

**GLOBAL REALTY CAPITAL MARKET ROUNDUP**

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- New York City-based Digital Realty Trust Offering \$500M in Senior Unsecured Notes.
- Lenders Say Commercial Refinancing Expected to Worsen in 2010.
- Canada in Better Shape Than U.S. Thanks to Foreign Investor Interest, Says Avison Young

(NEW YORK, NY) -- Cushman & Wakefield research predicts global commercial real estate deals will rebound by 30% this year. Deals are expected to reach a total \$478 billion.

The U.S. is forecast to post the biggest percentage rise in sales, with China in No. 2 position.

"With many U.S. investors sitting on a lot of cash after the recapitalizations, equity raises and inward investment flows of last year, a strong turnaround in activity looks likely," notes Janice Stanton, C&W's senior managing director of capital markets in the U.S.



Janice Stanton

C&W predicts deals in North America could total \$64 billion, representing a 48 percent increase from 2009.

In China, Reuters reports volumes more than doubled to \$156 billion in 2009, making it the world's most active real estate investment market by far.

Cushman & Wakefield research expects the China investment juggernaut to continue rolling this year, despite government measures to cool the sector down, as *Real Estate Channel* previously reported.

Sales growth in China and Japan is expected to boost volumes in the Asia-Pacific region to \$258.3 billion in 2010, up 20% from 2009, according to C&W research. That would make it the most active region in the world for real estate investments.

(ATLANTA, GA) -- Atlanta-based Regent Partners LLC plans to spend up to \$400 million over the next two years, buying up distressed office buildings, hotels and high-rise apartments, says company owner and chairman David Allman.



David Allman

Regent is teaming with Dallas-based Trigate Capital LLC in forming Regent-Trigate Property Fund 1. Allman and his associates see 2010 as an opportunity to acquire trophy real estate at fire-sale prices, he tells *Atlanta Business Chronicle*.

The partnership anticipates closing on its first purchase by the second quarter of this year. The fund is focusing on Southeast-based properties, many in metro Atlanta.

Another Atlanta-based investor, The Brookdale Group LLC, already has raised \$410 million to buy office buildings across the South, *Atlanta Business Chronicle* reports.

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Winter Park, FL - \$2,895,000 Home for Sale (6/6.5)



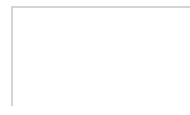
Winter Park, FL - \$2,850,000 Home for Sale (5/5.5)



Winter Park, FL - \$2,595,000 Home for Sale (5/5.5)



Winter Park, FL - \$1,995,000 Home for Sale (5/6.5)



Casselberry, FL - \$1,109,000 Home for Sale (4/5)



Jay O'Meara

Jay O'Meara, a senior vice president with the Atlanta office of CB Richard Ellis, calls the planned activity by both investment groups "a good sign."

Allman says Regent Partners has generated \$2 billion worth of real estate projects since it was launched 22 years ago. The company has acquired and repositioned about \$1 billion in distressed properties.

(NEW YORK CITY, NY) -- Digital Realty Trust has started a private placement of \$500 million in senior unsecured notes. The New York City-based firm plans to use the money to repay borrowings under its revolving credit line, according to Data Center Knowledge.

Digital previously sold \$100 million in notes to Prudential. According to a Dec. 31, 2009 Securities and Exchange filing, the company also positioned itself to sell up to \$400 million in common stock through periodic at-the-market offerings.

Standard & Poors and Fitch separately upgraded the financial strength of the company in November 1959. Digital received a BBB rating, up from a Baa2 issuer rating.

"Achieving an investment grade rating has been an important goal for the company since our IPO five years ago and we believe represents an inflection point for Digital Realty Trust," says A. William Stein, the company's chief financial officer and chief investment officer.



William Stein

"Access to the investment grade unsecured debt market gives us a significant competitive advantage as we pursue opportunities to grow our business in an otherwise capital contained environment," Stein adds.

(WASHINGTON, DC) -- There was good news and bad news at the recent Commercial Mortgage Securities Association conference in Washington, DC.

The good news: There is plenty of cash around for office, retail and apartment buildings that show a solid cash flow and low debt.

The bad news: Lenders are not willing to extend billions of dollars for maturing loans made at the top of the market.



Jack M. Cohen

"There is a ton of capital out there, but people aren't finding the deals they want to invest in," Jack Cohen, CEO of Chicago-based Cohen Financial told the conference, according to Reuters.

Conference attendees were told the problem of refinancing will likely worsen in 2010, when nearly \$29 billion of just fixed-rate loans in CMBS is set to mature, according to Citigroup Inc.

The \$29 billion number is nearly five times that of 2009. The number will grow by a third in 2011, Citigroup predicts.

(TORONTO, CANADA) -- Interest from Germany-based investors has kept Canada's realty capital market relatively stable, according to Toronto-based Avison Young (Canada) Inc., Canada's largest independently-owned commercial real estate services company.

Investment sales transaction volume was down 55% to \$5.4 billion through the first nine months of 2009. That was due largely to investor caution, a scarcity of willing lenders and owners' increased reluctance to sell devalued assets in the current climate, according Avison Young's annual market assessment of world real estate markets.

"Interest from foreign investors, especially the Germans, remained a key factor in the investment sales market, demonstrating Canada's relatively strong real estate fundamentals and enduring appeal to overseas capital," the Avison Young report states.

"This international interest, along with a surge in capital raisings and a number of notable acquisitions in the closing months of 2009 by the domestic REIT community, is perhaps a good omen of things to come," the report adds.



Altamonte Springs, FL - \$249,900 Home for Sale (5/2)



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Apopka, FL - \$245K Home for Sale (4/2.5)

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Bill Argeropoulos, Avison Young's vice president and director of research for Canada, notes, "Opinion remains divided on the question of whether Canada's economy will see the beginning of a sustainable recovery in 2010, or whether a further correction is to come before things start to look up.



[Bill Argeropoulos](#)

"Notwithstanding this, Canada remains in better shape than its neighbor to the south and many other real estate markets around the world, and is poised for a more rapid recovery."

Argeropoulos adds, "Ultimately, markets are expected to rebound as the economic cycle starts its next upswing."

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