

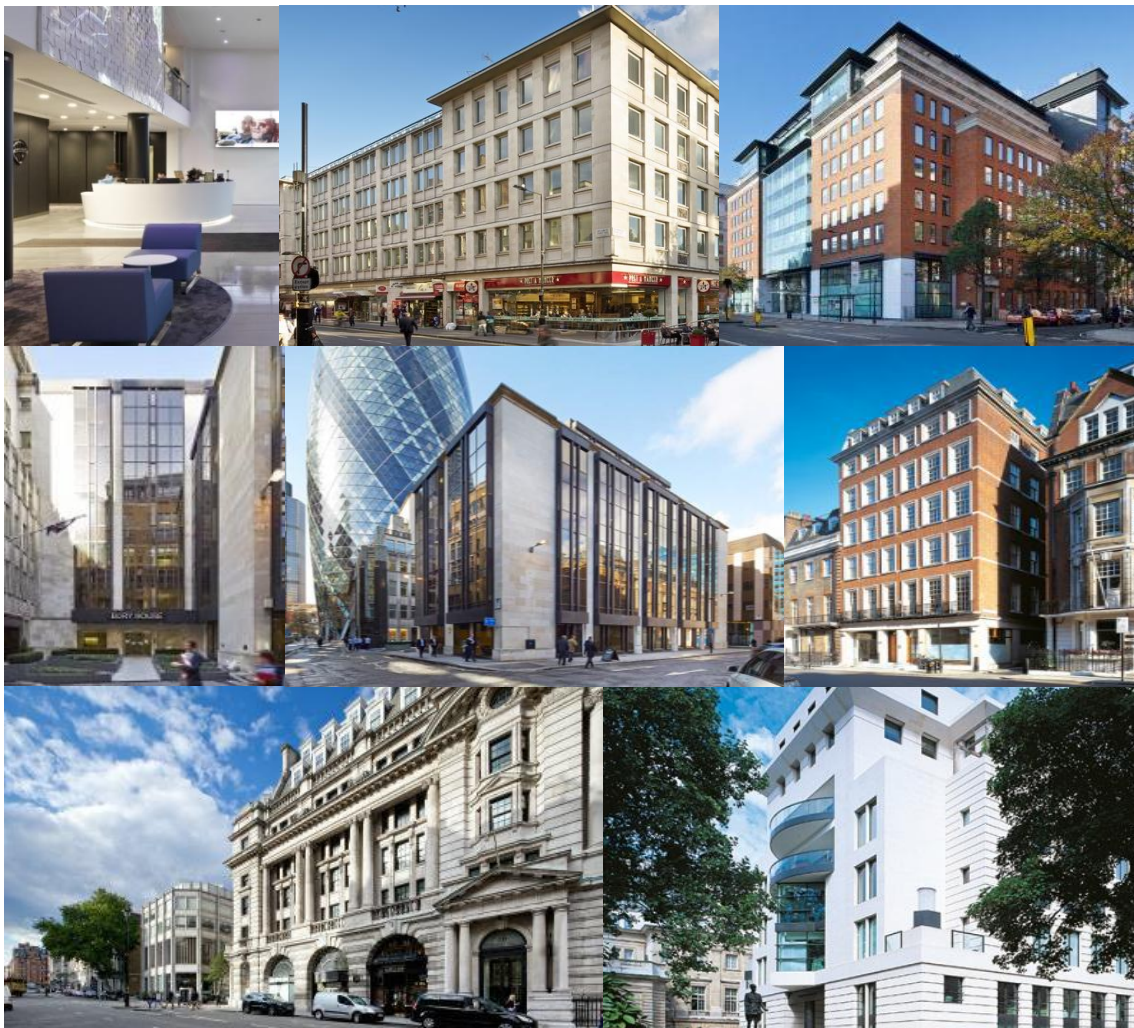


# **CORPORATE FINANCE**

## **Equity Placement**

# WELPUT

## CENTRAL LONDON OFFICE FUND, UK



### TRANSACTION OVERVIEW:

In November 2014, Schroder REIM, owned by Schroders Group, appointed CBRE Capital Advisors to raise £300m – initially £150m was required within six months to match redemptions following a modernisation of the Trust; with a further £150m of new equity desired to grow the vehicle. The redemption units were satisfied in a prompt month period by a large Danish pension fund.

<b>FUND STRATEGY</b>	Value Add
<b>FUND SIZE</b>	12 seed assets with total GAV of £1.1bn
<b>FUND MANAGER</b>	Schroders
<b>TARGET RETURN</b>	To outperform Central and Inner London Office segments of IPD quarterly Universe ('IPD Benchmark') by 1% p.a
<b>DISTRIBUTION</b>	Currently 1.4% p.a. – last 12 months
<b>LEVERAGE</b>	Current gearing: 15% LTV; Target gearing: 15%-25% LTV; Max gearing: 35% LTV
<b>ALIGNMENT</b>	Holders Advisory Committee

### RESULTS:

2015: £162m raised in 4 months vs £162m redemptions – Danish Pension Fund

2016: £50m raised in 8 months vs £90m redemptions – US Investment Manager obo Asian Sovereign Wealth



# ASR

## SUPER PRIME RETAIL FUND, NETHERLANDS



### TRANSACTION OVERVIEW:

In November 2013, ASR REIM, owned by ASR Netherlands (ASR), the third largest Dutch insurer, appointed CBRE London (Indirect Investment Services) and Amsterdam, to raise a further €250m of global equity for ASR Dutch Prime Retail Fund.

In December 2014, CBRE secured the largest single equity investment into an unlisted co-mingled European fund ever recorded from a Japanese investor – €250m – bringing our total raised for ASR DPRF to c.€800m since 2011.

<b>FUND STRATEGY</b>	Core Dutch super prime high street retail investment
<b>FUND SIZE</b>	AUM of €1.3bn
<b>EQUITY RAISED</b>	€250m (5th close) in Dec 2014; €785m since Dec 2011
<b>INVESTOR</b>	Institutional investor nationalities: Dutch, French, Swiss, UK, Japanese
<b>FUND MANGER</b>	ASR REIM
<b>TARGET RETURN</b>	7% - 9% IRR
<b>DISTRIBUTION</b>	5% CoC per annum
<b>LEVERAGE</b>	Up to 30% LTV
<b>ALIGNMENT</b>	Minimum 20% co-investment by ASR Netherlands

**EUROPEAN FIRST – LARGEST RECORDED  
JAPANESE INVESTMENT INTO CORE  
EUROPEAN FUND**

# CORDATUS REAL ESTATE

## FUND LAUNCH UK



### TRANSACTION OVERVIEW:

In March 2015, Cordatus Real Estate ("Cordatus") mandated CBRE Equity Placement to help raise capital to grow their business. Cordatus is a UK specialist asset manager acting as a local operating partner for primarily PE and bank clients. The objective was to raise c. £100 million of discretionary capital to execute a UK regional property strategy focussing on smaller lot sizes.

<b>FUND STRATEGY</b>	Core
<b>FUND SIZE</b>	Target £300m
<b>FUND MANAGER</b>	Cordatus
<b>TARGET RETURN</b>	10-12% IRR (40% LTV)
<b>DISTRIBUTION</b>	7% distribution (40% LTV)
<b>LEVERAGE</b>	40%
<b>ALIGNMENT</b>	Joint venture

### RESULT:

With the launch of "CPT" Cordatus was fully established as a manager of third party institutional capital. The investor initially committed £150 million to CPT whilst allocating £300 million to the strategy. The first £150 million was to be deployed over 6 quarters with the view to grow CPT to around £500 million of GAV over time.





# **CORPORATE FINANCE**

## **Debt & Structured Finance**

# CHELSEA HARBOUR AND DESIGN CENTRE

## DEBT ARRANGEMENT: MIXED-USE SCHEME, LONDON



### TRANSACTION OVERVIEW:

Marcol's Chelsea Harbour is a landmark mixed-use scheme, comprising 16 acres of freehold land with over 270,000 SF of design and office space, accommodating 200 commercial tenants. The scheme is home to The Design Centre, the largest interior design retail centre in Europe.

### KEY METRICS:

VALUE	£290m
DEBT QUANTUM	£188.5m
LTV	65%
DATE	2016

### CBRE'S VALUE ADD:

CBRE secured debt from a single lender and negotiated a structure that allowed for flexibility around plans for the development of a future phase of the Design Centre.



# MARBLE ARCH PLACE

## DEBT ARRANGEMENT: MULTI-FAMILY RESIDENTIAL DEVELOPMENT, LONDON



### TRANSACTION OVERVIEW:

Almacantar is redeveloping Marble Arch Place with a new 18-storey residential tower, comprising 54 apartments and a seven-storey commercial building providing office, retail, and cinema space. Completion is scheduled for 2020.

### KEY METRICS:

<b>GDV</b>	£875m
<b>DEBT QUANTUM</b>	£400m
<b>LTGDV</b>	46%
<b>DATE</b>	2016

### CBRE'S VALUE ADD:

CBRE advised Almacantar and aided the securing of a £400m speculative loan from a single lender.

# GATSBY

## DEBT ADVISORY: MIXED-USE LOAN PORTFOLIO, UK



### TRANSACTION OVERVIEW:

CBRE was mandated by Kennedy Wilson to advise on their purchase of a distressed loan portfolio from Aviva Commercial Real Estate Finance. The 3.5m SF portfolio is comprised of 170 mixed-use properties located in the UK.

### KEY METRICS:

<b>PURCHASE PRICE</b>	£503m
<b>DEBT QUANTUM</b>	£352.3m
<b>LTV</b>	70%
<b>DATE</b>	2015

### CBRE'S VALUE ADD:

CBRE advised on securing a three tranche senior debt facility from a UK institution.





# **CORPORATE FINANCE**

## **Strategic Advisory**

# STRATEGIC ADVISORY – M&A

## CASE STUDY



### STRATEGIC ADVICE

£1.3bn GAV

Advising closed end fund  
on its exit options to  
optimise value

2015

- As a large closed end fund approached its expiry date the board sought independent advice on liquidity options as part of its fiduciary duty to unit holders. Strategic advisory was engaged to undertake a detailed review of the available alternatives.
- Strategic Advisory undertook an assessment on the impact each strategic alternative would have on unit holder returns. The feasibility and timetable associated with each liquidity scenario was also considered
- Liquidity events analysed included both private and public market alternatives. Private market alternatives included individual asset sales, portfolio sales and the ability to extract a 'portfolio premium', the viability of a fund extension either with or without additional capital raise and an IPO exit
- Strategic Advisory provided its advice on the best alternative balancing execution risk, conflicts, value and other risk/benefit factors
- CBRE has agreed to advise on the implementation of the chosen exit mechanism



# STRATEGIC ADVISORY – RESTRUCTURING

## CASE STUDY



### **EUROPEAN INDUSTRIAL FUND** €140m EQUITY RAISED

€465m fund, prime  
European industrial assets

2014

- CBRE global investors' European industrial fund, a €500m infinite life, pan-European logistics fund established before the financial crisis, was approaching a 100% liquidity event.
- This event, combined with the pre-crisis characteristics of the fund, presented major impediments to the continuation and restructuring of the fund to continue to pursue its fundamentally attractive and on-theme strategy.
- Strategic Advisory was engaged to advise CBRE Global Investors to reposition the Fund to pursue the underlying strategy in a post financial crisis environment and meet modern, structural and governance standards
- The principle challenge was to secure the necessary investor vote to approve the restructuring while at the same time providing liquidity to investors requiring an exit
- Strategic Advisory advised CBRE Global Investors on the restructuring, which was approved by the investors, and introduced €100million from a cornerstone investor to provide the required liquidity
- EIF has subsequently continued to attract material equity inflows

# STRATEGIC ADVISORY – STRATEGIC VALUATION

## CASE STUDY



### SONGBIRD ESTATES PLC

Special valuation report for  
takeover defence

2015

- CBRE has been advising the canary wharf group plc (CWG) and its associated companies since 1996.
- In November 2014, Songbird Estates plc (Songbird) an AIM quoted vehicle, which owned 69.4% of CWG, received an unsolicited approach from:
  - QIA, who owned 28.6% of Songbird
  - Brookfield Property Partners (Brookfield), who were a minority holder of CWG
- The consortium put forward an offer for Songbird at 295p per share
- CBRE had at various points in the life of CWG prepared an enterprise valuation of the property and development interest of Canary Wharf looking at the value of the estimated net realisations which would be receivable by shareholders over the course of development
- CBRE was engaged by the Board of Songbird to provide a revised enterprise valuation to shareholders for the purposes of the defence document. This involved:
  - Developing a revised 10 year business plan for Songbird for the residential, PRS and office developments
  - Reviewing infrastructure costs and allocation, optimal timing and phasing for the development, cost inflation and rental forecasts, yield assumptions, underlying absorption rates (all cross referenced against all available industry sources)
- The assessment was provided to shareholders in January 2015
- In late 2015, MSREF and other key shareholders elected to accept the revised final offer of 350p per share