

NEWS IN BRIEF

Distressed real estate debt investing is on the menu for Tokyo-based fund manager Secured Capital Japan as it prepares to hold a final close of \$750 million for its SCJREP IV fund. The vehicle is expected to hold the final closing within two months and the firm's president and representative director J-P Toppino told *PERE* there was a short-term investment window for the fund to take advantage.

Dallas-based Lone Star has beaten competition from Goldman Sachs, Oaktree Capital Management and the Development Bank of Japan to rescue **Japan's first failed J-REIT**, New City Residence Investment Corp, according to a report by Reuters. It said that New City left liabilities of about \$1.1 billion at the time of its bankruptcy.

Those who felt the **Abu Dhabi Investment Authority** (ADIA) was the Emirate's only big real estate investor will soon become aware of a second name in town. Abu Dhabi Investment Company (ADIC) last month signalled its intention to launch an international real estate fund. Samir Assaad Samaan, head of private equity at ADIC told Reuters in an interview the vehicle would invest equity raised predominantly from family businesses into the Middle East and North Africa.

Singapore-based resorts and hotels developer and fund manager Banyan Tree has raised a fund of approximately \$500 million of equity to finance the development of up to six **hotel projects across China**, according to a report by Reuters. The group also manages development funds in Vietnam, the latest of which, the Indochina Hospitality Fund, held a final close of \$400 million in February.

April saw a **changing at the helm** of Indian property fund manager SUN Apollo Real Estate Advisors with Prakash Kalothia taking over as managing director and chief executive officer of the firm which manages the \$630 million SUN Apollo Ventures fund, from previous incumbent Chetan Davé. SUN Apollo Ventures is jointly owned by SUN Group, an Indian group promoted by the Khemka family, and AREA Property Partners, formerly Apollo Real Estate Advisors.

The **US Episcopal Church** is to get closer to its Asian investments after the New York-based pension fund opened an office in Hong Kong and hired the former head of leveraged finance at The Carlyle Group to lead it. The Church Pension Fund, which manages about \$8 billion in assets across various classes, has hired Eric Mason to manage its investments which include real estate.

Cambodian private equity firm Leopard Capital will target real estate investments among other capital outlays through its Leopard Cambodia Fund, for which it held a final close of \$27 million last month. Collecting equity from institutional investors and high-net-worth individuals, Leopard aims to invest in real estate development as well as non real estate areas such as mid-market ventures, expansions and buy-outs.

Hong Kong traffic

Placement agents MVision and Probitas Partners are planning to open up shop in Hong Kong in a bid to service the needs of existing clients and establish themselves among a throng of more than 20 LPs in the city

There are more than 20 LPs with bases in Hong Kong, according to the chief executive officer of placement agency MVision Private Equity Advisors, Mounir Guen. To get closer to these sources of equity, the London-based firm is planning to join them by opening a new office.

Guen told *PERE* about the firm's expansion plans last month, one week after rival firm, San Francisco-based Probitas Partners, announced its intentions to do just the same.

"As Asia takes its place in the private equity and real estate markets, we want to be positioned there," explained Guen. He said that while Singapore was also considered for its first office location, China's economic capital experienced more activity.

"All the pan-Asian {GPs} have headquarters there," he said. "There are more than 20 investors with offices there also, the likes of pension funds and funds of funds, so it has lots of traffic."

MVision, which also has offices in London and New York, is expected to open a Hong Kong advisory office by the end of the year. Guen said it would initially be manned by approximately six staff.

MVision is better known for raising capital for private equity funds than real estate, but Guen said it planned to expand its presence in the property sector globally and was focused on distressed real estate opportunities, a product of today's stage in the investment cycle.

"We didn't get involved in the earlier part of the cycle because we wanted to be quite niche," he said. "What we have been looking for comes now in the later stages." Consequently, he expected up to 15 percent of the firm's capital raising efforts to be focused on real estate.

Previous real estate funds raised by MVision include €205 million for Munich-based Orlando Real Estate's Special Situations Partners fund in October 2006, which was targeting German property.

Meanwhile Probitas Partners, has appointed Edwin Chan from AIG to lead its Hong Kong office, its first in Asia. The firm has taken residency in the ICBC Tower, Citibank Plaza. Chan will manage existing limited partner relationships, source new general partner clients and facilitate secondary sales.

Greg Hausler, founding partner at the firm, said: "Asia is a critical component to our future success, and having a local presence represented by Edwin will help Probitas Partners better serve limited partners in the region." He added that Asia as an investment location would appeal to "savvy and long term investors".

Like MVision, raising equity for real estate is a part of a wider remit for the firm, however, past tombstones include €335 million for London-based Benson Elliot Capital Management's first European real estate fund in 2006, and more than €500 million for its second vehicle in February this year.



Guen: eyeing Hong Kong expansion