9 JUN 2023 Muskan Arora

San Joaquin on the lookout for opportunistic RE

- Pacing of $125m for non-core sleeve
- Targeting new manager for $85m ticket
- Meketa bullish on opportunistic managers

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The $4bn San Joaquin County Employees Retirement Association will commit $125m to its non-core real estate sleeve in 2023, opening up an opportunity for an opportunistic manager.

Of the $125m, the California-based investor will allocate $85m to a new firm — likely with an opportunistic strategy — while the rest will go to an existing manager, as recommended by the consultant Meketa.

“An opportunistic manager makes sense today because there might be some dislocation coming and having someone that can go anywhere and do anything across the capital stack [would make sense],” said Scott Maynard, real estate consultant at Meketa, during a recent board meeting.

Looking forward, the consultant recommends the system work toward good vintage year diversification while following the pacing plan, noting that vintage years – and manager selection – have really pulled down the performance of the sleeve in the past.

Recent commitments

The system has recently committed $10m to Greenfield Acquisition Partners VII and $24m to Berkeley Partners Value Industrial Fund V, both closed-end funds.

The opportunistic Greenfield fund targets restaurants, hotels and leisure, commercial service, e-commerce, advanced manufacturing, robotics and drone sectors.

The value-add Berkeley fund targets local infill, multi-tenanted, light industrial urban core properties in growing markets across the US. The fund seeks to acquire under-managed properties in targeted major regions with above-average employment and population growth.

The next meeting will convene in June.

Fund roster: SJCERA

Source: With Intelligence