



Preqin Industry News

Jessica Sutro examines the latest news on Asia-Pacific-focused private real estate, including investors based in the region looking to make commitments, and Asia-Pacific-focused funds that have launched or held interim closes.

A number of Asia-Pacific-based investors are planning to make new commitments to debt-focused private real estate funds:

Singapore-based wealth manager [First Degree Global Asset Management](#) could make its maiden real estate investment by H1 2014. It will consider committing up to \$1mn to private funds across all strategies, including debt-focused private equity real estate funds. First Degree Global Asset Management will look at funds investing in the property markets of Australia and the US. The wealth manager has set a strategic target of 10% to the real estate asset class.

[Pacific Asset Management](#) intends to make its maiden investment to private real estate funds in the next 12 months. The China-based asset manager is looking at funds employing core and debt strategies, and will consider vehicles targeting China's tier one cities. Pacific Asset Management has not determined how much capital and how many funds it plans to commit to over the coming year. At present, the majority of Pacific Asset Management's real estate exposure lies in direct assets, and listed funds make up a small portion of its portfolio. It is also interested in separate account opportunities.

A number of Asia-Pacific-focused private real estate funds have launched or held interim closes recently:

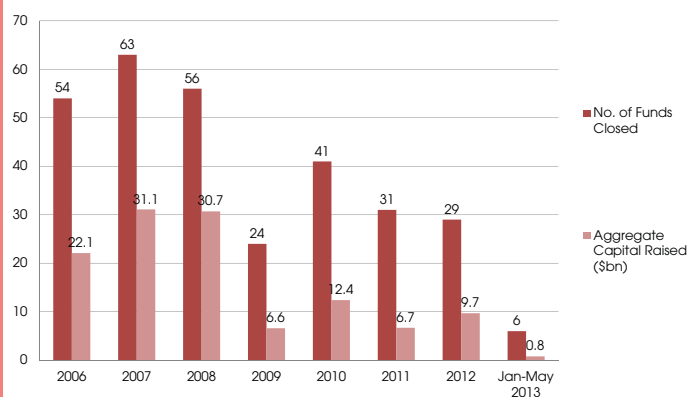
[Carlyle Group](#) recently launched [Carlyle Asia Real Estate Fund III](#), an opportunistic fund targeting \$750mn. The pan-Asian real estate fund has a focus on China and other select markets, including Singapore, Hong Kong and Japan.

Recently launched [HREI China Total Return Fund](#) is the maiden vehicle of [Harvest Real Estate Investments](#). The fund, which is looking to raise \$500mn in capital commitments from investors, targets medium- to long-term investments in retail, office and residential properties in the Chinese market. It employs an opportunistic strategy and focuses on tier 1 and 1.5 cities in China.

[Secured Capital Japan](#) held a second interim close on \$253mn in April 2013 for their vehicle [Secured Capital Real Estate Partners V](#), which is targeting \$1bn. The fund invests in properties and distressed and debt opportunities mainly in Japan and targets medium sized properties between \$20-300mn, with emphasis on B+ to A Class quality.

A look at Asia-Pacific-focused private real estate fundraising since 2006:

Chart of the Month: Annual Asia-Pacific-Focused Closed-End Private Real Estate Fundraising, 2006 - May 2013



Source: Preqin Real Estate Online

The 29 Asia-Pacific closed-end private real estate funds closed in 2012 represented a slight drop from the 31 closed in 2011. However, the Chart of the Month shows that the aggregate capital raised by funds closed targeting the region increased from \$6.7bn in 2011 to \$9.7bn in 2012. Fundraising for vehicles targeting the region has remained slow in 2013 so far, with six funds closed raising an aggregate \$0.8bn.

[Phoenix Asia Real Estate Investments V](#), managed by [Phoenix Property Investors](#), held a second interim close on \$468mn in May 2013. The fund, which is targeting \$600mn, has a pan-Asian focus, but is primarily interested in the Hong Kong and Taiwan real estate markets. It invests in all property types with the exception of industrial assets and hotels.

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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