



**Commercial Real Estate Daily**

**[ElmTree, China Life Partner on \\$950M Recap](#)**

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Having made inroads this past fall into the US hospitality sector, China Life Insurance Group is now turning to single-tenant net lease, partnering with locally based ElmTree Funds on a \$950-million recapitalization of an existing ElmTree portfolio. It's the first joint venture between China Life and ElmTree, a private equity firm active in the net lease, sale-leaseback and build-to-suit markets.

Noting that China Life "shares our bullish outlook on the net lease sector," ElmTree managing principal James Koman says the recap gives China Life "immediate scale and diversification in the US market. We look forward to a highly productive, long-term relationship with China Life as we explore additional opportunities to invest together."

The JV portfolio initially comprises 48 single-tenant properties totaling more than 5.5 million square feet across 20 states. The agreement between the insurer and ElmTree provides for the acquisition of two additional single-tenant net lease properties from ElmTree Net Lease Fund II, which closed at \$1 billion in November 2015.

Most of the assets in the portfolio are recently constructed BTS properties, primarily leased to investment grade tenants and situated in secondary and tertiary markets with strong long-term economic and demographic fundamentals. ElmTree will continue to serve as asset manager of the portfolio and employ a core/core-plus investment strategy. Hodes Weill Securities acted as exclusive financial advisor to ElmTree.