



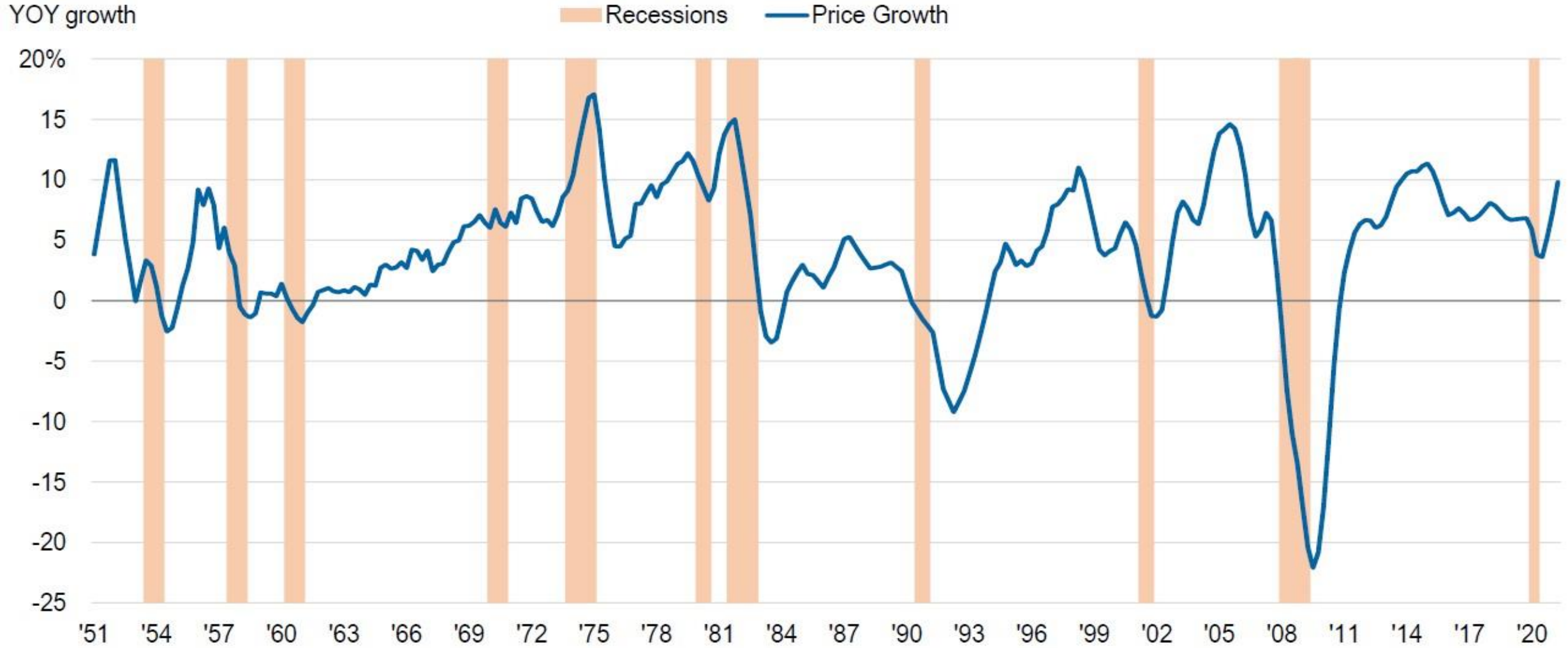
Global Investment Trends

David Green-Morgan, Head of AP Real Estate Research

February 2022

NOT EVERY DOWNTURN IS THE SAME

US Economic Performance, Commercial Property Price Growth, 1951-2021



Note: US Federal Reserve, NREI, RCA CPPI

BOND YIELDS LOW IN HISTORICAL CONTEXT

US 10-Year Bond Yields, 1962-2024 (F)

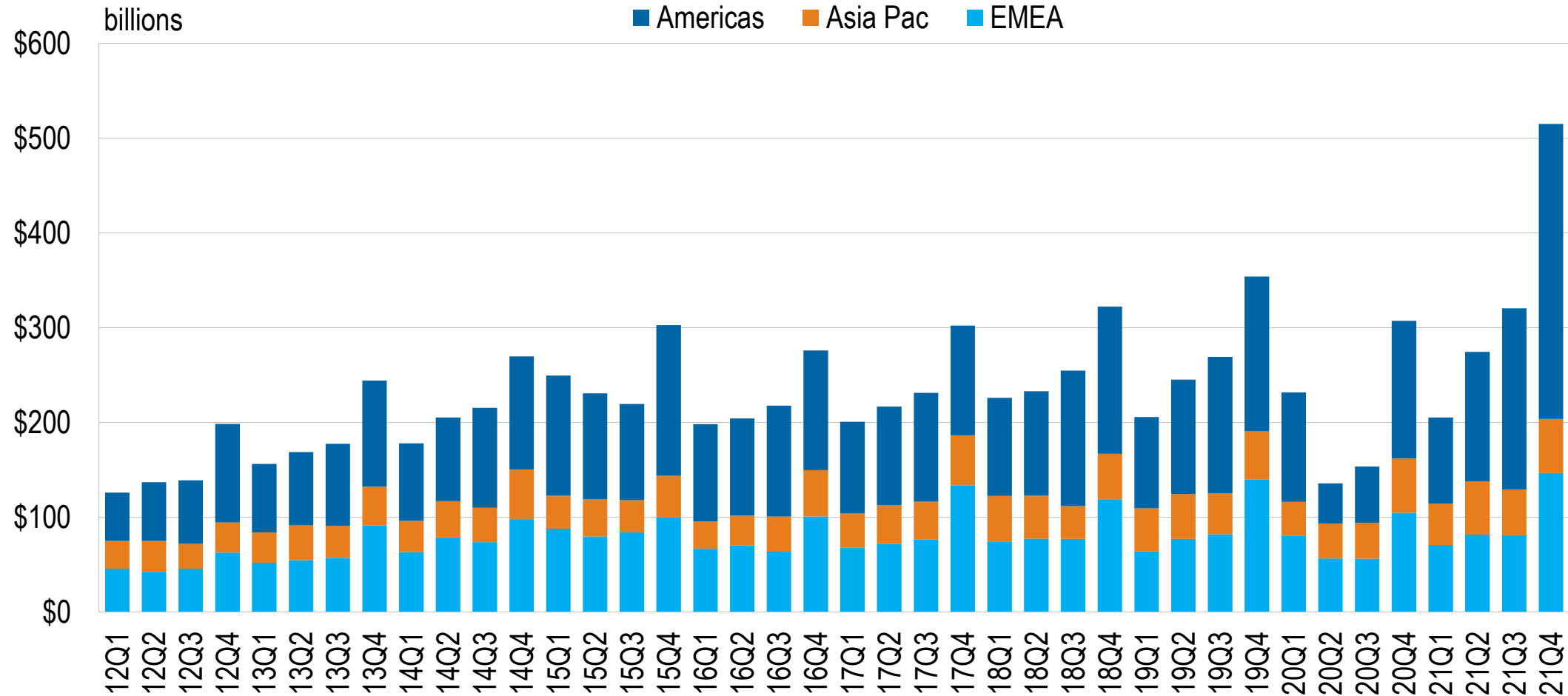
10yr UST %



Note: WSJ Consensus Forecasts

STELLAR 4TH QUARTER SETS RECORDS AROUND THE WORLD

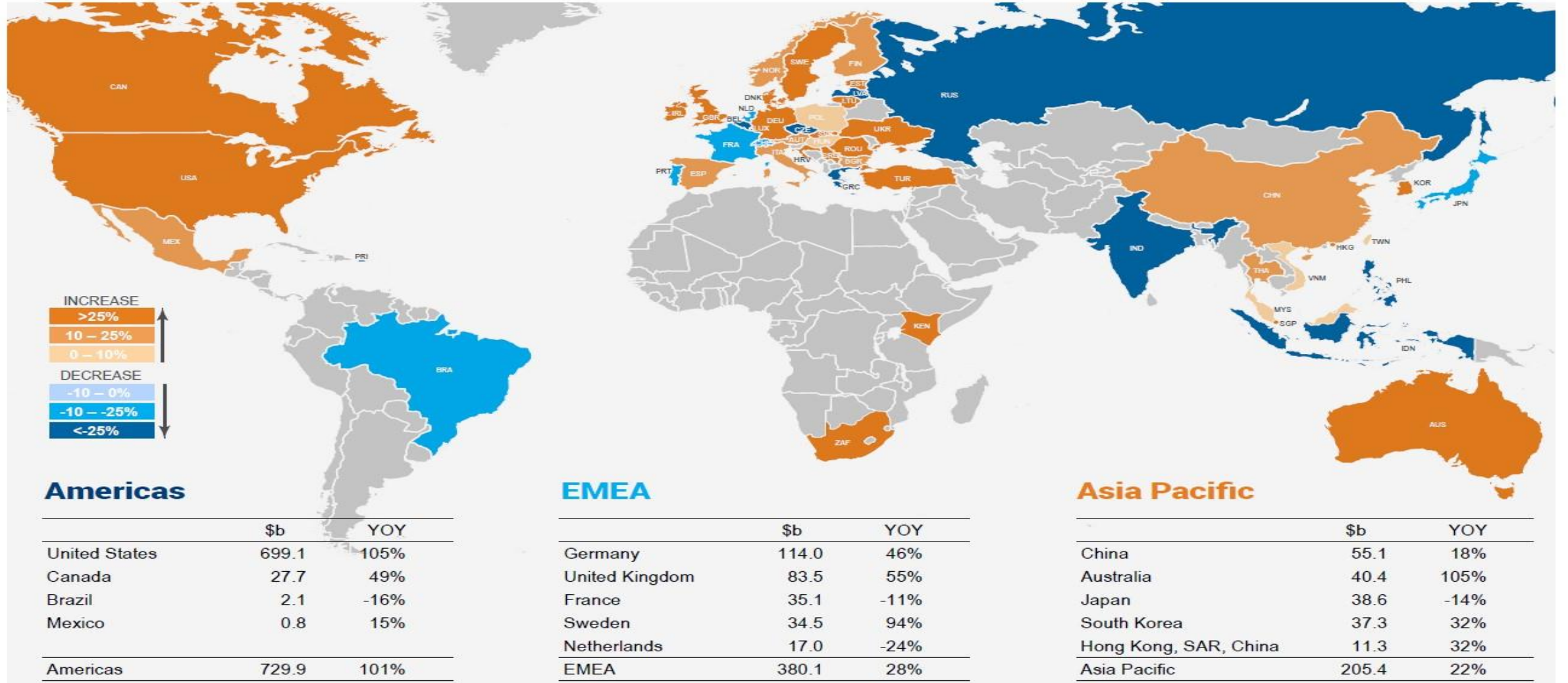
Quarterly Transactional Volumes, 2012-2021



Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded.

US PROVIDES THE ROCKET FUEL FOR GLOBAL GROWTH

Regional Transactional Volumes 2021

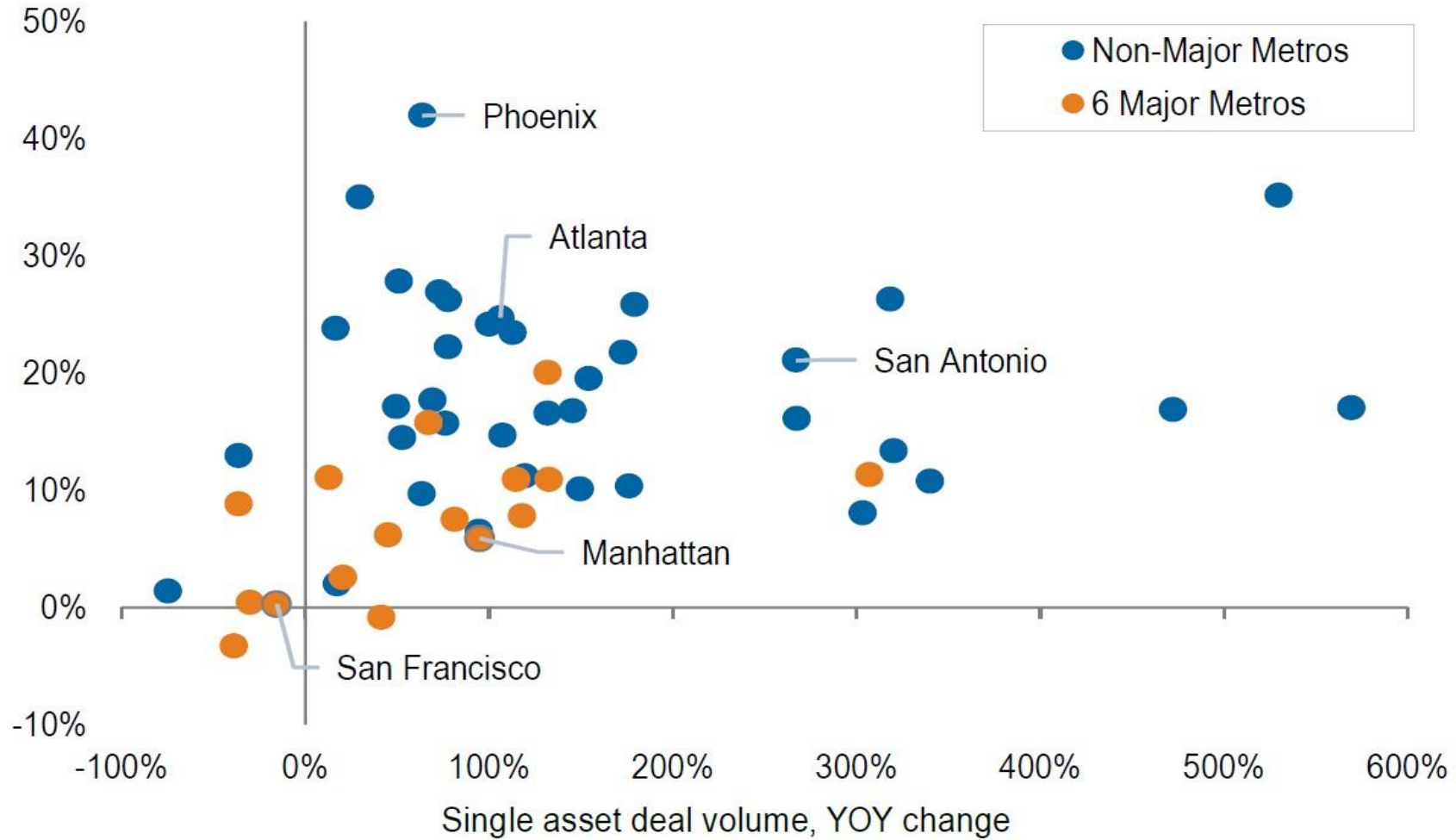


Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded.

PRICES GROWING FASTEST OUTSIDE THE BIG 6

US Price & Volume Change, Apartments

Hedonic Series PPU, YOY change

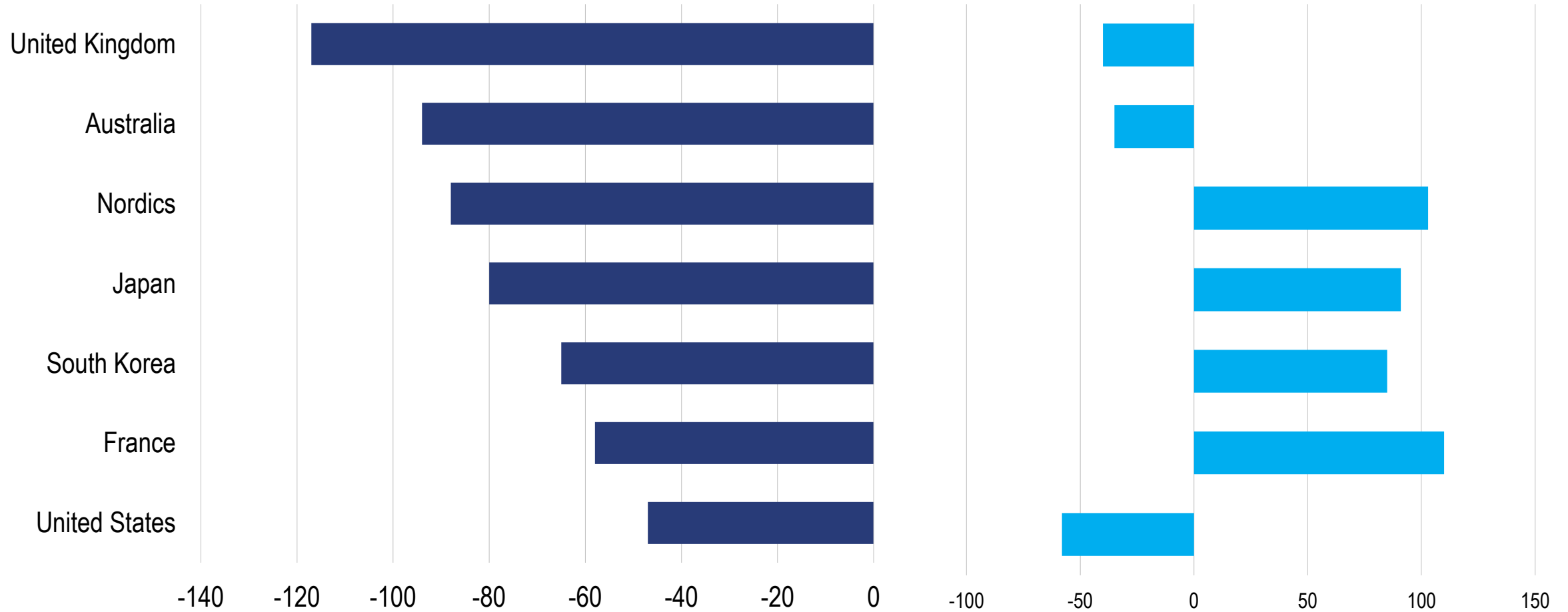


Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded.

HOW MUCH FURTHER CAN LOGISTICS YIELDS FALL?

YOY Change (bps)

Spread to CBD Office Yields (bps)



Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded.



ALTERNATIVES



APARTMENTS NOW BECOMING A GLOBAL STRATEGIC OPPORTUNITY

US & Europe Transactional Volumes, 2021

| European Transactions by Property Type | | | | |
|--|--------------|-------------|--------------|------------|
| | Q4'21 Volume | | 2021 Volume | |
| | €b | YOY | €b | YOY |
| Office | 31.7 | -3% | 98.8 | -3% |
| Industrial | 21.9 | 18% | 65.1 | 45% |
| Retail | 10.9 | -15% | 34.0 | -10% |
| All Commercial | 64.5 | 1% | 197.9 | 7% |
| Hotel | 4.9 | 175% | 16.3 | 59% |
| Apartment | 51.7 | 142% | 98.7 | 54% |
| Seniors Housing & Care | 2.3 | -29% | 7.4 | -6% |
| Dev Site | 4.6 | -20% | 20.0 | 18% |
| Grand Total | 128.0 | 33% | 340.2 | 20% |

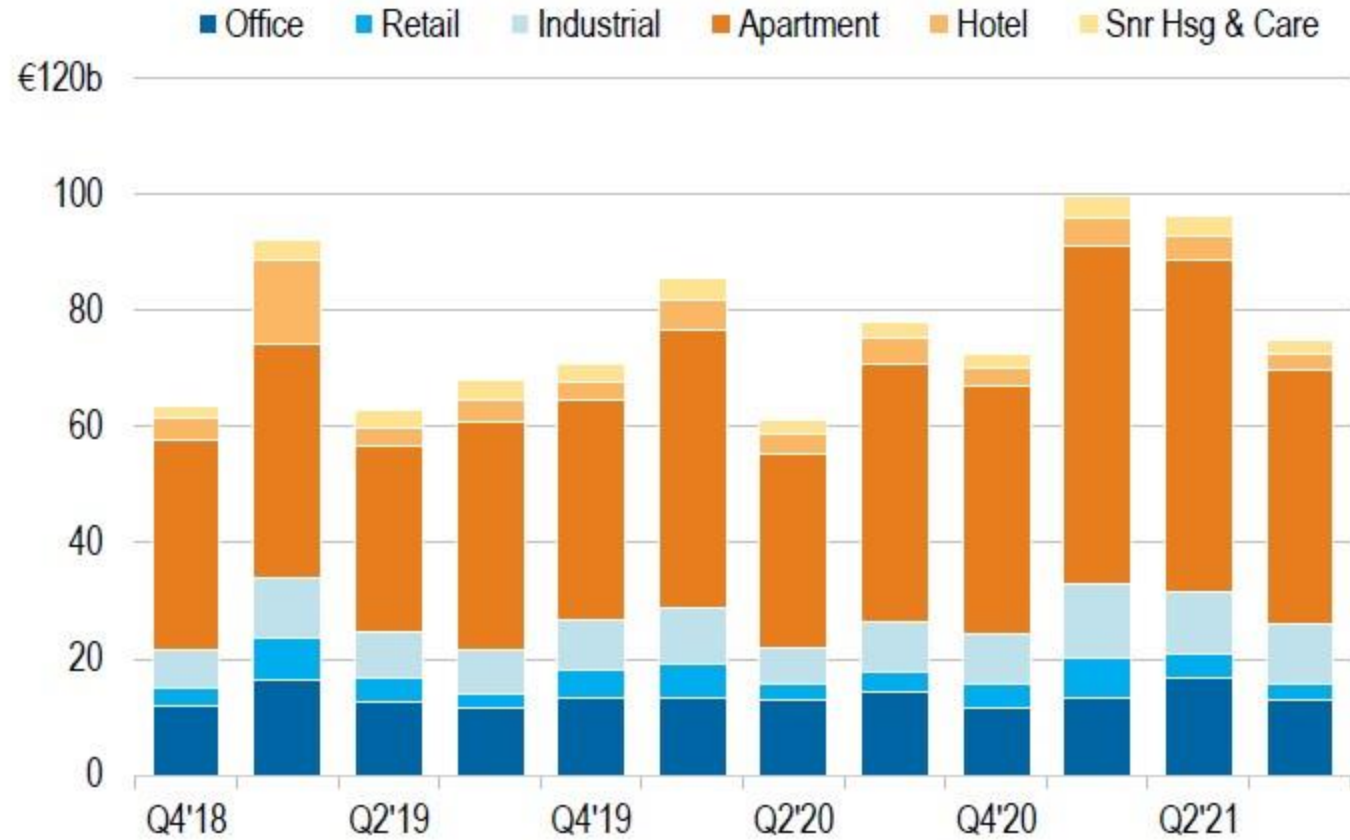
*Totals may not sum due to rounding

| USA Transactions by Property Type | | | | |
|-----------------------------------|--------------|-------------|--------------|-------------|
| | Q4'21 Volume | | 2021 Volume | |
| | \$b | YOY | \$b | YOY |
| Office | 51.6 | 73% | 139.2 | 57% |
| Industrial | 67.1 | 59% | 166.1 | 56% |
| Retail | 32.5 | 126% | 76.9 | 88% |
| All Commercial | 183.2 | 86% | 382.2 | 67% |
| Hotel | 13.1 | 163% | 44.5 | 238% |
| Apartment | 148.9 | 134% | 335.3 | 128% |
| Seniors Housing & Care | 2.6 | -22% | 17.8 | 70% |
| Dev Site | 9.8 | 32% | 28.9 | 21% |
| Grand Total | 325.6 | 97% | 808.7 | 88% |

*Totals may not sum due to rounding

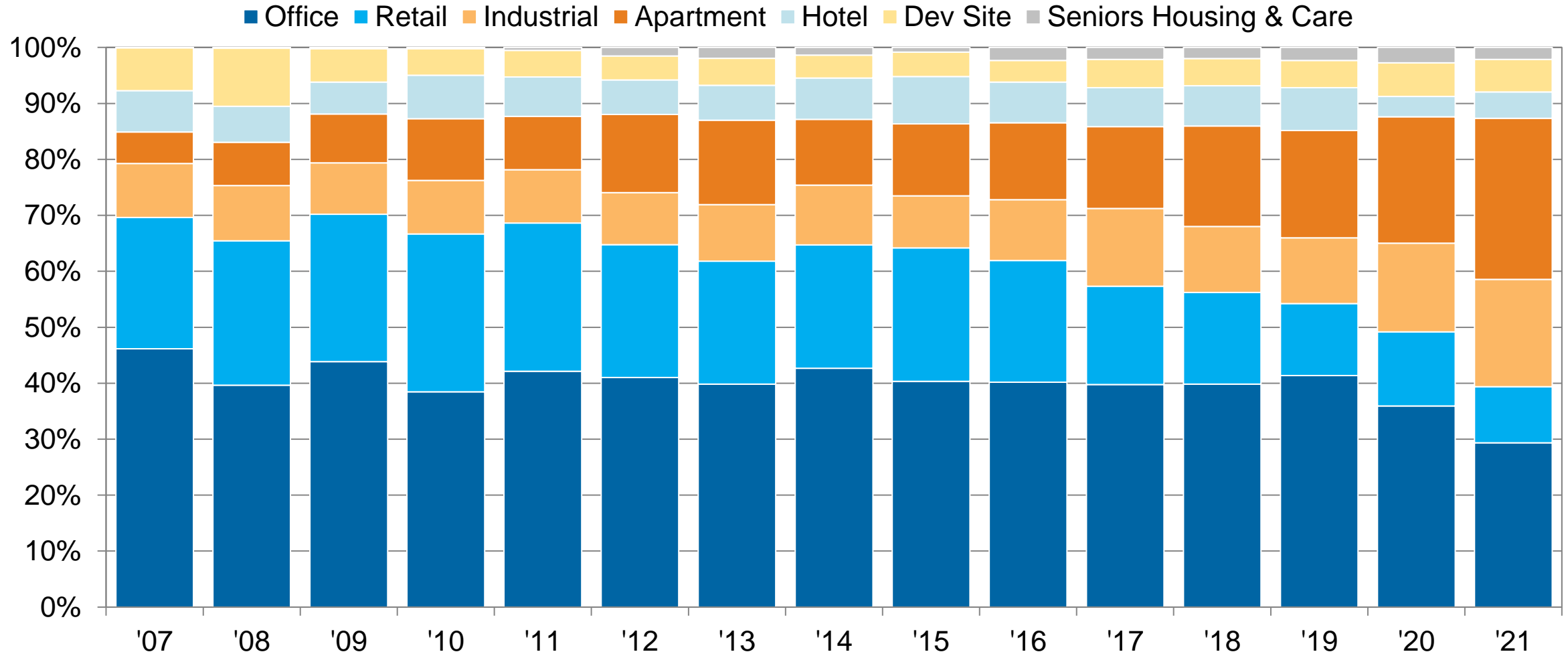
Note: Income Producing assets valued at \$2.5m or greater for the US and €5m for Europe are included.

European Construction Starts by Property Type



APARTMENT AND INDUSTRIAL ALMOST 50% OF THE MARKET

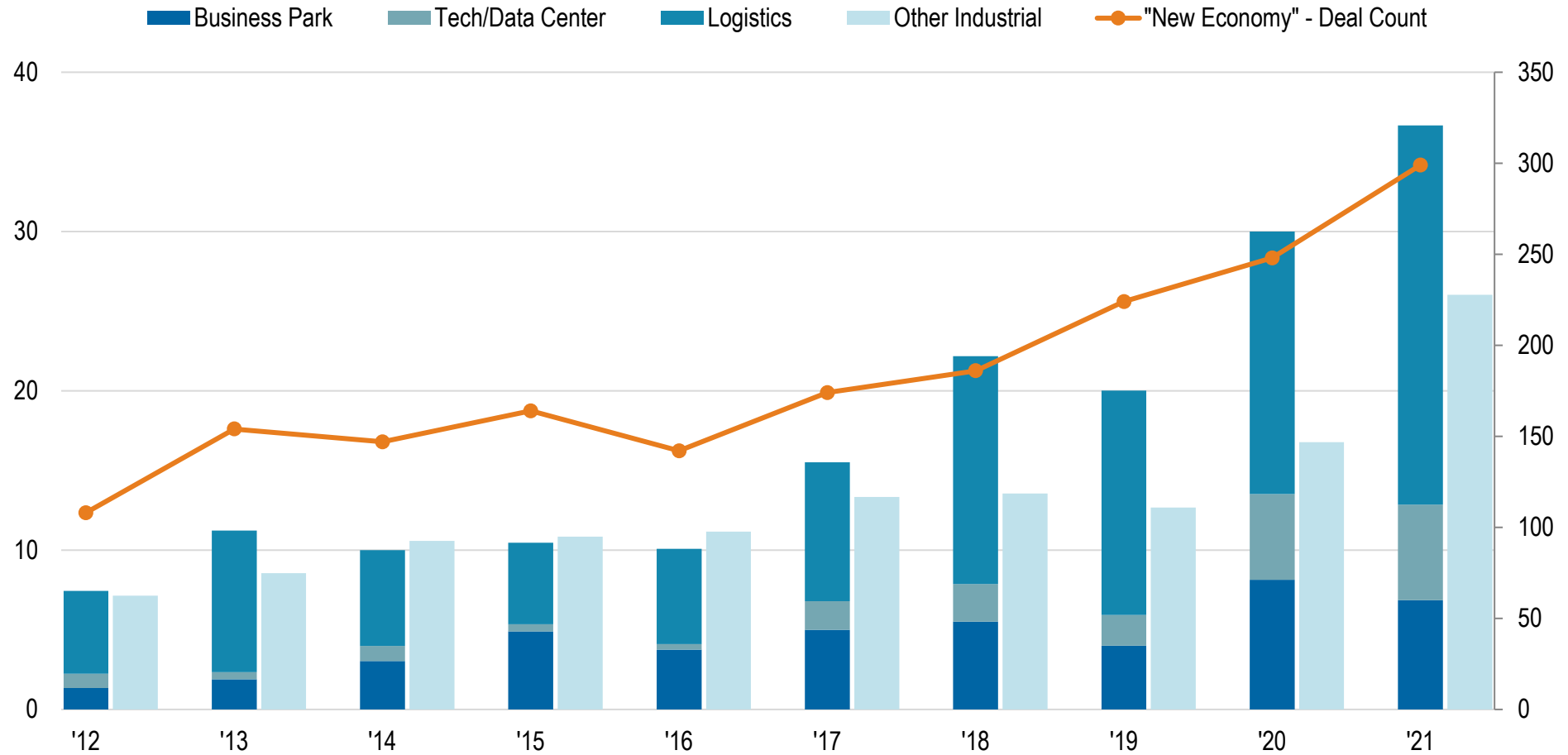
European Transaction Volumes, 2007-2021



Transactions €5m+

INTEREST IN “NEW ECONOMY” PROPERTIES CONTINUES TO GROW

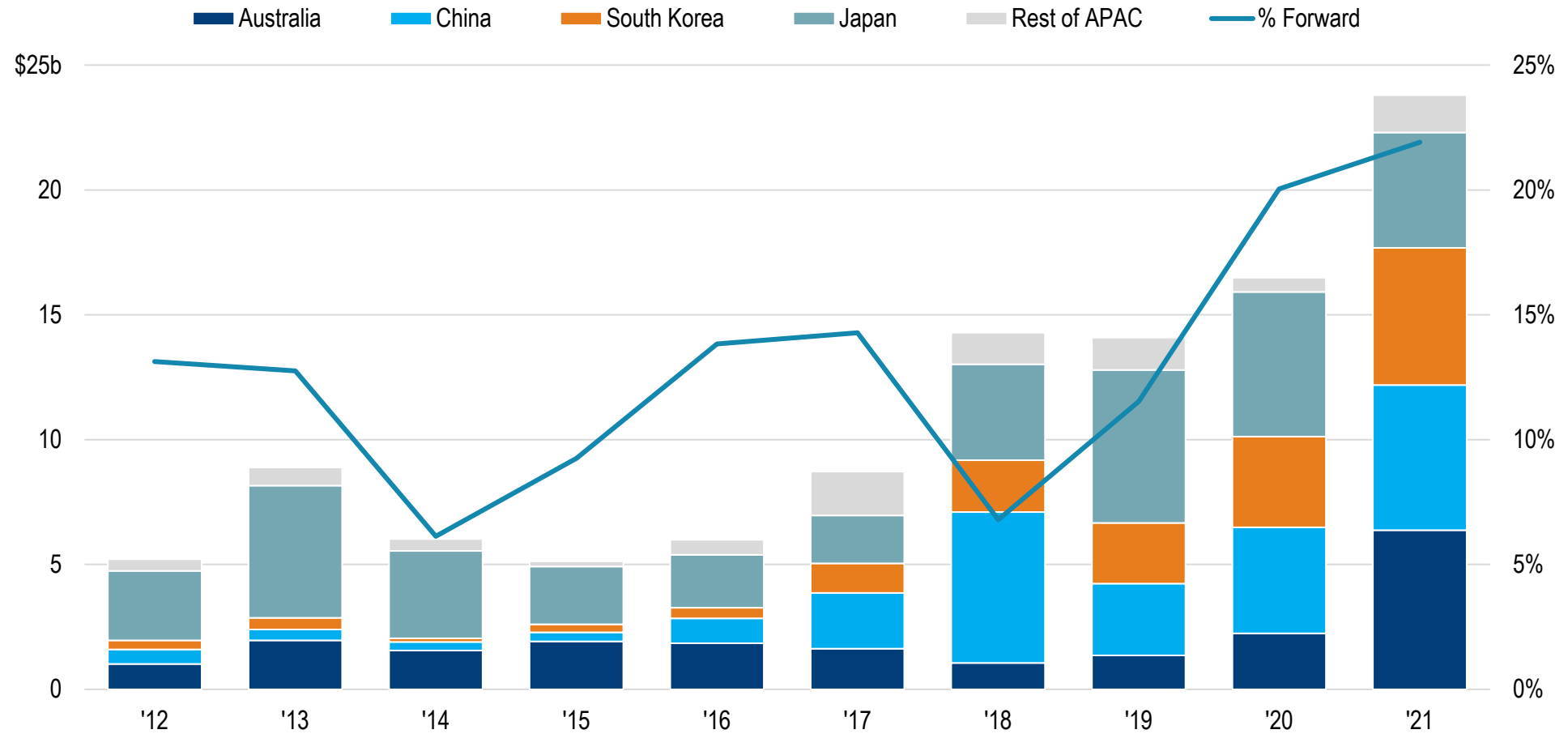
Industrial Investment by Subtype



Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded. Some data center and business park properties classified under the Office Property Type.

LOGISTICS VOLUMES GREW 40% YOY IN 2021, MORE DEVELOPMENT

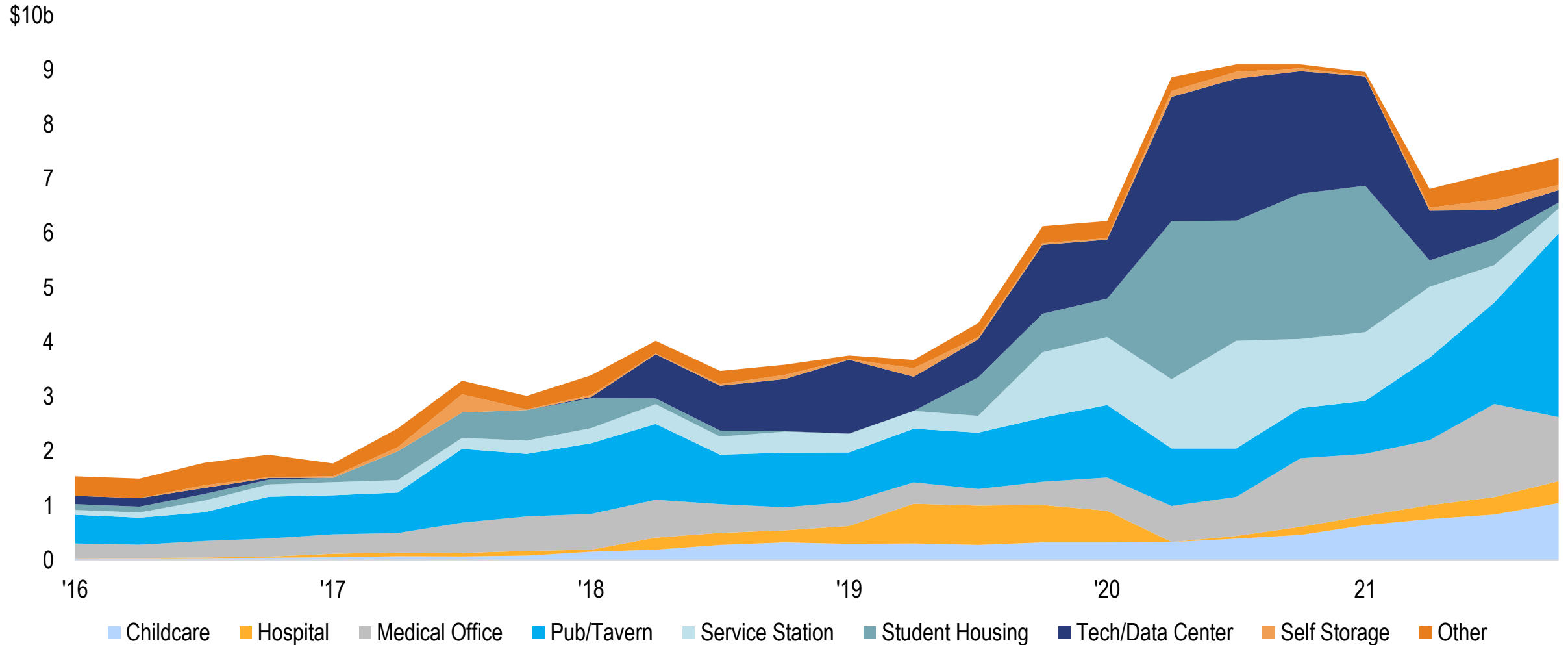
APAC Logistics Volumes by Market



Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded.

ALTERNATIVES MOVE INTO THE MAINSTREAM

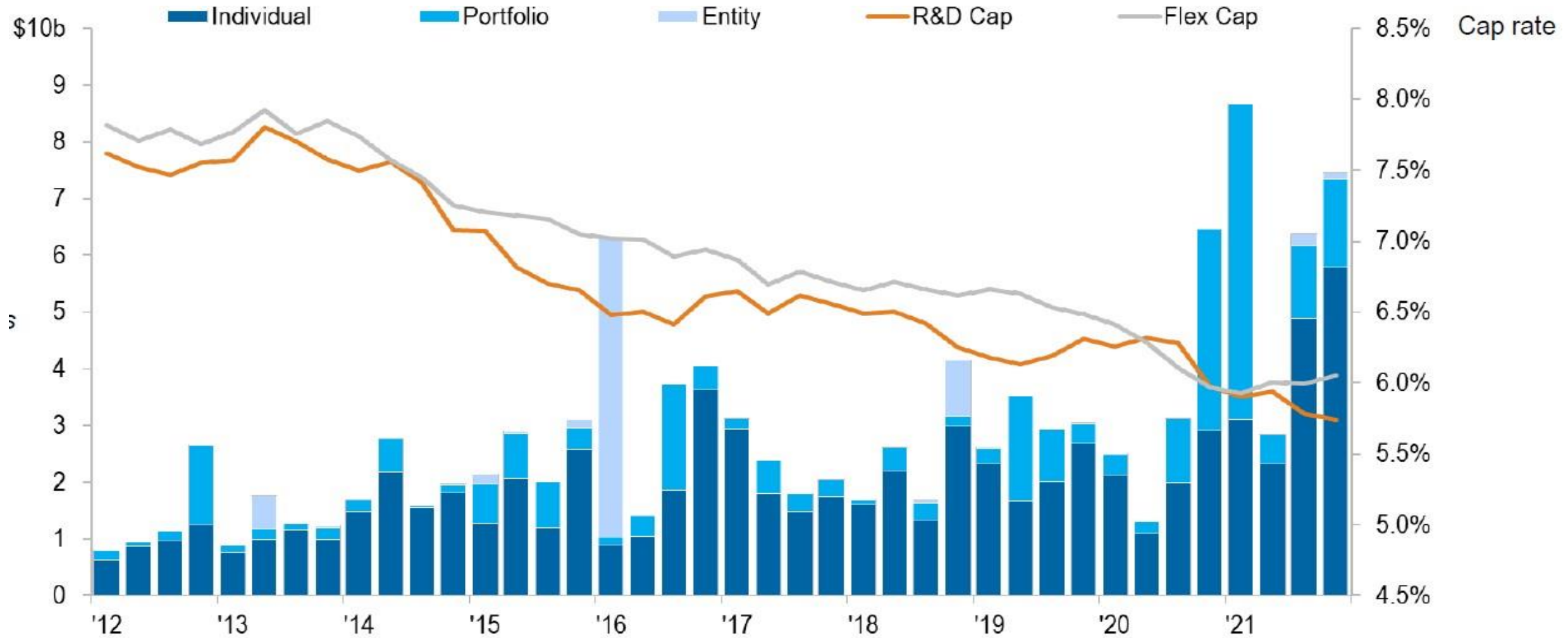
Australian Transactional Volumes, Selected Sectors, 2016-2021



Note: Income Producing assets valued at A\$1m or greater are included. Pending Deals included. Development sites excluded. Other includes, mobile housing, R&D, parking.

LIFE SCIENCES SEE A RECORD YEAR

US R&D Asset Sales, 2012-2021



Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded.

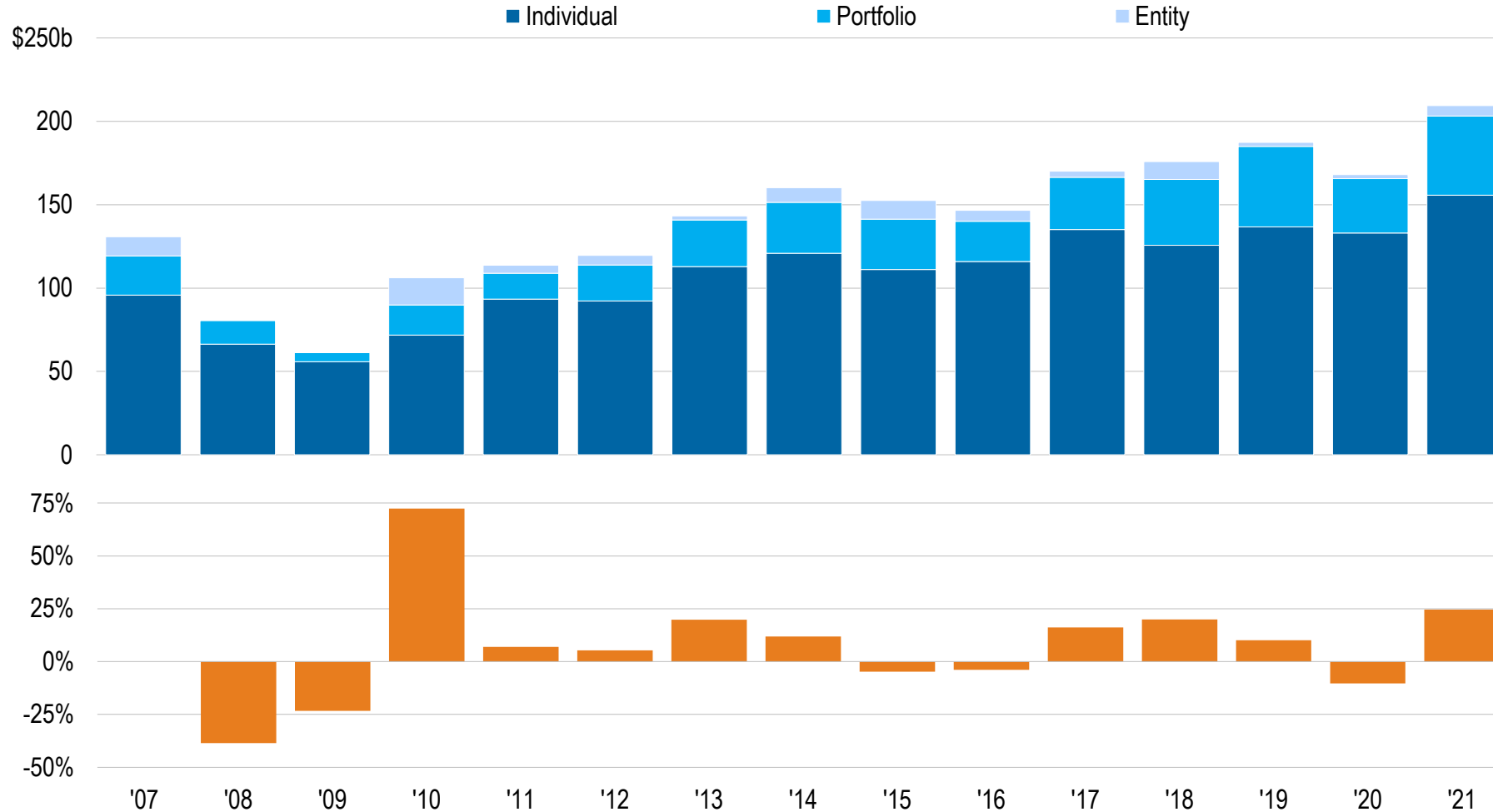


AP MARKET EXPANSION



VOLUMES SURGED PAST \$200B FOR THE FIRST TIME IN 2021

Asia Pacific Investment Volume – Annual



2021 Volume:
\$209b

YOY Change:
+25%

Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded.

RECORD YEAR FOR 4 OF THE TOP 10 MARKETS

Most Active APAC CRE Markets for Q4'21

| | Q4'21 | | 2021 | |
|-------------------------|-------|------|-------------|------|
| | \$b | YOY | \$b | YOY |
| 1 China | 18.0 | 5% | 55.4 | 19% |
| 2 Australia | 14.3 | 87% | 40.7 | 107% |
| 3 Japan | 9.8 | -28% | 39.2 | -13% |
| 4 South Korea | 7.0 | -28% | 38.5 | 37% |
| 5 Hong Kong, SAR, China | 3.5 | 21% | 12.0 | 39% |
| 6 Singapore | 3.0 | 438% | 9.0 | 179% |
| 7 Taiwan | 2.4 | 22% | 7.0 | 19% |
| 8 India | 0.5 | -79% | 3.5 | -46% |
| 9 New Zealand | 0.4 | -49% | 1.8 | -11% |
| 10 Thailand | 0.4 | 207% | 0.8 | 15% |
| Other Asia Pacific | 0.4 | 15% | 1.6 | 4% |
| Grand Total | 59.6 | 4% | 209.4 | 25% |

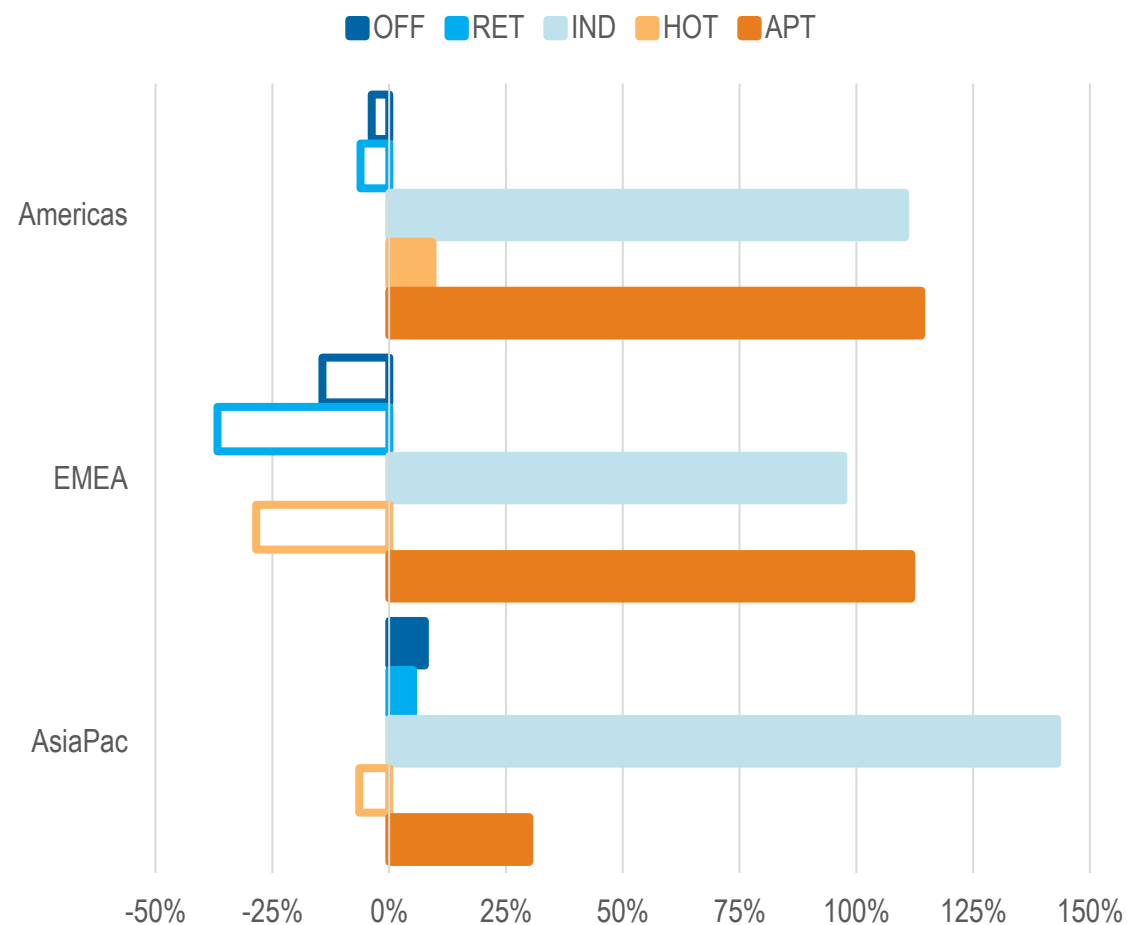
Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded. Markets in Orange denote record high volumes for 2021.

WHY IS ASIA PACIFIC NOT SEEING THE SAME TRENDS?

2021 Investment by Property Type

2021 vs 2015-19 Avg

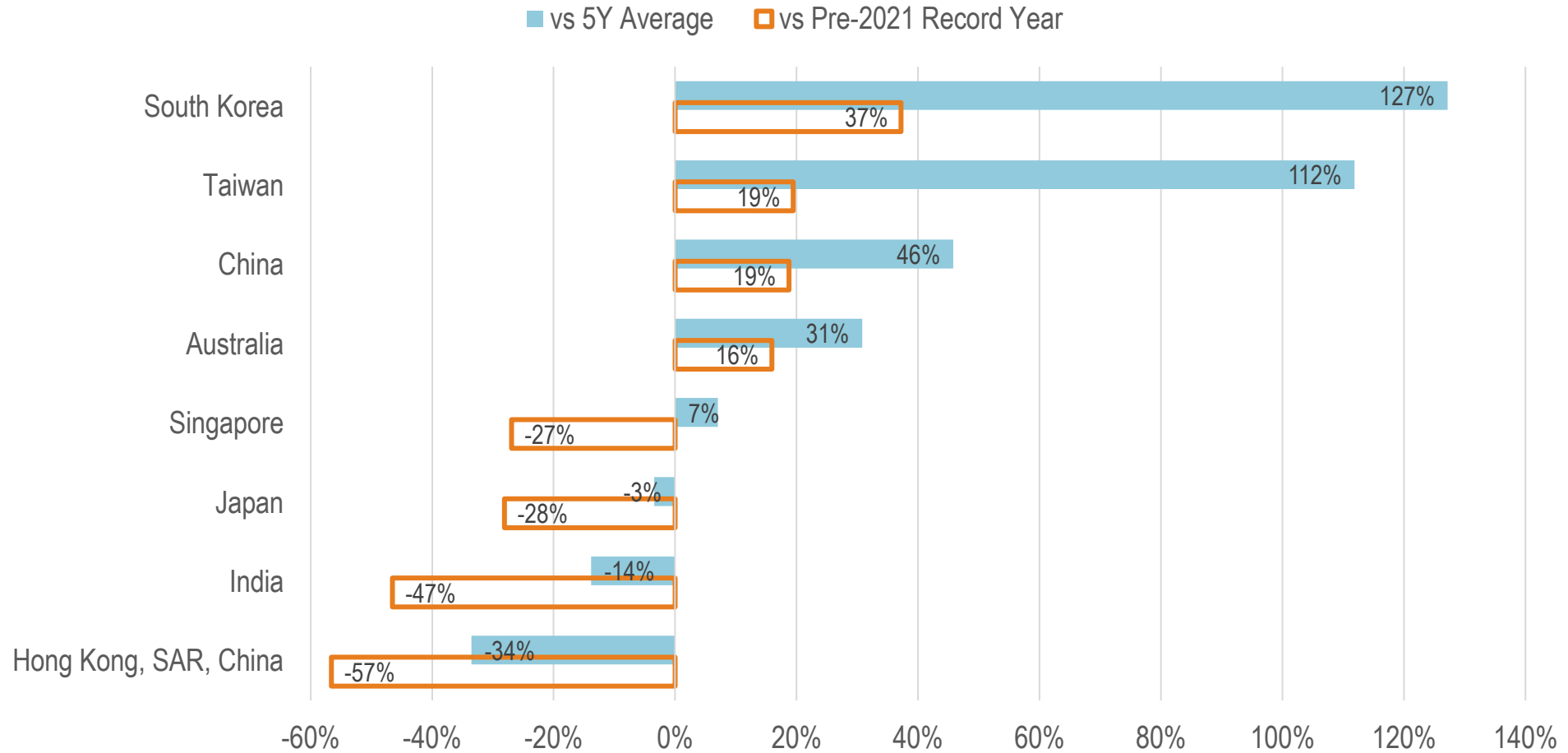
| | 2021 Volume | | | Q4'21 Volume | |
|-------------------|-------------|------|-----------|--------------|------|
| | \$b | YOY | vs 5Y Avg | \$b | YOY |
| Office | 89.5 | 13% | 8% | 22.8 | -14% |
| Industrial | 57.0 | 49% | 143% | 18.8 | 42% |
| Retail | 40.7 | 45% | 5% | 11.2 | -6% |
| All Commercial | 187.1 | 29% | 29% | 52.8 | 3% |
| Hotel | 13.4 | 41% | -6% | 4.3 | 110% |
| Apartment | 7.8 | -36% | 29% | 2.3 | -35% |
| Seniors Housing | 1.0 | 55% | -11% | 0.2 | 109% |
| Income Properties | 209.4 | 25% | 26% | 59.6 | 4% |
| Dev Site | 664.7 | 4% | 16% | 229.8 | 21% |
| Grand Total | 874.1 | 8% | 18% | 289.3 | 17% |



Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded.

DIVERGENCE IN MARKET GROWTH TRENDS, BIG 4 GETTING BIGGER

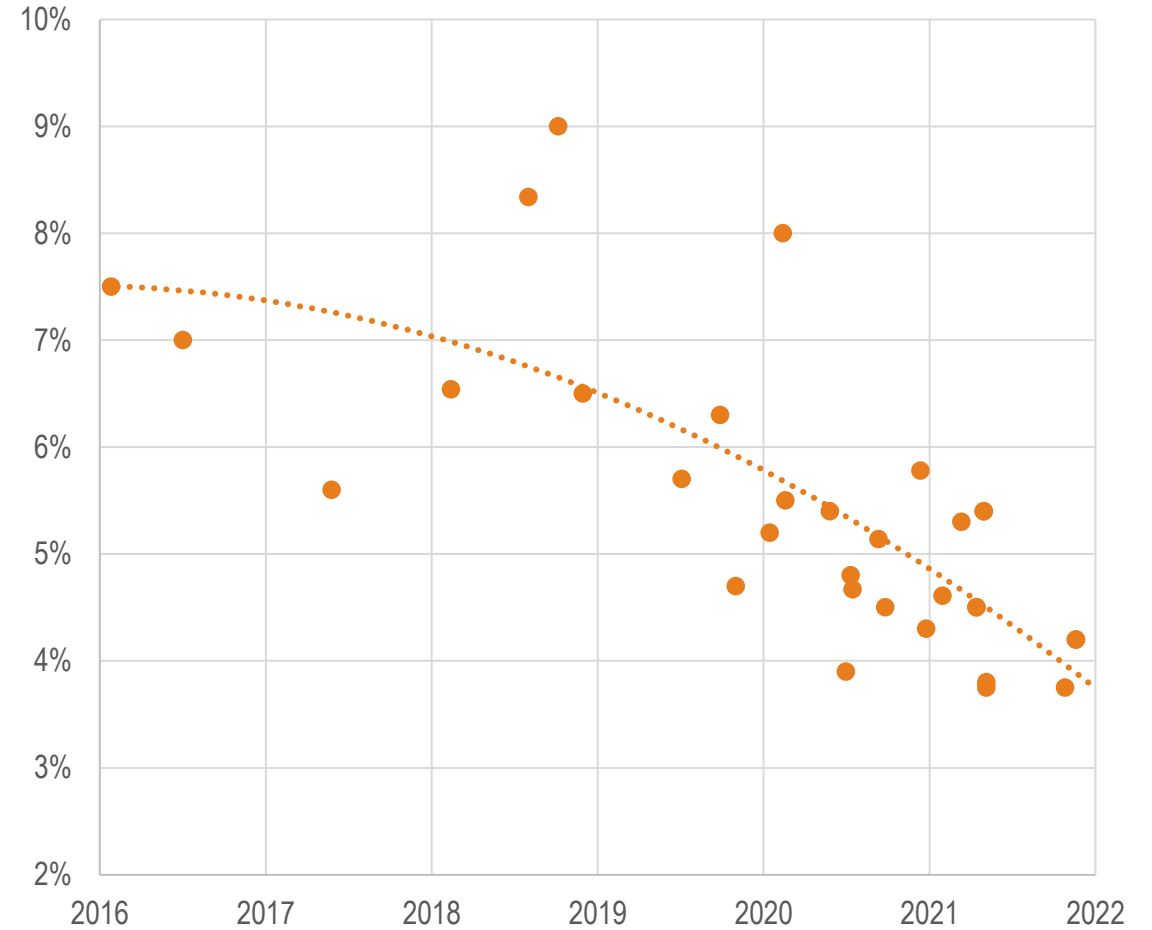
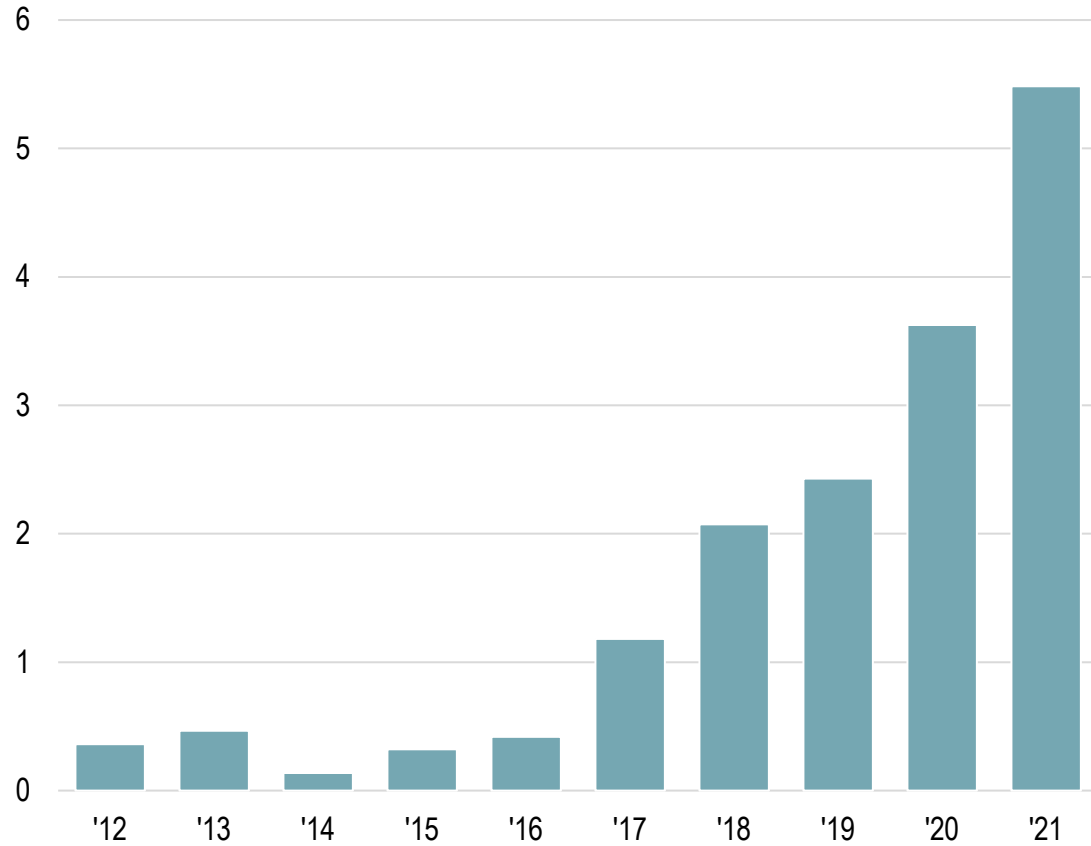
APAC CRE Markets – Change vs Historical Levels & Previous Record Year



Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded. 5Y Avg refers to 2015-19 average.

ANOTHER GREAT YEAR FOR SOUTH KOREA'S LOGISTICS SECTOR

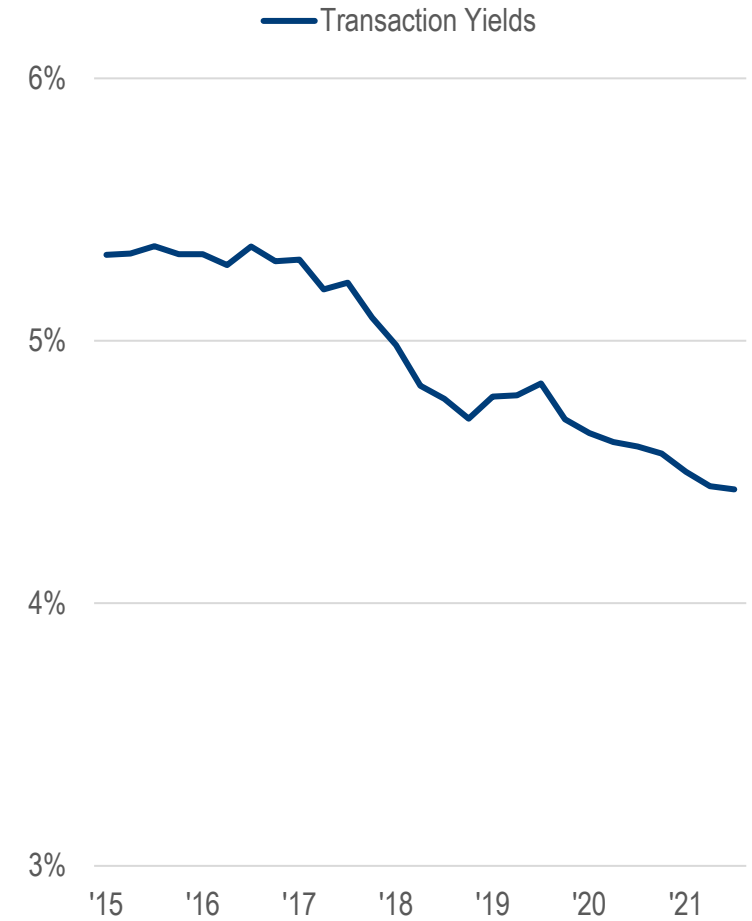
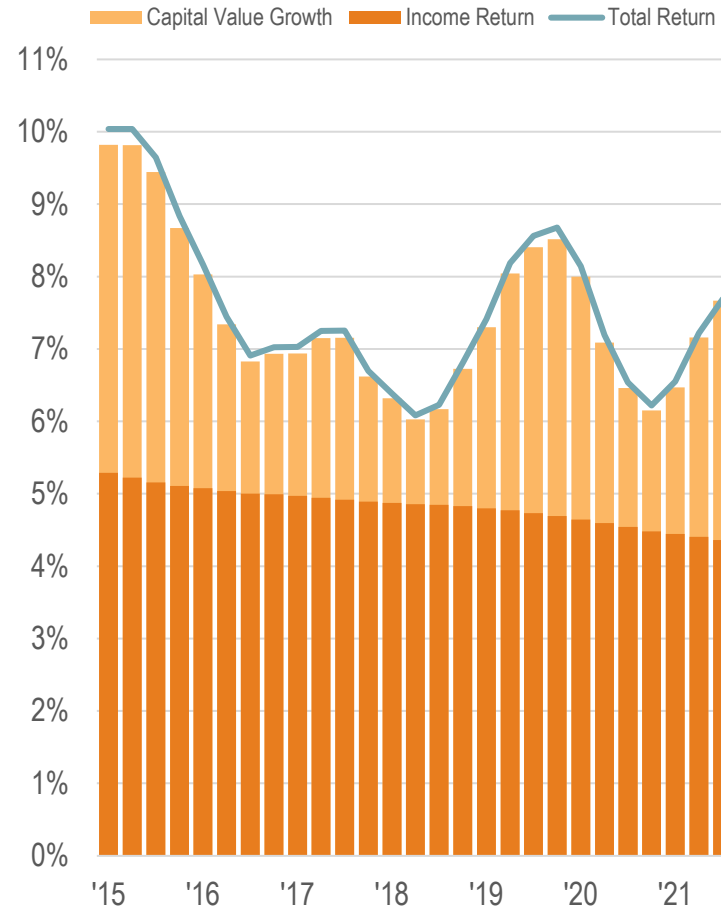
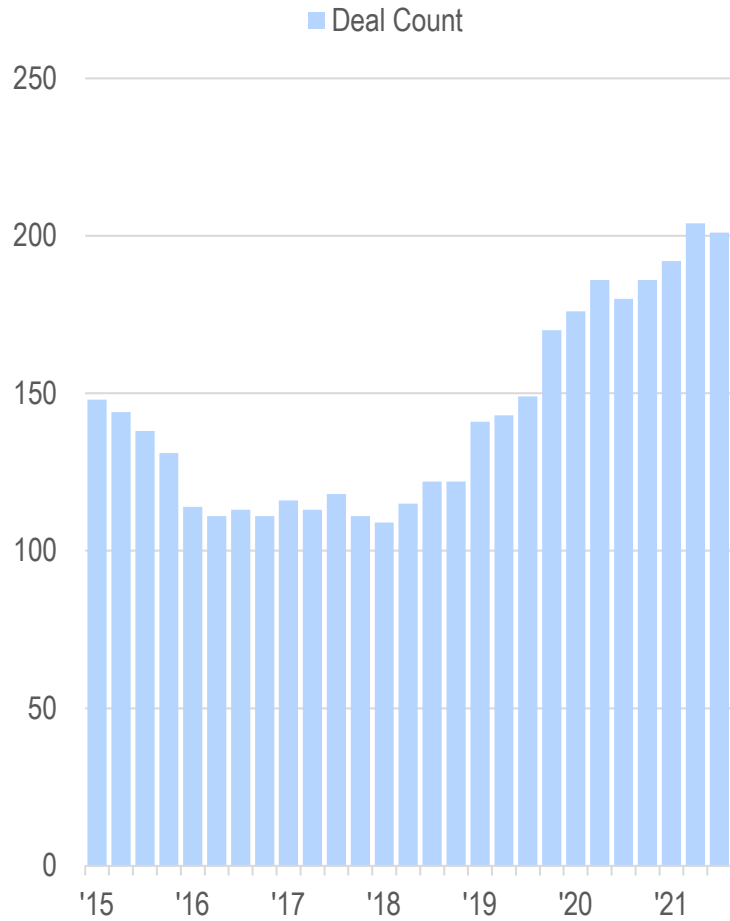
South Korea Logistics Volumes and Transaction Yields



Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded.

SPOTLIGHT ON JAPAN MULTIFAMILY SECTOR

Japan Apartment Deal Count, Performance Returns, and Transaction Yields

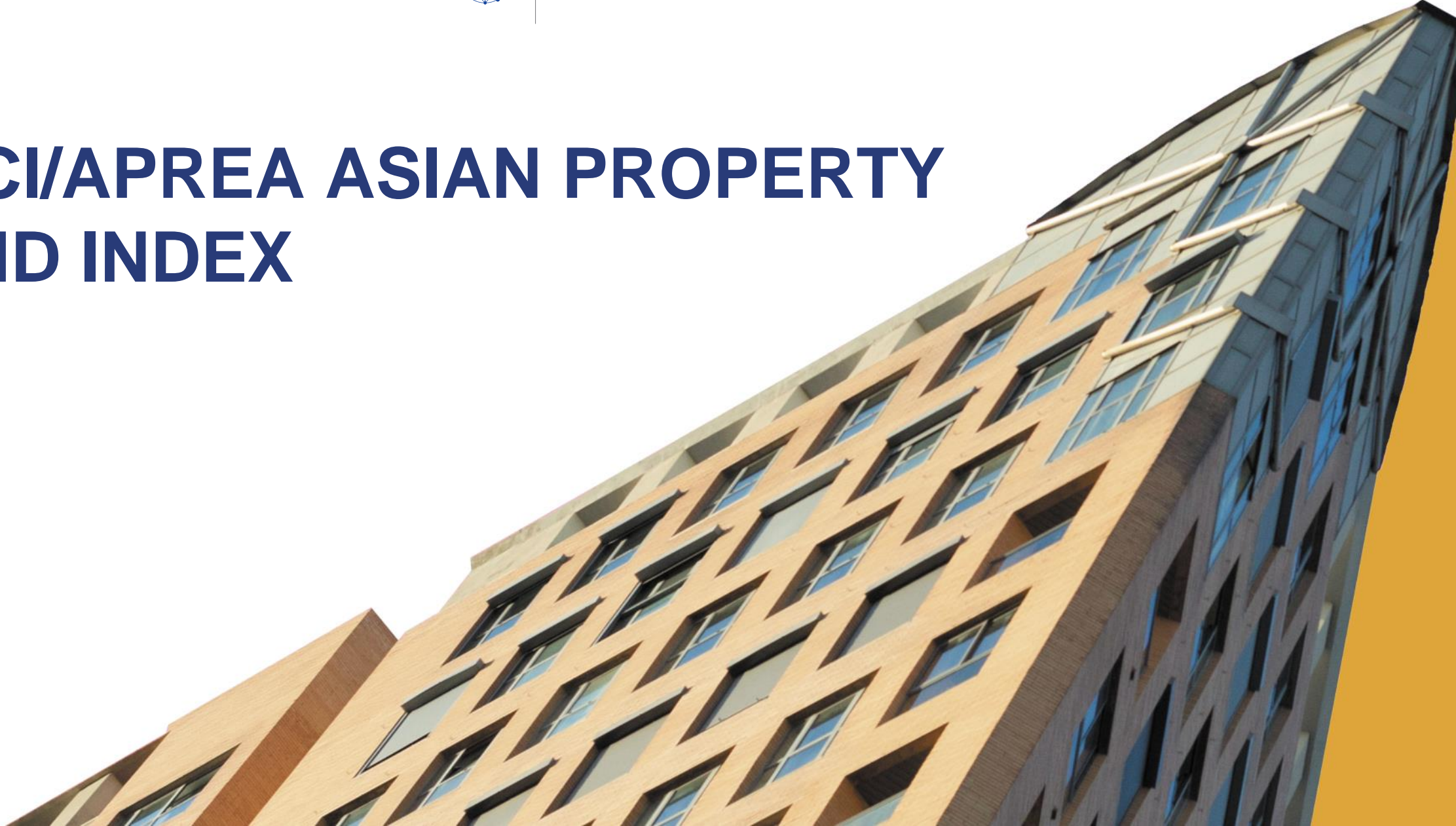


Note: Income Producing assets valued at \$10m or greater are included. Development sites excluded. Yields based on RCA Hedonic Series.

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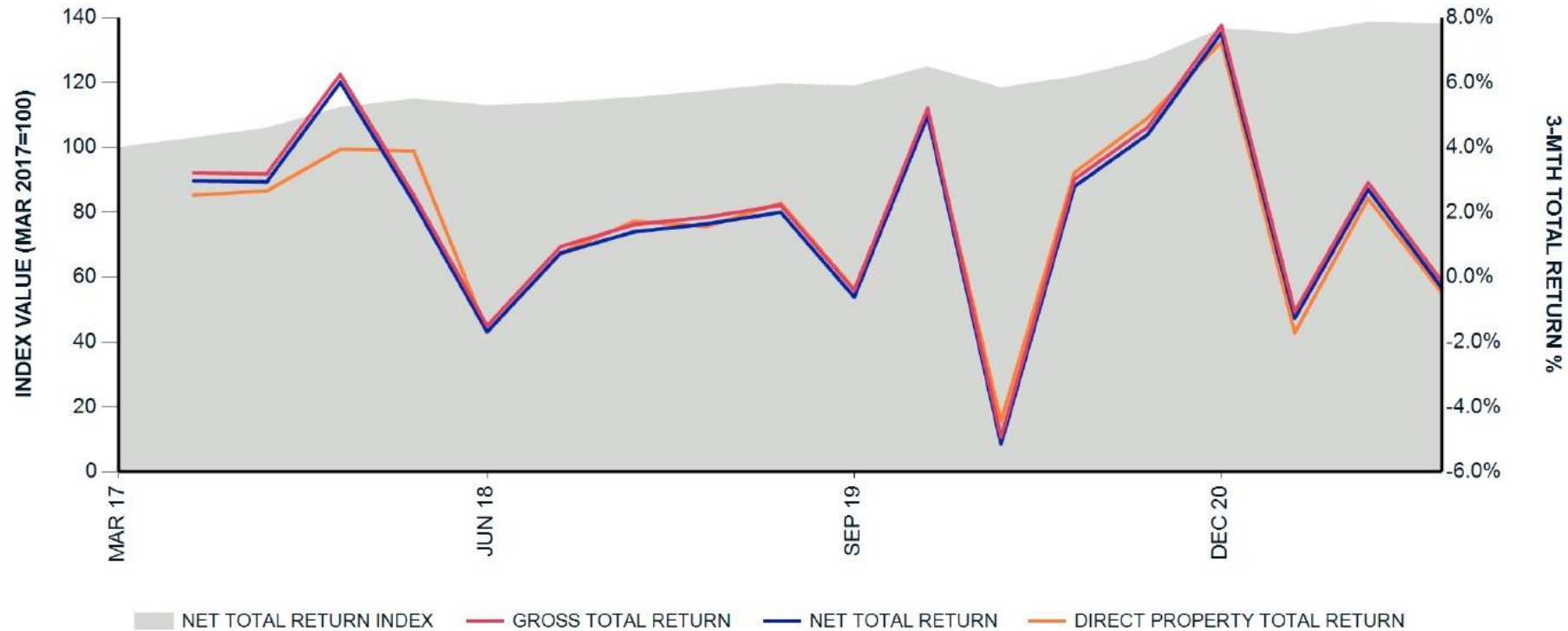
 **REAL** CAPITAL ANALYTICS

MSCI/APREA ASIAN PROPERTY FUND INDEX



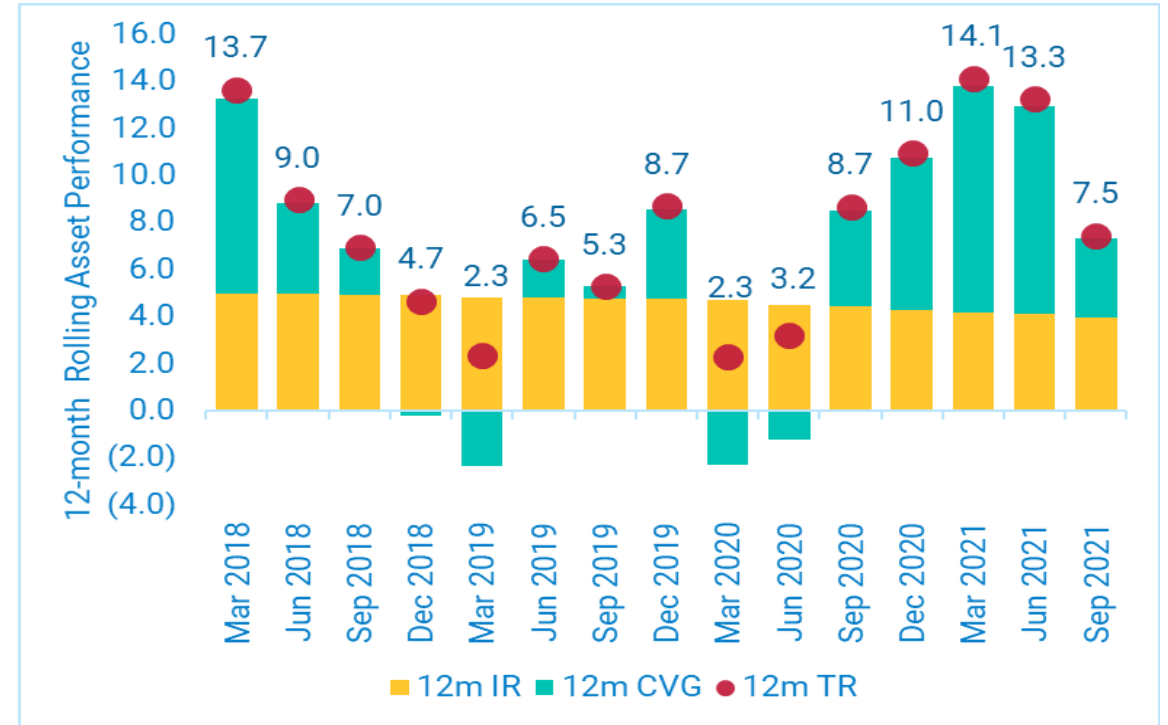
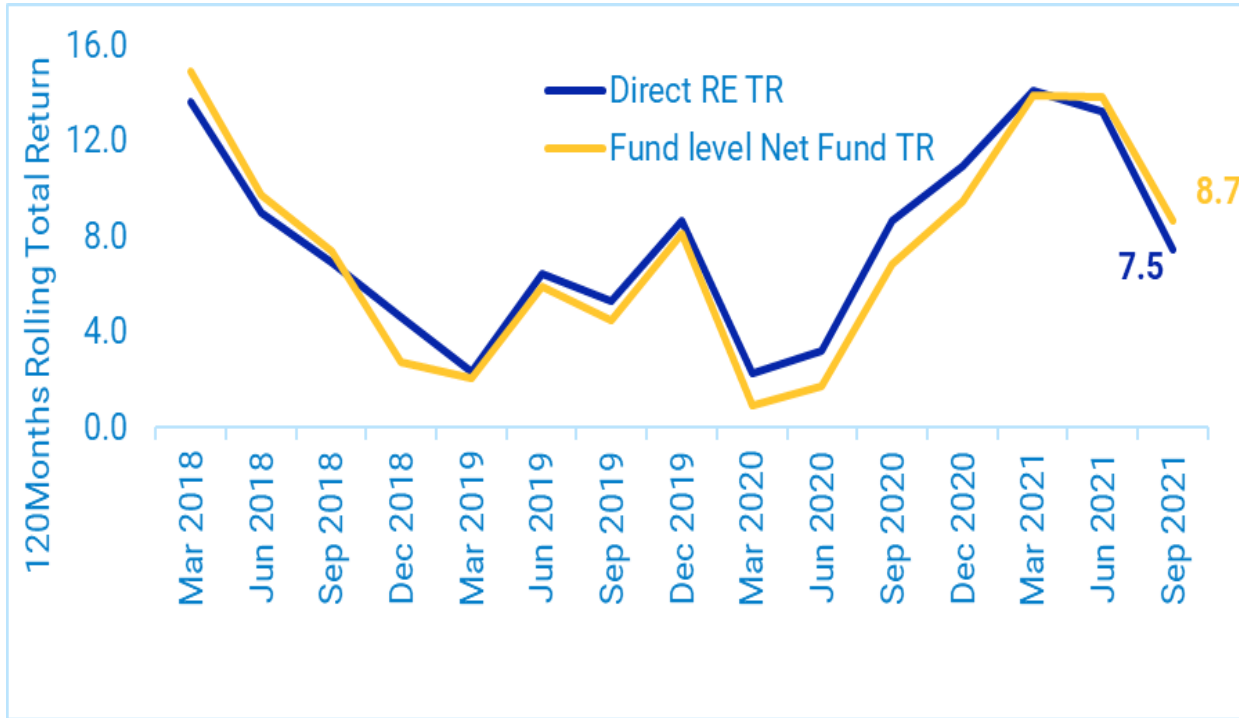
ASIAN PROPERTY FUND INDEX

- In association with APREA
- Net Asset Value of US\$7.3 bn @ September 2021
- 81 Assets across 4 core AP funds



CAPITAL GROWTH GIVES & TAKES AWAY

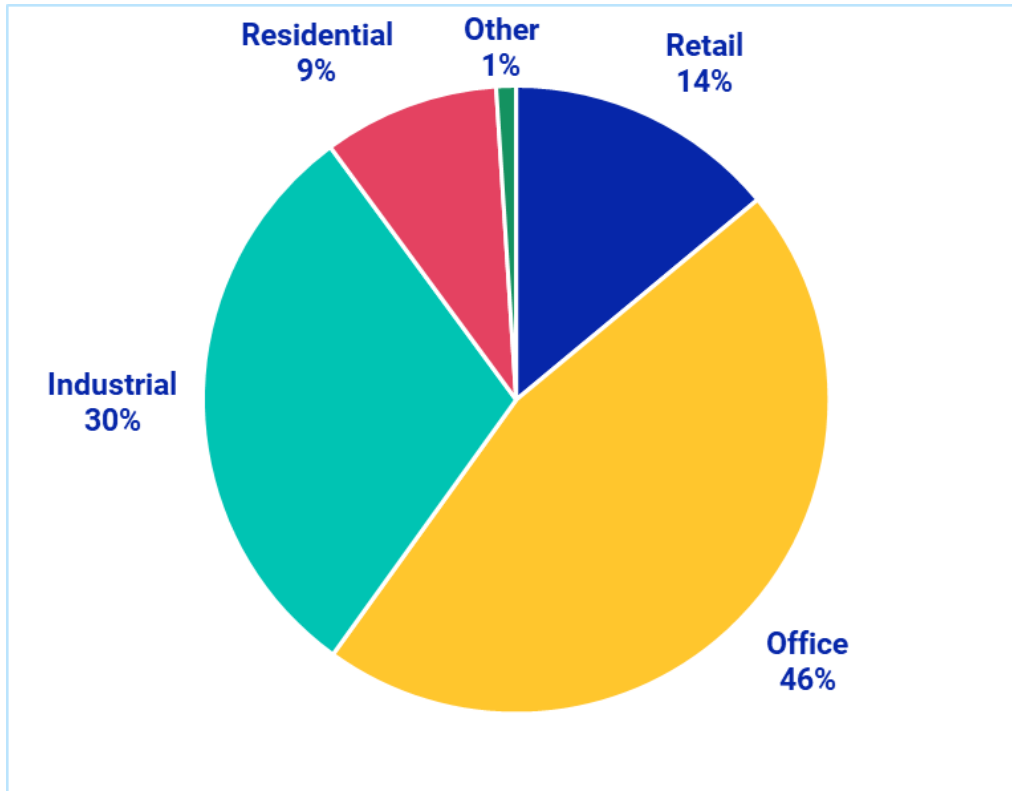
APFI Asset-Level Total Return & Components – 12 Months Rolling



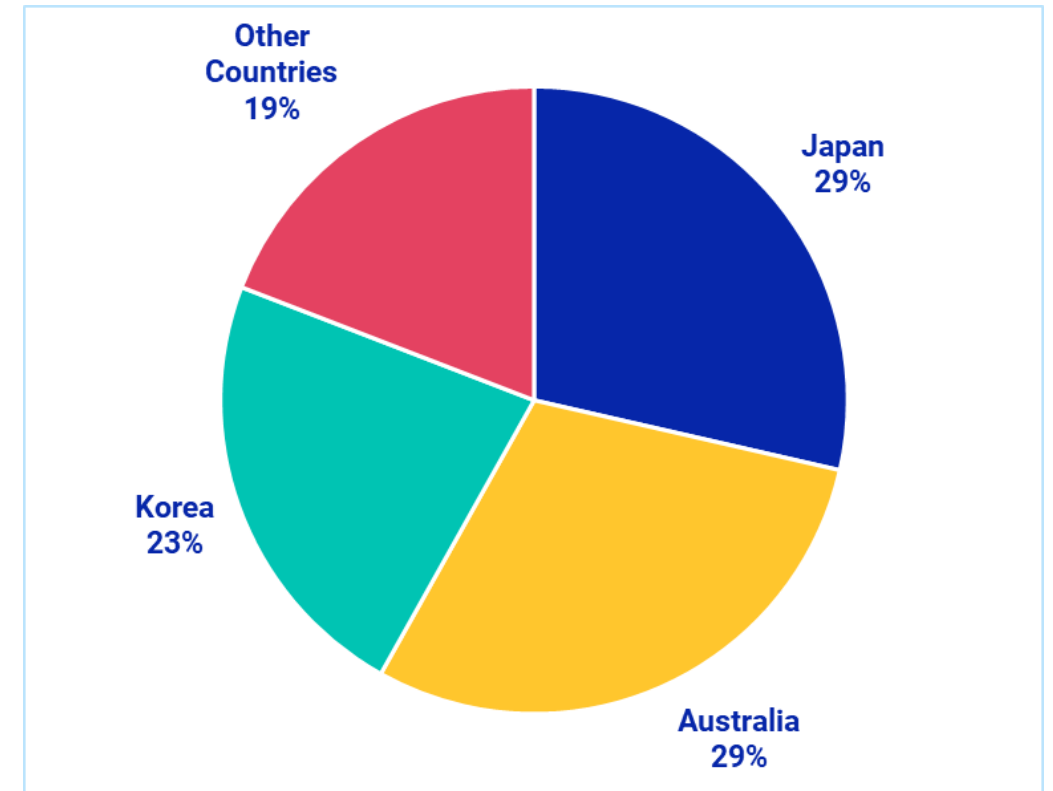
MORE TRANSPARENT MARKETS DOMINATE

APFI Asset Allocation by Property Type & Region, 2021

ASSET ALLOCATION BY PROPERTY TYPE

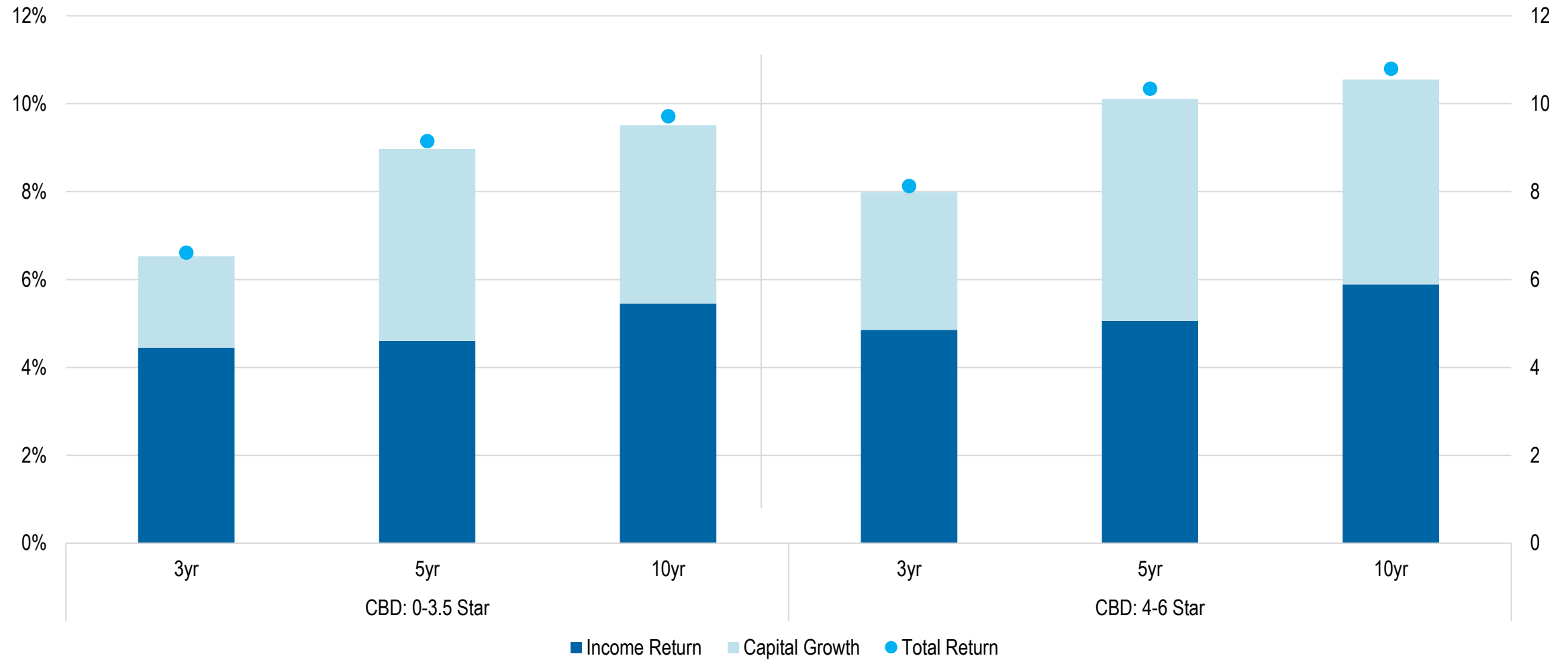


ASSET ALLOCATION BY REGION



HIGHER RATED BUILDING CONTINUE TO OUTPERFORM

Components of Total Return by NABERS Rating in Australia



Source: MSCI

MSCI TOOLS TO HELP REAL ESTATE ACHIEVE **NET-ZERO**

Main Findings of the Pan European Property Funds Index review

- **All funds have set** decarbonization or Net-Zero **targets**
- **Targets vary in maturity**
 - All targets cover Scopes 1 & 2 – Direct & Indirect Emissions
 - 81% cover Scope 3 – tenant-controlled emissions
 - 57% include Scope 3 – development-related emissions
- **88%** of targets have a **Net-Zero commitment in the long term**
- **63%** of plans include **interim targets**
- The **majority of targets** are accompanied by an **implementation strategy**

MSCI



REAL CAPITAL ANALYTICS

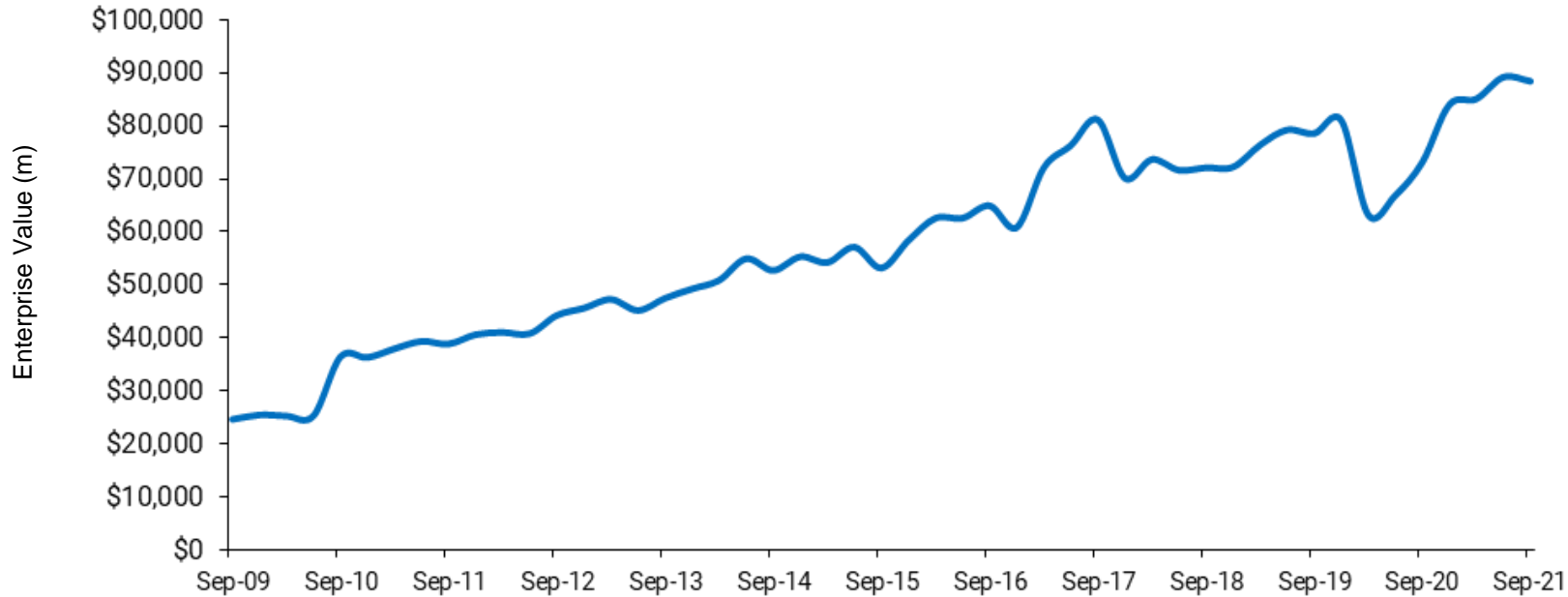
MSCI GLOBAL PRIVATE INFRASTRUCTURE INDEX



CONSISTENT GROWTH IN THE VALUE OF INFRA INVESTMENT

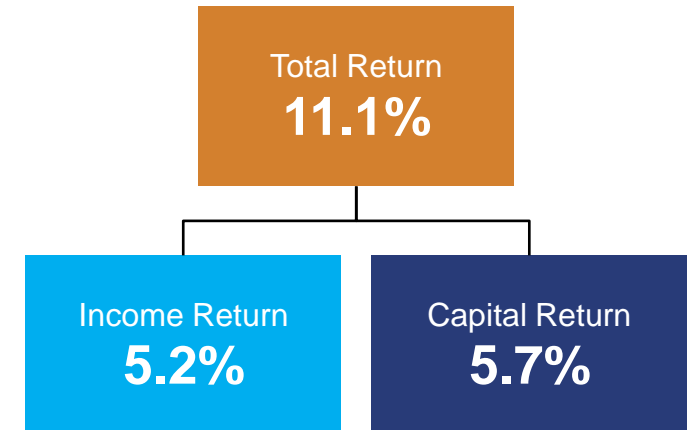
MSCI Global Private Infrastructure Index, 2009-2021

Enterprise Value of the Global Private Infrastructure Index



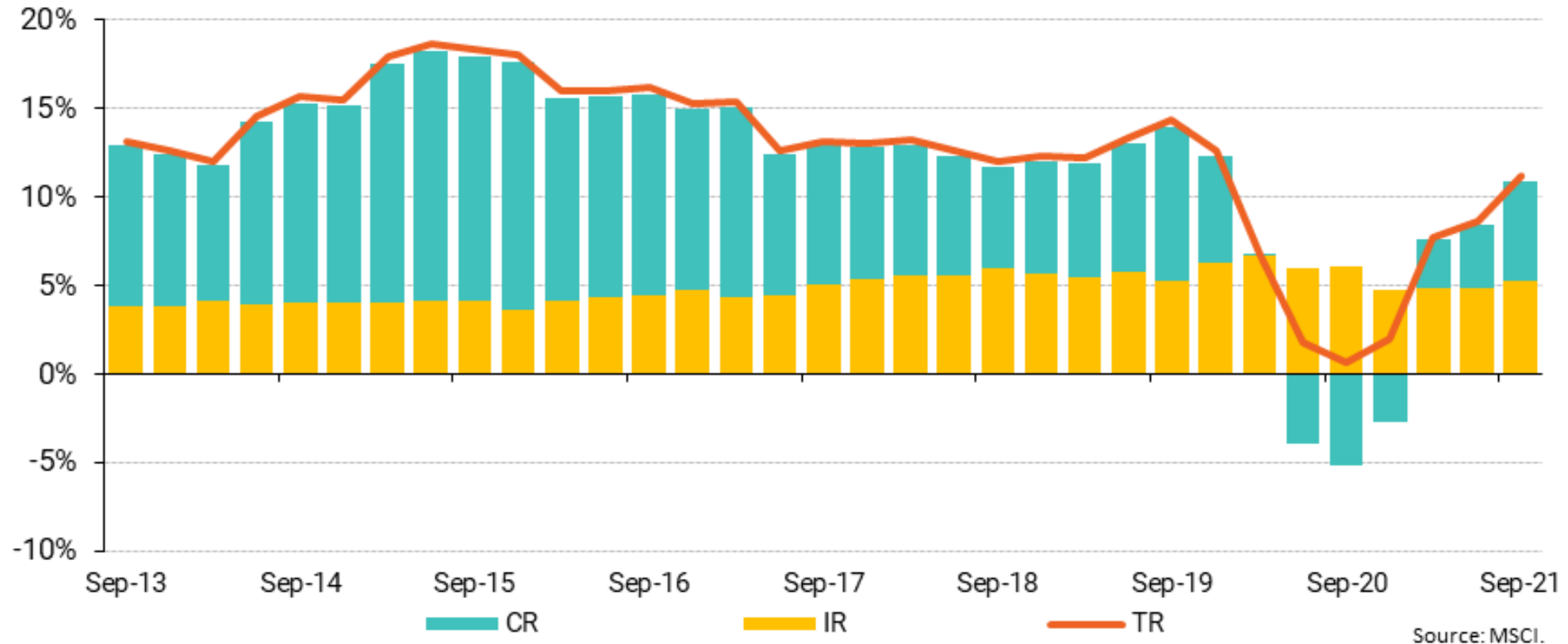
Source: JP Morgan, MSCI.

12 Month Rolling Return to September 2021



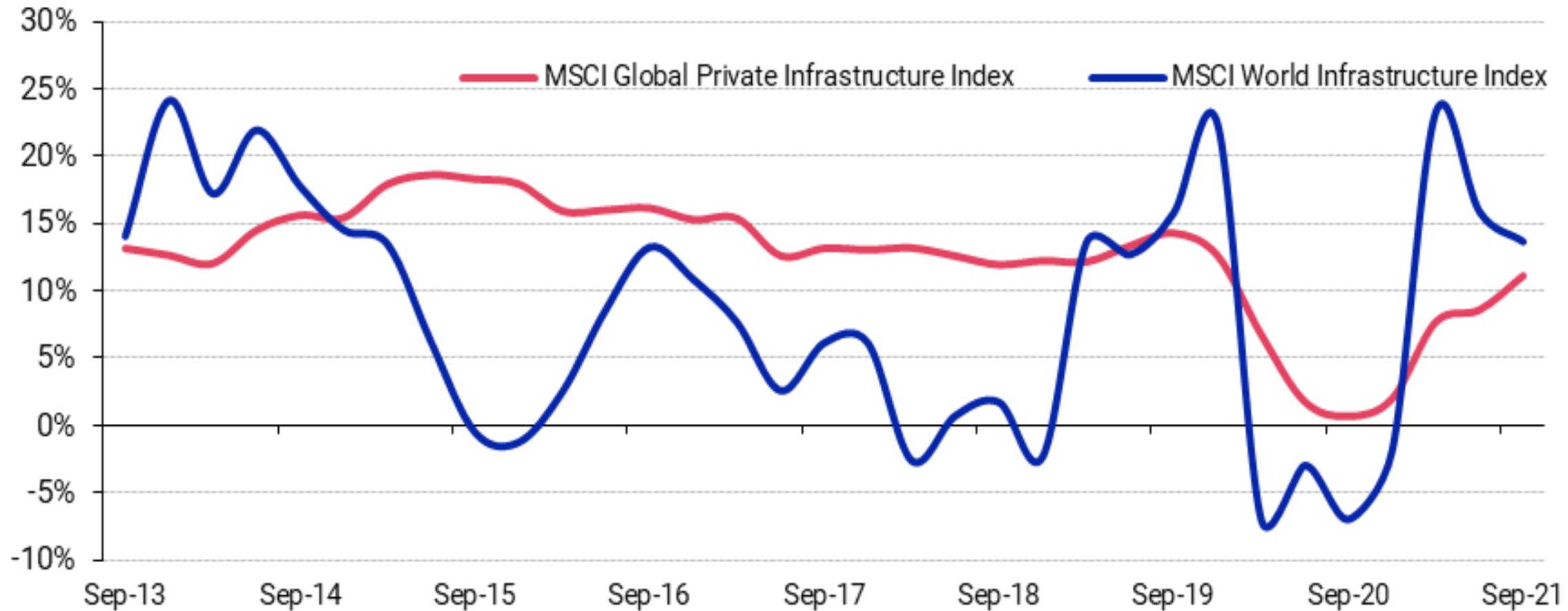
INCOME RETURN PROVIDES THE CONSISTENT RETURNS

MSCI Global Private Infrastructure Index, Total Returns, 2013-2021



PUBLIC & PRIVATE MARKETS NOT IMMUNE TO COVID

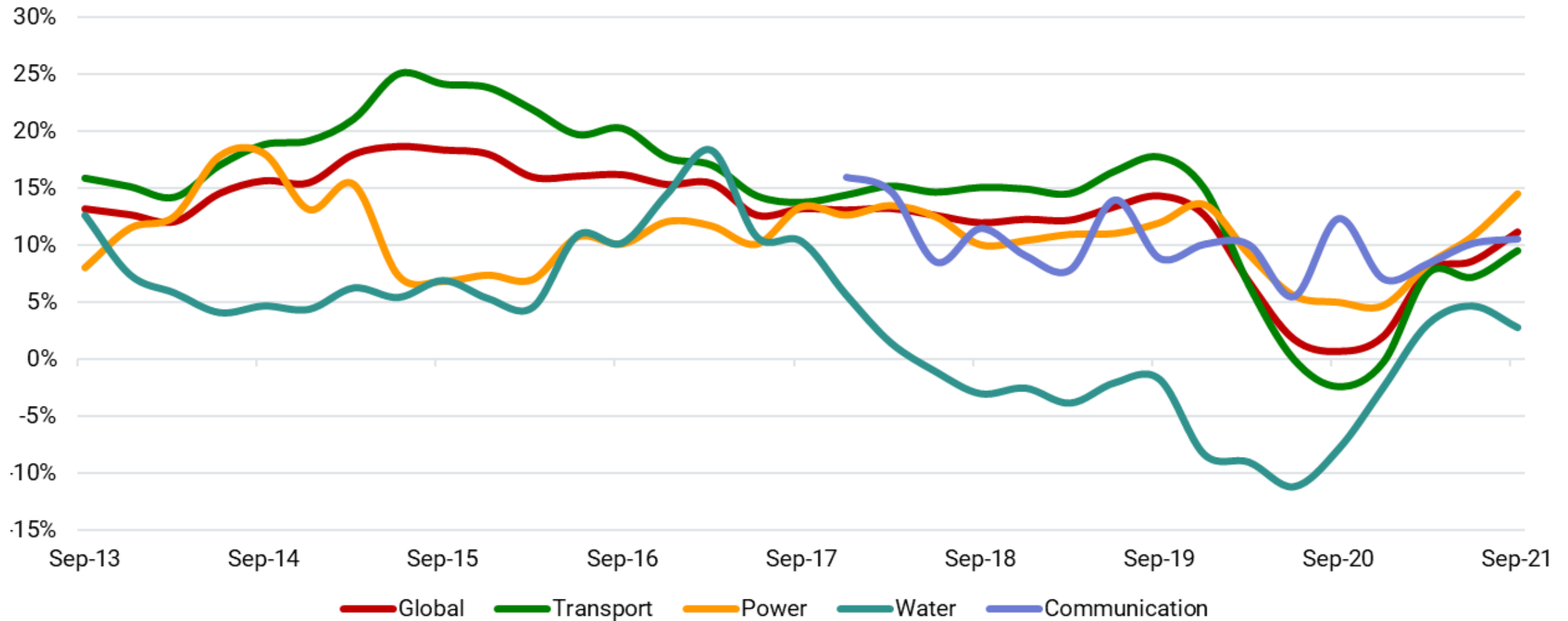
MSCI Global Infrastructure Index, Total Returns Private & Public, 2013-2021



Source: MSCI.

LIKE REAL ESTATE – NOT HOMOGENEOUS

MSCI Global Private Infrastructure Index, Total Returns by Segment, 2013-2021



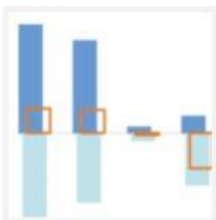
RCA Insights



Russia Invades Ukraine: The Picture for Commercial Property

By Tom Leahy on Thursday, February 24th 2022

The grim news of Russia's invasion of Ukraine means...



This Is What Overseas Firms Have Been Buying in Australia

By Benjamin Martin-Henry on Tuesday, February 22nd 2022

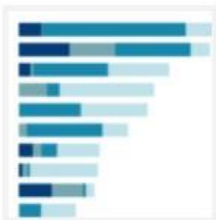
In 2021, overseas investors in Australia accounted for nearly 30%...



Chart: Top Global Targets for Cross-Border Capital in 2021

By Tom Leahy on Friday, February 18th 2022

Four players – GIC, Blackstone, Brookfield and Heimstaden – each...



Demand for New Economy Assets Takes Off in Asia Pacific

By Benjamin Chow on Tuesday, February 15th 2022

The strength of appetite for the new economy and industrial sectors...

2022 Private-Asset Trends to Watch

Jan 13, 2022 | [Global Investing](#) | [Climate](#) | [Real Estate](#) | [Blog](#) | [Americas](#) | [EMEA](#) | [Asia Pacific](#) | [Environmental Regulation](#) | [Real Estate Investing](#) | [COVID-19](#) | [Asset Owners](#) | [Asset Managers \(Quant or Fundamental\)](#) | [Hedge Fund](#) | [Insurance](#) | [Real Estate](#)



- The continued growth in private-asset allocations (now accounting for more than 25% of pension-fund portfolios) has brought more scrutiny to the role and performance of the asset class.
- Investors striving to honor their commitments to net-zero emissions may first need to fully understand their private-asset portfolios' current carbon profiles.
- Transparency and standardization of data are key to help investors construct portfolios and direct capital toward ventures that help address climate change and other long-term challenges exacerbated by COVID-19.

Private-asset investors are rapidly waking up to the urgency of the climate crisis, weighing the potential impact on their portfolios and planning how to decarbonize them. All this while dealing with disruptive trends like e-commerce and remote office work, which have accelerated during the COVID-19 pandemic.¹ Over the coming months and years, we may see a substantial reallocation of capital, as investors reshape their real estate, private-equity, infrastructure and other private-asset portfolios in response to these challenges. In this "2022 Private-Asset Trends to Watch," we highlight the ways in which the opaque nature of private assets may exacerbate these challenges for investors.



Thank You

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