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Distressed and Debt Real Estate: From Niche to Mainstream

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Distressed and Debt Real Estate Funds: From Niche to Mainstream

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Sovereign Wealth Funds Investing in Real Estate

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Fundraising Spotlight

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We examine private equity real estate fundraising, with a particular focus on the distressed and debt market. We also look at a new feature of Real Estate Online, Historic Fundraising, which allows subscribers to access fully customizable fundraising charts.

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Fund Manager Spotlight

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Each month Fund Manager Spotlight examines a particular group of fund managers, using Preqin's Real Estate Online database. This month we look at distressed and debt fund managers.

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We look at the upcoming events in the real estate world.

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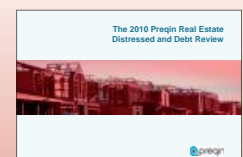
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The 2010 Preqin
Real Estate Distressed and Debt
Review



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Distressed and Debt Real Estate Funds: From Niche to Mainstream

The economic downturn's effect on private equity real estate fundraising has become clear in recent months. Years of unprecedented growth in the closed-end private fund industry, which saw fundraising balloon from \$38 billion in 2004 to \$137 billion in 2008, came to a dramatic conclusion in 2009 as fundraising figures plummeted to a five-year low (see Fig. A). When the credit crunch hit, real estate prices fell and liquidity issues affected many involved in the real estate investment universe.

While the downturn was certainly unwelcome, it has actually assisted certain areas of the industry, namely the distressed and debt markets. The importance of the real estate debt and distressed markets has increased rapidly in the last couple of years as a result of the economic slump and, although fundraising for these vehicles was down from previous years in 2009, their share of the fundraising market grew. Debt and distressed funds have not only played a crucial role in helping the industry at large, they have also been key

in sustaining the closed-end private fund market. As Fig. B highlights, 28% of the aggregate capital raised by real estate funds in 2008 was accounted for by funds that incorporated debt and/or distressed plays into their strategy. This increased to 35% in 2009 and the debt and distressed market is now so prominent that over 50% of the capital targeted by funds in market is to be allocated to vehicles that include a focus on one or both of these strategies.

“The importance of the real estate debt and distressed markets has increased rapidly in the last couple of years as a result of the economic slump and, although fundraising for these vehicles was down from previous years in 2009, their share of the fundraising market grew.”

Opportunities Available

Debt and distressed real estate funds have featured in the closed-end real estate fund market almost since its emergence and some fund managers have been raising such vehicles for a number of years. Lone Star Funds, for example, has raised funds incorporating debt and distressed assets since the mid-1990s. However, market conditions have now become so conducive to debt and distressed investments that 44% of funds in market (by number of funds) will make plays in either one or both of these strategies. It is not only debt and distressed specialists involved in these funds; managers that traditionally raise value added and opportunistic funds have been including debt and distressed strategies in their funds in order to benefit from these expanding areas of the market. Some of these managers are even raising funds solely focused on these markets.

The influx of fund managers into the debt and distressed market is largely owing to illiquidity in the real estate industry and the fact that many with real estate holdings are being forced to sell their debt portfolios or assets at a reduced price. With many institutional investors still keen to commit to closed-end real estate funds, and interested in the opportunities available in debt and distressed markets, fund managers are increasingly catering to those wanting such exposure.

Debt funds have become more prominent in the last couple of years as traditional providers of debt to the real estate market have become unable to finance real estate markets to the same degree as they were during the economic boom. Banks and other lenders are now more focused on building up their balance sheets, so are unable or unwilling to source real estate investment as they once did. Uneasy in the economic climate, many lenders have chosen, or been forced to sell

Fig. A:

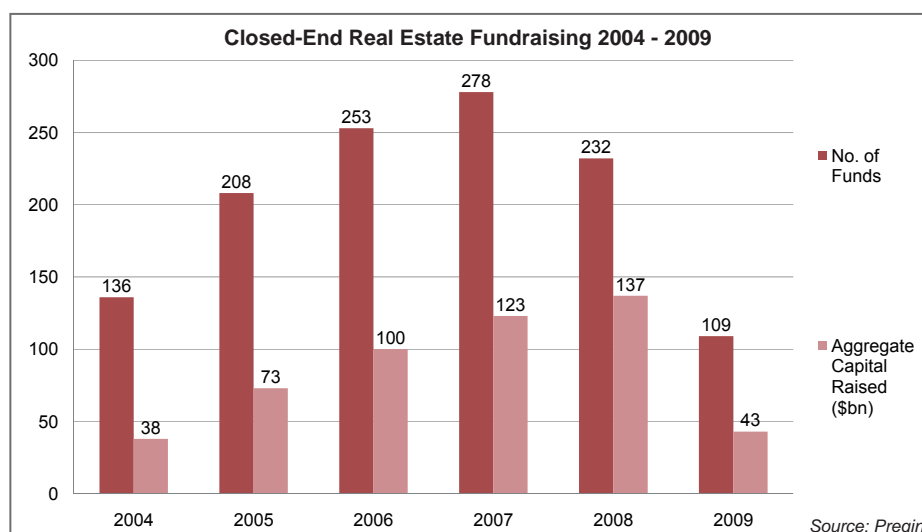
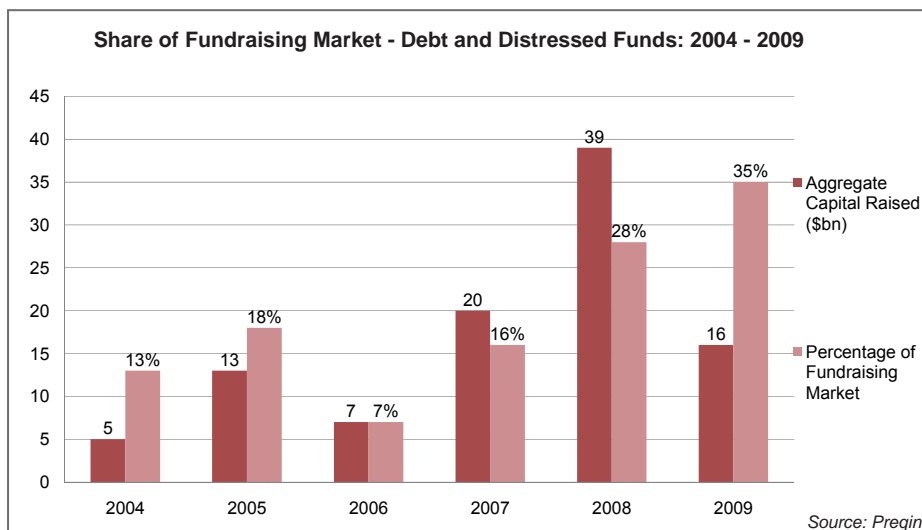


Fig. B:



their debt portfolios to those wanting and able to take the risk. Fund managers have stepped into the breach to help the market with both problems. Firstly, they have become a more significant source of financing for those wishing to undertake real estate projects and for those looking to buy into the market. Secondly, they have also invested in debt, taking real estate debt packages from traditional lenders at discounted prices. Opportunities are rife in debt markets, and with many fund managers believing that debt investments will achieve better returns than equity investments, many are raising funds targeting this area of the market.

For similar reasons, opportunities have also presented themselves in the distressed real estate market. Unfinished and unfinanced projects are being bought at discounts by fund managers that have capital to inject and can afford to wait until markets improve before they see returns on their investments. In addition, fund managers can pick up property portfolios from institutions that are in distress and need to offload real estate at a discount in order to provide themselves with financial relief.

Importance of the Distressed and Debt Market

The global economic downturn has had a

sobering effect on the real estate market. Debt and distressed funds have become important for the industry, stepping in to fill the breach left by traditional sources of capital. Without this injection of capital, many projects would struggle to complete, distressed sellers would be left without capital relief and banks would have debt packages that they could not afford to hold.

With marketing of funds now often tailored to this increasingly prominent area of real estate investment, investors have followed suit. Although overall fundraising has been relatively poor since Q4 2008, most investors retain an optimistic outlook for the industry in the longer term and see debt and distressed funds as important parts of their real estate investment portfolios. Many see these vehicles as a long-term, viable risk-adjusted choice for their portfolios as they seek to tap into the opportunities available due to market dislocation. With 42% of closed-end investors interested in these markets, a figure up nine percentage points from last year and still growing, signs are promising for managers that have incorporated debt and distressed strategies into their vehicles. With demand comes supply, and fund managers will continue to make funds available for an increasingly willing debt and distressed investor universe.

Gaining an insight into market trends in the debt and distressed landscape is of vital importance to those involved in the

Fig. C:

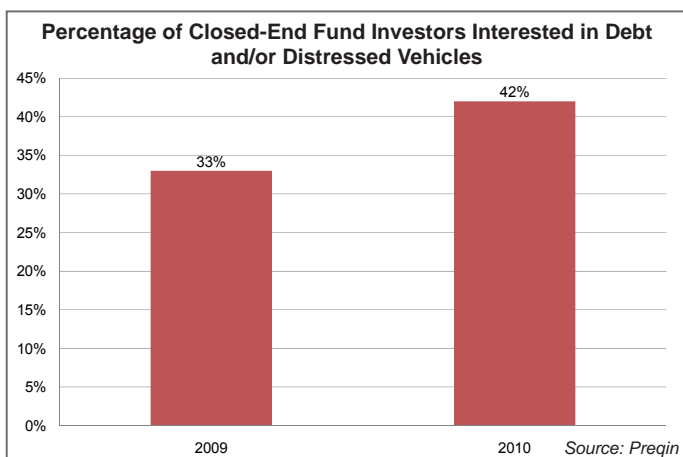
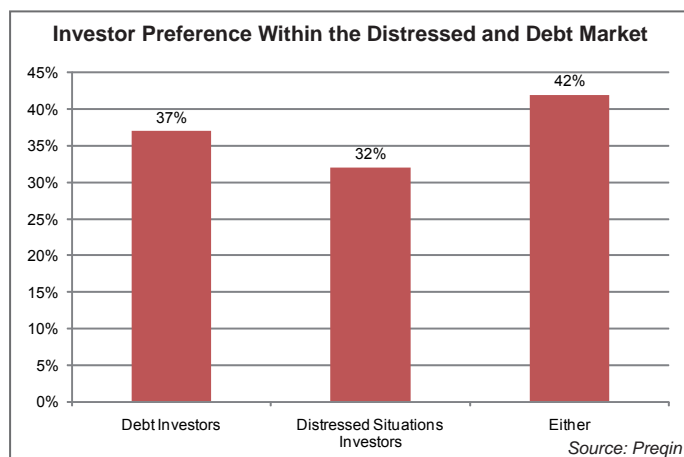


Fig. D:



closed-end real estate fund industry. The 2010 Preqin Real Estate Distressed and Debt Review enables market players not only to see the bigger picture, but also to pinpoint the exact strategies adopted by individual debt and distressed fund managers and investors. With debt and distressed moving from niche to mainstream, those involved in the real estate debt and distressed industry, whether fund manager, fund of funds, real estate advisor, placement agent, fund lawyer, fund accountant or investor, can benefit by gaining an unique insight into an industry that is more important than it has ever been.


The information contained within this month's Feature Article is taken from The 2010 Preqin Real Estate Distressed and Debt Review.

This year's Review contains detailed profiles and analysis of over 200 managers and 175 investors operating in this space.

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Stuart Taylor



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2010 Preqin Real Estate Distressed and Debt Review: Order Form

The global economic downturn has had a major effect on the global real estate industry. A large number of managers, operators and owners have become distressed, with many looking to refinance projects and sell off properties. As fundraising for traditional PERE funds has struggled, the number of vehicles launched to take advantage of distressed and debt opportunities has grown dramatically, and now represents a significant proportion of the closed-end real estate fund market. This year's updated 300 page edition includes:



- Comprehensive profiles for over 200 distressed and debt fund managers.
- Full profiles for over 170 institutional investors currently investing in this market
- Listings for all funds closed and currently in market, plus fund-specific performance data listings for over 100 funds and terms listings for 73 funds
- Global coverage, featuring the largest known managers and investors worldwide

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Sovereign Wealth Funds Investing in Real Estate

Sovereign wealth funds are among the largest investors in real estate, with substantial amounts of capital allocated to the asset class. Their influence as a significant group of institutional investors has not diminished despite being affected by the downturn of the financial markets. The start of a global economic recovery has helped the aggregate assets under management of all SWFs reach \$3.51 trillion, which represents an 9% increase from last year. Some of the more sophisticated SWFs not only have the capital but also the resources to invest across the real estate spectrum, gaining exposure to direct, public and private real estate instruments.

Proportion of Sovereign Wealth Funds Investing in Real Estate

Fig. 1 shows that 51% of SWFs are known to be active in the real estate market, investing through a number of routes. This includes Government of Singapore Investment Corporation (GIC), which has an extensive property portfolio spanning the globe and invests in higher-risk private equity real estate strategies. 39% of SWFs are known to not invest in real estate, and this includes some of the recently

formed organizations as well as the more conservative SWFs that only allocate to traditional assets such as equities and fixed income.

The larger SWFs are more likely to invest in real estate as they are interested in expanding and diversifying their investment portfolios and have the assets and resources to take more risks in order to grow their assets and presence around the world. Over half of SWFs that have total assets of \$10-49 billion invest in real estate. 60% of those with assets in the range \$50-99 billion allocate to the asset class and 83% of those with assets between \$100-249 billion are active in real estate. Of those SWFs that have total assets of more than \$250 billion, 67% allocate to property. This includes Abu Dhabi Investment Authority which has assets of \$625 billion and is believed to allocate 5-10% of this in real estate. Its property allocation is thought to be split 65% to direct property, 5% to listed real estate and the remaining 30% in private real estate funds.

Proportion of SWFs Investing Directly or Indirectly in Real Estate

There are various ways in which investors

can access the real estate market, and a significant number invest across the real estate spectrum. 49% of SWFs that have real estate allocations invest directly in real estate as well as gaining exposure on an indirect basis. 34% invest through direct property holdings only, and the remaining 17% only invest indirectly.

Of those that invest in a mixture of direct and indirect real estate, 57% have exposure to listed and private investments as well as direct property. 36% split their real estate allocation between direct assets and private funds, and the remaining 7% allocate to direct assets and listed investments

Of those that invest only on an indirect basis, 60% invest solely in listed real estate and the remaining 40% only invest in private real estate funds. Ireland's National Pensions Reserve Fund (NPRF) gains its property exposure through private funds alone. It has a global outlook and has invested in most fund strategies. NPRF is looking to target core, value added and opportunistic markets in 2010.

60% of the SWFs that only have direct allocations are based in MENA and 30%

Fig. 1:

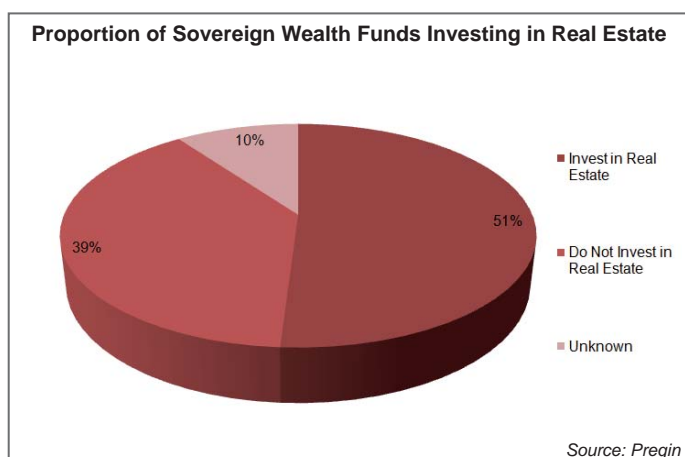
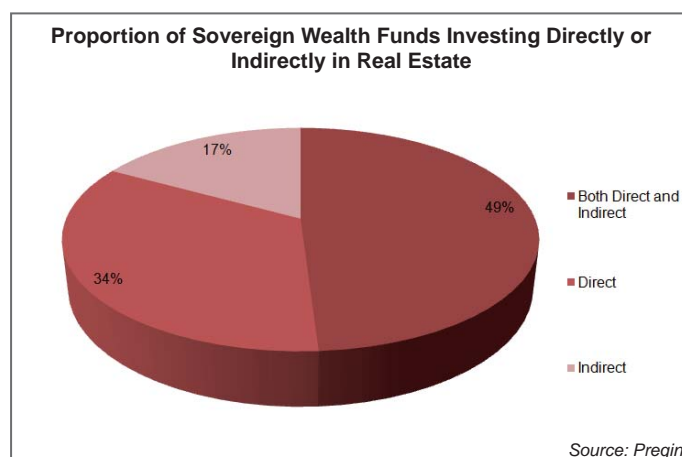


Fig. 2:



“The proportion of SWFs that target real estate debt strategies has increased from 25% in 2009 to 31% and the proportion interested in funds targeting distressed situations has risen to 21% from 19% in 2009.”

in Asia. These organisations prefer to invest in domestic real estate assets in order to improve the property markets in their region. 1Malaysia Development Berhad (1MDB) has formed a number of joint ventures with Middle Eastern organizations to invest in Malaysian real estate and other sectors that will attract foreign direct investments. It hopes to improve Malaysia’s profile internationally and attract foreign investments. 1MDB sees real estate as a key contributor to Malaysia’s economic development.

Many of the larger SWFs have significant direct international property portfolios. Kuwait Investment Authority purchased the GM Building in New York for \$3.95 billion in partnership with Qatar Investment Authority and Goldman Sachs. Bahrain Mumtalakat Holding Company is interested in purchasing direct properties in international markets, as it believes that declining property prices have created a favourable investment climate. These investments would be part of its long-term target of investing 50% of its total assets in international markets across different asset classes.

Geographic Preferences for Real Estate Investments

Fig. 3 shows that 66% of SWFs are investors in North American real estate, 59% in Asian and 55% in European. The MENA region attracts investments from 41% of SWFs, although the MENA-based SWFs account for 92% of this group with their domestic allocations. This domestic bias can also be seen in the Asian SWFs. 88% of those with a preference for Asian real estate are almost equally split between SWFs from Asia and MENA.

Private Real Estate Strategy Preferences

The SWFs that have private real estate allocations typically favour the higher-risk strategies such as opportunistic and value added funds. These strategies are targeted in order to achieve higher returns that are typically associated with these vehicles. 45% of SWFs investing in private real estate funds are interested in opportunistic funds; this is similar to the 44% that were interested in opportunistic funds in 2009. Kuwait Investment Authority has committed to the opportunistic vehicle Blackstone Real Estate Partners Europe III, which focuses

on over-leveraged traditional real estate assets, that have been purchased at peak levels and aggressively financed. 34% of all SWFs are now interested in value added funds, a decrease from 2009 when 44% were.

The proportion of SWFs that target real estate debt strategies has increased from 25% in 2009 to 31%, and the proportion interested in funds targeting distressed situations has risen to 21% from 19%. This suggests that the debt and distressed space has become more appealing to SWFs, just as it has across the investor universe as a whole, as the current market suits these types of deals. Although many SWFs have seen the value of their property portfolios drop due to the fall in the real estate markets, they have aimed to counteract these effects by taking advantage of the opportunities in the dislocated market, not only directly, but also through funds. Wyoming State Treasurer’s Office committed \$75 million to debt fund WestRiver Real Estate Finance Fund, which invests in a range of debt types including mezzanine, whole loans and first mortgages.

Conclusion

Sovereign wealth funds are able to develop their economy, diversify their portfolios and maximize returns through real estate investments. They have continued to allocate substantial amounts of capital to the real estate asset class while other

Fig. 3:

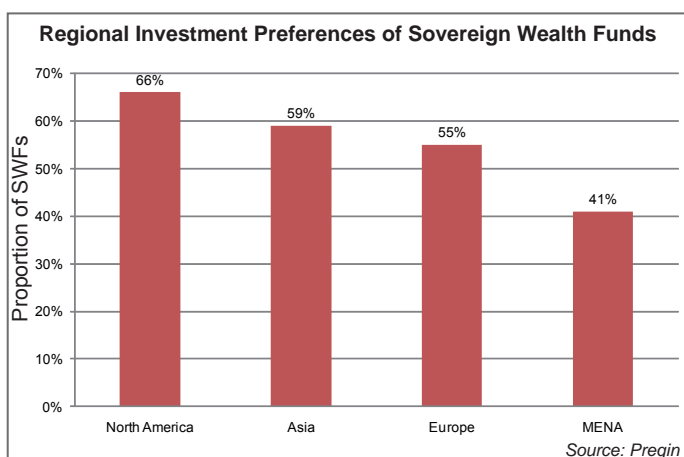
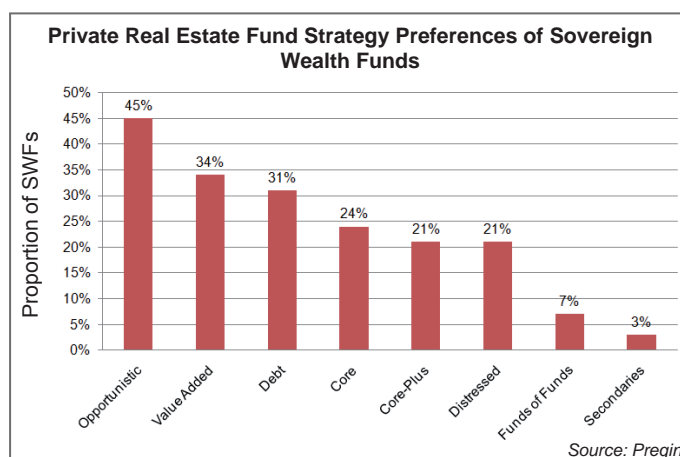


Fig. 4:



institutional investors have struggled in light of market conditions. Direct property is the most prevalent route taken by SWFs, although almost half of those involved in real estate will invest both directly and indirectly.

The SWFs with private real estate fund portfolios have exposure to a wide range of strategies, although vehicles associated with high-risk and high-returns are the most sought after. Nonetheless, SWFs are asserting caution to counter the losses in their portfolios caused by the financial crisis and dropping property valuations. 2010 is being regarded as an excellent year to invest in real estate as the market is showing signs of recovery. Therefore, it is likely that SWFs will continue to allocate to the asset class, both directly and indirectly, hoping to offset the losses in their portfolios and purchase assets at favourable prices.

Forena Akthar

The information contained within this month's article is taken from The 2010 Preqin Sovereign Wealth Fund Review.

This year's Review contains detailed profiles of over 50 sovereign wealth funds, over 50% of which are active in the real estate asset class.

The 2010 Preqin Sovereign Wealth Fund Review represents a vital purchase for all professionals seeking investment or looking to work with this important investor class. It is also a comprehensive source of data and information for all those looking to find out more about this previously opaque group of investment funds.

For more information, please visit:
www.preqin.com/swf



2010 Preqin Sovereign Wealth Fund Review: Order Form

The 2010 Preqin Sovereign Wealth Fund Review is the finance industry's leading source of information on sovereign wealth funds and their investment strategies, providing coverage on all different asset classes contained within their portfolios. Features include:

- Profiles for all known sovereign wealth funds, with details on their investment activities generally, drilling down into asset class-specific preferences, information and future plans.
- Names of external investment managers and consultants, investments in notable firms, and sample alternatives fund investments are included. Also covered is key financial information, such as total assets and allocations, and full contact details for fund and staff.
- Informative analysis on the world of sovereign wealth funds, including a detailed overview and specific sections providing statistics, trends and outlook for public equities, fixed income, private equity, real estate, infrastructure and hedge funds.
- Information on funds in the process of being established, countries considering the establishment of a fund and countries that have considered a fund, but have since shelved their plans.



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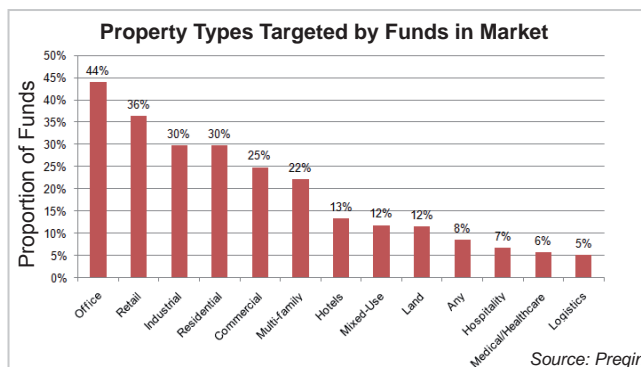
Fundraising Spotlight

Fig. 1:

Funds on the Road				
	US	Europe	ROW	Total
Number of Funds	204	99	79	382
Aggregate Target Size (\$bn)	81	41	32	154
Average Target Size (\$mn)	411	443	454	428

Source: Preqin

Fig. 2:



Source: Preqin

Fig. 3:

10 Largest Real Estate Distressed and Debt Funds on the Road			
Fund	Manager	Target Size (mn)	Strategy
Real Estate Turnaround Investment Program	Brookfield Asset Management	5,500 USD	Debt, Distressed & Opportunistic
Lone Star Fund VII	Lone Star Funds	4,000 USD	Debt & Distressed
Lone Star Real Estate Fund II	Lone Star Funds	4,000 USD	Debt, Distressed & Opportunistic
Carlyle Realty Partners VI	Carlyle Group	3,000 USD	Debt & Opportunistic
LoanCore Capital	LoanCore Capital	3,000 USD	Debt
Fortress Credit Opportunities Fund II	Fortress Investment Group	2,000 USD	Debt & Distressed
TA Realty Associates IX	TA Associates Realty	1,850 USD	Core-Plus, Debt, Distressed & Value Added
Starwood Global Opportunity Fund VIII	Starwood Capital Group	1,500 USD	Distressed & Opportunistic
Starwood Capital Hospitality Fund II	Starwood Capital Group	1,250 USD	Distressed & Opportunistic
Aetos Capital Asia IV	Aetos Capital	1,000 USD	Debt, Distressed & Opportunistic

Source: Preqin

Recently Closed Funds

NREP Logistics

Manager: Nordic Real Estate Partners

Strategy: Value Added

Geographic Focus: Denmark, Finland, Norway, Sweden

Property Types: Logistics

Final Close: 1,600 SEK (Mar-2010)

Known Investors: Storebrand Eiendom, Vattenfalls Pensionsstiftelse, Schroder Property Investment Management, CBRE Investors Global Multi Manager

JBG Fund VII

Manager: JBG Companies

Strategy: Opportunistic

Geographic Focus: Washington DC

Final Close: 577 USD (Feb-2010)

Placement Agents: Not Used

Real Estate Online New Feature: Historical Fundraising

Preqin's Real Estate Online service now features fully customizable fundraising charts:



- View yearly and quarterly private equity real estate fundraising
- See number of funds, aggregate capital raised and average fund size
- Customize fundraising charts by geographic focus, manager location and fund type
- Download results to Excel (premium access only)

For more information on Real Estate Online, please visit:
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Fund Manager Spotlight: Distressed and Debt Fund Managers

Fig. 1:

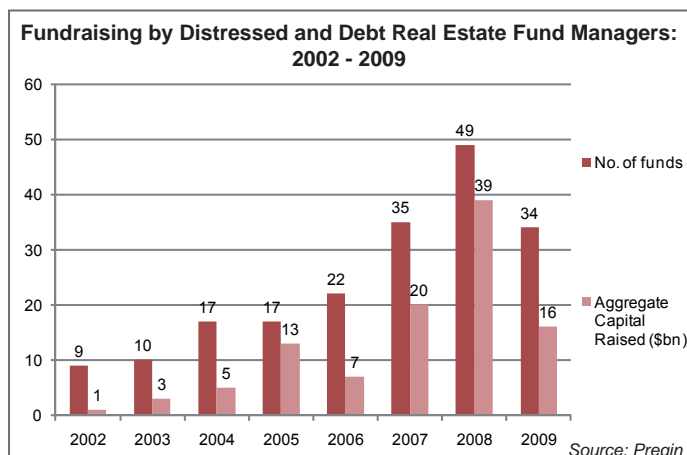


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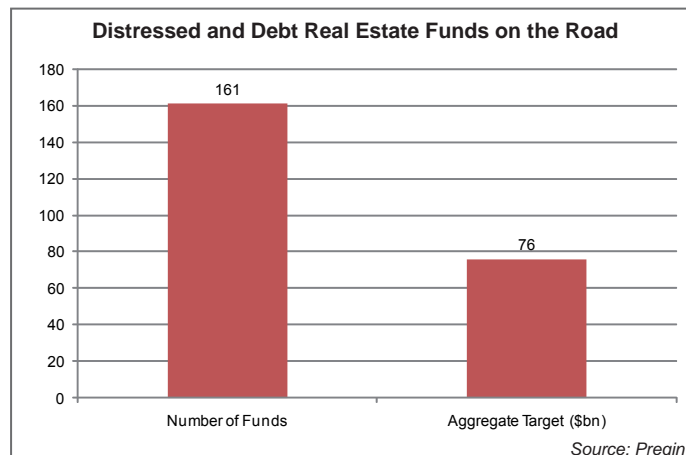


Fig. 3:

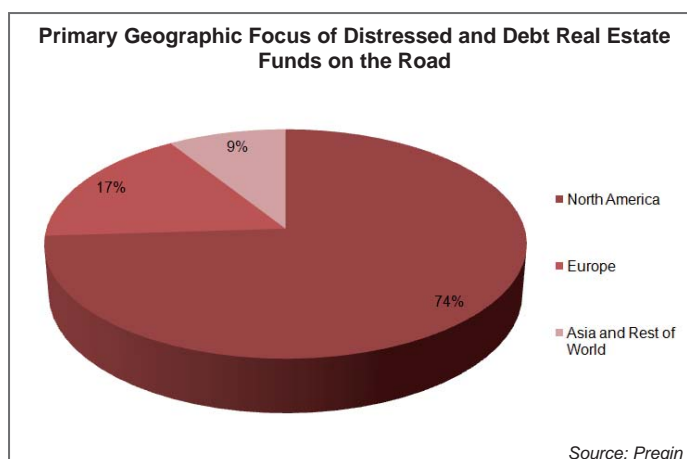


Fig. 4:

Ten Largest Real Estate Firms by Capital Raised for Distressed and Debt Funds

Firm Name	Total Capital Raised for Distressed and Debt Real Estate in Last 10 Years (\$bn)	Country Headquarters
Lone Star Funds	21.4	US
Morgan Stanley Real Estate	6.7	US
Colony Capital	6.5	US
LaSalle Investment Management	3.8	US
Rockpoint Group	3.6	US
Aetos Capital	3.5	US
BlackRock Realty	3.1	US
Fortress Investment Group	3.1	US
Goldman Sachs Real Estate Principal Investment Area	2.6	US
Five Mile Capital Partners	2.2	US

Source: Preqin

The information in Fund Manager Spotlight is taken from Preqin's Real Estate Online product. There are currently profiles for over 300 fund managers managing funds with a distressed and/or debt focus.

To find out more information about this product, or to arrange a demo, please visit:

www.preqin.com/realestate

Andrew Herman

Investor Spotlight: Distressed and Debt Real Estate Funds

Real estate distressed and debt vehicles are now considered to be one of the most attractive investment options for investors in the closed-end real estate fund industry. The proportion of closed-end real estate fund investors interested in these fund types has risen from 33% last year to 42%. A growing number of institutions are looking to take advantage of the opportunities available in the current market, as well as diversifying their real estate fund portfolios. Investors see the potentially high returns that investing in distressed situations may provide in the long term, and also hope to gain equity-like returns from debt strategies that are typically lower risk.

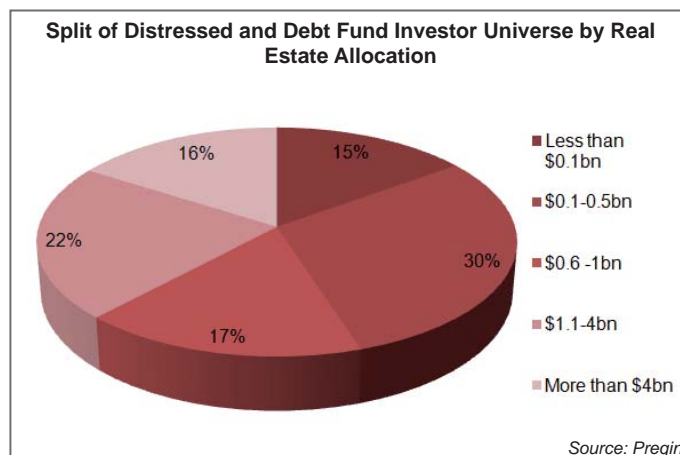
The split of distressed and debt fund investors by their real estate allocations is quite evenly spread. Fig. 1 shows that investors with real estate allocations of between \$100-500 million account for 30% of investors interested in these vehicles. Investors that allocate \$1.1-4 billion to real estate account for 22% of the distressed and debt investor universe. There are smaller proportions of investors interested in these funds with real estate allocations of less than \$100 million (15%) and over \$4 billion (16%).

The distressed and debt investor universe is largely North America-based, with two-thirds of investors with a preference

for these funds located in the region. California State Teachers' Retirement System (CalSTRS) is one of the largest of these investors, and has gained exposure to debt and distressed strategies across the globe. 24% are European investors and 10% are from Asia and Rest of World.

APG - All Pensions Group is an example of an investor from Europe that is looking to target distressed and debt funds this year. The asset manager is particularly interested in taking advantage of the opportunities available in the US, German and Dutch property markets and benefit from the risk-adjusted returns that these funds can provide. China Investment Corporation (CIC) also allocates substantial amounts of capital to these types of instruments. CIC has allocated to Real Estate Turnaround Investment Program as well as Morgan Stanley Real Estate Fund VII Global.

Fig. 1:



The information in Investor Spotlight is taken from The 2010 Preqin Real Estate Distressed and Debt Review.

The Review contains profiles of over 170 real estate investors with a strategic preference for distressed and/or debt.

To find out more about the Review please visit:

www.preqin.com/redistressed

Forena Akthar

Fig. 2:

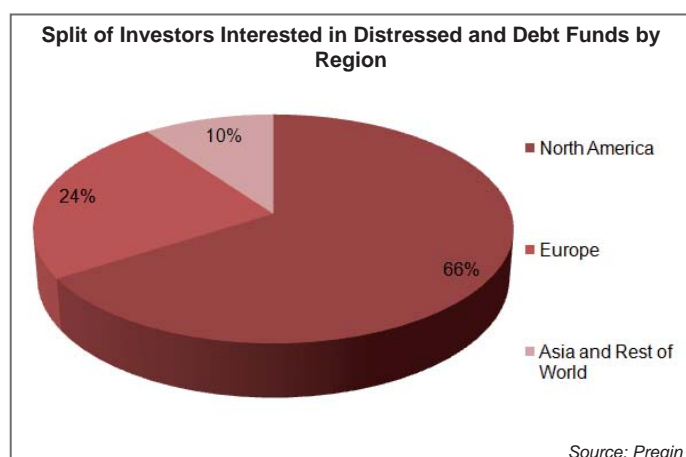


Fig. 3:

Sample of Investors Interested in Distressed and Debt Funds		
Investor	Investor Location	Geographic Preferences
APG - All Pensions Group	Netherlands	Europe, US
California State Teachers' Retirement System (CalSTRS)	US	Global
China Investment Corporation	China	Global
Maine Public Employees Retirement System	US	US, Global
Oxford Investment Partners	UK	Global

Source: Preqin

Conferences Spotlight: Forthcoming Events

The Second Annual Distressed Retail Real Estate Symposium

Date: April 19-20, 2010

Location: New York City, NY

Organiser: Information Management Network

With \$32 billion in distressed Retail assets and around \$9.4 billion in Retail CMBS loans delinquent, in foreclosure or taken back by banks, Retail is the most distressed of the asset classes. For the savvy real estate investor, therefore, opportunities in Retail would seem plump for the picking. To help navigate through the intricacies of Distressed Retail Investing, IMN is pleased to present this event.

Information: www.imn.org/distressedretail

Featured Conferences:

Conference	Dates	Location	Sponsor
2010 ULI Real Estate Summit at the Spring Council Forum	14 - 16 April 2010	Boston	Urban Land Institute
Bankers Forum on Distressed Properties & Real Estate Loan Workouts	19 - 20 April 2010	New York	IMN
2nd Distressed Retail Real Estate Symposium	19 - 20 April 2010	New York	IMN
Deutsche GRI 2010	27 - 28 April 2010	Frankfurt	GRI Events
US Real Estate Opportunity & Private Fund Investing Forum	3 - 4 June 2010	New York	IMN
Vietnam Investment Summit 2010	7 - 9 June 2010	Vietnam	Terrapinn
Real Estate Investment World Asia 2010	21 - 23 June 2010	Singapore	Terrapinn
Expo Real 2010	4 - 6 October 2010	Munich	Messe Munchen
Real Estate Investment World Australia 2010	6 - 8 October 2010	Sydney	Terrapinn
Real Estate Investment World Japan 2010	25 - 27 October 2010	Tokyo	Terrapinn
Real Estate Investment World India 2010	22 - 24 November 2010	Mumbai	Terrapinn

Investor Spotlight: Investor News

Massachusetts Pension Reserves Investment Management Board (MassPRIM) to allocate up to USD 1 billion to real estate in 2010

The USD 41.5 billion MassPRIM has approved a potential USD 1 billion allocation to real estate in 2010. It is expected that USD 800 million could be directed to core real estate through its existing separate account relationships. The pension fund reasons that core real estate offers more favourable risk-adjusted returns in comparison to investments of other risk levels. It is likely to consider all four core property types and will aim to achieve returns of 7-8%. The pension fund is under-weighted to industrial properties and therefore may focus on this sector in particular. MassPRIM has also approved a potential USD 200 million allocation to its value added program, in order to gain higher returns and diversify its portfolio. Its consultant, Callan Associates, is likely to assist in a manager search for this program, although a decision has not been made as to whether value added investments will be made through private real estate funds or separate accounts.

University of Oregon Foundation to target distressed situations and debt vehicles

The USD 425 million foundation is planning to commit to distressed situations and debt markets in the following 12 months. It will look to invest USD 12 million across two funds. The foundation has gained access to private equity real estate markets via fund of funds in the past. Hammond Associates advises the foundation on its private real estate investments.

Arizona Public Safety Personnel Retirement System to commit to debt vehicle

Arizona Public Safety Personnel Retirement System has included an investment in a fund incorporating both real estate debt and distressed situations into its 2010 real estate allocation. The

USD 6.1 billion pension fund aims to commit USD 25 million to the vehicle. It is interested in a range of debt types including CMBS, RMBS, distressed debt, first mortgages, mezzanine plays, non-performing loans, preferred equity, senior debt and whole loans.

Pohjola Property Management to invest in four to five funds in the next year

Through its Pohjola Real Estate Fund of Funds II, the Helsinki-based firm invests primarily in Europe-focused value added funds. It expects its initial commitments, however, to be in core-plus funds as it believes that these funds represent the best opportunities in the current market. It also anticipates that most of its investments will be in Western Europe.

MetLife holding off from real estate commitments

MetLife, a past investor in private equity real estate funds, is not looking to allocate to private equity real estate markets for the foreseeable future. The insurance company started investing in these markets in 2001 and was still active in 2007 and early 2008. However, because of market volatility MetLife has not committed to private equity real estate since this point and will not be making investments in this area until markets have stabilised.

Falkirk Council Pension Fund expects to make new real estate fund commitments in next 12 months

The GBP 1 billion Falkirk Council Pension Fund expects to invest in real estate funds through its active discretionary mandate with Schroder Property Investment Management. Schroder invests in property funds on behalf of the pension fund and aims to create a diversified real estate investment portfolio. The pension fund does not know how many funds Schroder will commit to, or the amount of capital it will invest. Falkirk expects that investments will be made across the real estate fund

spectrum, although it is unsure as to whether Schroder will target any real estate debt or distressed funds. The investments are likely to target the UK. Falkirk Council Pension Fund has an 8% allocation to property and is targeting 10%.

Rhondda, Cynon, Taff County Council Superannuation Fund not looking to invest in real estate in the next 12 months

The GBP 1 billion Rhondda, Cynon, Taff County Council Superannuation Fund will not be making any new commitments to real estate in the next 12 months. The pension fund invests in real estate through its GBP 100 million mandate with ING Real Estate Investment Management, which invests in funds focusing on the UK and continental Europe through ING Euroiris Fund of Funds. Almost all of that commitment has been called up and the pension fund is satisfied with the level of exposure it has gained. Through the fund of funds route it has acquired a diversified portfolio of real estate funds. Its real estate allocation equates to 10% of its total assets.

Stuart Taylor

Each month Spotlight provides a selection of the recent news on institutional investors in real estate. More news and updates are available online for Real Estate Online subscribers.

In the last month, Preqin analysts have added 46 new investors and updated 168 existing investor profiles.

For more information, or to register for a demo, please visit:

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