

For Immediate Release
27 April 2023

**Phoenix Property Investors' en-bloc sale of a high-quality logistics facility
in Hakusan City, Japan, for USD 40.4 million¹**

We are pleased to announce the eleventh disposition for the firm's sixth opportunistic fund, Phoenix Asia Real Estate Investments VI, L.P.

After a short five-month holding period, we received this unsolicited offer from a major private REIT investor based in Japan. We signed the SPA on 20 April 2023 and closed the deal on 27 April 2023, achieving an exit 13 months earlier than our underwriting.



In November 2022, Phoenix acquired a new high-quality logistics property in Hakusan City, Ishikawa Prefecture. The 2-story logistics facility of approximately 19,587 sqm in GFA is situated in the center of the Hokuriku region, near Kanazawa CBD. Due to its convenient location, the property's service coverage area can also be extended to nearby prefectures such as Fukui and Toyama with approximately 2.5 million people within a 90-minute radius drive.



Given the local investment team's strong network, Phoenix acquired the asset off-market from a developer who needed to recycle the capital to expand their overseas investments. The deal was attractive to us due to favorable market fundamentals such as a shortage of modern logistics supply and strong rental income growth potential of the asset. In the Hokuriku region, logistics stock with modern specifications accounts for merely 1.8% of the total supply, compared to 9.4% in Greater Tokyo.²

At acquisition, the occupancy rate of the property was markedly low as the seller had failed to maximize the leasing potential of the facility. However, once Phoenix obtained the mandate from the seller, our team proficiently secured a lease with a local third-party logistics firm, a highly creditworthy subsidiary of a large Japanese real estate developer. With this new tenant, Phoenix brought the new occupancy to 100% before the acquisition was completed.

In line with Phoenix's risk management processes, the FX exposure of the equity portion of this deal was fully hedged.

Footnotes:

1. Based on the exchange rate of USD1=JPY133.00
2. Source: CBRE Reports.

About Phoenix Property Investors

Phoenix Property Investors is an experienced, independently-owned and managed private equity real estate investment group. Founded in 2002, Phoenix has an extensive track record of creating value and delivering results for its investors and stakeholders by investing in high-quality real estate opportunities in the residential, retail, office and commercial sectors across 18 first-tier Pan-Asian cities, assisted by its network of seven Asia-Pacific offices including Hong Kong, Tokyo, Seoul, Shanghai, Singapore, Sydney and Taipei.

Phoenix invests on behalf of global institutional investors; including sovereign wealth funds, public and corporate pension plans, foundations, university endowments, insurance companies and important family offices.

For more details, please visit www.ppinvestors.com.