

SE The Week in Asian Real Estate; Exclusive

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Top news

Singapore's Global Logistic Properties Ltd. has grown its global fund management platform to US\$13.2 billion of AUM with expansions in Japan and Brazil.

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GLP expanded its 50/50 GLP Japan Development Venture with Canada Pension Plan Investment Board in a move that increases the venture's total size by 29% to US\$2.2 billion.

Each partner will contribute an additional ¥15 billion of equity in the venture. The investment identification period has been reset for a further three years.

Meanwhile, GLP took two initiatives in Brazil that boosted its fund-management platform in the country by 68% to US\$3.7 billion.

Together with the CPPIB and an unnamed North American institutional investor, the logistics developer formed GLP Brazil Income Partners II, which holds about 896,000 square meters of logistics assets located mainly in São Paulo and Rio de Janeiro.

It also expanded GLP Brazil Development Partners I, jointly owned by the company, CPPIB and Singapore's GIC, by 36%, or US\$400 million, to 3.6 billion reais, with the additional capital to be deployed in a Rio de Janeiro site of 350,000-square-meter buildable area.

Eye on earnings

* China Vanke Co. Ltd. said its third-quarter net profit attributable to equity shareholders rose 2.8% to 1.65 billion Chinese yuan from 1.60 billion yuan in the year-ago period.

* Japanese heavyweight Mitsubishi Estate Co. Ltd.'s net income for the fiscal second quarter surged 22.5% year over year to ¥53.44 billion from ¥43.63 billion. It expects a 6.7% drop in fiscal 2015 net income to ¥60 billion.

* Over in Singapore CapitaCommercial Trust reported distribution income of S\$61.6 million for the third quarter, an increase of 4.8% from the S\$58.8 million in the year-ago period. It will pay out an estimated distribution per unit of 2.10 cents for the quarter.

* Ascendas Real Estate Investment Trust reported a 1.6% year-over-year rise in its second-quarter distribution income totaling S\$87.8 million. Distribution per unit for the quarter came in at 3.66 cents.

* CDL Hospitality Trusts reported third-quarter distributable income of S\$25.6 million and income available for distribution per stapled security of 2.61 Singaporean cents.

* Australia's GPT Group upgraded its guidance to at least 4% EPS growth for 2014 after a strong third quarter. The company said it raised A\$872 million in new equity for its GPT Wholesale Office Fund and the GPT Wholesale Shopping Centre Fund.

* Mirvac **Group** reaffirmed its fiscal 2015 operating EPS guidance range of 12.0 Australian cents per stapled security to 12.3 cents per stapled security and distribution guidance range of 9.2 cents to 9.4 cents per stapled security.

The **group** is also forging ahead with **apartment** and housing projects and will release 2,700 **residential** lots in financial 2015.

* Goodman **Group** in its fiscal first-quarter update reaffirmed its fiscal 2015 forecast that calls for operating EPS of 36.9 Australian cents, up 6% on fiscal 2014. The **company** said it is "well-positioned to continue benefitting from the robust global capital market conditions and ongoing demand for prime industrial space."

* Stockland said it is on track to achieve EPS growth in fiscal 2015 of 6.0% to 7.5% above fiscal 2014, assuming no material change in market conditions.

Moneyball

* Speaking of Stockland, the Australian developer has priced a €300 million seven-year green bond under its euro medium-term note program, becoming the country's first issuer to sell bonds funding environmentally sustainable projects. This issuance will extend Stockland's pro forma weighted average debt maturity to 5.8 years and reduces its weighted average cost of debt to about 6.4% from about 6.5%.

The **company** said this week that it is launching a significant new master planned community in the Wyndham growth corridor west of Melbourne, with an end value of A\$637 million. The project will provide more than 2,500 new homes.

* Evergrande Real **Estate Group** Ltd., which has the two biggest single dollar bonds outstanding in **China's property** sector, is planning to sell five-year notes by late December to refinance one of them, Bloomberg News reported, citing CreditSights Inc. The **company** has to repay \$1.35 billion of the 13% notes in January 2015.

* Compatriot Agile **Property** Holdings Ltd., which had to scrap its rights issue earlier with its chairman in custody, obtained a much-needed 12-month extension to repay what remains of a US\$475 million loan due in December. Banks including HSBC have agreed to give Agile an extra 12 months to pay back up to \$265 million of the \$475 million loan facility. The remaining \$210 million of the loans outstanding will be repaid from the net proceeds of the developer's proposed HK\$1.65 billion rights issue announced Oct. 15.

* **Chinese** real **estate** companies have been running up debt amid a market slowdown, according to The Financial Times (London). The average net gearing in the sector is expected to jump to 82% by year-end from 73% in 2013, the publication said, citing estimates from Barclays.

Rumor mill

GPT **Group** and DEXUS **Property Group** are said to have held merger talks about 18 months to two years ago to form a "**property** powerhouse" with about A\$25 billion in AUM, The Australian reported. The discussions took place during the period before the two groups commenced bidding for the takeover of the Commonwealth **Property** Office Fund, the news outlet added, citing sources. The plan was mothballed partly due to concerns over key management personnel movement during the period between the merger announcement and an uncertain shareholder sign-off.

Other news

* As major Japanese realtors step up development efforts ahead of the 2020 Olympic Games, Mitsui Fudosan Co. Ltd. is pouring about ¥320 billion into several redevelopment projects in central Tokyo, The Nikkei Asian Review reported, citing President Masanobu Komoda.

* One of Japan's biggest conglomerates, Mitsui & Co. Ltd., is looking beyond its home country to Thailand. The **company** plans to invest ¥1.5 billion in Thailand logistics REIT business. The investment includes a 30% stake acquisition in a REIT manager of local industrial **site** developer Ticon REIT for 70 million Thai baht. Ticon REIT is expected to be listed as a logistics REIT within the year. Mitsui expects to grow the trust's assets to about 20 billion baht in three to five years from the current range of 4 billion baht to 5 billion baht.

* India eased rules for overseas investors in the **property** development and construction sector. Real **estate** companies now need a minimum project size of 20,000 square meters to invite foreign investors, instead of the 50,000 square meters previously mandated.

Now featured on SNL

The Eastern Front: **Hong Kong** land market lures mainland rivals: Shimao **Property** Holdings Ltd., one of **China**'s largest real **estate** developers, has joined the rush of mainland companies developing in **Hong Kong** amid a favorable tax and financing environment.

The Eastern Front: Agile sees light at the end of the tunnel: Analysts sounded a positive note following Agile **Property** Holdings Ltd.'s announcement that it secured a crucial extension to repay what remains of a \$475 million loan due in December.

The Cash-Out: Macau's troubles are serious, but far from terminal: While the Macau gaming market's seemingly unstoppable money-printing ability has taken a few hits over the last several months, any reports of its death are premature.

IPO Monitor for the week ending Oct. 29: The IPO Monitor is a feature that tracks international real **estate** companies debuting on the exchanges.

Asian **property transactions** to Oct. 31: Multiple parties bid for Stockland and the Future Fund's Brisbane, Australia, asset; DEXUS **Property Group** and Lend Lease are competing for redevelopment contracts in Sydney's Parramatta; and Hopewell Holdings refutes buying certain properties at Swatow Street in Wan Chai, **Hong Kong**.

Hires and Fires: European, Asian real **estate** moves through Oct. 27: 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.

CO cinveb : CPP Investment Board | unlgi : Global Logistic Properties Ltd | gosic : GIC Pte Ltd.

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