

# PERE

## H1 2018 FUNDRAISING REPORT

*PERE's* interactive and  
downloadable review of the  
H1 2018 fundraising environment  
for private real estate strategies

**Fundraising overview | Strategy review |  
Geography | Funds in market**

**Jonathan Brasse**

Senior Editor  
jonathan.b@peimedia.com

**Daniel Humphrey Rodriguez**

Head of Fund Manager Research  
daniel.r@peimedia.com

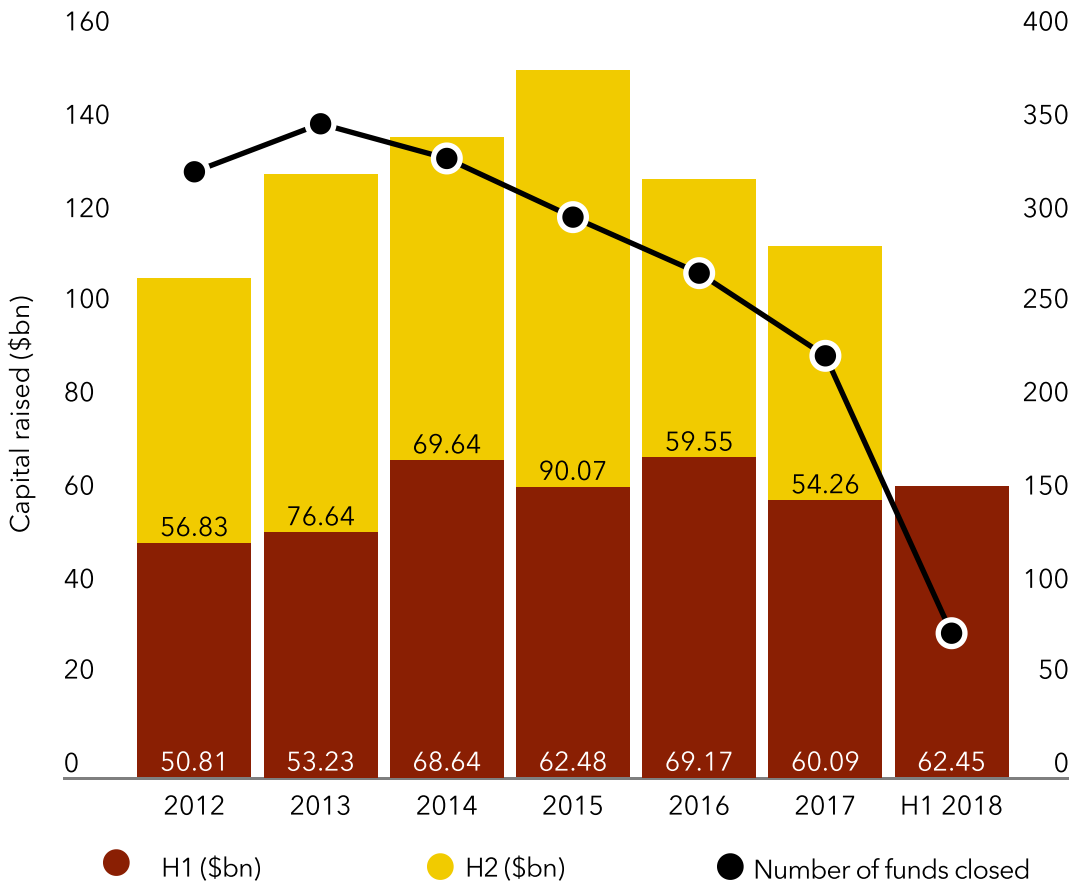
**Helen Lewer**

Special Projects Editor  
helen.l@peimedia.com



# Overview

## Year-on-year fundraising



**66%**

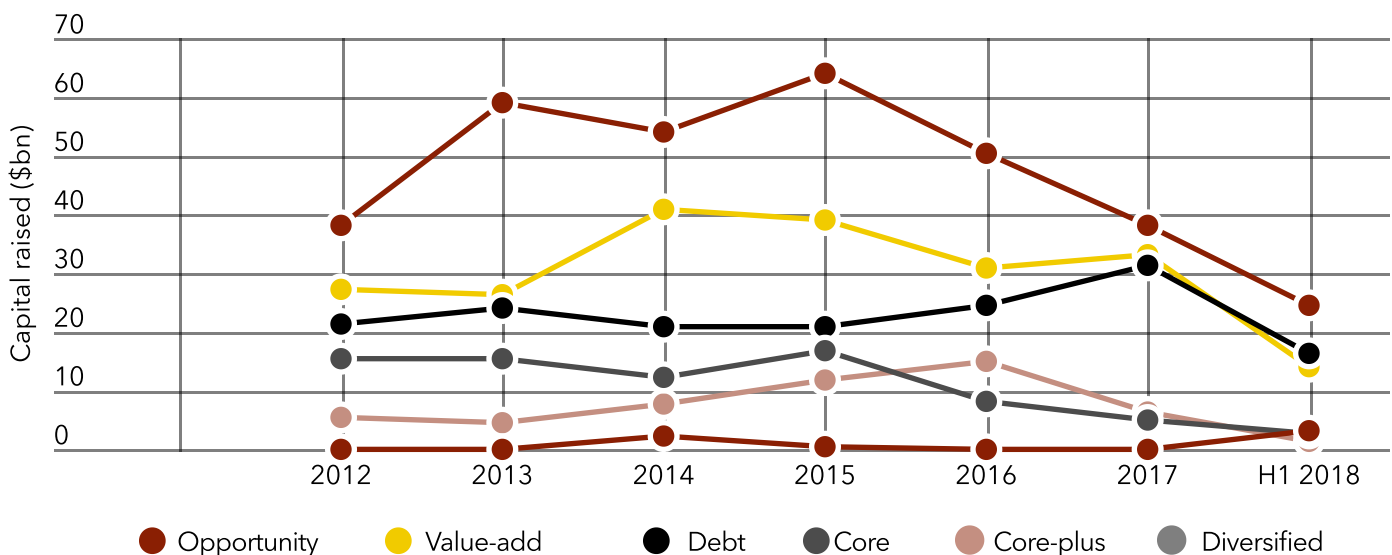
Of the total amount raised between 2012 and H1 2018 was raised by US-headquartered firms



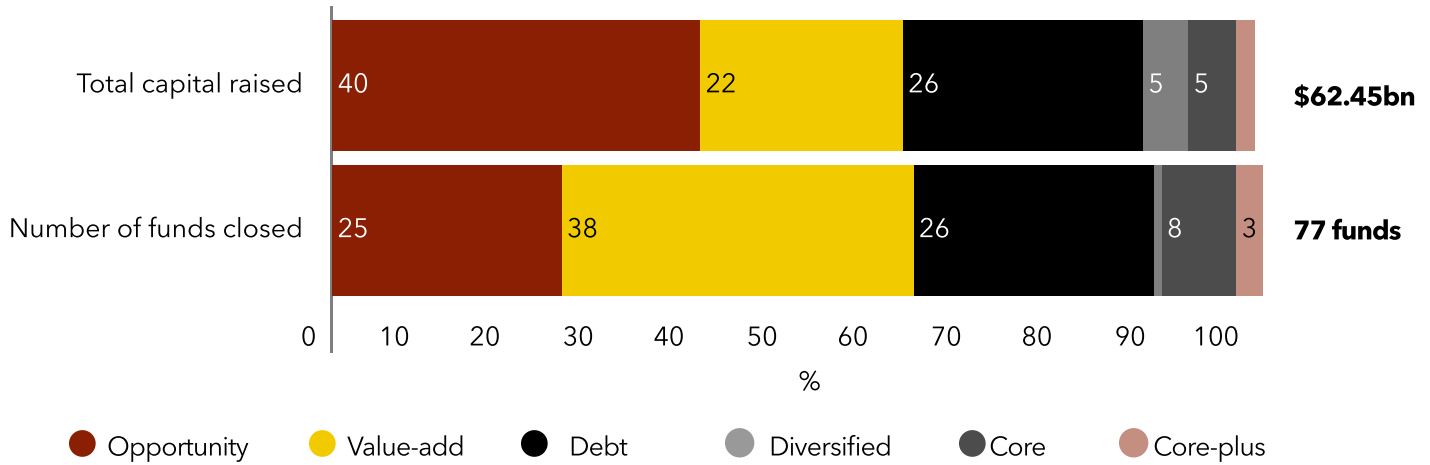
**\$225bn**

Of the total amount raised between 2012 and H1 2018 was raised by the 10 largest managers

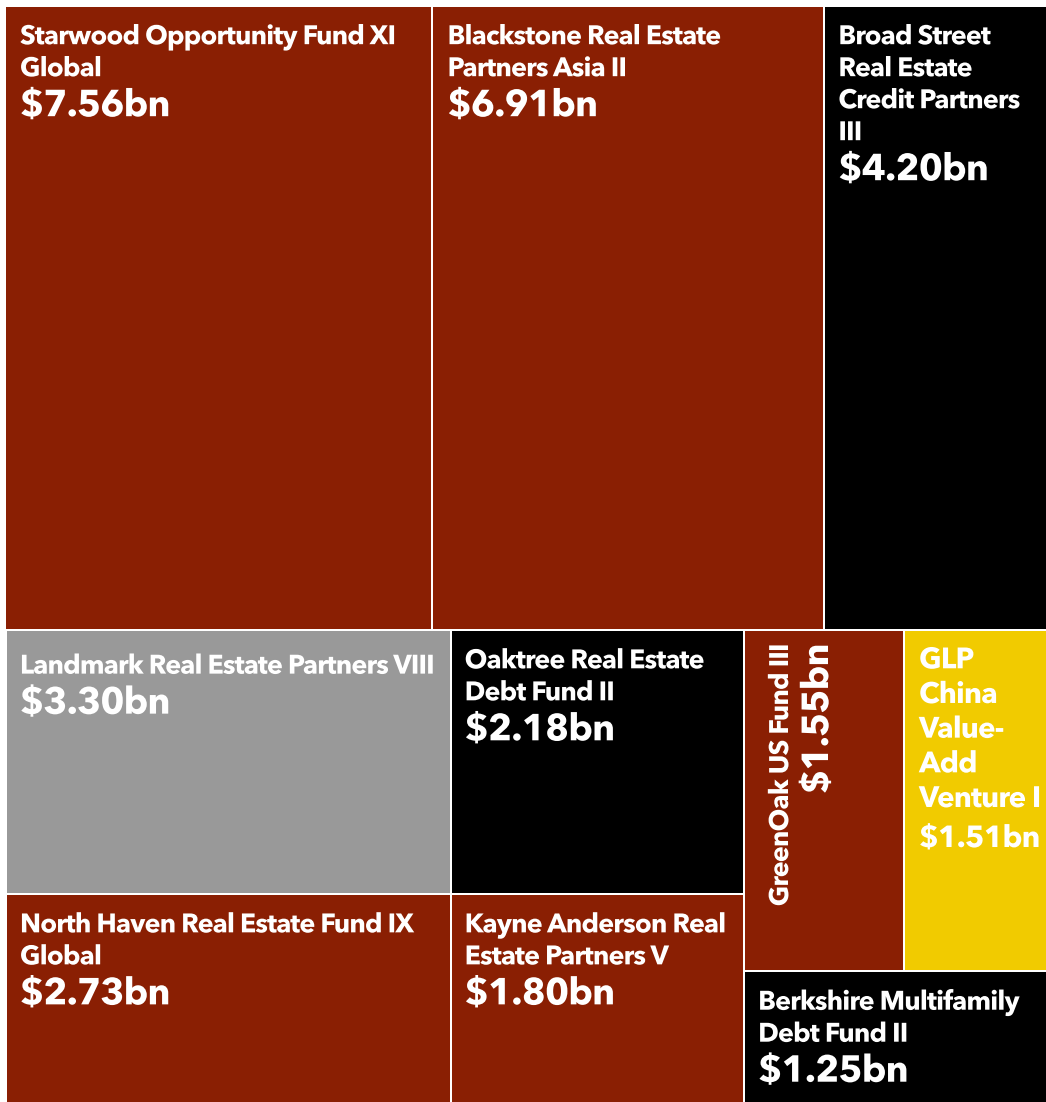
## Year-on-year fundraising by strategy



## H1 2018 fundraising strategy breakdown



## Largest fund closes, H1 2018

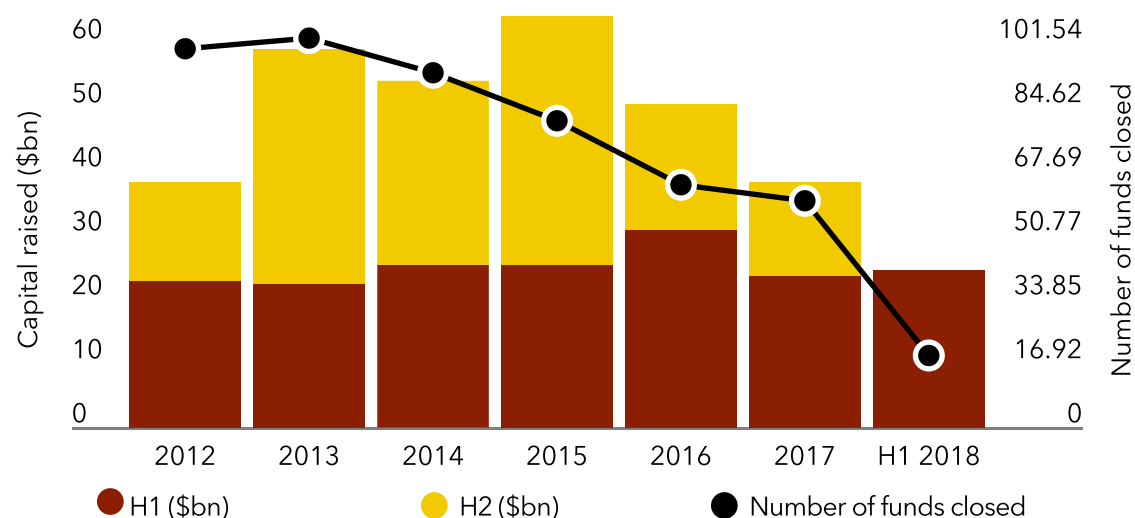


Only two managers held a final close above the \$5 billion mark in the first six months of 2018 - Starwood Opportunity Fund XI Global (\$7.56 billion) and Blackstone Real Estate Partners Asia II (\$6.91 billion).

Opportunistic was the most popular strategy among the top 10 largest funds closed in H1 2018, accounting for an aggregate \$20.64 billion.

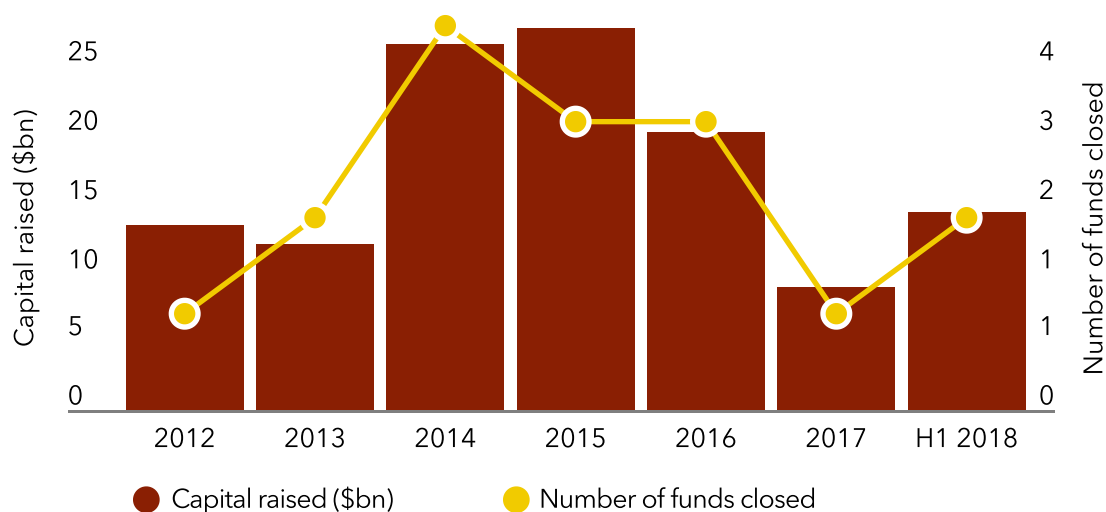
# Strategy review: Opportunistic

## Year-on-year fundraising for opportunistic funds



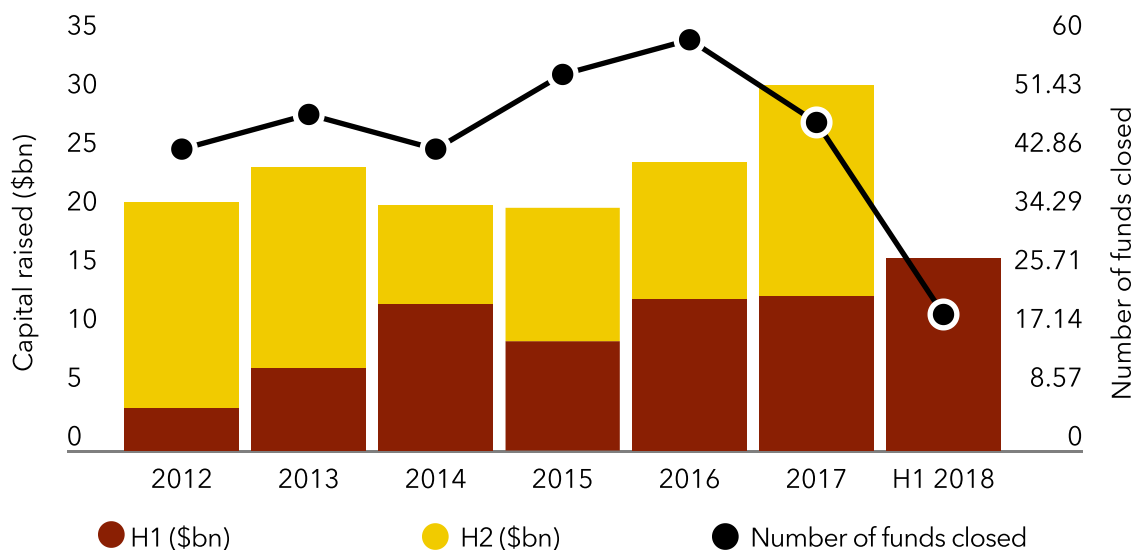
Opportunistic fundraising in H1 2018, at \$24.7 billion, is at a similar level to equivalent periods in previous years. Several funds we predicted would close in H1 2018 are still in market, however, and are expected to reach their final close in Q3. This includes Brookfield Strategic Real Estate Partners III, which was less than \$1 billion from its initial target (\$10 billion) by the end of Q2, and Carlyle Realty Partners VIII, which in the second quarter had already surpassed its \$5 billion target. TPG and Digital Bridge, each targeting \$3 billion, are also expected to close their vehicles. The closes of Brookfield and Carlyle funds would add to the two existing opportunistic funds - Starwood Opportunity Fund XI Global (\$7.6 billion) and Blackstone's second Asia offering (\$6.9 billion) - that have each attracted more than \$5 billion in 2018.

## Capital raised by funds closing on \$5bn or more



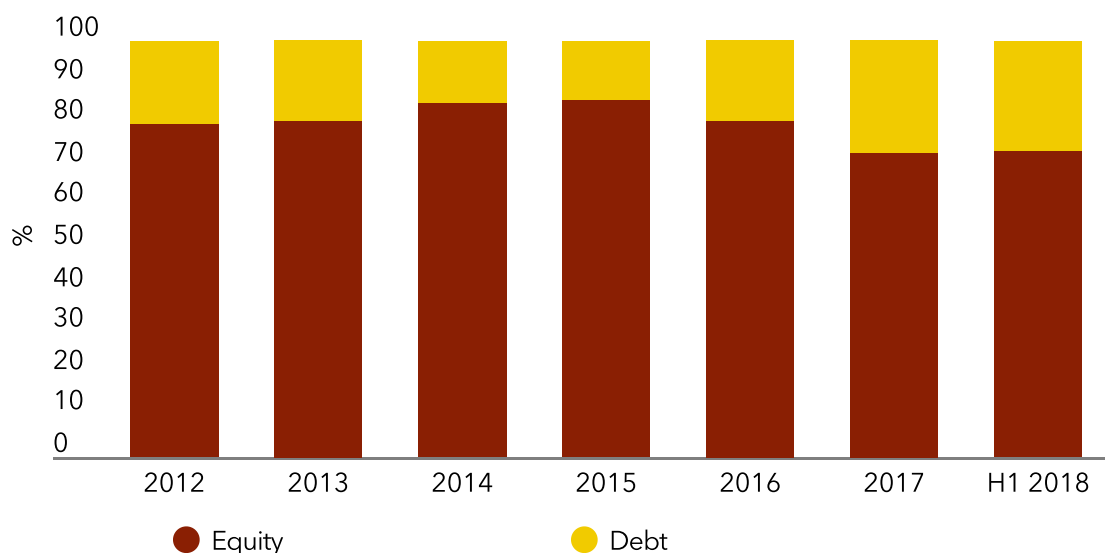
# Strategy review: Debt

## Year-on-year fundraising for debt funds



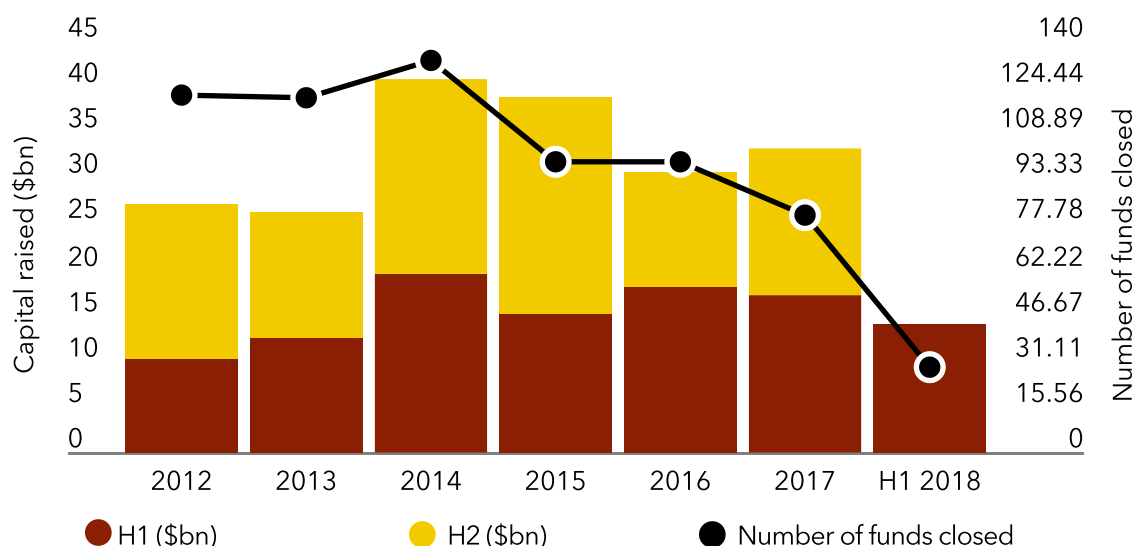
H1 real estate debt fundraising totals have been on an upward trajectory since 2015. This trend continued in the first six months of 2018 with levels now higher than at any point since 2012. It is broadly accepted that 2015 was the fundraising zenith for real estate equity funds. Some investors have since placed a greater emphasis on debt strategies to maintain allocations to the real estate sector, despite the potential risks associated with the current late stages of the property and broader financial market cycles. But for now, debt is seen to offer more security as lenders are repaid first in the event of a failed investment.

## Capital raised for equity v for debt



# Strategy review: Value-add

## Year-on-year fundraising for value-add funds



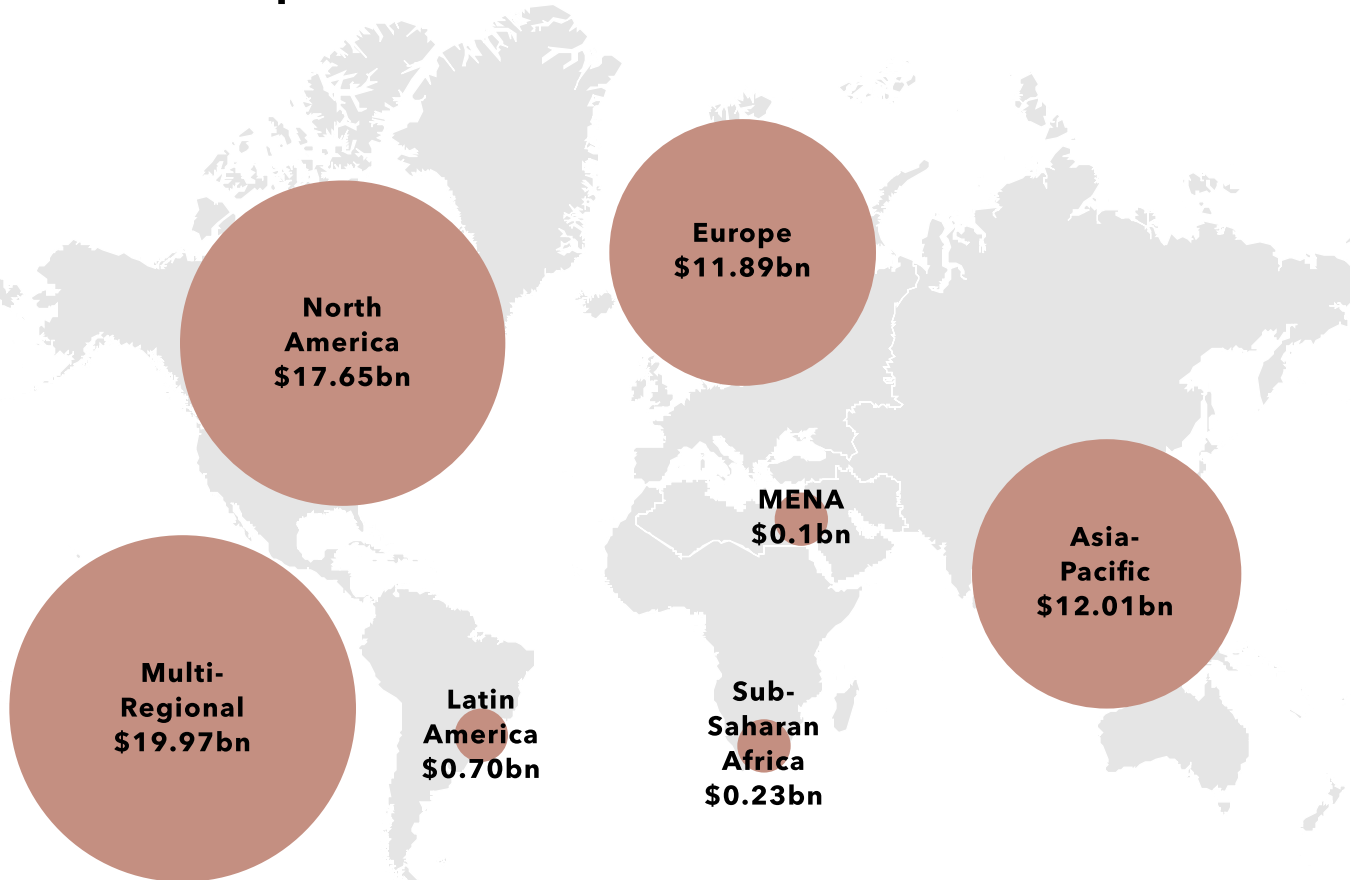
Fundraising for value-add funds in H1 2018 is at the lowest level of any H1 period since 2013. Despite this, *PERE* reported in July that more investors are viewing the strategy as the best fit for the times. Only three of the funds closed in the first six months of 2018 attracted more than \$1 billion, with GLP's China Value-Add Venture I being the largest at \$1.5 billion. Of the 231 value-add funds in market, 14 have targets of \$1 billion or more each from investors (in aggregate \$17.7 billion currently is being targeted for the strategy). Together, these funds have attracted \$5.8 billion of capital to date and some will be expected to close shortly including Crow Holdings Realty Partners VIII (target: \$1.5 billion; raised: \$0.92 billion) and Beacon Capital Strategic Partners VIII (target: \$1.25 billion; raised \$0.99 billion).

## Five largest value-add funds in market, 1 July 2018

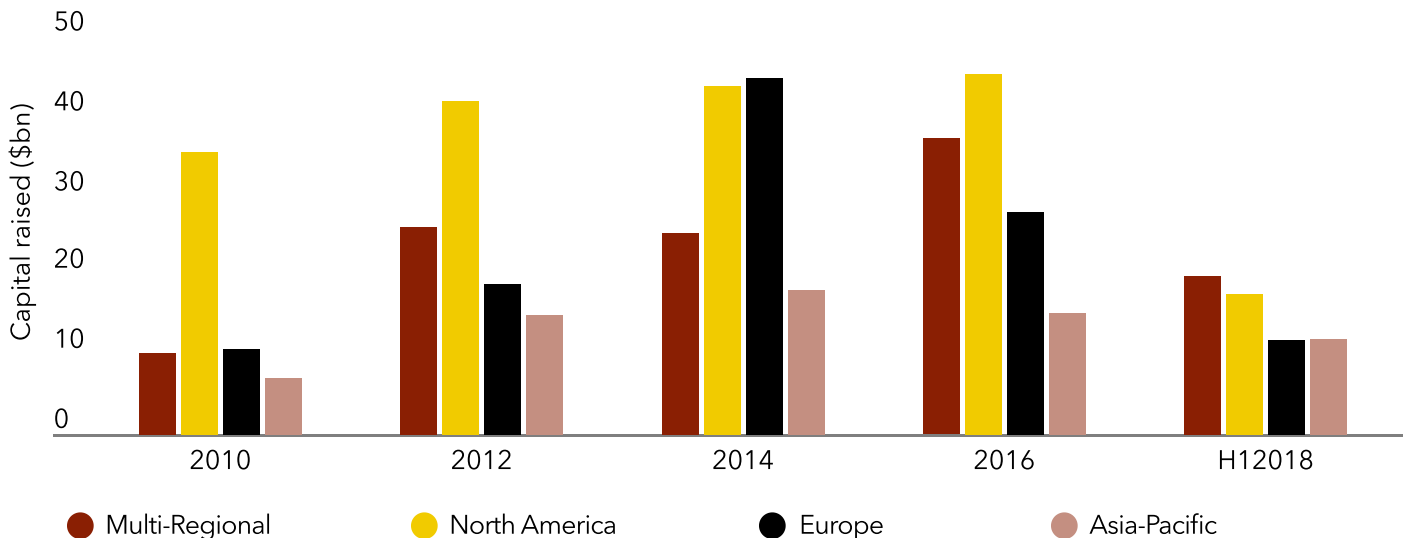
Fund Name	Fund Manager	Amount Targeted (\$bn)	New Region
KSL Capital Partners V	KSL Capital Partners	2.70	Multi-region
Crow Holdings Realty Partners VIII	Crow Holdings Capital Partners	1.50	North America
Greystar Equity Partners X	Greystar Real Estate Partners	1.50	North America
Logistics Warehousing Fund	China Life Investment Holding Company	1.28	Asia-Pacific
Beacon Capital Strategic Partners VIII	Beacon Capital Partners	1.25	North America

# Geography

## Regional focus of capital raised in H1 2018



## Regional focus of capital raised 2010 to H1 2018



# Funds in market, 1 July



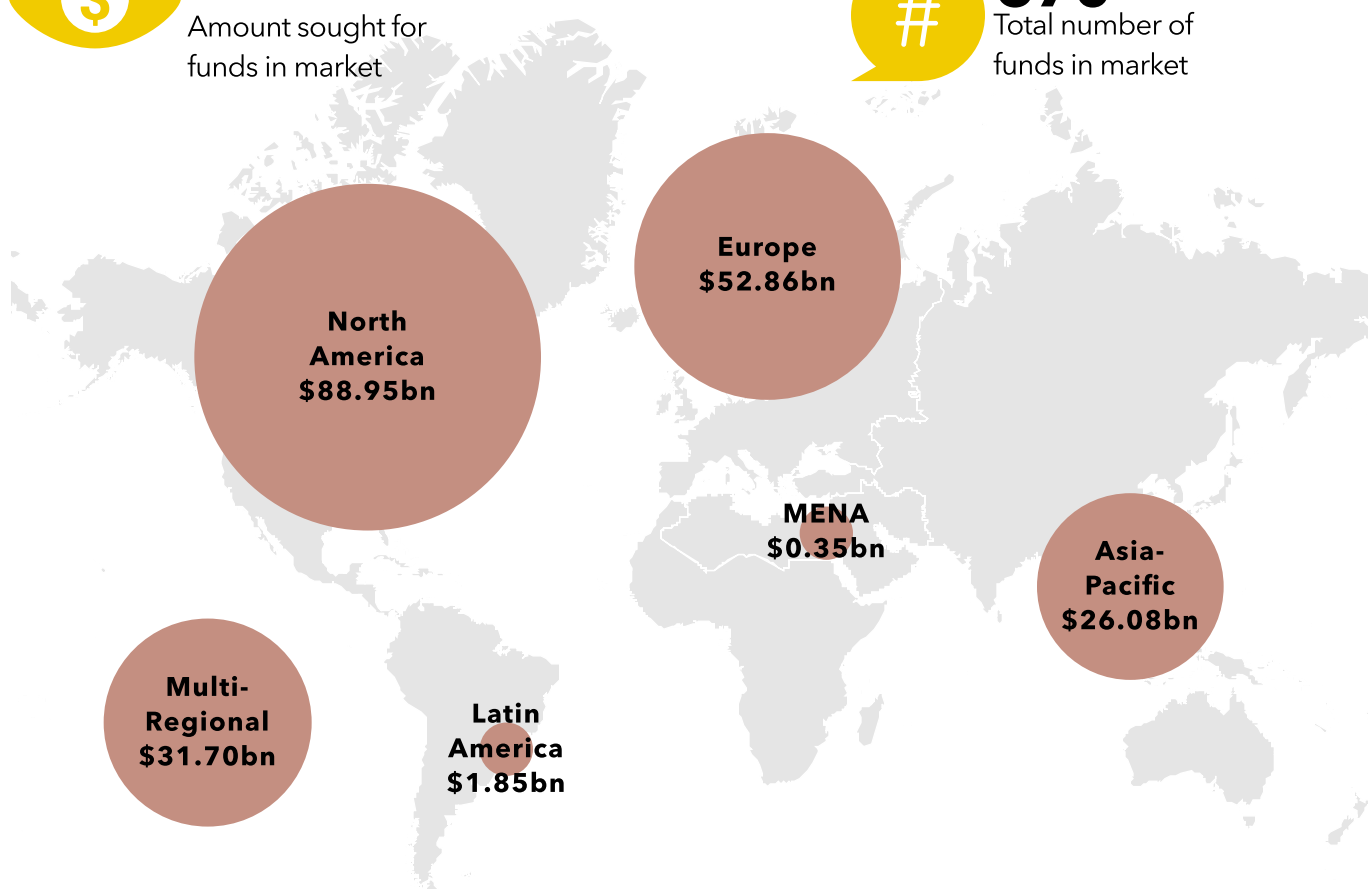
**\$201.79bn**

Amount sought for funds in market



**670**

Total number of funds in market



## Largest funds in market as of July 2018

Fund Name	Fund Manager	Target Size (\$bn)	Region
Brookfield Strategic Real Estate Partners III	Brookfield Asset Management	10	Multi-region
Carlyle Realty Partners VIII	The Carlyle Group	5	North America
Digital Colony Partners	Digital Bridge	3	Multi-region
TPG Real Estate Fund III	TPG	3	Multi-region
KSL Capital Partners	KSL Capital Partners	2.7	Multi-region



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# How can we help you?

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## How can PERE's Research and Analytics team help you?

### Sample Client Case Study

We helped a US-headquartered global law firm to identify potential new clients and new business opportunities by providing a list of family offices interested in investing in Australian residential real estate.

Please get in touch with us if you would like to see a sample of this data.

PERE's Research and Analytics team is made up of researchers and analysts in London, New York and Hong Kong, working on a 24/5 cycle to perform bespoke research requests for you. We track the investment appetite and contact details of LPs and GPs within our fundraising data platform, to help bring together fund investors and managers with matching interests.

Platinum subscribers should email [daniel.r@peimedia.com](mailto:daniel.r@peimedia.com) for more information on the research services available.

### For more information on becoming a Platinum level subscriber please contact:

**Matteo Coppadoro** in London  
on +44 (0) 207 566 4280 or [matteo.c@peimedia.com](mailto:matteo.c@peimedia.com)

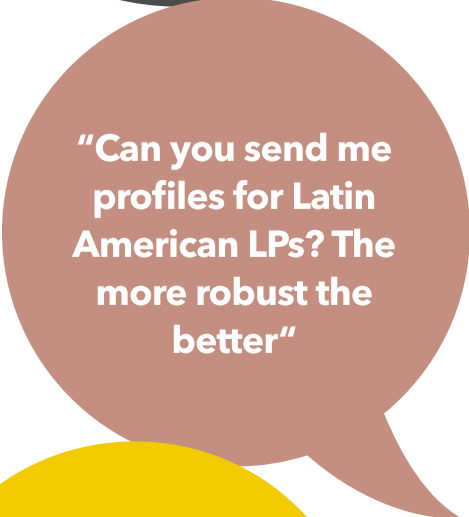
**Minnie Wen** in Hong Kong  
on +852 2153 3242 or [minnie.w@peimedia.com](mailto:minnie.w@peimedia.com)

**John Kral** in New York  
on +1 646 545 6297 or [john.k@peimedia.com](mailto:john.k@peimedia.com)

Other questions to which we also provided solutions:



**"I am looking for a list of targeted institutional investors and family offices based in Israel that have interest in real estate in the US"**



**"Can you send me profiles for Latin American LPs? The more robust the better"**



**"Can you provide me with the details of all Australian real estate fund managers?"**