

Introduction

- James Black Introduction
- Introduction to AIG Global Real Estate
 - 30+ year history as Real Estate investment manager for AIG Insurance Company
 - Provides joint venture equity for real estate acquisitions and development
 - Group of about 120 real estate professionals in 11 offices
 - Approximately \$12B of real estate assets under management



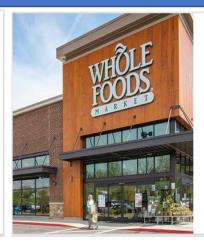
Examples of AIG Investments



MULTIFAMILY

One North Fourth - Brooklyn, NY

Core development of a luxury rental building on the Brooklyn waterfront with dramatic views of the Manhattan skyline.



RETAIL

Papermill Plaza - Knoxville, TN

Value-add acquisition of a multi-anchored neighborhood shopping center comprising of a high-performing grocery tenant.



INDUSTRIAL

Auto Logistics Park -Lozorno, Slovakia

Core-plus acquisition of a light manufacturing logistics park comprising of five modern warehouse buildings.



OFFICE

Sanctuary Park - North Fulton, GA

Value-add acquisition of an office park containing nine individual buildings, either LEED Gold, Platinum, or Silver certified.



Candidate for Institutional Equity

Benefit

- Unlimited Capital
 - Good for consistent merchant build platform
- Ability to scale
- Large Deals

Drawbacks

- Lack of Control
- Costly
- Asymetrical structure (and economics)



Institutional Joint Venture Structure

Typical Structure is 90 / 10 Structure

- Pre-development or Pursuit Costs Often funded by Sponsor
- Investor Funds 90% of Required Equity
- Investor pays a "promote" over a preferred return
- Sponsor provides any lender guaranties
- For development, typical for Sponsor to also provide some level of cost overrun protection

Fight Battles Not Wars

- Portion of Pre-development (non-entitlement related)
- Level of Cost Overrun
- Control
- Dispute Resolution
- Liquidity Provisions (timing)
- Waterfall



Soliciting Institutional JV Equity

Recommendations for Soliciting Institutional Equity

- 1. Consider a broker
- 2. Understand what your investor is looking for
 - 1. What type of vehicle are they investing through
 - 2. Are they focused on cash flow or total return
 - 3. What is their hold period / minimum equity requirement
 - 4. Can they hold land
 - 5. Can they invest in for-sale product
- 3. Understand the metrics they use to make their decisions
 - 1. Don't focus on IRR
 - 2. Focus on supporting Return on Cost relative to Market Cap Rate
- 4. Focused Business Plan
 - 1. Based on Investor feedback, come back with structure and scope of project that work for Investor's goals
 - 2. Consider Investor Exit (finite business plan)



Questions and Answers

Q and A / Discussion