidiary of the Ontario Teachers' Pension Plan, joined CPPIB in June 2005. At the time, the pension plan had been investing in real estate for just two years, with approximately

C\$780 million in real estate holdings located entirely in Canada.

Today, CPPIB has amassed a C\$19.2 billion real estate portfolio encompassing properties in Canada, the US, Europe, Australia, Latin America and the Asia-Pacific region. Real estate now accounts for 11.1 percent of CPPIB's total assets, compared to less than one percent eight years ago.

Eadie currently oversees a team of 47, including 24 in CPPIB's Toronto headquarters, 12 in London and 11 in Hong Kong. He is quick to downplay his leadership role, however, and instead views the pension plan's significant expansion in real estate as the result of a team effort. In a statement to *PERE*, he said that the work of the "very skilled and dedicated people" on CPPIB's entire real estate investments team "has allowed us to develop strong relationships with key partners around the world, and these relationships have been the foundation of our ability to grow the portfolio. I am both fortunate and proud to be associated with them."



Eadie: CPPIB's unassuming real estate leader

GLOBAL

FIRM OF THE YEAR

1 The Blackstone Group

- 2 Brookfield Asset Management
- 3 Lone Star Funds

One of The Blackstone Group's biggest real estate feats of 2012 – indeed, its entire history – was completing a record \$13.3 billion fundraising for its latest global opportunity fund, Blackstone Real Estate Partners (BREP) VII. However, the firm's accomplishments in property last year went far beyond its epic equity haul.

For starters, Blackstone invested or committed a record \$9.4 billion in real estate in 2012, including \$8.5 billion that was deployed and an additional \$923 million that was earmarked for investments. Among the deals executed on behalf of BREP VII were the acquisition of a A\$1.8 billion (€1.39 billion; \$1.85 billion) distressed loan portfolio in Australia from Lloyd's Banking Group for A\$620 million, in partnership with Morgan Stanley Real Estate Investing; and the purchase of Accor's US economy hotels division, Motel 6, for \$1.9 billion. Those transactions and others helped to reduce the amount of uninvested capital in the fund to \$8.3 billion by the end of the year.

Blackstone also continued to expand into new real estate markets such as Turkey, where the firm agreed to buy three shopping centers for €200 million from Redevco, and

Singapore, where it purchased a 400,000-square-foot office park from SEB Asset Management for roughly \$173 million.

One major addition to Blackstone's real estate portfolio was not an acquisition, but the takeover of the 95-property CalWest industrial portfolio from Walton Street Capital, after the latter firm defaulted on the debt backing the properties. Blackstone had owned both senior and junior debt collateralized by the assets.

Still, it wasn't all investments for Blackstone's real estate business. The firm also made a number of notable exits, particularly the \$1.73 billion sale of its Sunwest assisted-living portfolio in the US to healthcare REIT HCP, which yielded a 2.4x multiple after a two-year hold period.

On the fundraising front, Blackstone wasn't content to rest on its BREP VII laurels. By the end of the year, the firm had launched two new real estate funds: Blackstone Real Estate Debt Strategies II, a debt vehicle targeting \$3 billion in commitments, as well as its first Asia-focused opportunity fund.



Motel 6: one of Blackstone's many purchases

GLOBAL

INSTITUTIONAL INVESTOR OF THE YEAR

1 Canada Pension Plan Investment Board

- 2 Government of Singapore Investment Corporation
- 3 National Pension Service of Korea

If it was a major real estate investment in 2012, chances are it involved the Canada Pension Plan Investment Board (CPPIB). Indeed, few investors could match CPPIB in executing big-ticket deals across five continents.

In February, the Canadian pension fund made its largest real estate investment to date when it formed a joint venture with Westfield Group, deploying \$1.8 billion of equity for a 45 percent interest in a US regional mall portfolio. CPPIB also made its first direct investment in US industrial real estate through an \$890 million joint venture with Goodman Group. Separately, it committed an additional \$400 million of equity to an existing industrial partnership with Goodman in China.

Meanwhile, in one of the highest-profile real estate deals of 2012, CPPIB backed Global Logistic Properties in its acquisition of two industrial portfolios in Brazil, contributing \$343 million in equity toward the \$1.45 billion transaction.

The pension plan also made major inroads in Australia, thanks in part to a joint venture with Lend Lease and the Australian Prime Property Fund Commercial to develop two office towers in Sydney. CPPIB's C\$1.04 billion (€787 million; \$1.06 billion) commitment was its first direct office investment in Australia and its largest single-asset real estate transaction to date.

CPPIB also stayed active in Europe, announcing a 50:50 joint venture with Land Securities Group to redevelop Victoria Circle in London and acquiring a 50 percent stake in Kista Galleria in Sweden alongside Citycon.

GLOBAL

DEAL OF THE YEAR

1 Global Logistic Properties' acquisition of two industrial portfolios in Brazil

- 2 AMP Capital and Westfield Group's restructuring of a shopping centre portfolio in Australia
- 3 Lone Star's purchase of TLG Immobilien and its 800 properties for €1.1 billion



Brazil industrial: now part of the GLP portfolio

It's not every day when a real estate investment brings together parties from three different parts of the world. However, that's exactly what happened when Global Logistic Properties (GLP) purchased two logistics portfolios in Brazil from São Paulo-based fund manager Hemisferio Sul (formerly Prosperitas) for \$1.45 billion.

GLP made an initial equity commitment of \$334 million and brought in three of the world's largest institutional investors – the Canada Pension Plan Investment Board (CPPIB), China Investment Corporation (CIC) and the Government of Singapore Investment Corporation (GIC) – as capital partners.

In the first joint venture, GLP partnered with CPPIB, CIC and GIC to buy a portfolio of 34 stabilized assets and one development project, primarily in São Paulo and Rio de Janeiro. GLP and CIC will each own 34.2 percent of the venture, while GIC will hold 20 percent and CPPIB will own 11.6 percent. The second joint venture involved the purchase of a portfolio of five development projects, mostly in São Paulo, with GLP owning a 41.3 percent stake, CPPIB owning 39.6 percent and GIC holding 19.1 percent.

In a single transaction, the Singapore-based logistics property owner, whose holdings previously were concentrated in China and Japan, not only expanded into the Brazil market but became the country's largest logistics owner. Meanwhile, the deal was highly profitable for Hemisferio Sul, which originally had planned to exit the portfolio through a listing in the Brazilian public market but ultimately opted for a private transaction that more than satisfied its return requirements.

GLOBAL

CAPITAL RAISE OF THE YEAR

1 The Blackstone Group, Blackstone Real Estate Partners VII

- 2 Brookfield Asset Management, Brookfield Strategic Real Estate Partners
- 3 Starwood Capital Group, Starwood Global Opportunity Fund IX

It's hard to compete with the largest real estate fund ever raised. Last year, The Blackstone Group amassed a record \$13.3 billion for its latest global opportunity fund, Blackstone Real Estate Partners (BREP) VII. Although the firm collected nearly half of that amount in 2011, the remaining capital gathered in 2012 still exceeded the combined fundraises of its three closest competitors in the market.

Indeed, the closest any firm had come to reaching such fundraising heights was Blackstone itself, when the private equity giant completed fundraising for its previous global real estate fund, BREP VI, which gathered a mere \$10.9 billion in equity in 2008.

Blackstone officially launched BREP VII in April 2011 and held a first close on \$4 billion four months later, attracting capital from investors such as the New Jersey Division of Investment and the Pennsylvania Public School Employees' Retirement System. Other LPs, including the State of Wisconsin Investment Board, subsequently came onboard, helping to boost the capital raise to \$6 billion by year's end.

The firm kept up the momentum in 2012, raising another \$4 billion and beating its \$10 billion target by February, when BREP VII's second close brought in investors such as the National Pension Service of Korea. Additional LPs, such as the Florida State Board of Administration, took the fundraiser to its hard cap limit.

GLOBAL

MULTI-MANAGER OF THE YEAR

1 Partners Group

- 2 Aberdeen Asset Management
- 3 Aviva Investors

Partners Group flexed some serious fundraising muscle in 2012, beginning with the mid-year closing of its latest value-added global real estate fund, Partners Group Global Real Estate 2011, raising in excess of \$800 million in total equity. The new fund, targeting real estate secondaries, senior debt and preferred equity investments, was more than twice the size of its predecessor vehicle, Partners Group Global Real Estate 2009, which closed on €275 million in commitments.

By December, the Zug, Switzerland-based investment firm had captured an additional \$500 million for two other real estate funds, a global vehicle called Direct Real Estate 2011 and an Asia-focused vehicle called Asia-Pacific Real Estate 2011. The firm will pursue investments involving junior debt or preferred equity for the global fund and hotel and retail transactions for the Asia fund.

Partners Group also was no slouch with investments in 2012, closing on 25 secondary, direct and primary real estate transactions totaling \$675 million in equity. An additional eight real estate deals representing \$300 million were in negotiations at year's end.

For example, Partners Group announced in August that it had bought a stake in the Novotel Nathan Road hotel in Kowloon, which a joint venture between Gaw Capital and CSI Properties had agreed to buy for HK\$2.37 billion (€245.9 million; \$305.6 million) earlier that year. The firm's undisclosed stake made it an investor in Hong Kong's largest single-asset hotel acquisition in more than 10 years.

MIDDLE EAST / AFRICA

FIRM OF THE YEAR

1 Investment Corporation of Dubai

- 2 Actis
- 3 RMB Westport

Dubai's own investment company, the Investment Corporation of Dubai (ICD), has won the award for Middle East/Africa firm of the year, mirroring the improving fortunes of the Emirate state.

Over the past year, two standout transactions occurred. First, ICD formed a \$1 billion joint venture with Brookfield Asset Management, called ICD-Brookfield, for the purpose of investing opportunistically in Dubai's battered real estate sector. Second, the state investment company joined the Dubai Land Department's Tanmia initiative – the brainchild of the department's new real estate investment promotion and management centre – to partner struggling developers with capital sources to complete unfinished projects in Dubai.

How much of ICD-Brookfield's capital ultimately is deployed through Tanmia surely will depend on how close to Dubai's recovery zones the initiative's projects are located. The Emirate, after all, is a long way from being as prosperous as it used to be. However, in positioning itself wisely for when viable developments become available, ICD has received a tip of the hat – and votes – from *PERE*'s readers.

ICD no doubt knows there are indications of a mini-revival in the Dubai property market. Indeed, Jones Lang LaSalle reported how GDP growth is trending towards 4.5 percent, supported by strong performance in the tourism, commerce, retail, hospitality and logistics sectors. Dubai's revival could be ICD's edge.



Dubai: ICD is positioned for a recovery

LATIN AMERICA

FIRM OF THE YEAR

1 GTIS Partners

- 2 Vinci Partners
- 3 VBI Real Estate

While many US-based firms with Latin American operations have struggled to gain traction in the region, GTIS Partners has been the rare exception. In February, the New York-based firm held a final close on GTIS Brazil Real Estate Fund II, which with \$810.2 million in commitments is the largest Brazilian real estate vehicle ever raised. The feat was all the more remarkable when considering that GTIS was founded just seven years ago and had clocked far less time in the market than many of its competitors.

To date, GTIS – which has an office in São Paulo – has invested about 50 percent of Fund II's capital. Investments include Embu Logistics I and II, two 1 million-square-foot industrial developments in the São Paulo metropolitan area; Sense, a 582-unit high-rise residential project in São Paulo; and Barão de Tefé, a 323,000-square-foot office development in Rio de Janeiro.



Barão de Tefé: one of GTIS' projects

With about half of its 56-person team dedicated to the firm's Brazil business, GTIS has committed approximately \$1.25 billion of equity to real estate projects in the country, including two recently closed investments totalling roughly \$200 million. The firm, which has developed or currently is developing 18 million square feet of apartment, office, warehouse and hospitality space in São Paulo and Rio de Janeiro, expects to invest several billion dollars in the country over the coming years.

NORTH AMERICA

INDUSTRY FIGURE OF THE YEAR

1 Barry Blattman, Brookfield Asset Management

- 2 Howard Marks, Oaktree Capital Management
- 3 Kelvin Davis, TPG Capital

Last year turned out to be a very good—and busy—year for Brookfield Asset Management, as well as for the head of its global opportunistic real estate program, Barry Blattman. Indeed, 2012 was the year in which, under Blattman's leadership, the Toronto- and New York-based investment firm raised more than \$2 billion in equity on behalf of its first global real estate opportunity fund. Not only that, but it also was the year in which Blattman oversaw the closing of some very smart real estate deals.

In terms of the firm's fundraising efforts, it was revealed in May that the global asset manager had closed on \$2.1 billion in commitments from institutional investors for Brookfield Strategic Real Estate Partners (BSREP), more than half of the global opportunistic vehicle's \$3.5 billion target. BSREP, which received commitments from such LPs as the San Francisco Employees' Retirement System and Teacher Retirement System of Texas, marked the first significant real estate fundraising for the alternative asset manager since it collected \$5.5 billion for its club fund, Real Estate Turnaround Consortium, in 2009.

In addition to his fundraising efforts, Blattman also helmed some large deals for the firm over the course of the year. For example, in July, Blattman oversaw Brookfield's purchase of Verde Realty, a Houston-based REIT that develops and invests in industrial properties. The \$366 million acquisition wound up being one of the first investments made on behalf of BSREP.



Blattman: equity and deals

NORTH AMERICA

INSTITUTIONAL INVESTOR OF THE YEAR

1 Teacher Retirement System of Texas

- 2 California Public Employees' Retirement System
- 3 Ontario Municipal Employees' Retirement System

Even with the departure of Steve LeBlanc, who left in June to form his own firm, the Teacher Retirement System (TRS) of Texas remained a formidable presence in the real estate world last year. Among its more sizable investments, the \$110 billion pension system selected Apollo Global Management and Kohlberg Kravis Roberts to each manage \$3 billion strategic mandates, with \$1 billion of each mandate targeting real estate.

TRS also was an active contributor to the fundraising efforts of real estate managers both big and small. On the large side, the Texas pension made large commitments to commingled real estate funds being raised by Apollo, Brookfield Asset Management and Westbrook Partners. On the small side, it made investments ranging from \$12 million to \$15 million to approximately 10 emerging real estate fund managers on behalf of its burgeoning emerging real assets fund manager program.

In an interview with *PERE*, Eric Lang, who now runs TRS' real estate activities, said the pension system planned to allot approximately \$2 billion to real assets. In addition, he noted that he planned to maintain a sense of continuity with regard to TRS' investment activities.

"There's really going to be no material change," said Lang. "Steve and I worked very closely together and I was always in charge of the real estate program, so I don't see us making any dramatic changes. It's working really well."



Lang: continuing the Texas Way

NORTH AMERICA

FIRM OF THE YEAR

1 Brookfield Asset Management

- 2 TPG Capital
- 3 Oaktree Capital Management

Brookfield Asset Management has been on a roll. In addition to attracting a significant amount of capital in 2012, the Toronto- and New York-based alternative asset manager has participated in a number of large and successful real estate deals.

Not only did Brookfield raise \$2.6 billion in commitments for its first global real estate opportunity fund, Brookfield Strategic Real Estate Partners, but the firm – along with Fairfield Residential – also amassed a total of \$323 million for the Brookfield Fairfield US Multi-family Value Add Fund, surpassing its initial \$250 million target. Brookfield and Fairfield launched the value-added vehicle in 2011 to acquire underperforming apartment properties in supply-constrained locations in the US in order to renovate and reposition them.

In addition to achieving fundraising success, Brookfield continued to invest in smart deals throughout the year. Not only did the firm acquire Verde Realty for \$366 million, but Brookfield announced a \$1 billion joint venture in March with Dallas-based real estate investor and developer Hillwood to acquire, develop and manage value-added warehouses and other industrial properties in the US.

Meanwhile, Brookfield continued to expand in Europe. Witness the appointment of David Brush, the former chairman of RREEF's global opportunistic real estate business, as a managing partner to lead European real estate investment activities at Brookfield Property Group. Brookfield said the hiring of Brush would play a key role in driving the firm's real estate investing business in Europe.

NORTH AMERICA

DEAL OF THE YEAR

1 The Blackstone Group's takeover of the CalWest portfolio from Walton Street

- 2 Starwood Capital Group's purchase of seven US shopping centers from The Westfield Group for \$1 billion
- 3 The purchase of an R&D portfolio in California for nearly \$800 million by a venture between TPG Capital and DivcoWest

When Walton Street Capital began to show sign of struggling to refinance the debt on a massive portfolio of 95 US industrial assets last year, heavyweights The Blackstone Group and Morgan Stanley Real Estate began to vie for control of the portfolio, which was worth about \$2.1 billion. Ultimately, it was Blackstone that won out.

In 2007, Walton Street acquired the 23 million-square-foot portfolio, known as the CalWest portfolio, from the California Public Employees' Retirement System and RREEF for \$2.75 billion – at the time, one of the largest US industrial sales. The acquisition was financed with about \$2.45 billion of debt, including a \$1.1 billion senior loan and junior debt pieces with a total face value of about \$1.4 billion.

With the loans against the industrial portfolio scheduled to mature on June – and Walton's anticipated default – both Blackstone and Morgan Stanley began jockeying for control of the assets, the bulk of which are located in California, Washington and Oregon. Morgan Stanley, through its Prime Property Fund, acquired a \$115 million junior debt piece, but Blackstone, which owned both senior and junior debt pieces, including approximately \$600 million of mezzanine debt that was acquired in April 2011, ultimately wound up being in a stronger position.

NORTH AMERICA

EXIT OF THE YEAR

1 The estate of Lehman Brothers' sale of Archstone to AvalonBay and Equity Residential for \$6.5 billion

- 2 The Blackstone Group's sale of its US assisted-living portfolio for \$1.79 billion
- 3 DEXUS Property Group's disposal of its US industrial holdings

The exit of the year also was one of the year's most unusual deals since it involved a once-powerful investment bank closing the books on its largest real estate holding.

Archstone, a Colorado-based apartment REIT with ownership interests in 59,419 multifamily units across the US, has been the largest asset on the books of the estate of Lehman Brothers since its collapse in 2008. For years, the estate, run by Alvarez & Marsal, had been trying to figure out how to best unwind its investment in the troubled REIT. When Lehman failed to come to an agreement on Archstone with co-owners Bank of America and Barclays, the two other banks eventually sold off their stakes—originally to the Sam Zell-led REIT Equity Residential, but eventually (after a long and contentious battle) to Lehman.

After spending the better part of a year blocking Equity Residential from owning a piece of Archstone, Lehman eventually took full control of the REIT and decided to take its prize public. In August, it was announced that Archstone had filed plans for an initial public offering of up to \$100 million in common stock. Proceeds from the IPO would be used to pay down debt, which analysts estimated at more than \$9 billion.

However, in yet another surprise twist, the estate instead decided to sell 60 percent of Archstone's assets and liabilities to former rival Equity Residential and 40 percent to AvalonBay Communities for a total of \$6.5 billion.



Archstone Northpoint, Cambridge: no longer Lehman's problem

NORTH AMERICA

CAPITAL RAISE OF THE YEAR

1 Colony Capital, Colony Distressed Credit Fund II

- 2 CBRE Global Investors, CBRE Strategic Partners US Value 6
- 3 Iron Point Partners, Iron Point Real Estate Partners II

Last spring, Colony Capital closed its latest debt fund well above its target, thanks in part to its efforts to attract additional co-investment capital. All told, the Tom Barrack-led investment firm raised \$1.4 billion in base and co-investment capital for Colony Distressed Credit Fund (CDCF) II.

Colony began fundraising for CDCF II in 2010, targeting up to \$1 billion in commitments. The Los Angeles-based firm held a first close in March 2011 on \$350 million for the main fund and \$150 million through a feeder fund. By December 2011, Colony had collected an additional \$180 million in co-investment capital.

By the time CDCF II held its final closing, Colony had deployed more than 50 percent of the vehicle's capital, investing in distressed mortgages and mezzanine debt in the US and Europe. According to the firm's website, Colony has executed 14 transactions on behalf of CDCF II to date, including the acquisition of a 40 percent interest in two FDIC portfolios comprising more than 1,000 nonperforming loans and the purchase of single-family homes through management company Colony American Homes in an effort to execute a residential rental strategy across the US.

PERE understands that Colony already is planning to launch a successor fund to CDCF II during the first quarter of 2013. The firm currently is focused on investing in debt rather than equity because of the greater number of compelling deals in that space.

NORTH AMERICA

PLACEMENT AGENT OF THE YEAR

1 Park Hill Group

- 2 Greenhill & Co
- 3 Mercury Capital Advisors

For the second year in a row, the Park Hill Group has won the award for placement agent of the year, and with good reason. In 2012, Park Hill was instrumental in raising a considerable amount of capital, including on behalf of the largest real estate fund in the industry's history. Of course, being an affiliate of The Blackstone Group, perhaps it is not that surprising that the New York-based private equity and real estate giant asked Park Hill to help it raise \$13.3 billion for Blackstone Real Estate Partners VII.

In addition to serving as placement agent for Blackstone, Park Hill advised Atlanta-based real estate firm Jamestown Properties on its open-ended core-plus vehicle, Jamestown Premier Property Fund. The firm also was hired by AREA Property Partners to help the New York-based real estate investment manager raise capital for its current US value-added fund, AREA US Value Enhancement Fund VIII (as well as AREA European Real Estate Fund IV).

NORTH AMERICA

DEBT PROVIDER OF THE YEAR

1 MetLife

- 2 Prudential Real Estate Investors
- 3 JPMorgan Chase

MetLife, America's largest life insurer, has been getting more and more active in the real estate space with no signs of slowing down. In the past year, the firm originated more than \$8 billion in commercial mortgages in the US, making it one of the largest life insurance company lenders – if not the largest life lender – for the second year in a row.

Looking forward, it appears as though MetLife, which managed some \$43 billion of commercial mortgages and \$10 billion of direct real estate investments on behalf of its general account as of November, will continue to grow in the real estate sector. In October, the firm announced that, after managing assets solely for its own account, it would expand into the third-party asset management business with the launch of MetLife Real Estate Investors. The new real estate investment management business for outside investors will focus on investments in real estate equity, commercial mortgages and private debt.



MetLife: the loan that never fails

NORTH AMERICA

LAW FIRM OF THE YEAR (FUND FORMATION)

1 Goodwin Procter

- 2 Clifford Chance
- 3 Paul Hastings



Insolia: Managing Partner

In 2012, Goodwin Procter was very busy representing private equity real estate firms in their fundraising efforts. Indeed, the law firm represented fellow award winner Brookfield Asset Management in connection with several funds that collectively closed in excess of \$3 billion in capital. This included \$2.6 billion for the firm's Brookfield Strategic Real Estate Partners, as well as \$323 million for the Brookfield Fairfield US Multifamily Value Add Fund.

The law firm also represented GTIS Partners for its Brazil-focused real estate opportunity fund, GTIS Brazil Real Estate Fund II. According to the New York-based real estate investment firm, the fund closed on \$810.2 million in commitments, well above its original target of \$500 million, making it the largest commingled opportunistic real estate vehicle focused on Brazil. 2012 also was the year that Goodwin Procter represented Wheelock Street Capital for its first commingled opportunity fund, Wheelock Street Real Estate Fund, which closed on \$525 million last summer.

NORTH AMERICA

LAW FIRM OF THE YEAR (TRANSACTIONS)

1 Goodwin Procter

- 2 Paul Hastings
- 3 Simpson Thacher & Bartlett

Goodwin Procter not only won firm of the year honors for fund formation, but it also won the award for its counsel on transactions. Looking at its transaction activity in 2012, it's easy to see why.

Last year, Goodwin Procter represented an affiliate of Brookfield Asset Management in connection with a securitized loan purchase and concurrent deed-in-lieu for an office portfolio located in Los Angeles and San Diego counties. In addition, it represented Rockwood Capital in connection with the formation of a \$400 million joint venture to invest in multifamily apartment projects. The law firm also represented BlackRock in connection with the formation of a joint venture between the giant asset management firm and its partners Korman Communities and the California State Teachers' Retirement System to acquire a leasehold interest in The Crescent, an 88-unit luxury apartment complex in Beverly Hills. These transactions, among others, solidified Goodwin Procter's place as law firm of the year.



The Crescent, Beverly Hills: BlackRock was advised on its interest

EUROPE

FIRM OF THE YEAR

1 Lone Star Funds

- 2 Patron Capital
- 3 AXA Real Estate

Lone Star Funds seemed to be in its element last year as it successfully bid on a number of big sales in the UK, Ireland and Germany, some of them emanating from financial institutions seeking to de-leverage their balance sheets or wind up their real estate lending activities.

In one major deal, the Dallas-based private equity firm agreed to buy 50 percent of the €1.8 billion Excalibur portfolio – Lehman Brothers' legacy debt securitization – from Germany's central bank. The principal asset was a €434 million portfolio of pan-European CMBS bonds owned by the Carlyle Group and financed by Lehman. In Ireland, Lone Star won an auction for a nonperforming loan portfolio sold by Allied Irish Bank that comprised around 70 loans secured by 400 assets in Dublin and other parts of the country. Meanwhile, in France, the firm bought around €200 million of nonperforming loans from Société Générale, which was looking to exit real estate lending.

Finally, at the end of the year, Lone Star beat out powerful competition to buy TLG Immobilien in Germany for €1.1 billion, giving its investors exposure to around 800 buildings in the former East Germany. Not only was that deal one of the largest commercial property transactions in Germany last year, but it also was the first privatization in the country since the global financial crisis.

Next up: Spain? At press time, Lone Star reportedly was eyeing a portfolio of Spanish residential property loans with a face value of €500 million from Spain's second largest bank, Banco Bilbao Vizcaya Argentaria.

EUROPE

INDUSTRY FIGURE OF THE YEAR

1 Keith Breslauer, Patron Capital

- 2 Karsten Kallevig, Norges Bank Investment Management
- 3 Pierre Vaquier, AXA Real Estate

Without a doubt, 2012 was Keith Breslauer's year. Patron Capital's tireless managing director led his firm not only to Europe's largest fundraising last year but also deal of the year honors for the region.

In a recent interview, Breslauer gave away some of the secrets to Patron's success. "The combination of work, support and charity is part of our ethos. The theory is we are here to change the world. Not sure we do, but that's the theory," he said.

In the interview, Breslauer also noted that he doesn't judge his firm by its size or by the number of products it manages. However, after the firm's most recent fundraising effort, it is possible that Patron will become the only European-based private equity real estate firm to make the PIRE 30, a ranking of the 30 largest firms in the world in terms of equity raised, which *PERE* publishes each May.

When he was not out raising capital or executing deals, Breslauer was leading from the front in terms of working for charities at a frenetic pace. Asked what drives him in his business life, he told *PERE*: "No matter how corny it sounds, I believe I have been put on this earth to make a substantial change. In order for me to do that, I have to be financially very successful and plant all the seeds necessary to allow that change to exist."



Breslauer: planting the seeds to his own success

EUROPE

INSTITUTIONAL INVESTOR OF THE YEAR

1 Norwegian Government Pension Fund Global

- 2 Government of Singapore Investment Corporation
- 3 Qatar Investment Authority

2012 was the year that sovereign wealth funds and pension plans flexed their muscles in Europe, as rich government-backed entities bought prized assets in major European cities. One that really caught the eye was the Norwegian Government Pension Fund Global, which made its mark with a series of jumbo deals.

Among Norway's signature investments was the acquisition of a 50 percent stake in the £1.525 billion (€1.89 billion; \$2.44 billion) Meadowhall shopping center, one of the largest malls in the UK. It also purchased the Uetlihof office complex in Zurich for 1 billion Swiss francs (€813 million; \$1 billion) from Credit Suisse in the state pension's first real estate deal in Switzerland. Those came on top of other property purchases in the UK, France and Germany.

There were other monster transactions as well. The Norwegian pension formed a €2.4 billion joint venture with US logistics firm Prologis, each contributing €1.2 billion in equity to the partnership. About 75 percent of the properties came from the former Prologis European Properties fund, with the remaining 25 percent comprising other assets in Europe owned by Prologis.

Meanwhile, earlier in the year, the Norwegian pension announced a tie-up with Generali Group, agreeing to buy a 50 percent stake in five Paris properties for €275 million. There also was a deal with AXA Real Estate to buy two mixed-use properties in Germany from the Royal Bank of Scotland for €784 million. In fact, wherever there was a large prime property in play, there was the Norwegian pension.



Meadowhall in Sheffield: one of Norway's signature deals

EUROPE

CAPITAL RAISE OF THE YEAR

1 Patron Capital, Patron Capital IV

- 2 Hines, Hines Russia and Poland Fund
- 3 Perella Weinberg Partners, Perella Weinberg Real Estate Partners II

There were some strong contenders in the European fundraise category. Hines closed on the largest Central and Eastern Europe-focused fund of 2012, backed by the European Bank for Reconstruction and Development. New York-based Perella Weinberg Partner corralled more than €600 million in commitment by September and seemed to be on course for its €1.2 billion target. Niam, the Nordic fund manager, also made a splash as it raised €719 million for its Nordic V fund. Still, it was Patron Capital that won the category for its Patron Capital IV, having closed on €880 million in equity and amounting to the largest European opportunity fund to close last year.

Patron had no easy path, fighting tooth and nail to achieve its target. The fund attracted many LPs that had invested in the firm's previous funds, but more than 40 percent of the fund's investors were new. Among the 100-plus LPs were pensions, universities, private foundations and high-net-worth individuals from Europe, North America, Asia and the Middle East.

Following the successful fundraising, Keith Breslauer, managing director, said there currently are a "plethora of opportunities in Europe" and that the firm would adopt a clear, thematic approach. "The banking crisis, recession and real estate downturn has created exceptional conditions for Patron to source and execute investments with highly attractive absolute and risk-adjusted return potential over the fund's investment period," he said. "Our focus is on becoming the market leader in distressed asset investment in Europe."

EUROPE

DEAL OF THE YEAR

1 Patron Capital and TPG Capital's takeover of Uni-Invest and its office portfolio

- 2 Lone Star Funds' purchase of TLG Immobilien and its 800 properties for €1.1 billion
- 3 Terra Firma's acquisition of Annington Homes for £3.2 billion

They say great minds think alike and, in one instance last year, it seems Patron Capital and TPG Capital arrived at the same conclusion – investing in distressed Dutch property company Uni-Invest could make for superior returns. Apparently, Patron was looking at the deal from the equity side while TPG was working on a debt transaction before a broker put the two firms together. Bingo, you have Europe's deal of the year.

Patron and TPG took over Uni-Invest and its €634 million office portfolio after acquiring a loan in the first known credit bid involving a commercial mortgage-backed securities (CMBS) deal. Though the pair essentially bought debt and enforced it, the transaction is an operational play at its heart, whereby the two firms agreed to inject some €160 million to €180 million in equity to recapitalize the company and improve asset management of the properties in the portfolio. Around two-thirds of the assets can be improved, while the other third could be sold earlier.

The background to the deal is as interesting as the thesis. Uni-Invest was taken private by Lehman Brothers Real Estate Partners and DeMerwede Group for €884 million in 2002, but the company got into trouble over €750 million of debt. In February, the associated CMBS structured by Eurohypo in 2005 became Europe's first CMBS to default upon legal maturity.

EUROPE

EXIT OF THE YEAR

1 The Blackstone Group's sale of student accommodation business Nido

- 2 Goldman Sachs and Cerberus Capital Management's sale of their remaining stake in GSW Immobilien
- 3 National Asset Management Agency of Ireland and Lloyds Banking Group's sale of Battersea Power Station

Exits in Europe gathered pace in 2012, with IPOs even on the agenda in the case of Goldman Sachs and Cerberus Capital Management, which fully exited their investment in GSW Immobilien after having taken the German company public in 2011. However, it was a private sale of an operating company that scooped the prize for exit of the year.

The Blackstone Group won the accolade for the sale of Nido Student Living, a student accommodation business, following a classic private equity build-and-sell play. The New York-based firm established Nido in 2006, when it developed a student block in the up-and-coming King's Cross area of London. Following that, the company added London sites in Spitalfields and Notting Hill.

The fully operational company was sold last year to Round Hill Capital, a real estate and energy investment management firm, in a deal valued at £415 million (£511.3 million; \$676.2 million). *PERE* understands the exit by Blackstone reflected a profit of approximately £100 million for a number of the firm's real estate opportunity funds.

Despite the exit, one source familiar with the transaction and the firm said Blackstone still has an appetite for the student accommodation sector in Europe. That is evidenced by its decision to hold onto development sites in London and Barcelona.



A Nido building in London: passed the exam

EUROPE

PLACEMENT AGENT OF THE YEAR

1 Lazard

- 2 Macquarie Capital
- 3 Greenhill & Co

Generally speaking, it was a tough year for placement agents in Europe as many of the established managers were just starting out with their fund programs and didn't close on much capital or opted to use in-house resources. If they were using third-party capital raisers, it might have been for top-up assignments or to reach specific geographies. There were some notable successes, however, such as this year's winner in Europe.

Lazard proved its credentials by beating a host of other placement agents to work on Tristan Capital's European Property Investors Special Opportunities 3 fund, which is targeting €750 million in total equity. That fund already is getting traction and, in December, announced an early first closing on €170 million just four months after launch.

Ben Sullivan in London leads the Lazard team, but the market-facing professional is James Jacobs. Jacobs has been with the firm for five years and formerly worked at DTZ Corporate Finance. Congratulations to those men.



Lazard: won the beauty contest for Tristan

EUROPE

LAW FIRM OF THE YEAR (FUND FORMATION)

1 Clifford Chance

- 2 Paul Hastings
- 3 Nabarro

All of the legal players in the field of real estate fund formation in Europe had legitimate reason to believe they could win firm of the year. SJ Berwin, for instance, worked on the region's largest opportunistic fund last year, Patron Capital IV; Nabarro was assigned to Tristan Capital's Curzon Capital Partners III and its European Property Investors Special Opportunities III, as well as Rockspring Property Investment Manager's TransEuropean Property V and Cordea Savills' Prime London Residential Development Fund; and Paul Hastings had a role to play in the US elements of Patron's fund, among other assignments. Yet, Clifford Chance received the most votes in the category.

To provide a flavor of some of the London-based firm's assignments, Clifford Chance worked on the debt fund platform of Pramerica Real Estate Investors, the spinout of DRC Capital from Duet Private Equity and its subsequent fundraising effort and the creation of MGPA's opportunity fund, MGPA Europe IV. To the victor go the spoils.

EUROPE

LAW FIRM OF THE YEAR (TRANSACTIONS)

1 Clifford Chance

- 2 Berwin Leighton Paisner
- 3 Nabarro

The increased deal volume among real estate opportunity funds led to some strong entries in this law firm category. Gibson Dunn, for instance, was shortlisted as advisor on the many deals that California's Kennedy Wilson and Deutsche Bank were involved with in 2012. Berwin Leighton Paisner had good reason to be optimistic after a year with a long list of high-profile deals, including Patron Capital and TPG Capital's Uni-Invest transaction and The Blackstone Group's acquisition of Devonshire Square in London. Similarly, Nabarro was a strong contender for its deal book, including the sale of Tower 42 in London and London & Stamford's sale of a 50 percent interest in Meadowhall shopping center in Sheffield.

Nevertheless, the firm most voted for by *PERE* readers was Clifford Chance, whose list of transactions was equally impressive. One highlight included advising Morgan Stanley Real Estate Investing on its investment in a £220 million (€257 million; \$345 million) portfolio of predominantly development loans from Ireland's National Asset Management Agency.

EUROPE

DEBT PROVIDER OF THE YEAR

1 AXA Real Estate

- 2 Deutsche Bank
- 3 Pramerica Real Estate Investors

Debt provider of the year probably will be an award increasingly won by non-traditional sources of real estate lending given the retreat of European banks from the sector. In what is probably an early example, AXA Real Estate has won the 2012 award for its activity, including raising €1.4 billion in equity for its debt program.

According to AXA Real Estate, which is owned by the eponymous insurance company, its lending activities to date have focused on the UK and France, but it is looking to expand to Germany, the Netherlands, the Nordic region and Switzerland. In a statement about the progress of the division in October, Isabelle Scemama, head of commercial real estate finance, said: "Our strategic vision to be the first mover in the senior space is now being rewarded with repeat clients and new investors joining our platform. Furthermore, the retreat, and in some instances the withdrawal altogether, of traditional senior lenders in the property market has accelerated further throughout 2012, making the supply/demand imbalance more acute."



AXA's HQ in Paris: debt central

ASIA

INDUSTRY FIGURE OF THE YEAR

1 Jeffrey Schwartz, Global Logistic Properties

- 2 Greg Goodman, The Goodman Group
- 3 Collin Lau, Bei Capital

Jeffrey Schwartz, the former chief executive of ProLogis, is credited with pioneering the trend of logistics developers in Europe partnering with private equity firms as far back as the late 1990s. More than a decade later, he is doing roughly the same thing in Asia, leading him to be crowned industry figure of the year.



Schwartz:
industrial pioneer

Schwartz's year started in spectacular fashion as his firm, Global Logistic Properties (GLP), closed on the acquisition of 8 million square feet of Tokyo and Osaka logistics properties from LaSalle Investment Management for \$1.6 billion. That deal proved to be just the start, as Schwartz's vision to grow out GLP's portfolio started to take shape. He blazed a further trail in Japan by orchestrating the sale of half the company's assets into what became the largest J-REIT to be launched in years.

It was the monetising of those Japanese assets that enabled GLP to expand its footprint in its chosen markets of China and Brazil. Indeed, it acquired the largest portfolio of industrial assets in São Paulo and Rio de Janeiro for R\$2.9 billion (€1.14 billion; \$1.45 billion) from São Paulo-based developer and fund manager Prosperitas. One look at Schwartz's powerful institutional partners in that deal speaks volumes.

Schwartz is a mover and shaker in Asia private real estate and, in 2012, he really shook things up. In fact, 2012 might be remembered as the year the ex-ProLogis chief became one of his former company's closest rivals.

ASIA

INSTITUTIONAL INVESTOR OF THE YEAR

1 Canada Pension Plan Investment Board

- 2 Abu Dhabi Investment Authority
- 3 National Pension Service of Korea

The Canada Pension Plan Investment Board (CPPIB) was one of the biggest institutional property investors around the globe this past year, but it was particularly active in Asia. Indeed, the Canadian pension made several sizeable outlays in the region, including its largest single asset transaction – a A\$1 billion (€768 million; \$1 billion) investment in Lend Lease's Barangaroo South Project, the 1.78 million-square-foot mixed-use scheme in Sydney's central business district.

During 2012, CPPIB not only checked off the 'Australia office' box but also Asia logistics as the \$170 billion pension plan added \$400 million to its existing joint venture in China with Sydney-based Goodman Group. That cash injection came in August, bringing the total equity committed to the venture by the two groups to \$1 billion. While outside the timeframe of consideration for these awards, CPPIB has since extended another logistics joint venture, this time in Japan, committing an addition \$316 million to Global Logistic Properties and bringing that partnership's total equity to \$1.1 billion.

The secret sauce to CPPIB is that it doesn't maintain specific asset allocations, unlike many large institutional investors. Graeme Eadie, its senior vice president for real estate investments, told *PERE* in September how "each investment opportunity CPPIB finds is evaluated on its own merits and the likelihood of better risk-adjusted returns" than the assets could obtain from its 'passive' portfolio of equities and fixed income. That approach may lead to more investment in the region in 2013, but for now the pension responsible for the future of 18 million Canadians can enjoy its success.

ASIA

FIRM OF THE YEAR

1 ARA Asset Management

- 2 The Blackstone Group
- 3 The Goodman Group

Singapore's ARA Asset Management beat out The Blackstone Group, The Goodman Group and Global Logistic Properties for firm of the year honors – no mean feat given the successful year those other firms enjoyed.

ARA's stand-out achievement was in furthering its relationship with the California Public Employees' Retirement System (CalPERS), which made a \$530 million commitment to the firm's China-focused investment program. That was particularly impressive given that, just one year earlier, the giant US pension made it clear it would refocus its investment activities on core US real estate and would be reducing its international exposure.

Despite that strategy, CalPERS committed \$50 million to



The HQ of ARA:
a CalPERS darling

ARA's second commingled opportunity fund, ARA Asia Dragon Fund II.

While seemingly out-of-kilter on the surface, the move is perhaps no surprise when one considers the 19.2 percent returns the firm delivered from its first ARA Asia Dragon Fund.

Arguably even more inspiring was the \$480 million that CalPERS committed to a separate account vehicle, the ARA Long Term Hold Fund. That investment goes to show the confidence the pension plan has not only in ARA but in China as well. The vehicle, which is focused on prime income-producing office and retail properties, runs for an initial 10 years with scope for elongating the term further.

ASIA

CAPITAL RAISE OF THE YEAR

- 1 **Fortress Investment Group, Fortress Japan Opportunity Fund II**
- 2 Tishman Speyer, Tishman Speyer Suzhou Fund
- 3 Bei Capital, Bei Investment Limited

As innovative and ground-breaking as Bei Capital's evergreen vehicle or Tishman Speyer's renminbi-denominated fund were, readers instead opted to reward Fortress Investment Group with its second consecutive victory for capturing the most equity for any opportunistic real estate fund in Asia since the start of the global financial crisis.

Undisputedly the biggest fish in Tokyo's private equity real estate pond, Fortress succeeded in tapping demand among investors who believed in making strong returns from the city's real estate by entering transac-



Tokyo: Fortress' playground

tions via the debt. Ultimately, Fortress Japan Opportunity Fund (FJOF) II attracted ¥130 billion (€1.1 billion; \$1.45 billion) in commitments from 73 investors, almost half of which were Japanese.

With ¥57.9 trillion of Japan's real estate debt either sub- or nonperforming and ¥2.8 trillion of CMBS expected to mature over the coming two years, there's plenty of scope for Fortress to place its capital. However, a sound thesis is not enough. Investors in FJOF II also pointed to the excellent performance of Fortress' first Japan fund, which was raised in the tougher capital-raising years of 2009 and 2010. As of September, that fund was projecting net IRRs of 22.4 percent and an equity multiple of 1.6x – just two years into its investment period.

Fortress reckons it'll need just two years to deploy FJOF II, which has twice the capital as its first fund. Evidently, its investors agree and have spoken with their wallets. That impressed voters enough to crown its fundraising as the most impressive in 2012.

ASIA

DEAL OF THE YEAR

- 1 **The A\$1.9 billion privatisation of the Charter Hall Office REIT by the Government of Singapore Investment Corporation and Canada's Public Sector Pension Plan**
- 2 The \$1.6 billion acquisition of a logistics portfolio in Japan by a venture between Global Logistic Properties and China Investment Corporation
- 3 The acquisition of a A\$1.8 billion Australian property loan book by The Blackstone Group and Morgan Stanley Real Estate

The winning transaction in the deal of year category is a privatization in Australia, where core real estate has been particularly sought after. The Government of Singapore Investment Corporation (GIC) teamed up with Canada's Public Sector Pension Plan (PSP) to orchestrate a A\$1.9 billion privatisation of the Charter Hall Office REIT, gaining exposure to 19 office properties in the process.

The way the deal was structured saw GIC and PSP pay approximately A\$400 million (€306.8 million; \$410 million) in equity for an 85 percent stake in a newly-formed private investment vehicle to hold the real estate assets, including Citigroup's Australian headquarters in Sydney. As opportunistic as this deal may have been, it also struck a positive chord with Charter Hall as the price paid by the joint venture represented a 35 percent premium.

In many respects, this transaction has become something of a blueprint for the largest institutional investors, both in Asia and globally. It involved taking the lion's share of a blue-chip property portfolio while leaving a respected operating partner with sufficient equity and fee-earning incentives. A win-win deal you could say.



CitiCentre in Sydney: part of the Charter Hall portfolio

ASIA

EXIT OF THE YEAR

- 1 **LaSalle Investment Management's \$1.6 billion sale of a logistics portfolio in Japan**
- 2 Global Logistic Properties' disposal of \$2.6 billion of logistics properties in Japan through a J-REIT offering
- 3 Gaw Capital Partners' sale of Plaza 353 in Shanghai

LaSalle Investment Management understandably was pleased with the exit of its entire Japan logistics portfolio. Indeed, Ian Mackie, head of private equity at the Chicago-based investment firm, went so far as to say that receiving eight initial bids for its \$1.6 billion portfolio of 15 assets showed Japanese logistics had "come of age."

LaSalle assembled the properties for its first LaSalle Japan Logistics Fund, which closed on \$399 million of equity, in 2004. From then, the firm set about transforming the assets into an institutional-grade proposition, replete with strong occupancy and surety of income – two points of attraction for institutional investors. By the time portfolio was sold, it was 98.3 percent leased with a weighted average lease expiry of 5.6 years.

A bidding process culminated in a sale to Global Logistic Properties and its partner China Investment Corporation, with each injecting \$279.2 million of equity into the deal. In so doing, the pair provided LaSalle with "strong returns" for its 27 investors.

ASIA

PLACEMENT AGENT OF THE YEAR

1 **Macquarie Capital**

- 2 Park Hill Group
- 3 M3 Capital Partners

This category is in real danger of becoming the most predictable of all the awards as Macquarie Capital has now won it four out of the last five years. A defeat to Citibank in 2010 aside, the capital advisory platform has continually impressed voters with its market-leading approach to directing institutional capital into private real estate – even more so in 2012.

The platform, led by global head of real estate Chris Green, kick-started the year by advising the Government of Singapore Investment Corporation and Canada's Public Sector Pension Plan on the A\$1.9 billion (€1.45 billion; \$1.95 billion) privatisation of the Charter Hall Office REIT. Also in Australia, Macquarie advised AMP Capital on the restructuring of a large shopping centre transaction with the Westfield Group, including fresh equity from the Abu Dhabi Investment Authority and the Canada Pension Plan Investment Board. Add to those the placing of \$250 million from Abu Dhabi Investment Council in a Japan venture with the Goodman Group and the brokering of a \$140 million Indian residential development partnership between Algemene Pensioen Groep and Godrej Properties, and Macquarie can look back on its year's work proudly.



Green: a good year's work

ASIA

LAW FIRM OF THE YEAR (FUND FORMATION)

1 **Clifford Chance**

- 2 Paul Hastings
- 3 Baker & McKenzie

Clifford Chance's efforts in China played a part in helping the firm to emerge victorious in 2012. The global law firm, led in Asia by Mark Shipman, was behind the formation of CITIC Capital's fourth private equity real estate fund, its China Retail Properties fund, which will be used for investments in retail properties across greater China. Clifford Chance also advised Phoenix Property Investors on the establishment of its fifth fund, Phoenix Asia Real Investments V, for investments in Hong Kong and Shanghai.

If these vehicles weren't enough, Clifford Chance also managed to notch the formation of one of the first funds by Invesco Real Estate since it acquired the Asia real estate investment management business of American International Group in 2011. Invesco Asian Real Estate Fund III has just been brought to the market with a capital-raising target of \$800 million. Add to these the first private capital fund for real estate by Hong Kong-listed Soundwill Holdings and the establishment of a Labuan-domiciled vehicle for Winnington Capital, and the firm can look back on quite a tally of work.

ASIA

LAW FIRM OF THE YEAR (TRANSACTIONS)

1 **Clifford Chance**

- 2 Haynes & Boone
- 3 Mayer Brown

Last year, it was Paul Hastings that captured the double crown of law firm of the year for both fund formation and transactions. This year that honour goes to Clifford Chance. Highlights for the firm included the first Australian acquisition by MGPA, the A\$105 million (€80 million; \$107 million) purchase of 6-10 O'Connell Street in Sydney's central business district.

While that transaction might be regarded as straightforward, the law firm advised on a number of other deals involving altogether more complicated situations and both international and domestic players. For instance, Clifford Chance advised a company held by an investment fund managed by SPARX Asia Capital Management, the Tokyo-based fund manager, in its \$500 million acquisition of a 49 percent stake in a holding company with interests in a number of property developments in China. It also advised CapitaMalls Malaysia Trust, a retail property trust with more than 2.4 million square feet of property valued at approximately RM2.9 billion (€700 million; \$935 million), on the sale of nearly \$105 million of its units.

ASIA

DEBT PROVIDER OF THE YEAR

1 **HSBC**

- 2 Sumitomo Mitsui Banking
- 3 Standard Chartered Bank

To gauge an idea of the sort of private equity real estate deals HSBC financed in 2012, look no further than the HK\$2.37 billion (€227 million; \$305 million) acquisition of the Novotel Nathan Road hotel in Kowloon by Gaw Capital Partners and CSI Properties. LaSalle Investment Management sold the 339-room hotel on behalf of its LaSalle Asia Opportunity II fund.

HSBC provided debt to acquiring partners Gaw and CSI Properties, with Gaw buying on behalf of its third opportunity fund, Gateway Real Estate Fund III. Evidently, HSBC saw merit in the asset being purchased by one opportunistic player from another. While LaSalle has rebranded, refurbished and better populated the asset after buying it in 2006, Gaw is plotting to add further value by repositioning its retail component.

Led by managing director and head of real estate advisory Jason Kern, HSBC's financing of deals such as the Novotel Nathan Road has led to the bank to prising the debt provider of the year award from last year's winners, Standard Chartered Bank.



Novotel Nathan Road: HSBC backed Gaw and its partners