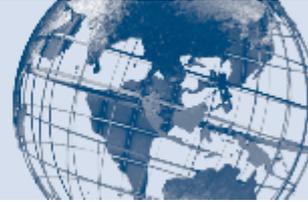


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News  
Flash



November 8, 2012

Hello Frederick,

## **Paladin Makes First Investment in Uruguay**

[Paladin Realty Partners](#), which is active throughout Latin America, has made its first investment in Uruguay through a home-building joint venture platform called Pali-Altius. The partnership will be building and selling middle-income residential projects located in the central districts of Montevideo.

"Uruguay, like Colombia and Peru, is a smaller market, but has the same demand drivers underpinning the housing opportunity as larger countries like Brazil," says Fred Gortner, managing director at Paladin Realty Partners. "These smaller markets have chronic shortages of capital and new supply to meet growing demand for housing. The underlying economic fundamentals in these smaller countries are quite strong relative to most developed countries — the GDPs of each continued to grow in 2009 while the rest of the world was in a deep recession. Part of the reason for this is that they have maintained relatively balanced budgets, kept inflation under control and have been managing their finances very prudently."

Paladin Realty Partners has committed \$15 million to the platform on behalf of its opportunistic fund Paladin Realty Latin America Investors III, and local partners invested an additional \$15 million. Paladin Realty's local operating partner is The Altius Group, a 30-year-old real estate development firm. Peninsula Investments Group, a Miami-based real estate investment firm, also will invest in the venture.

"The demand for new housing is on the rise in Uruguay, and we believe we're in a great position to make a meaningful contribution to the country's housing future," James Worms, chairman and CEO of Paladin Realty, said in a statement.

Paladin Realty Partners finds Latin America attractive due to the demographics — a young population is just entering the workforce, very similar to the United States in the late 1960s and early 1970s, when the baby boomers entered the workforce and enjoyed rising prosperity.

"There has been a chronic shortage of capital for new construction in these markets. So, new supply has never been able to keep pace with the rising demand for modern real estate, in particular low- and middle-income housing," says Gortner. "As a result, most countries in Latin America have huge housing deficits."

With the commitment, Paladin Realty Latin America Investors III is now fully invested. The fund held a \$454 million final close in 2009. Other 2012 projects of Paladin Realty Latin America Investors III include the Orange platform, which is a home-building platform based in Monterrey, Mexico; and Pali-Trocha, a home-building platform based in Bogotá, Colombia. Pali-Altius marks Paladin Realty Partners 19th investment in South America. Another development launched by Paladin Realty Partners in 2012 was Los Prados de San Miguel, a 768-unit, mid-rise affordable housing project located in Lima, Peru, and a joint venture with Brazilian home builder YPS, which focuses on developing low- and middle-income housing around São Paulo, Brazil.

-- Andrea Waitrovich

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2274 Camino Ramon  
San Ramon, CA 94583 USA  
Visit us: [www.irei.com](http://www.irei.com) | [Contact us](#) | [Privacy Policy](#)