


Due Diligence Update: Brookfield Strategic Real Estate Partners IV


 Home

Categories


 Meeting Recap

 DD Updates

 Manager Overview

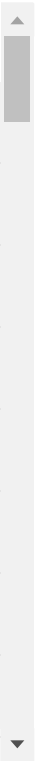
 Apogem Capital (fka Private Advisors)

 abrdn

 Adams Street

 AEA

 American Realty



Given the recent headlines regarding Brookfield's default on a loan tied to an office portfolio in the DC area, we connected with members of the Brookfield team for additional detail. Those assets were acquired back in 2016 and 2017 and a part of a prior vintage, BSREP II.

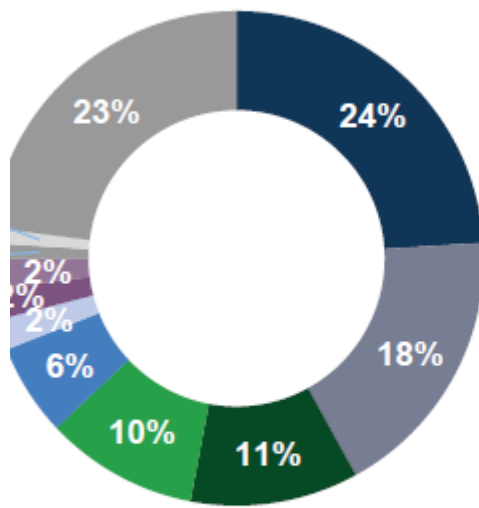
The 9 impacted properties are held in 2 separate office portfolios Brookfield owns that make up ~1% of the equity invested in BSREP II.

- BSREP II acquired these portfolios in 2016 and 2017, respectively, and 3 of the original assets have since been sold.
- 6 of the 9 assets within these two portfolios are class B buildings in suburban Maryland (a secondary suburban market of DC), with 3 office assets located in Orlando, Atlanta and Arlington.
- This market was hit particularly hard by Covid since the small, mostly single proprietorship businesses, shifted to work from home permanently.
- These two portfolios combined are ~1% of the equity invested in BSREP II. The original invested equity has been returned to the Fund.
- The portfolios vary greatly from Brookfield's other assets in the downtown DC market which remain strong.
- Brookfield continues to focus on quality and ~95% of what they own are trophy and Class-A buildings that continue to see strong demand globally and benefit from the flight to quality.
- While the pandemic has posed challenges to traditional office in some parts of the US market, this represents a very small percentage of their portfolio.

Below is a snapshot of the current portfolio of Fund IV with most of the office exposure being non-U.S. and biased toward trophy/Class-A buildings.

Equity Invested/Committed*1

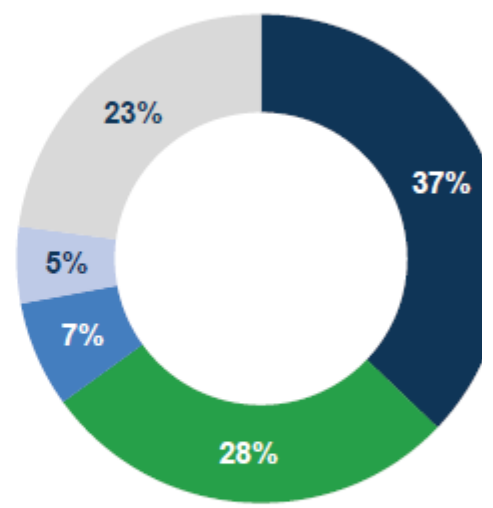
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