

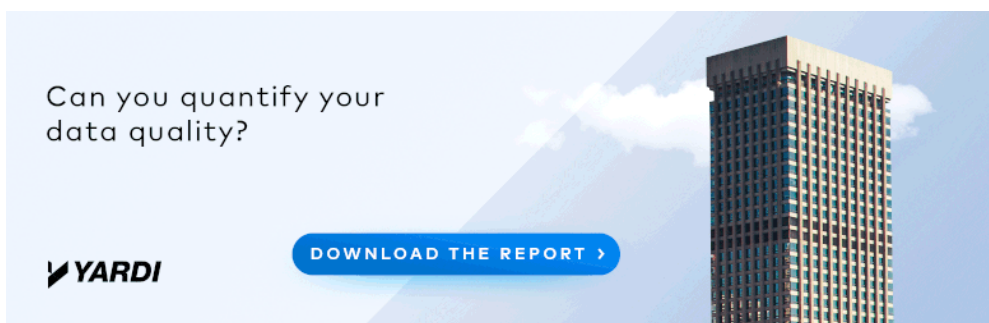
Manulife US REIT Sells Oregon Office Park for \$33.5M - Mingtiandi



MUST's ownership of the Tanasbourne office park has sunsetted (Image: Manulife US REIT)

Singapore-listed Manulife US REIT has sold a three-building office park in Oregon for \$33.5 million as it remains in ongoing discussions with South Korea's Mirae Asset Global Investments on a potential sale of a stake in the trust's manager.

The divested property in Hillsboro, west of Oregon's largest city of Portland, is a 132,851 square foot (12,342 square metre) campus comprising three flex-office buildings constructed between 1986 to 1995 and refurbished in 2015, 2017 and 2020, MUST's manager said Wednesday [in an SGX filing](#). The buyer of the complex, known as Tanasbourne, was identified as the US-based John Hancock Life Insurance Company.



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In [a separate filing](#), the manager said the disposal was part of the REIT's [ongoing strategic review](#) and represents continued efforts to identify asset disposition opportunities within the existing portfolio with plans to redeploy proceeds into debt repayment or capital expenditure.

"Asset dispositions continue to be challenging with the prevailing negative sentiment around the US office sector," said Tripp Gantt, the CEO of the manager. "Factors such as the rising interest rate environment, uncertainty around tenant space requirements as well as limited buyer access to credit financing have contributed to low levels of capital market activity in the US office sector which makes sizeable asset dispositions difficult, especially in the more challenged submarkets."

Loss-Making Disposal

The agreed consideration for Tanasbourne was arrived at by taking the higher of two independent valuations by JLL and Colliers, which estimated the property at \$33.5 million and \$32.36 million, respectively.



Tripp Gantt, CEO of Manulife US REIT's manager

The sale and purchase agreement was entered into on Wednesday and the deal closed on the same day, the manager said.

John Hancock paid \$252 per square foot of office space for its new acquisition. After taking into account divestment-related expenses,

MUST's net proceeds from the disposal amounted to \$33.1 million, with a resulting net loss of \$400,000.



The divestment of Tanasbourne, MUST's lowest-valued asset, leaves the trust with 11 US office properties valued at \$1.9 billion. The highest-valued remaining asset is the \$292 million Michelson, a 19-storey office building providing 534,435 square feet of net leasable area in Irvine, California.

Sponsor Eyes New Units

Gantt said talks are continuing with Seoul-based Mirae on the potential acquisition of shares in MUST's manager and the subscription of new units in the trust. The REIT's sponsor, Canadian financial giant Manulife, is also considering a possible subscription for new units to maintain its existing 9.1 percent unitholding following the issuance of new units to Mirae.

"The Mirae transaction does not involve Mirae acquiring the sponsor's existing unitholdings in Manulife US REIT," the CEO said.

A banner for CBRE Investment Management. On the left is the CBRE logo with 'Investment Management' below it. To the right of the logo is a vertical green line. Further right is the headline 'Data will tell you everything except what to do with it.' in a dark green font. Below the headline is the subtext 'Discover how data puts people, the planet and profits at the center of investments.' in a smaller, lighter green font. On the far right is a dark green button with the text 'Learn More' in white.

In a [response to SGX queries](#) made with regard to what the exchange termed "unusual price movements" in MUST's traded units on Tuesday, Gantt said the manager was in compliance with listing rules.

The units are down nearly 72 percent in price compared with year-earlier levels, and the manager reported in December that the trust's portfolio valuation had declined by 10.9 percent in 2022.