



KKR to Sell Industrial Real Estate Portfolio to Oxford Properties for \$2.2 Billion

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NEW YORK--(BUSINESS WIRE)-- KKR, a leading global investment firm, today announced that KKR has agreed to sell a 14.5 million square foot infill and light industrial portfolio to Oxford Properties ('Oxford'), a leading global real estate investor, asset manager and business builder, for approximately \$2.2 billion. The portfolio consists of 149 high-quality distribution buildings strategically located across 12 major industrial U.S. markets, including the Inland Empire, Dallas, Atlanta, Phoenix, Chicago, Houston, Tampa, Orlando, San Diego and the Baltimore Washington corridor. The transaction is anticipated to close in the coming months.

Since 2018, KKR strategically aggregated and scaled this portfolio of well located, high barrier to entry infill warehouses with a focus on high-growth markets with diverse multi-faceted demand drivers, near major supply chain hubs and transportation corridors. Roger Morales, Partner and Head of Real Estate Acquisitions, and Ben Brudney, Director on KKR's real estate team leading its logistics efforts, architected the strategy and assembled the portfolio through more than 50 individual property transactions together with KKR's industrial operating platform, Alpha Industrial Properties.

"Four years ago, we set out to create a large stabilized portfolio that would benefit from secular changes in the logistics sector largely driven by e-commerce and consumer preference changes. Given the highly fragmented asset class, the strategy included the creation of a best-in-class operating platform and a targeted investment effort focused on growing cities and key distribution nodes in the U.S.," said Mr. Morales. "Today's transaction not only demonstrates how this strategy is performing for our investors, but also reflects the tremendous market opportunity we continue to see in industrial real estate."

Following the completion of the sale of the portfolio, KKR will continue to own over 20 million square feet of industrial property across major metropolitan areas in the U.S. Since launching a dedicated real estate platform in 2011, KKR has grown real estate assets under management to approximately \$32 billion across the U.S., Europe and Asia as of June 30, 2021. KKR's global real estate team consists of over 110 dedicated investment professionals, spanning both the equity and credit business, across 11 offices and eight countries.

"High quality, infill, consumption-driven industrial portfolios of scale trade infrequently, so this transaction is an important next step for Oxford to build a large scale industrial business in the U.S.," commented Ankit Bhatt, VP of Investments at Oxford Properties who leads the firm's U.S. industrial investment strategy. "Growing our U.S. industrial business is one of Oxford's highest conviction global investment strategies as we continue to build, buy and invest in the physical infrastructure that serves the digital economy. The acquisition serves as a launchpad for Oxford's light industrial business which perfectly complements our big box development platform, IDI Logistics. We believe scale will become an important differentiator for industrial real estate operators, and we continue to pursue opportunities in the U.S. light industrial sector."

Oxford has substantially grown its global industrial business in recent years. In January 2019, it acquired IDI Logistics alongside Ivanhoe Cambridge for US\$3.5 billion. In 2020, it became a significant investor in the U.S.-based Lineage Logistics, the world's leading cold storage logistics provider. Oxford was a cornerstone investor in the IPO of ESR Cayman, the leading logistics real estate platform in Asia, and follow-on investments have made it one of the largest institutional investors in the company. In January this year, it announced it had agreed to acquire M7 Real Estate ('M7'), a market-leading pan European logistics investment and asset manager. The acquisition of M7 accelerates Oxford's ability and ambition to deploy more than US\$4 billion into European industrial real estate by 2025.

"Across the globe, we are building, buying and growing world class industrial business in service of our global capital allocation priorities," commented Chad Remis, EVP of North America at Oxford Properties. "As a result of this transaction, and recent activity in the sector, we are rapidly closing in our stated goal to have one-third of our global equity deployed into the industrial asset class. Having previously been a mezzanine lender on the portfolio acquired from KKR, we have a high degree of conviction on the growth potential of these assets. It also demonstrates the power of Oxford's fully integrated Credit business to help drive future investment synergies while generating attractive returns."

CBRE National Partners acted as real estate advisor for KKR. JLL Industrial Capital Markets acted as advisor for Oxford.

About KKR

KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of The Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About Oxford Properties

Oxford Properties Group ("Oxford") is a leading global real estate investor, asset manager and business builder. It builds, buys and grows defined real estate operating business with world-class management teams. Established in 1960, Oxford and its portfolio companies manage approximately C\$70 billion of assets across four continents on behalf of their investment partners. Oxford's owned portfolio encompasses office, logistics, retail, multifamily residential, life sciences and hotels; it spans more than 150 million square feet in global gateway cities and high-growth hubs. A thematic investor with a committed source of capital, Oxford invests in properties, portfolios, development sites, debt, securities and real estate businesses across the risk-reward spectrum. Together with its portfolio companies, Oxford is one of the world's most active developers with over 100 projects currently underway globally across all major asset classes. Oxford is owned by OMERS, the Canadian defined benefit pension plan for Ontario's municipal employees.

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For KKR

Cara Major and Miles Radcliffe-Trenner

+1 212 750 8300

media@kkr.com

For Oxford Properties

Daniel O'Donnell and Chris Sarpong

+1 416 865 8300

media@oxfordproperties.com

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