

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

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**LP**

Deal of the week

Blackstone **Group** LP, the world's largest private **equity property** investor, is beefing up its Japan **apartment** holdings through a deal worth more than ¥190 **billion**, or approximately \$1.62 **billion**.

**TD**

The biggest U.S. single-family rental-home landlord agreed to **buy** GE Japan Corp.'s wholly owned **residential property** business, which owns and operates more than 200 **residential** properties, consisting of over 10,000 units, primarily in Tokyo, Osaka, Nagoya and Fukuoka.

Alan Miyasaki, senior managing director at Blackstone, said in a news release that the **group** continues to believe strongly in the **residential** sector's fundamentals, especially in Japan's major cities.

Blackstone's latest deal is the largest **property acquisition** this year in Japan, dwarfing Singapore's sovereign wealth fund GIC's Tokyo office tower **purchase** for an estimated ¥170 **billion**.

**M&A** activity

WHA Corp. Pcl, Thailand's biggest publicly traded developer of factories and warehouses, plans to pay 43.7 **billion** Thai baht for Hemaraj Land and Development Pcl, a move that will enable the **company** to expand into land development in Thailand from being a logistics and industrial developer.

CEO Somyos Anantaprayoon was quoted by The Bangkok Post as saying that the **acquisition** will increase the market capitalization of WHA, which is also seeking to raise up to 5 **billion** baht via a REIT IPO in early December, to 79 **billion** baht from 36 **billion** baht.

The merger, advised by Siam **Commercial** Bank, is scheduled to be completed by March 2015. The offer price of 4.50 baht per share for 22.53% of Hemaraj shares is 1.4% higher than the stock's closing price of 4.44 baht on Nov. 14.

The management structure within Hemaraj will not change, David Nardone, president and CEO of Hemaraj, was quoted as saying.

Partnering up

\* Lippo **Group** joined forces with the Toyota Motor **group** and other Japanese companies to develop a "Little Tokyo" on the outskirts of Jakarta, catering to the growing number of Japanese residents, according to the Nikkei Asian Review. The project, with total costs estimated at \$30 **million**, will feature Japanese-style housing, kindergartens and **commercial** facilities.

\* Also in Jakarta, CapitaLand Ltd. teamed up with a Credo **Group** subsidiary for its first Indonesian project. The S\$220 **million** development comprises a grade-A office tower, **residential** units, serviced residences and retail space with gross floor area of more than 40,000 square meters. Construction is expected to start in 2015 with completion scheduled in 2018.

\* In its bid to expand in Southeast Asia, Philippines-based Ayala Land Inc. is venturing into Myanmar's booming **property** market, Asia News Network reported. The **company** is partnering with local retailer City Mart Holdings, which operates multiple retail formats in the country.

## Australian capital abroad

\* QSuper, Australia's second-biggest superannuation fund, confirmed that it acquired The Bridges Shopping Centre in Sunderland, northern England for about £150 **million**. Land Securities **Group Plc** sold the 55,000-square-meter center in July. The confirmation came as superfunds in Australia continue to scout for **acquisition** opportunities abroad due to heated competition from foreign capital and fewer investable assets in the home country.

\* Australian heavyweight Goodman **Group** is placing bets on **China**. The logistics developer, along with Canada Pension Plan Investment **Board**, will invest a further \$500 **million** to expand its portfolio of warehouses across **China**, making their joint venture one of Australia's largest direct investors in the country. The Canadian partner will commit \$400 **million** of the new money and Goodman the remaining \$100 **million**. This will take their total investment in Goodman **China** Logistics Holding beyond \$2 **billion**.

Philip Pearce, Goodman's managing director of Greater **China**, expects the **company** to increase its assets in **China** by 50% to \$3 **billion** over the next three years.

At its annual general meeting, Goodman reaffirmed its full-year 2015 operating EPS guidance of 36.9 cents, up 6% on last year.

## Other news

\* Global Logistic Properties Ltd. said Jeffrey Schwartz, the **company's** co-founder and chairman of the executive committee, died Nov. 19. Schwartz, 55, also was a **board** member of Las Vegas Sands Corp. and former CEO of Prologis Inc.

\* With new-home prices continuing to drop in **China**, **property** giant Greenland Holding **Group** Co. is said to have turned its focus to the **Gold** Coast in Queensland, Australia, for "mostly" **residential** and **hotel** development as demand in **China** slows and Sydney and Melbourne prices become too expensive, Bloomberg News reported, citing Sherwood Luo, managing director of the **company's** Sydney-based subsidiary.

Greenland, the most aggressive **Chinese** developer abroad in recent years, will also diversify its investment. Following the signing of the free trade agreement between the two countries, the **group** is looking to **buy** Australian food and agriculture companies for imports into **China**.

## Now featured on SNL

The Eastern Front: Grass is greener for mainland firms bent on diversification: Shanghai-based Greenland Holding **Group** has set its sights on the Australian food and agriculture sector in the latest sign that **Chinese** developers are feeling the need to diversify their holdings.

The Eastern Front: Shanghai-**Hong Kong** Stock Connect opens doors for office market: **China's** latest bid to open up its financial markets is expected to boost the office market in **Hong Kong**, according to industry observers.

IPO Monitor for the week ending Nov. 19: Stories for the week come from the U.K., Singapore, Thailand, Saudi Arabia, Italy and Morocco.

Asian **property transactions** to Nov. 21: A Charter Hall **Group** fund is selling a Sydney office asset; CapitaLand strikes a S\$220 **million** joint venture for an Indonesian project; and DEXUS **Property Group** completes the **sale** of a New Zealand asset.

Hires and Fires: European, Asian real **estate** moves through Nov. 17: 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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