

## AMB Sees Opportunities in Asia, May Allocate More to the Region

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By Kathleen Chu and Katsuyo Kuwako

May 18 (Bloomberg) -- AMB Property Corp., the world's second-largest warehouse owner, plans to invest more capital in Asia after raising \$480 million in the U.S. as it bets growth in the region will drive a global recovery.

San Francisco-based AMB invests about 50 percent of its global portfolio in the U.S., Canada and Mexico, while 23 percent of capital is allocated to Europe. The company, which began investing in Asia in 2003, has increased its allocation in the region to 27 percent. That may rise further, said Michael Evans, managing director for Asia, without giving details.

"We are looking to achieve a certain balance as a global company, so the actual proportions will always move based on where the opportunities are," said Evans in an interview in Tokyo yesterday. "Asia is key."

AMB is planning to expand in Asia after the financial crisis drove away some of its rivals. Denver-based ProLogis, the world's biggest publicly traded warehouse developer, last year sold its operations in China and property fund interests in Japan to GIC RE, the real-estate investment company of the Government of Singapore Investment Corp., for \$1.3 billion.

J-REP Co., a Japanese logistic REIT partly owned by Macquarie Group Ltd., Australia's biggest investment bank, and Goodman Group, Australia's biggest industrial real estate investment trust, said in July it would cut costs by reducing staff to about 50, from 84.

'Still Here'

"A lot of players that entered into the logistic place have since packed up and gone home," said Evans. "AMB is still here."

AMB is tapping into rising demand in Asia, where economic growth is expected to outpace the rest of the world.

The International Monetary Fund expects the region to expand 7.1 percent this year and next, it said in a report released on April 10. Cargo rates are projected to increase 32.3 percent in 2010 from a year earlier, according to Drewry Shipping Consults Ltd.

Properties under development in Asia account for \$559 million, or 42 percent, of AMB's global portfolio, as of March 31, according to the company's website.

"We are at the beginning of a new real estate market cycle," said Evans. "The whole world is kind of rebalancing and certainly Asia is emerging as a more dominant player on the global economic front."

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