
TIAA creates fund to invest in 'super-regional' malls

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Super-regional malls are "a distinctly strong and stable performer throughout multiple cycles," said Suzan Amato, managing director of TIAA Global Asset Management.

TIAA Global Asset Management has raised \$1.25bn (€1.11bn) for a real estate fund specializing in US regional shopping malls. The T-C Super Regional Mall Fund will be backed by domestic and foreign institutions as well as TIAA's general account, *IPE.com* reported this week.

The TIAA fund has invested around \$685 million so far. With leverage, the commitments give the fund \$2.5bn to invest in the sector. APG, the Netherlands' largest pension fund investor, has invested in super regional malls with TIAA for several years, but it was not clear if APG is an investor in this fund.

Super regional' malls are those with over 800,000 sq. ft. of gross leasable area, three or more anchor tenants and a primary trade radius of five to 25 miles, according to the International Council of Shopping Centers in the US.

They are "a distinctly strong and stable performer throughout multiple cycles," said Suzan Amato, managing director of TIAA Global Asset Management. "They have demonstrated high net-operating-income growth, low volatility compared to other property sectors, and a history of outperforming the NCREIF Property Index."

"Given the current lack of mall construction and the shift towards consumers seeking entertainment experiences outside the home," US super-regional malls present a sound long-term investment, said Scott Kempton, managing director and portfolio manager for the fund.

"These assets are unique, hands-on environments, often offering extensive food hall and fine dining options, as well as movie theatres and other attractions that can ultimately help drive traffic and sales," he added.

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