

Two of Mexico's Top Real Estate Investors Team Up To Acquire U.S. Office Properties

Partnership is Bringing Latin American Investment Capital to Western U.S. Office Markets

By [Mark Heschmeyer](#)



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Palisades Mexico Partners (PMP), a joint venture between Joaquin de Monet, founder and managing principal of Palisades Capital Realty Advisors LLC, and Sergio Argüelles, president/CEO of Monterrey, Mexico-based real estate development company FINSA, has formed Palisades Income & Growth Fund II.

The \$150 million fund plans to acquire a portfolio of core plus and value-add suburban office properties with a stable annual yield and opportunities for significant capital appreciation in Western U.S. markets. Once fully invested, the fund expects to have invested in about 20 properties across multiple West Coast suburban markets with a total value of \$450 million.

The launch of the new fund comes at a time of aggressive expansion for Palisades Capital Realty Advisors and FINSA.

In Mexico, Argüelles recently launched his second non-traded REIT with \$350 million in pension fund commitments to be invested in industrial properties and development in Mexico. The first fund, with the same structure and goals, has been very successful. Since inception, Palisades funds have yielded steady current returns in the 9 to 12 percent range and investor equity value has increased by 30%.

In California, de Monet, a prominent investment management industry leader who is known for his expertise in suburban office properties, asset management and global real estate advisory, expects to round out his senior team with several ex-Arden Realty talented veteran executives. The Palisades team is actively seeking and acquiring off-market suburban office properties in select U.S. markets. De Monet anticipates that with the addition of Fund II, the company will have \$1 billion in assets under management within the next six to 12 months.

"We are taking advantage of the increasing appetite of Mexican and other Latin American investors for the strong U.S. [commercial real estate](#) market," de Monet said. "The Mexican currency has been caught up in much of the emerging market currency volatility and investors want to seize the opportunity to invest in US Dollar investments."

The new fund PCF II will be 20% invested at closing. The remaining 80% will be used to acquire similar properties and further diversify the portfolio.