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PERE Awards 2025



KEYNOTE INTERVIEW

Japan's corporate real estate comes into focus

Fred Schmidt, managing partner and Asia chairman, and Julie Wong, managing partner and head of global capital raising at BGO, say a wave of non-core assets is creating a deep opportunity set for investors

Q What were your firm's key events in 2025?

FS: The most important single event last year was the closing of our Asia Fund IV, which raised over \$5.1 billion and was the largest closed-end capital raise in BGO's history. But the flip side to that was establishing a path to deploy capital, because when you are raising the size of fund that we have – and it is primarily for Japan – investors are very keen to understand your pipeline and the dynamics that drive it.

That means not only having those relationships in place but also framing your pitch to the seller well ahead of time, because 90 percent of our deals are negotiated off-market and sellers tend to be Japanese blue-chip companies with complicated balance sheets. So, structuring those deals for them is half the battle.

Q What challenges did your firm meet to achieve success?

JW: The most significant challenge was operating in a capital-constrained environment, where many global institutions remain cautious and selective in deploying new commitments. Asia is still viewed by some investors



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as a non-core allocation, so pursuing a scaled, dedicated strategy required us to lead rather than follow consensus.

We were also raising a materially larger fund than our predecessor. What ultimately differentiated the outcome was our conviction around the market inflection underway and our belief that this moment demanded committed, long-term capital to capture opportunities others were not positioned to pursue.

FS: The landscape has become significantly more competitive, with increased global capital targeting the region. We view that as validation of the opportunity set.

Q Who at the firm should be credited, and why?

JW: This was very much a firm-wide effort. With a team of significant scale and longevity (our average tenure is roughly 25-30 years), we bring a level of experience and continuity that is difficult to replicate.

Q How have the factors that contributed to your award win positioned your firm for the year ahead?

FS: We have a value-add/opportunistic strategy, principally targeting the trillions of dollars of real estate still held by Japanese corporates that is not core to their business. This has helped us identify our pipeline.

Beyond executing current deals, we also need to assess where the next opportunity set is and to communicate that opportunity to our investors ahead of time. I think we were at least 18 months ahead of the market when we were raising our current fund, and during that time I was talking about hedge funds and activists and how Japan and governance was going to change, all of which is happening now.

So, having that foresight and being able to identify the next opportunity is how we grow our business. ■