

Cross Border Capital Flows

A Transactional Focus
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Transactional Focus

- I. Foreign Capital Flow into US Real Estate
 - a) Who is buying?
 - b) What assets?
 - c) What markets?
- II. US & International Capital Flow into Foreign Real Estate
 - a) Canada
 - b) Europe
 - c) China
 - d) Australia

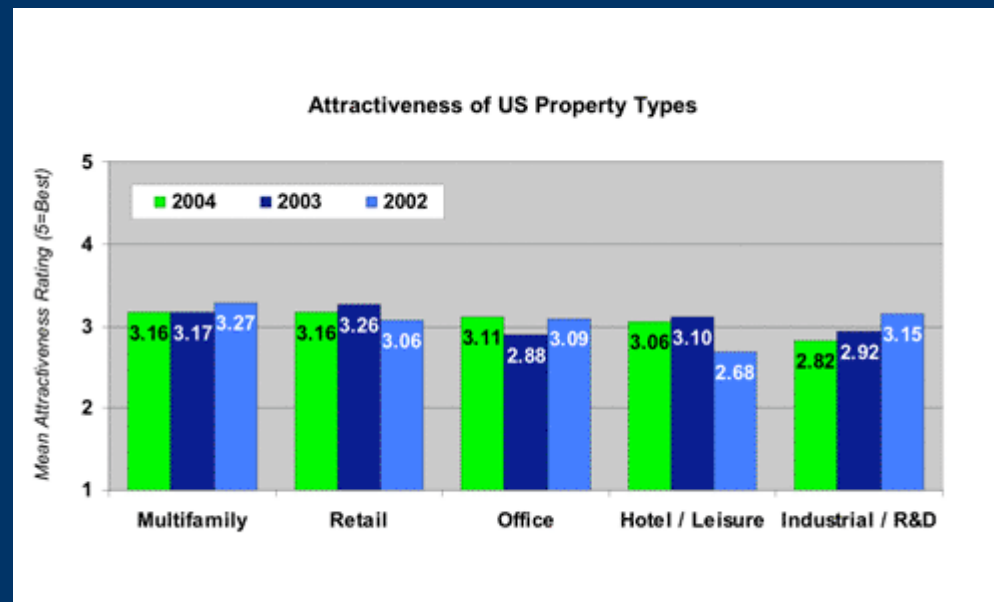
I. Foreign Investors in US Real Estate

Who is buying?

- JV with existing US entities
 - Examples include:
 - ING Clarion
 - Macquarie
- Direct Foreign entity
 - Examples include:
 - IPC US Reit
 - HausInvest Global Fund (Commerz Grundbesitz Investmentgesellschaft)

I. Foreign Investors in US Real Estate

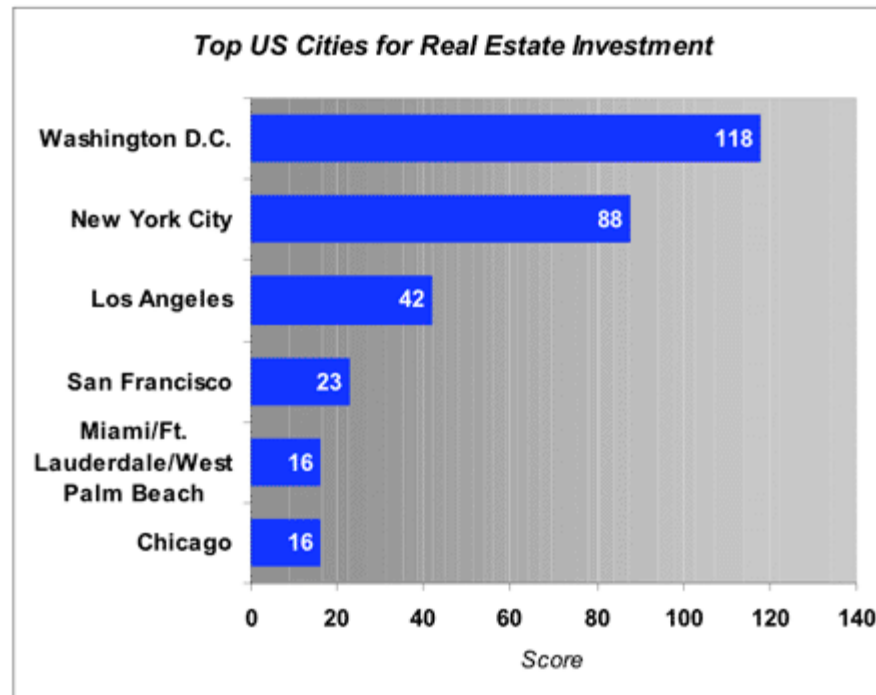
What assets?



Source: AFIRE (www.afire.org)

I. Foreign Investors in US Real Estate

What markets?



Source: AFIRE (www.afire.org)

II. US/International Capital Flow into Foreign Real Estate

Canada

I. Examples

- a) Kimco/RioCan Joint Venture
 - Acquisitions include:
 - Shawnessy Towne Centre
 - Abbotsford Power Centre
 - Langley Gate
- b) Prologis – Industrial Development

II. US/International Capital Flow into Foreign Real Estate

Europe

I. United Kingdom

- a) **Back in 2000, American companies and other US players accounted for 45 percent of the whole foreign investment in the UK commercial market or almost \$5 billion.**

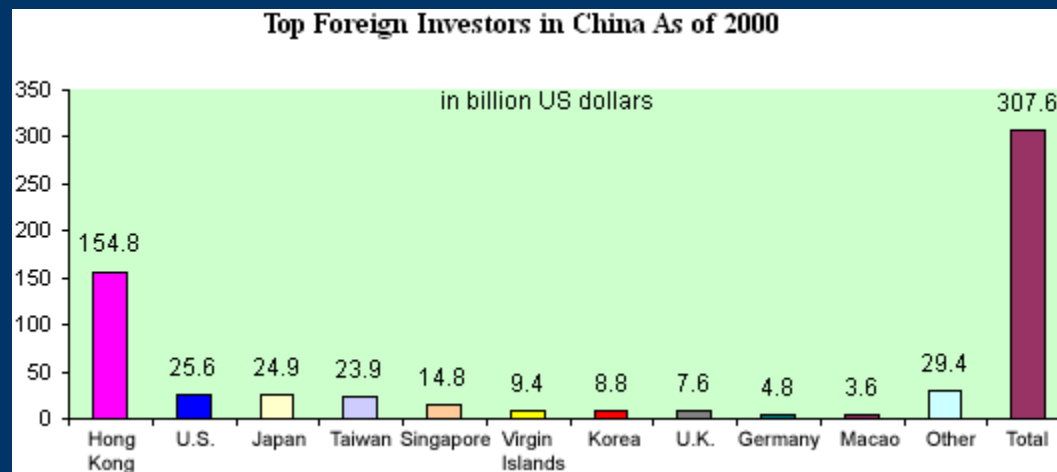
b) (source: Simeon Mitropolitski, IRED 2001)

II. Germany

- a) **New REIT laws in effect 2006**

II. US/International Capital Flow into Foreign Real Estate

China



Source: China's MOFTEC (Foreign Trade Commission)

II. US/International Capital Flow into Foreign Real Estate

Australia

Legislative Issues:

While Australian companies are a leading investor in US real estate, Legislative Issues in Australia make it prohibitive for US investors to reciprocate.

Taxation: Better to be seller than buyer