



Barron's

[China Life Acquires U.S. Real Estate Portfolio for \\$950 Million](#)

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Hong Kong-listed life insurer China Life Insurance (2628.HK) will spend USD950 million on commercial real estate projects in the U.S.

Under the deal, a unit of the China Life that specializes in alternative investments will acquire a 95% stake in projects currently owned by St. Louis-based private equity firm ElmTree Funds. China Life and ElmTree will jointly manage the properties following the deal. They include logistics centers, offices and healthcare facilities spread across more than 20 U.S. states.

China's life insurers have been splashing the cash on foreign real estate since the Chinese government lifted a ban on doing about five years ago. Last year, China Life joined a USD1.65 billion deal to buy a 1.8 million square foot office tower in Manhattan.

In a write-up of the deal, the Wall Street Journal said that while the ElmTree portfolio wasn't as flashy as some previous trophy acquisitions in cities like New York and Boston, these sort of projects can generate sturdy, reliable yields. ElmTree's business model is to develop properties and lease them to tenants on a long-term basis.

Shares in China Life were down 0.8% this afternoon in weak trading for Hong Kong stocks. The stock's returned 23% this year, compared to 13% for the Hong Kong's Hang Seng Index.