



Preqin Industry News

Jessica Sutro provides a rundown of the latest real estate news, featuring exclusive data from Preqin's analysts. Real Estate Online subscribers can click on the investor/firm/fund names to view the full profiles.

Despite a slight increase in appetite for real estate investments, many investors based in developed markets are still cautious when it comes to future commitments to the asset class, as they still face uncertain economic conditions. Only 47% and 32% of investors based in North America and Europe respectively intend to commit to private real estate funds in the next 12 months, according to Preqin's recent survey of 100 private real estate investors reported in this month's feature article. Conversely, over three-quarters (78%) of Asia-based investors plan to invest in private real estate funds in the next 12 months (Chart of the Month). This significant appetite for the asset class is reflected in recent real estate market activity, particularly from Asia-based investors.

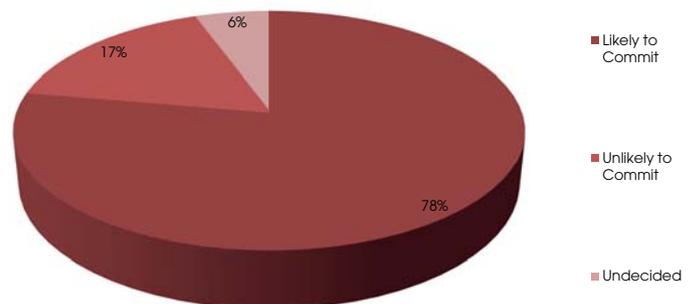
A number of large Asia-based investors have recently announced their plans to target new real estate opportunities. [Samsung Fire & Marine Insurance](#), a KRW 37tn South Korea-based insurance company, has 10% of its total assets allocated to real estate investments and expects to maintain this allocation over the next 12 months by investing in both domestic and, for the first time, overseas private real estate funds. For its overseas private real estate investments, the insurance company is specifically targeting funds with an investment focus on the US, the UK, France, Germany, Japan, or Australia. It will seek vehicles with core and core-plus strategies but is not willing to invest with first-time fund managers.

Another large Asia-based insurance company, [Samsung Life Insurance](#), also plans to make further commitments to private real estate funds. The KRW 146tn insurance company has approximately 5.5% of its total assets allocated to real estate, but is below its target allocation to the asset class and is looking to increase its exposure to private real estate vehicles over the next 12 months. Unlike Samsung Fire & Marine Insurance, it is open to investing in first-time funds and is also willing to consider co-investment opportunities alongside fund managers.

Elsewhere, investors based outside of Asia have demonstrated interest in investing in real estate opportunities in the region. [California Public Employees' Retirement System](#) (CalPERS) recently allocated \$530mn to two Asia-focused investments managed by [ARA Asset Management](#). The pension fund has allocated \$480mn to ARA Long Term Hold Fund, a separate account which targets urban office and retail properties in China and Hong Kong, and a further \$50mn to [ARA Asia Dragon Fund II](#), an opportunistic fund focusing on office, retail, and residential properties in China, Singapore, Hong Kong, and Malaysia.

Finally, a number of funds with managers based in a variety of regions recently reached a final close, positive news for those managers still in market looking to reach their capital commitment

Chart of the Month: Asia-Based Investor Intentions for Private Real Estate Investments in the Next 12 Months



Source: Preqin Real Estate Online

targets. One Asia-focused fund to close was [Real Estate Capital Asia Partners III](#), managed by Singapore-based [Real Estate Capital Partners](#). The fund, which is the third pan-Asia opportunity vehicle launched by Real Estate Capital Asia Partners, will pursue an opportunistic investment strategy focused on acquiring, developing, re-developing, and operating real estate assets in Asia. The vehicle is expected to deploy one third of its capital in Japan, one third in Greater China, and the remaining third in Southeast Asian countries.

What's New?

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.

All of Preqin's exclusive intelligence is available on Real Estate Online, the industry's leading source of information on private real estate funds, managers and investors in the asset class.

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