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# Real Estate ALERT

THE WEEKLY UPDATE ON THE INSTITUTIONAL MARKETPLACE

## INVESTMENT VEHICLES

### India Fund Closes at \$525 Million

IL&FS Investment Managers completed fund raising for its IL&FS India Realty Fund with \$525 million, making it the largest vehicle to invest in India real estate with backing from foreign shareholders. IL&FS had set out to raise \$300 million for the opportunistic vehicle. It aims for a 20%-plus rate of return via office, retail and residential plays. **Presidio Partners** was the placement agent.

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### Retail Sales Slump; Eastdil Tops Rankings

The sales of shopping centers and malls fell sharply in the first half as rising interest rates and a scarcity of offerings took a toll on activity. Meanwhile, **Eastdil Secured** jumped out to big leads in the broker rankings for both categories of retail properties, according to **Real Estate Alert's** Deal Eastdil's dominance was no surprise. The brokerage is the defending champ — won the shopping-center league table last year. But Eastdil's volume is down significantly from the combined total of Eastdil and Secured in 2005, reflecting the overall market decline. The sales of shopping centers, including nonbrokered transactions, plunged by 29%, to \$7 billion from \$9.9 billion. Meanwhile, mall sales dropped by 20%, to \$1.6 billion from \$2 billion. Brokered mall sales fell by an even larger amount. See **RETAIL** on Page 9

### MacFarlane Assembling Big Urban Fund

A **MacFarlane Partners** unit is seeking to raise \$1 billion of equity for a value-added fund that would invest in urban-development projects nationwide. San Francisco-based **MacFarlane Urban Realty Partners** hopes to produce a Fund 2. With leverage, it would have up to \$4 billion of buying power. Principal **Sybil Melikian** is the fund's portfolio manager. **David Dressler Jr.**, MacFarlane's chief acquisitions officer, oversees new investments. Melikian and Dressler are also assisting with the fund-raising campaign, along with company founder **Victor MacFarlane**, managing principal **Charles Berman** and chief operating officer **Thomas Klugherz**. **C.P. Eaton Partners** is the placement agent. MacFarlane Urban Realty Fund 2 recently landed a \$75 million commitment from **New Jersey State Investment**. **Calpers**, which has a long-standing See **MACFARLANE** on Page 5

### Industrial Player Marketing Large Portfolio

**Equity Industrial Partners** is offering the bulk of its portfolio — 29 properties in 10 states that could fetch about \$570 million. The properties, which vary widely both in size and age, are mostly warehouses, although there are some light-industrial facilities in the mix. Investors can bid on one or more buildings, or the entire 12.1 million-square-foot portfolio. The Needham, Mass., owner has hired **Cushman & Wakefield** to market the properties. The bulk of the package is in New England. One-third is spread across Illinois, Michigan, New York, Pennsylvania and Ohio. The rest is in Colorado, Texas and Florida. The overall occupancy rate is 93%. Most of the buildings are 100% net leased by single tenants. The largest tenant is **Home Depot**, which occupies 18% of the space. Other occupants include **Staples** (9%), **Tyco** (6%) and **Kraft**. See **INDUSTRIAL** on Page 9

### THE GRAPEVINE

A half-dozen investors remain in the hunt for Malibu Canyon Corporate Center, a 321,000-square-foot office complex at 26651-26709 West Agoura Calabasas. Following a second round of bidding last week, offers for the seven-of \$90 million — which would place the buyer's initial annual yield around 6.2%. A winner should emerge next week. **CB Richard Ellis** is handling marketing for owner **Johnston Group**, which developed the property in phases from 1986 to 1991. The buzz is that a Norwegian-based advisory firm has purchased a stake in the 350,000-sf tower at 44 Wall Street in Lower Manhattan, although the identity of the buyer remains unknown. The deal apparently values the fully occupied property around See **GRAPEVINE** on Back Page