

- 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
- Asymmetrical 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)

Q and A / Discussion