

# MEDIA RELEASE



## **PAG acquires Commerzbank's real estate subsidiary in Japan**

**Hong Kong, 27 June 2014** – An investor group led by PAG, a leading Asia-focused alternative investment manager, has acquired the Tokyo-based subsidiary of Commerzbank AG, Commerz Japan Real Estate Finance Corporation (CJREFC). The acquisition includes a portfolio of around €700 million in primarily subordinated loans held by CJREFC as well as its operations and staff.

The acquisition of the commercial real estate business was made via a consortium including PAG's Secured Capital Real Estate Partners V, Pacific Alliance Special Situations funds and Canada Pension Plan Investment Board (CPPIB), and the portfolio will be managed by PAG's Tokyo-based Secured Capital Investment Management Co., Ltd.

Commenting on the acquisition, J-P Toppino, Managing Partner of PAG Real Estate said, "This is a very exciting acquisition for PAG. This is a very high quality portfolio of largely Tokyo-based commercial real estate and we are uniquely positioned in this market to manage and realize its value."

"The Tokyo real estate market is one of the most liquid markets in the world and has been attracting increasingly strong interest from both domestic and foreign investors, providing a boost to real estate property values. Tokyo office rents are expected to increase over the next 12-24 months leading to upside in capital values. Further, debt financing is extremely attractive with low to moderate LTV debt available at less than 1% all-in making Tokyo one of the most attractive markets in the world in terms of cash on cash yields."

"All these factors reinforce the quality of the CJREFC portfolio."

### **About PAG**

PAG is one of the region's largest Asia-focused alternative investment managers with funds under management across private equity, real estate and absolute return strategies. Founded in 2002, PAG currently has US\$11 billion in capital under management, with over 300 staff across Hong Kong, Shanghai, Tokyo, Beijing, Sydney, Singapore, Seoul, Shenzhen and Delhi. PAG's real estate business includes Tokyo-based Secured Capital Investment Management, one of Asia's leading real estate investment managers with over 100 professionals and over US\$9 billion of real estate assets under management.

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