

**SE** The Week in Asian Real Estate; Exclusive

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Deal of the week

Cathay Life's **purchase** this week of the Woolgate Exchange office building marks the first London **acquisition** by a Taiwanese insurance **firm**.

**TD**

The **company**, one of Taiwan's largest insurers, agreed to **buy** the 340,000-square-foot trophy asset on Basinghall Street in the city for £320 **million**. The price reflects a net initial yield of just over 5.1%, higher than the current prime office yields in Taipei of around 2% to 2.5%, noted CoStar UK, which also described the deal as "long awaited" and likely to be the beginning of a stream of Taiwanese investors into London's **commercial property** market.

Taiwan's Financial Supervisory Commission permitted insurance companies to invest in real **estate** abroad in April 2013.

REITs in the news

\* Following the proposals published in January, **Hong Kong's** Securities and Futures Commission has concluded that REITs will be allowed to invest as much as 10% of their gross asset value in **property** development or redevelopment, from which they were effectively barred by existing rules.

REITs will also be allowed to invest in financial instruments that help improve capital management and cash flow.

The new rules place **Hong Kong** REITs on a more competitive footing with other countries, Asian Investor said, citing Peter Verwer, new chief executive of APREA.

The planned change is expected to free HK\$34 **billion** for **property** development and rebuilding, Bloomberg News reported, citing Victor Yeung, who runs Admiral Investment Ltd.

\* In Japan, Sumitomo is looking to tap investors for the launch of a privately placed REIT, the Nikkei Asian Review reported.

The private REIT's portfolio will include properties owned by the Japanese trading house. The REIT will be managed by Sumisho Realty Management, a subsidiary of Sumitomo, and will invest in office buildings, **commercial** and logistics facilities and other real **estate**.

Other activity

\* Evergrande Real **Estate Group** Ltd. is offering zero-interest down-payment loans, skirting government rules that require a minimum deposit of 30%, the South **China** Morning Post reported. The trend among **Chinese** developers to offer easy credit as part of efforts to keep sales on track also highlights the risk of a broader industry correction if buyers default, the publication noted.

\* **Chinese** conglomerate Greenland Holding **Group**, which already has A\$1.4 **billion** of **residential** development projects in Australia, is looking to expand its portfolio as it hunts for more sites in Sydney and the **Gold** Coast market.

It has joined forces with James Packer's Crown Resorts to bid for the multibillion-dollar Queens Wharf casino and tourism precinct in the central business district of Brisbane, Australia.

\* Australand **Property Group** reported a 49% rise in net profit after tax and a 30% rise in operating profit after tax for the half-year ended June 30. The **group's** operating profit after tax totaled A\$80.8 **million** and net profit after tax was A\$131.5 **million**.

\* AustralianSuper, the country's largest superannuation fund, is planning to invest up to A\$1 **billion** into **residential** master planned community projects.

#### Best of the Web

What can you **buy** for the median house price in each Australian capital city?: News.com.au compares housing affordability in Brisbane, Sydney, Melbourne, Perth, Adelaide, Hobart, Canberra and Darwin.

West Kowloon Cultural District Authority unveils concept design for the **park**: The authority provides a glimpse of the high-profile future **park** at **Hong Kong's** West Kowloon, which would function as a green open space to promote cultural activities in the city.

#### Now Featured on SNL

Data Dispatch: Asia-Pacific real **estate** capital raising nears US\$30.23B YTD: Capital raising efforts for SNL-covered Asia-Pacific real **estate** companies resulted in roughly \$30.23 **billion** of gross proceeds year-to-date through July 15, compared to about \$39.63 **billion** in the year-ago period.

The Eastern Front: **China** real **estate** M&A wave surges: **China's** real **estate** market slump has cast plenty of downbeat sentiment, but it also offers opportunities to shop for deals that might not be available in a bull market, industry observers told SNL Financial.

The Eastern Front: Greenland Holding **Group** on hunt for more overseas investment: **Chinese** state-backed behemoth Greenland Holding **Group** said that it paired up with Crown Resorts to vie for the rights to a multibillion-dollar casino development in Brisbane, Australia.

IPO Monitor for the week ending July 23: Companies with IPO stories for the week come from the U.K. and Singapore. The IPO Monitor is a feature that tracks international real **estate** companies debuting on the exchanges.

Hires and Fires: European/Asian real **estate** moves through July 22: SNL Financial presents a weekly rundown of recent significant management and **board** changes and personnel moves in the European and Asia-Pacific real **estate** industries.

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