



Preqin Industry News

Louise Weller examines the latest news on core-plus private real estate funds, including funds recently launched and closed, as well as investors looking to commit to this fund type in the year ahead.

A number of investors are planning to make commitments to core-plus funds in the next 12 months:

[Government Employees Superannuation Board \(GESB\)](#) intends to commit AUD 35mn to core and core-plus private real estate funds in the next 12 months. The superannuation scheme will focus on opportunities in Asia and the US. It is interested in co-investment arrangements with real estate managers.

[University of Montréal Pension Plan](#) will make one new private real estate fund commitment in the next 12 months. The pension fund will commit CAD 20mn to the vehicle. It will target core and core-plus vehicles focused on Europe and North America. It did not make any fund investments in the last 12 months.

[Lotte Insurance](#) plans to commit between \$30mn and \$50mn to one private real estate fund in the coming 12 months. Currently, the South Korea-based insurance company's entire real estate exposure is focused on the domestic market. However, that may change as it is considering investing in core and core-plus strategies in geographical regions such as Europe, Australia and Asia, and to a lesser extent, South America.

Several core-plus real estate funds have launched recently:

[Orion Partners](#) recently launched [Ostara Japan Aged Care Real Estate Fund 3](#), which will focus on opportunities in Japan. The third fund in the series is targeting JPY 25bn.

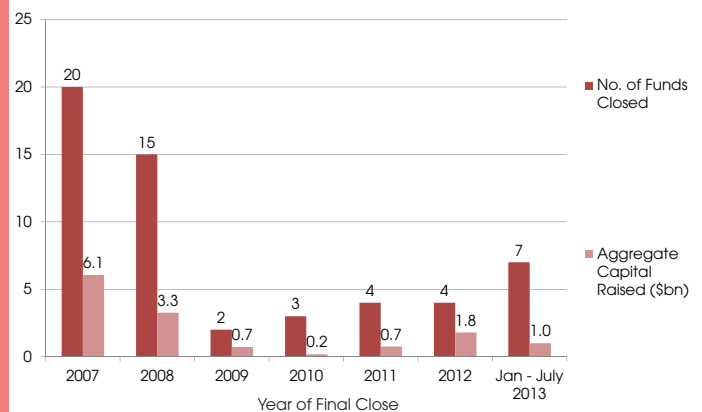
[LaSalle Canadian Income & Growth Fund IV](#) was recently launched by [LaSalle Investment Management](#), and is targeting CAD 250mn. It will invest in properties across the office, retail and warehouse market segments in Canada.

A look at real estate funds that have held a final close:

[The Rockefeller Group](#) recently held a final close for its debut fund, [Rockefeller Group US Premier Office Fund](#), on \$250mn. The core-plus vehicle will target office properties in the US.

A look at core-plus private real estate fundraising over time

Chart of The Month: Annual Core-Plus Closed-End Private Real Estate Fundraising, 2007 - July 2013



In 2012, four core-plus private real estate funds held a final close, having secured an aggregate \$1.8bn in capital commitments. This is the highest amount of capital raised since 2008, when 15 core-plus funds held a final close having secured a total of \$3.3bn. So far during 2013, seven core-plus private real estate funds have reached a final close and secured an aggregate \$1bn in capital commitments.

[Ram Realty Partners III](#), managed by [Ram Development Company](#), held a final close on \$150mn. The value added fund will acquire multi-family and retail properties in major markets in the Southeast US.

Do you have any news you would like to share with the readers of Spotlight?

Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to spotlight@preqin.com and we will endeavour to publish them in the next issue.

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