

For Immediate Release
April 20th, 2022

**Phoenix Property Investors’ en-bloc sale of The Peak Sapporo,
a Grade-A office building in Sapporo, Japan**

We are pleased to announce a disposition for the firm’s sixth opportunity fund, Phoenix Asia Real Estate Investments VI, L.P.



In October 2019, Phoenix entered into a forward purchase of a Grade A office property in Sapporo, Hokkaido. The Peak Sapporo is a new 8-story Grade A office building of approximately 13,720 sq. m. in Sapporo, which is the capital of Hokkaido Prefecture and one of the major commercial areas in Japan. It is a 4-minute walk from Sapporo Station – the main train terminal for Sapporo City. The building was constructed to a high standard by Takenaka Corporation and designed by Gensler. It has also achieved a 3-star DBJ Green Building Certification.



The office market in Sapporo has been strong with a vacancy rate of less than 1% since 2016.¹ The supply is particularly tight in the submarket due to the scarcity of land in central Sapporo and robust demand of quality office spaces. Leveraging Phoenix’s established network in the Japan real estate sector, the building was acquired in an off-market transaction at a discount to market valuation.

The Peak Sapporo was delivered to Phoenix as scheduled in June 2021. Within six months, we had leased up the entire building to credible institutional tenants at a competitive level of rent, including Tokio Marine, NTT Data and Takeda Pharmaceutical.

After stabilizing the building’s cashflows and tenancy, we proceeded to hold a tender process to sell the asset. The tender received overwhelming response, attracting over ten bids. After numerous discussions with interested parties, Phoenix finalized the sale of the asset to a major local institutional investor at a price which represents a significant premium over the original underwritten exit price target. The Sale closed well ahead of Phoenix’s original exit schedule, highlighting the strong demand for core office assets in Sapporo.

Footnote:

1. Source: CBRE Sapporo Office Market Overview – Q2 2019

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.

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