

International real estate has moved into the mainstream

“Three years ago we were writing papers saying ‘Why international?’ Now the only question is ‘Where?’”

– *REIM CEO*

“It used to be that you invested in “international” real estate and that was it. Now, you can pick a property type in the UK, or a country in Asia or eastern Europe. It’s much more directed and mature.”

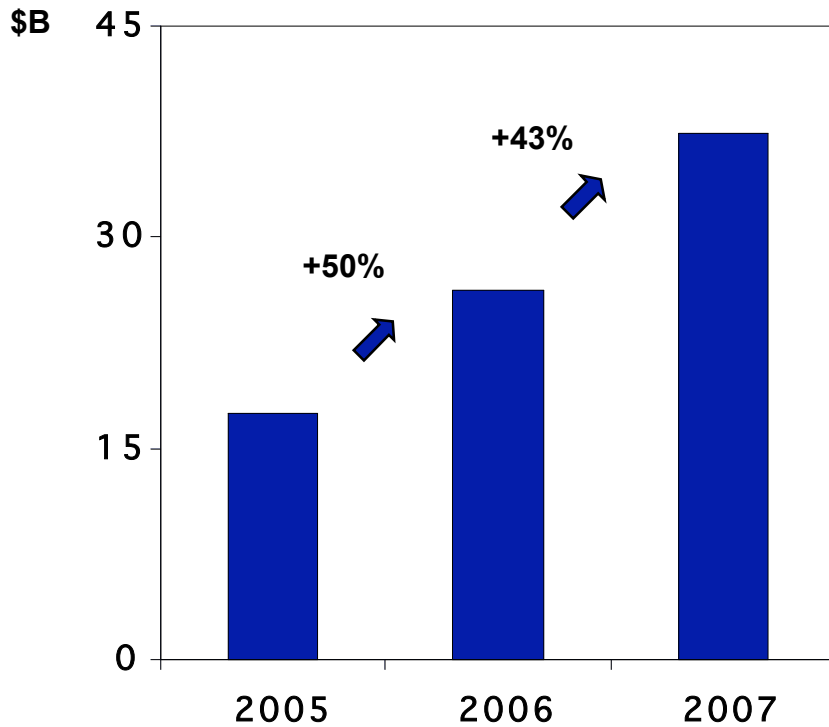
– *Pension Fund RE Head*

“We just closed a big European fund, and we were bumping up against our size limits almost immediately. There’s just so much money available.”

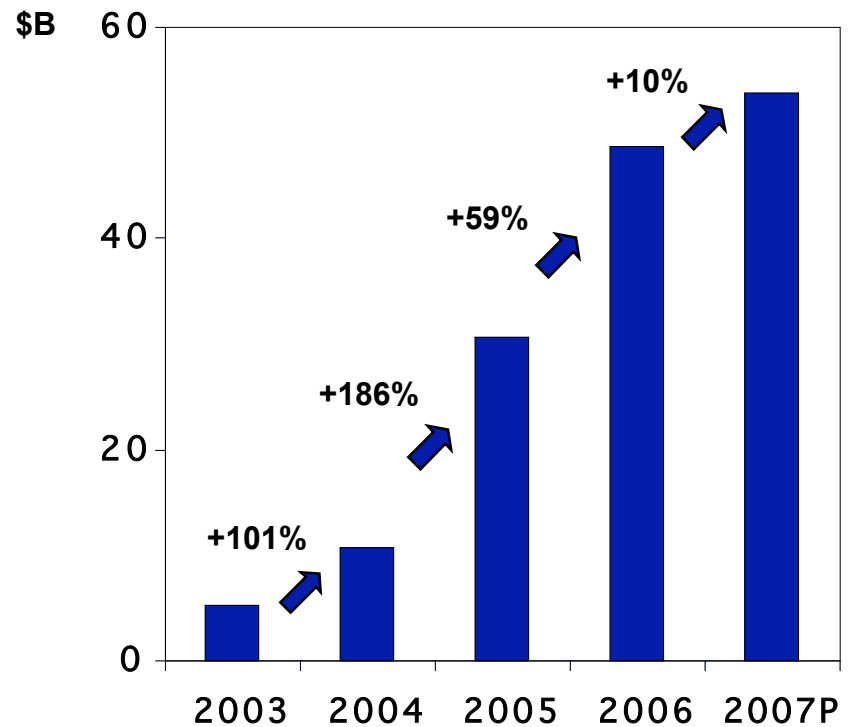
– *REIM CEO*

Investment in real estate outside of the U.S. has increased dramatically in recent years

International RE assets managed for US investors



Non-U.S. real estate funds raised



Note: 2007P = Projected
Source: Pension & Investments, PREQIN, FPL Associates Analysis

Increasing institutional investor allocations to international real estate suggests continued expansion

Sample 2007 changes in institutional investor allocations to international real estate			
Investor	Previous allocation (% of RE)	Revised allocation (% of RE)	Estimated international RE investment (USD)
CalPERS	20	50	10B
CalSTRS	12	25	7B
NJ State Investment Council	25	20	870M
Ohio State Teachers	-	8	420M
Chicago PSTR	-	10	400M
LACERA	6	10	380M
Illinois TRS	-	No limit	250M
Massachusetts PRIM	-	4	200M

Source: Literature search, organization websites