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J.E. Robert Companies Survey Reveals the Overall Mandate for Investing in Commercial Real Estate is Growing

Study Looks at Real Estate Trends among Institutional Investors

October 28, 2008, McLean, VA – J.E. Robert Companies (JER) today released the results of a recent survey conducted among US and European institutional investors looking at the current drivers for investment decisions. The majority of respondents are decision makers with leading pension funds, followed by executives from financial institutions, endowments and foundations. The key takeaway from the survey reveals the mandate for investing in commercial real estate is on the rise. Other notable factors cite the most attractive regions to invest in are: North America, followed by Asia and then Europe.

Sixty percent of all respondents indicated their mandate for real estate is growing. When asked to rank their top choice of regions to invest in commercial real estate, 44% of respondents chose North America, 30% selected Asia and 18% named Europe.

“It is encouraging to learn that despite the current turmoil in the overall financial markets, investor appetite for commercial real estate continues to grow,” observed Michael E. Pralle, President and Chief Operating Officer of J.E. Robert Companies. “JER has been through volatile cycles before and we understand how to operate in both good times and bad. Investor confidence in the commercial real estate sector is in line with our forward-looking perspective overall.”

Other important finding indicates that senior management, overall performance and history/reputation are most important attributes investors consider when selecting a

particular commercial real estate investment firm. Of the survey respondents, 45% indicated that senior management is the most important criteria in selecting an investing partner, followed by performance at 34% and history/reputation at 17%.

Transparency, regular communication, and longevity of the firm's principals are also key drivers for investors, with 90% citing transparency, 82% naming regular communications, and 82% noting longevity as important when considering a real estate investment firm.

“Communication and transparency are critical to the investment community, especially during a volatile time like we are experiencing now,” noted Clyde Robinson, Director, Global Capital Markets & Client Relations at JER Partners. “Keeping investors up-to-date, monitoring and sharing information on assets, geographies and trends has always been a top priority at JER. Our investors appreciate the honest and timely communication and thorough information.”

“We provide regular detailed analyses of all of our funds and the investments in each, and schedule quarterly calls to ensure investors have the information they need and the opportunity to ask questions of the folks managing their investments,” continued Robinson. “In terms of the longevity of the firm and its principals, JER's leadership team averages 19 years of experience in sourcing, underwriting and managing real estate equity investments, and our founder is actively involved in the major decisions of the firm -- as he has been for the past 27 years.”

Private equity is the most attractive form of investment in commercial real estate, followed by REITS and direct investments. Forty-two percent of those surveyed invested between \$10 million and \$500 million in commercial real estate through private equity, compared with 29% that invested in REITs and 29% that invested in directly.

Commented Pralle, “Investors recognize the value of investing with a private equity firm, as it is most effective to partner with a company that has the infrastructure and expertise

already in place. JER is a good example of this. We have local experts in every market we invest in, we understand real estate on every level, and we believe that we have the asset management experience necessary to add value.”

The J.E. Robert Companies survey was conducted by Siegel+Gale in September 2008. Siegel+Gale is a premier global branding and strategic research firm founded in 1971 and based in New York. The survey was sent to executives in the institutional and high-net-worth investor community in the United States and other English-speaking international markets. Seventy-one percent of respondents are U.S.-based, while 21% are in Europe. Participants were representatives from pension funds (48%), financial institutions (25%), and endowments (10%).

Additional information on the survey is available through the following link:

<http://www.jer.com/attachments/Sept08survey.pdf>

JER Partners is the private equity arm of the J.E. Robert Companies (JER), a fully integrated global real estate investment management company with more than 27 years of experience in sourcing, underwriting and managing a broad spectrum of real estate equity investments and debt products in the US, Europe and select emerging markets. A disciplined and opportunistic buyer and seller, JER has managed a total of ten private equity funds with \$4.9 billion in equity capital commitments in North America, Europe and Latin America. Together with its financial and operating partners, JER has purchased and managed approximately 15,000 assets totaling \$28 billion across 17 countries. The firm also invests in CMBS, mezzanine financing and other structured debt products. For more information, visit www.jer.com.

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