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## MANAGERS

# Barings agrees to buy Artemis Real Estate Partners

The takeover of female-founded Artemis by MassMutual's investment arm would create a top 30 PERE 100 manager.

**B**arings has reached an agreement to buy Artemis Real Estate Partners, a Washington, DC-based manager with \$11 billion in assets under management, as the firm seeks to redefine and scale its real estate equity platform.

The deal, in the works for a year and expected to close later this quarter, PERE can reveal, brings together two managers whose combined real estate fundraising would place them in the top 30 of the 2024 PERE 100 ranking and grows Barings' real estate assets under management to more than \$60 billion, a jump of roughly 20 percent.

After the deal closes, Artemis, one of only a handful of female-led firms on the PERE 100 list, will rebrand as "Artemis, a Barings company." Artemis co-chief executives Deborah Harmon and Alex Gilbert will continue to run the business and senior management of the real estate equity teams will remain in place. Financial terms were not disclosed.

With the deal, Barings – the investment management arm of insurer MassMutual – will grow its real estate headcount to 375 people across nine countries, with 220 of them based in the US. It also adds locations in Washington, DC, and Atlanta. Artemis offices in New York and Los Angeles will also remain open.

The acquisition significantly expands Barings' value-add and core-plus offerings

at a time of heightened interest from investors in those strategies – which Harmon in 2023 described as Artemis' "bread and butter" – and gives the firm new products in alternative sectors including healthcare.

"Artemis' track record and best-in-class value-add skill set was a significant driver in the transaction," said John Ockerbloom, head of US and European real estate at Barings. "Our hope is to add significant investment capacity to our combined real estate equity strategies, particularly the value-add and core-plus strategies that Artemis has such a strong reputation for in the market."

The merger is the latest in a string of mega-deals combining large real estate managers as investors seek to reduce their partnerships and low transaction activity stifles distributions. That trend is expected to pick up this year as falling interest rates make leverage more affordable. Recent mergers include Ares Management's purchase of GLP Capital Partners, Blue Owl's acquisition of IPI Partners and BNP Paribas's acquisition of AXA IM.

The deal brings to an end Artemis' status as an independent, female-founded firm, a rarity in private equity real estate. Harmon, who launched Artemis in 2009 with then-future US commerce secretary Penny Pritzker, said the sale will "magnify the ability of the Artemis team and

culture to have impact at scale," adding that Pritzker will stay on "as a significant investor."

Artemis had \$3 billion in dry powder in 2023 at the close of its largest-ever fund, Artemis Real Estate Partners fund IV, with \$2.2 billion in commitments against a target of \$1.5 billion. Harmon said the firm has continued to beat its fundraising targets. Artemis has a core-plus fund in the market, according to PERE data.

"Our deployment has focused strongly on multifamily and industrial, and we also believe the secular trend towards niche asset classes, including self-storage, manufactured housing and single-family rentals will continue," said Harmon. "As we approach new acquisitions, we remain focused on the micro-market analysis and partnering with local and experienced operators."

The merger sets up Barings to take advantage of what it believes to be a recovering market, as a reset in values and the potential for more rate cuts spurs transactions.

"We are cautiously optimistic about the real estate market in 2025," said Ockerbloom. "We find this to be an overall favorable scenario for discerning investors. On the risk side, tariffs, inflation and geopolitical uncertainty bear watching, but overall we are positive."