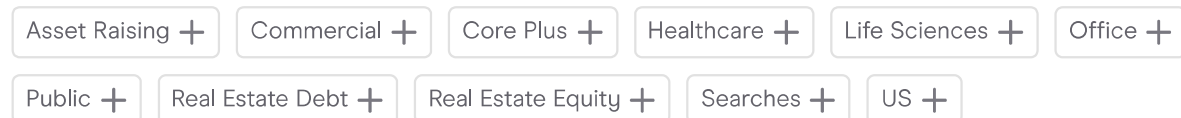


7 JUN 2023 Muskan Arora

San Joaquin makes room for core RE manager

- \$4bn pension will commit \$100m this year
- Meketa recommends life sciences, medical office
- Recent commitment to AEW Essential Housing fund

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The \$4bn San Joaquin County Employees Retirement Association will commit \$100m to its core/core-plus real estate sleeve in 2023, with a new manager expected to join the ranks.

The system allocates 6% or \$238m to core real estate, against a target of 9% or \$360m, as of April.

Looking forward, Meketa highlighted the life sciences and medical office sectors as desirable areas to explore due to sustained demand and demographic drivers.

Recommendations for these spaces will likely be brought into the board over the coming quarters.

Meketa describes life science and medical office as “creative” ways to get office exposure, as both sectors require full utilization of the space, while traditional commercial office space is still an uncertain sector to be in.

The system allocates around 7% or \$17m of its real estate portfolio to office, versus the ODCE benchmark weight of 21%.

Meketa views this substantial underweight positively due to a noticeable curb in the office spaces, owing to work-from-home and hybrid working trends.

Recent commitments

Most recently, the system committed \$50m to AEW Essential Housing Fund, which has a residential focus.

The open-end fund focuses on stabilized, garden-sized multi-family communities ranging from 20-60 years of age, with a selective focus on newer properties, single-family homes and manufacturing housing.

Fund roster: SJCERA

Source: With Intelligence

