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## Palisades Mexico Partners Launches \$150 Mil Palisades Income & Growth Fund II

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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 announced the formation of Palisades Income & Growth Fund II. The \$150 mil fund will aggregate a quality portfolio of core plus and value-add suburban office properties with a stable annual yield and opportunities for significant capital appreciation.

The launch of the new fund comes at a time of aggressive expansion for Palisades Capital Realty Advisors and FINSA, and builds on two highly successful joint ventures, including the success of the PMP's Palisades Private Capital Fund I, established in 2014. In Mexico, Argüelles recently launched his second non-traded REIT with \$350 mil 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 veteran executives. The Palisades team is now well positioned to actively seek and acquire 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 bil in assets under management within the next six to 12 months.

For Fund II, de Monet is speaking directly to elite groups of high net worth investors in the U.S. and in Mexico, supported by his executive team. Discussions are underway currently and through November with private bankers, family offices and Mexican investors seeking alternative investments in U.S. commercial real estate. "We are taking advantage of the increasing appetite of Mexican and other Latin American investors for the strong U.S. commercial real estate market," said de Monet. "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 percent invested at closing. The remaining 80 percent will be utilized to acquire similar properties and further diversify the portfolio. Once fully invested, the Fund will include approximately 20 properties across multiple West Coast suburban markets with a total value of \$450 mil. Among the advantages for investors in the fund is the fixed-rate financing which creates cash flow stability to impending rate hikes that have been recently forecast.

De Monet's partner, Sergio Argüelles, is considered one of Latin America's most innovative business leaders and was recently honored as the 2014 EY Entrepreneur of the Year™ in Mexico, in recognition of his career of leadership as CEO of FINSA. He represented Mexico in the World EY Entrepreneur of the Year 2015. Argüelles father founded FINSA nearly 40 years ago, and both jointly have transformed the family business into a globally recognized real estate firm with one of the largest industrial real estate portfolios in Latin America.