

# PERE

## Q3 2018 FUNDRAISING REPORT

*PERE's* interactive and  
downloadable review of the Q3  
2018 fundraising environment.

**Fundraising** | **Strategy Review** | **Funds in market**

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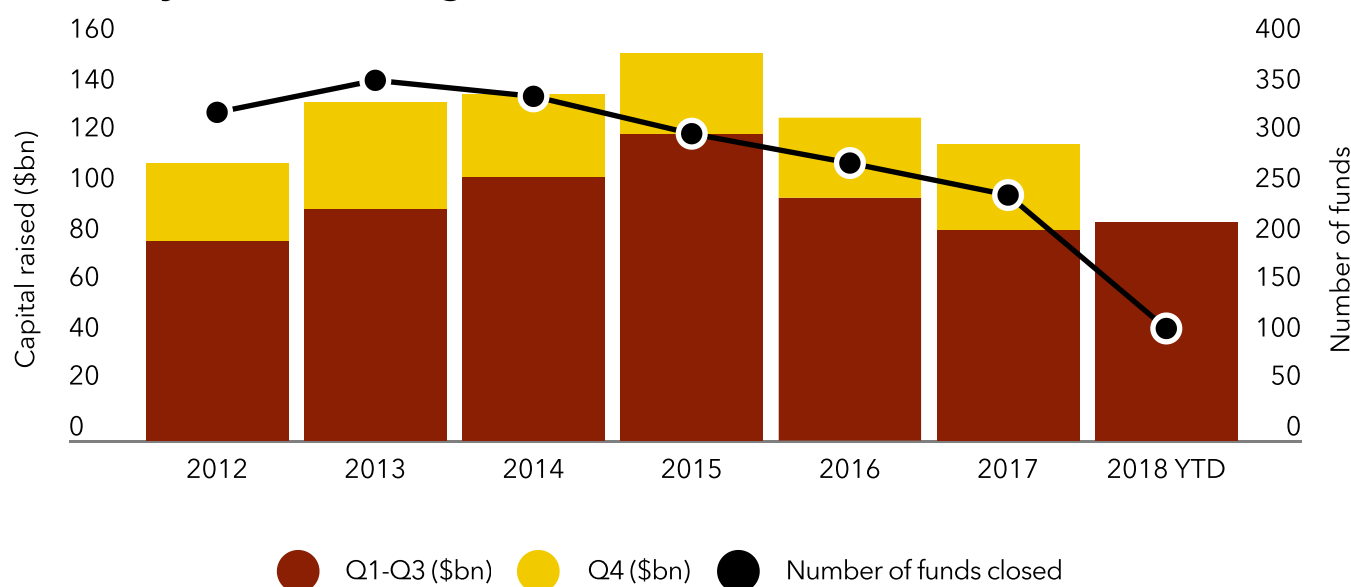
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# Overview

## Year-on-year fundraising



**\$87.9bn**

Capital raised by private real estate funds in Q1-Q3 2018



**\$771.4m**

Average fund size in Q1-Q3

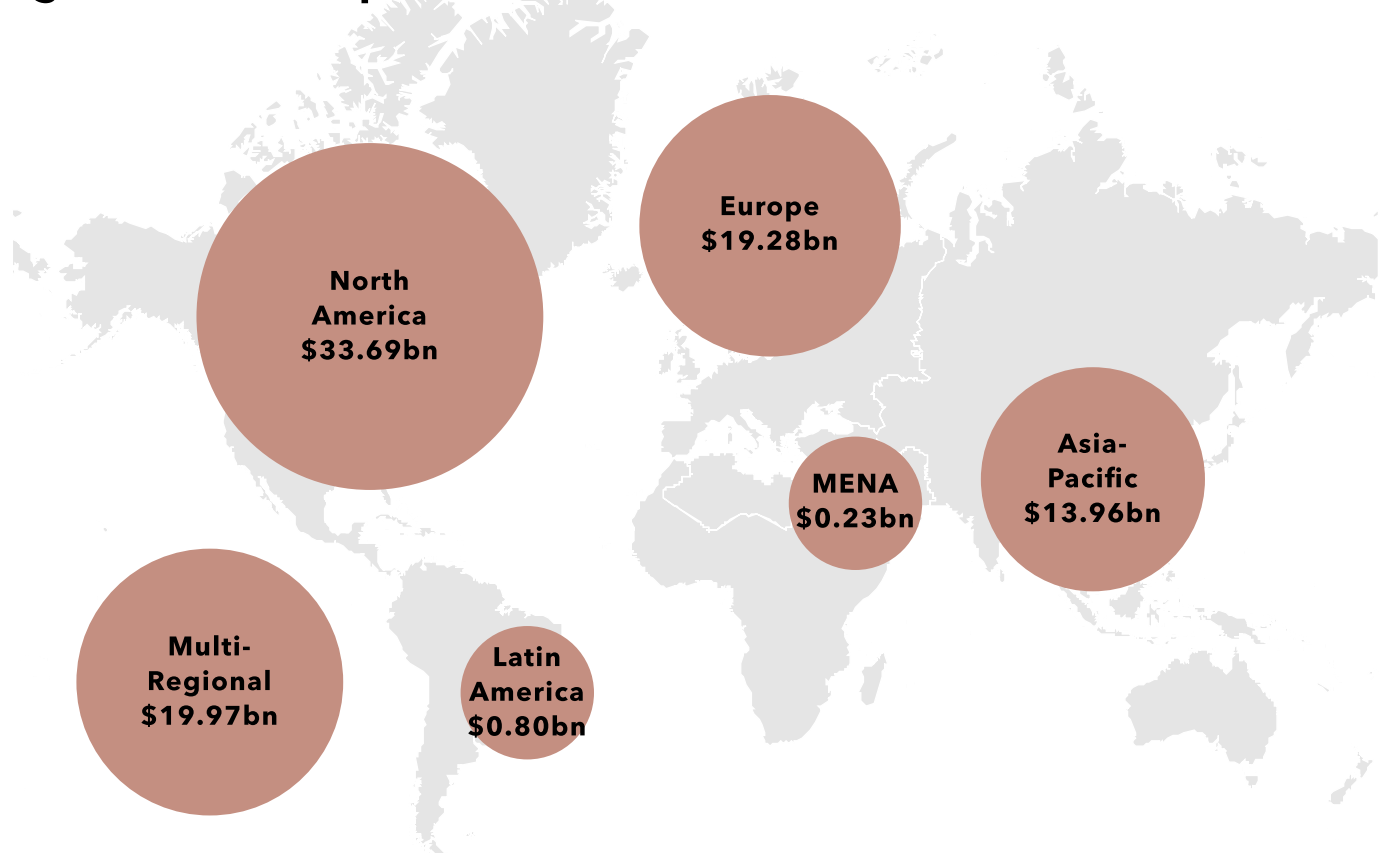
In the first nine months of 2018, managers of closed-ended real estate funds raised almost \$90 billion. This is the first time since 2015 that the market has seen an increase in the capital raised in the Q1-Q3 period. However, the number of fund closed at this point in the year is surprising. With just three months remaining of 2018, fewer than half the 2017 total have closed so far: 114 in Q1-Q3 compared with 246 in the whole of 2017.

Due to the continued consolidation of capital - there are fewer, but larger funds dominating the closed-ended real estate landscape - average fund sizes have increased from \$486 million in 2017 to \$771.4 million in 2018 to date.

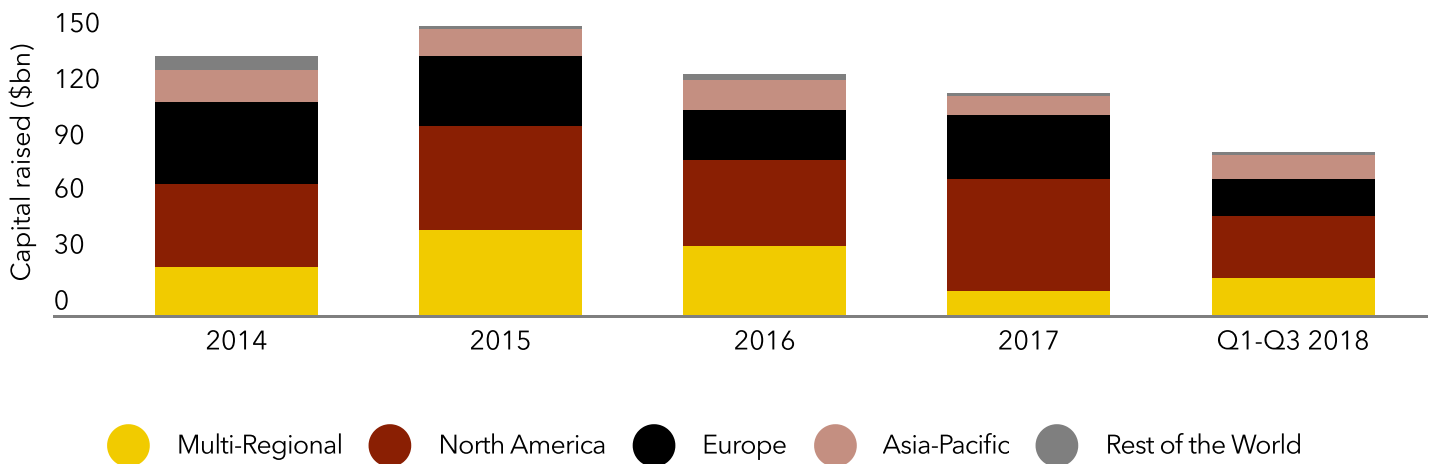
Looking forward, *PERE* expects fundraising to reach about \$125 billion by the end of 2018, which would surpass the 2017 total of \$119.5 billion. The number of funds closed is expected to reach around 150, well short of the 246 closed in 2017.

# Geography

## Regional focus of capital raised Q1-Q3 2018

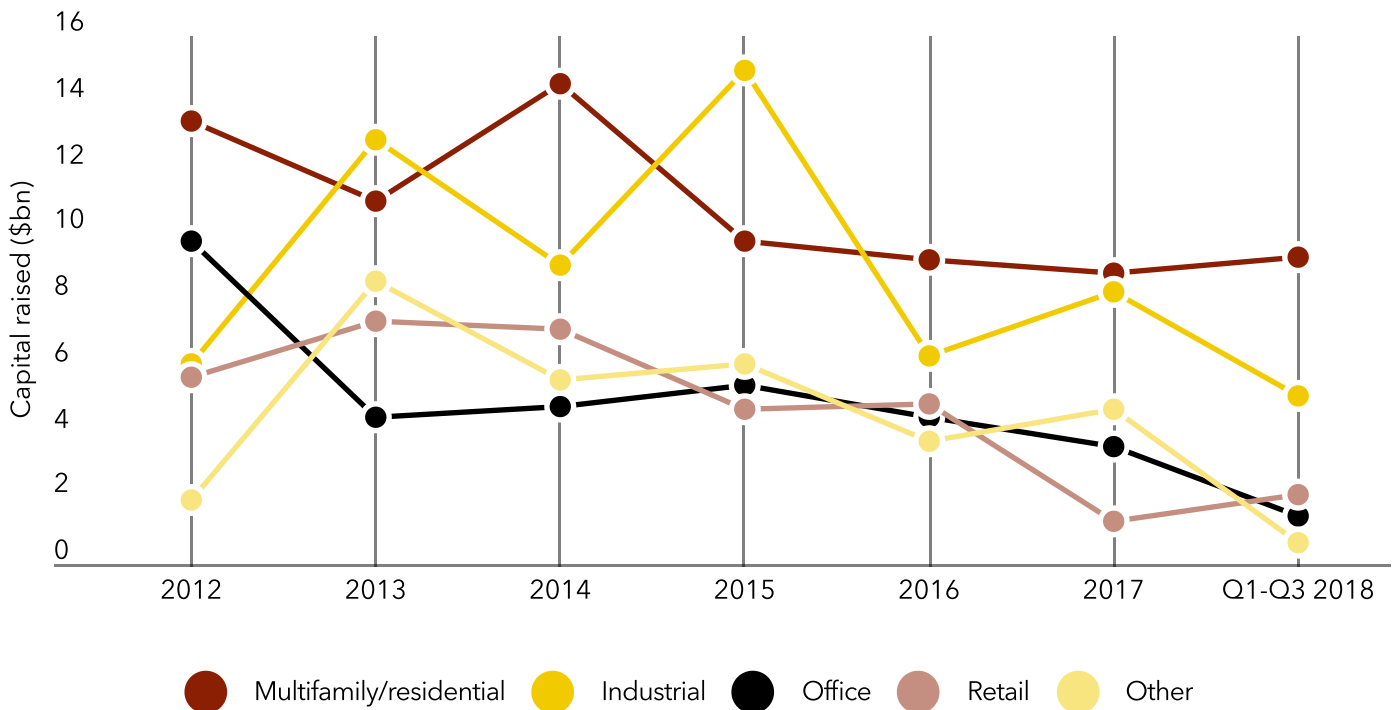


## Regional focus of capital raised 2014 Q3 2018

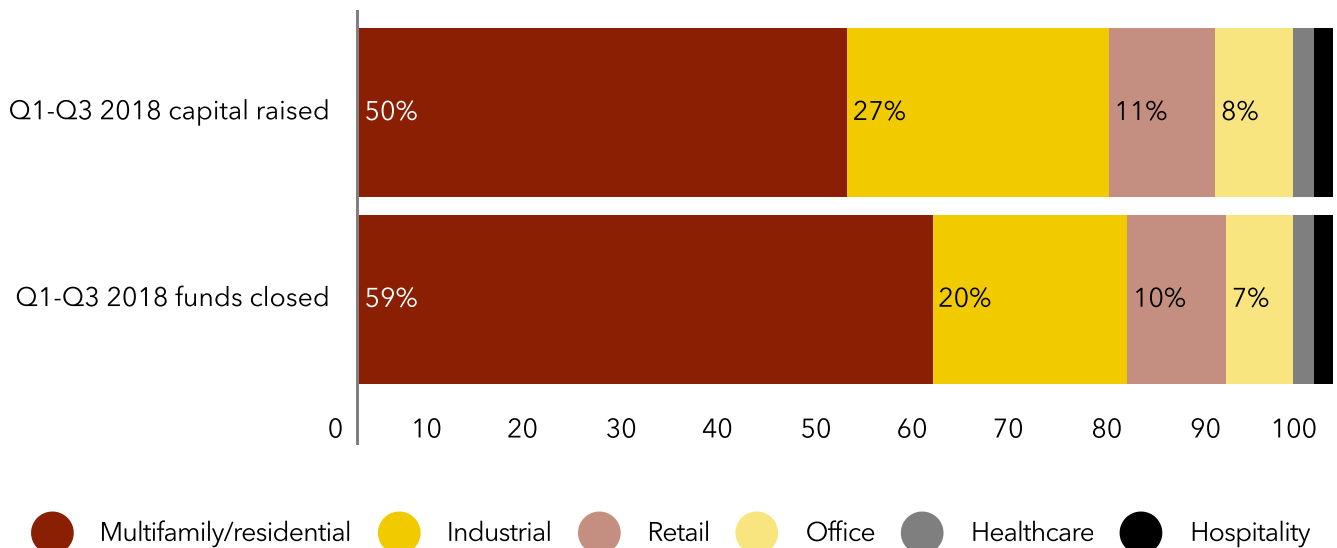


# Strategy

## Fundraising for sector-specific funds

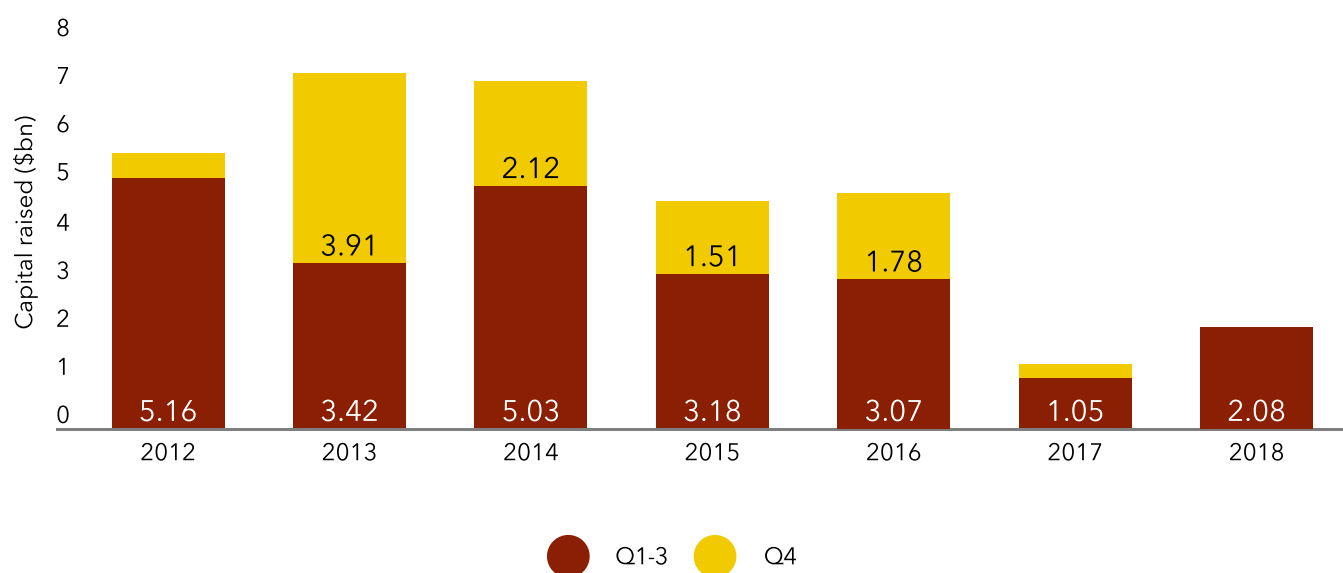


## Strategy breakdown by funds holding final close Q1-Q3 2018



# Strategy review: Retail

## Fundraising for retail-specific funds



In the current climate, retail is experiencing the most disruption in the real estate market. This is highlighted by the poor fundraising data for the sector.

Despite a slight recovery from 2017's all-time low, the retail market is still floundering, with only \$2 billion raised by four fund closes. Meyer Bergman's third retail fund was the largest to close - on \$943.98 million - accounting for almost half of this year's capital raise.

If the retail funds that are currently on the road continue to raise capital, the sector could see a rebound in the coming years, with 29 funds targeting an aggregate \$8.9 billion. Managers have raised \$4.7 billion to date through interim closes for these funds.

## Largest retail-focused funds in market as of Oct 1, 2018

Fund Name	Fund manager	Target size (\$m)	Regional focus
Thor Urban Property Fund III	Thor Equities	1000	North America
Vanbarton Fund I	Vanbarton Group	1000	North America
Asana Partners Fund II	Asana Partners	800	North America
ERES APAC II-China Outlets	TH Real Estate	750	Asia-Pacific
Europe V - Retail Fund	Savills Investment Management	578.42	Europe

# Funds in market, October 1



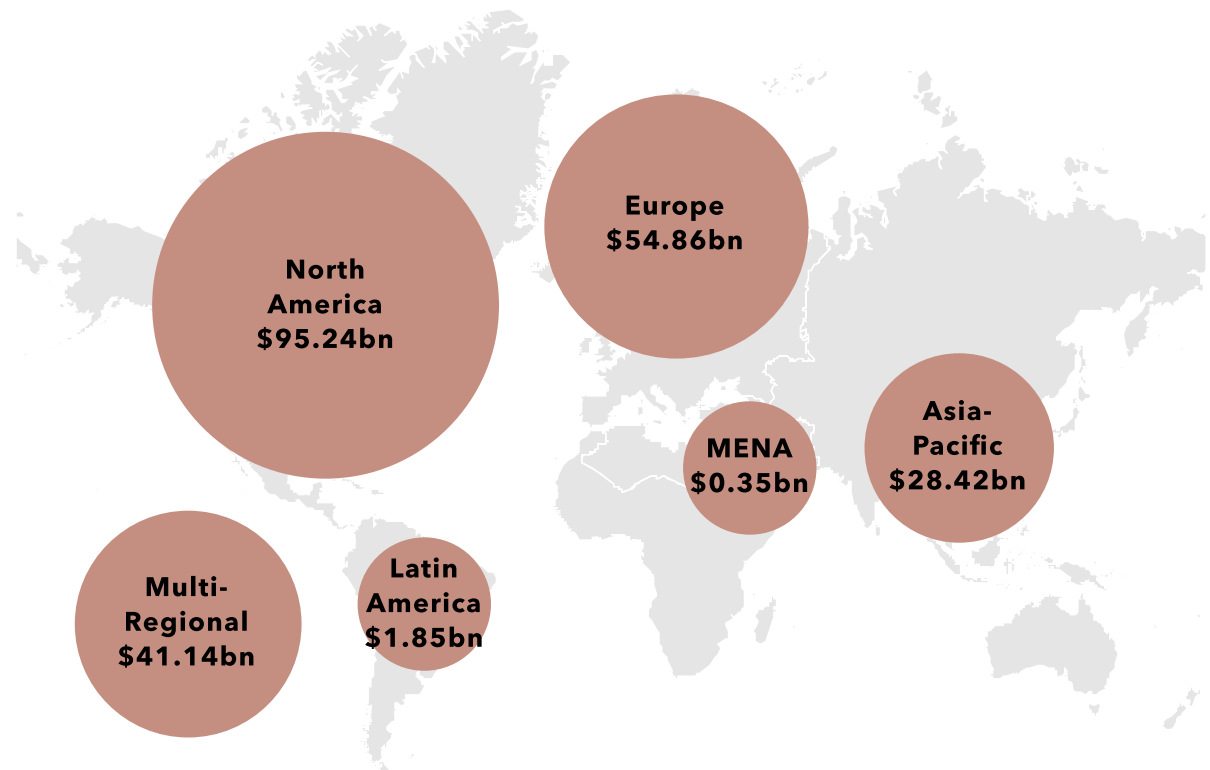
**\$221.87bn**

Sought for funds in market



**696**

Total number of funds in market



## Largest funds in market as of October 2018

Fund Name	Fund Manager	Target Size (\$bn)	Regional Focus	Fund sector
Brookfield Asset Management III	Brookfield Asset Management	10	Multi-regional	Diversified
Lone Star Fund XI	Lone Star Funds	6	Multi-regional	Diversified
Digital Colony Partners	Digital Bridge	3	Multi-regional	Industrial
TPG Real Estate Fund III	TPG	3	Multi-regional	Diversified
AG Realty Fund X	Angelo Gordon	2.7	Multi-regional	Diversified

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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 pieced together analysis on the residential markets in Q3 for an emerging fund management firm. As well as investigating market trends, we provided lists of institutional investors interested in this segment of the market, and other fund managers currently raising capital for similar funds.

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.


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### Other questions to which we also provided solutions:



"Could you provide me with a list of funds in market and LPs committed to them? I would also like to know how much these funds have raised to date"



"I would like to know which retail funds have launched in the past year"



"Can you give me a list of European investors willing to commit to logistics funds?"