

Moscow developer plans share offer

Moscow-listed real estate developer and investment company Open Investments plans to raise up to \$650m through a secondary offering of more than 2m shares in order to raise money to boost its landbank outside central Moscow.

The company, which is pioneering large-scale residential communities in the suburbs of Moscow, will also use the offer proceeds to expand its development

activities, which include building investment grade, class A offices. Sergey Bachin, the company's general director, said: "We favour a develop-and-keep strategy for high-quality commercial properties."

Existing shareholders have statutory pre-emption rights to buy shares in the new share issue pro rata to their existing shareholding in the company at 31 May.

The remaining ordinary

shares will be offered to investors via an open subscription in Russia.

At present, around 60% of the company is owned by an affiliate of Russian Interros, which has indicated that it plans to exercise in full its statutory pre-emption rights to acquire shares in the new share issue.

Following the offering, the free float of shares in the company is expected to be around 40%.

Beacon raises €2.9bn for global office vehicle

US fund manager Beacon Capital Partners has raised \$4bn (€2.9bn) of equity for a global office fund that contains nine assets in London and Paris.

The fund, Beacon Capital Strategic Partners V, which is 80% invested and has acquired \$10bn of assets in the US and Europe, is expected to be fully invested within 12 months. Depending on the level of gearing used, the fund could acquire a further \$5bn of assets.

The fund has acquired \$5.5bn of European assets, including the AXA Tower in Paris and Mid City Place in London.

Beacon chairman and chief executive Alan Leventhal said: "We believe that high-quality assets with added value potential, in cities with concentrations of intellectual capital, will be successful in the longer term, regardless of short-term market conditions."

The fund manager targets office properties in cities such as New York, Boston, London, San Francisco and Paris. Leventhal said Beacon was also looking at other European cities in Germany, Scandinavia and Spain, but added that Paris and London would remain the focus for the fund.

The fund has 200 investors: 40% US public pension funds, 30% endowments and foundations, 10% corporate pension funds and 20% overseas investors from Europe, Australia and Asia.

Leventhal said that Beacon tends to hold assets for five to seven years, and that the fund targets 18-20% returns.

Standard Life's McGuire to join AXA REIM

Martin McGuire is moving to AXA Real Estate Investment Managers (AXA REIM) after 15 years with Standard Life Group, where most recently he was investment director at Standard Life Investments.

In this post, McGuire was responsible for diverse portfolios of property in Europe and the UK. Before this, he spent six years as assistant property investment manager at Standard Life Assurance Co.

Based in London, McGuire will manage AXA REIM's core-plus European Added Value Fund.

The vehicle, launched in April 2006, recently announced its final closing, having attracted €422m of equity from more than 24 investors from the UK, Ireland, Middle East, Spain and the Nordic countries.

This equity will provide purchasing power of up to €1.05bn with leverage at 60%. for property in France, Germany, Portugal and Belgium.

Private Swedish property company included in offer

Lehman/NEP jv to sell five-asset Swedish portfolio

A five-property portfolio in Sweden, owned by a joint venture between Lehman Brothers Real Estate Partners and NEP Partners, is up for sale.

The average vacancy rate in the portfolio, which the jv has held for less than two years, is thought to be around 10%. The assets are expected to be sold for up to €250m, reflecting a net initial yield of 6.5%.

Included in the portfolio is Linco Fastighets AB a private Swedish property company that Lehman Brothers and NEP bought in January 2006.

The purchase of Linco, for just over €150m, included four office buildings with storage and retail space totalling 148,000 m² in the Solna Strand and Norrtull areas of Stockholm. Today, the sale of the company includes not just the properties but also four members of staff.

Separate to Linco, the Sydsvenskan-huset building in Malmö, Sweden, is a 21,000 m² office and industrial building that the jv bought in August 2006 for €30m. The principal tenant is the Swedish newspaper, *Sydsvenskan Dagbladet*; other tenants include Stryker and LRF media.

Although interest in the portfolio is expected to be strong, the recent global credit problems could make things tougher for potential buyers, because international lenders are now cautious about lending on the secondary market in the region.

UK-based NEP Partners was set up by Ed Williams and Torsten Bjerregaard, two former senior executives of Lehman Brothers. NEP invests in real estate in northern Europe, and in particular the Scandinavian and UK markets.