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CREDICORP INVESTS IN REAL ESTATE PROJECT

Credicorp strikes Chilean real estate investment deal

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Carey has helped the Chilean fund managing arm of Peru's Credicorp set up a public real estate fund that will finance the development of eight housing projects.

Del Río Izquierdo Abogados advised local property group Maestra, which will build and manage the portfolio of properties backed by Credicorp's US$27 million fund. The deal was signed on 12 March.

Credicorp and Maestra will distribute returns accumulated by the real estate fund to stakeholders on a quarterly basis. The fund is expected to generate an annual return of between 6.4% and 6.6%.

The fund has purchased all eight sites where the properties will be built; three of the projects have already attracted interest from potential buyers. Around 90% of the firm's investors are private banking and wealth management entities, while another 10% is held by an insurance company. There was thought to be increased demand for the fund because its investment portfolio had been selected ahead of its launch.

Maestra markets residential properties that cost less than 3,000 Unidades de Fomento (US$120,000). The fund's properties will be valued within that price bracket too, reflecting a segment of Chile's housing market that has been less affected by the financial strain of the covid-19 pandemic.

Chilean real estate company Maestra has developed over 27,000 homes since it began operating over 15 years ago. It also builds residential, commercial and office buildings, mainly within local municipalities of Chile's central Santiago department.

Credicorp Capital Asset Management oversees US$10 billion worth of assets in Chile, Colombia and Peru.

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