

PERE

FUNDRAISING REPORT H1 2019

PERE's interactive and downloadable review of the H1 2019 fundraising environment

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Jonathan Brasse

Senior Editor, Real Estate
jonathan.b@peimedia.com

Daniel Humphrey Rodriguez

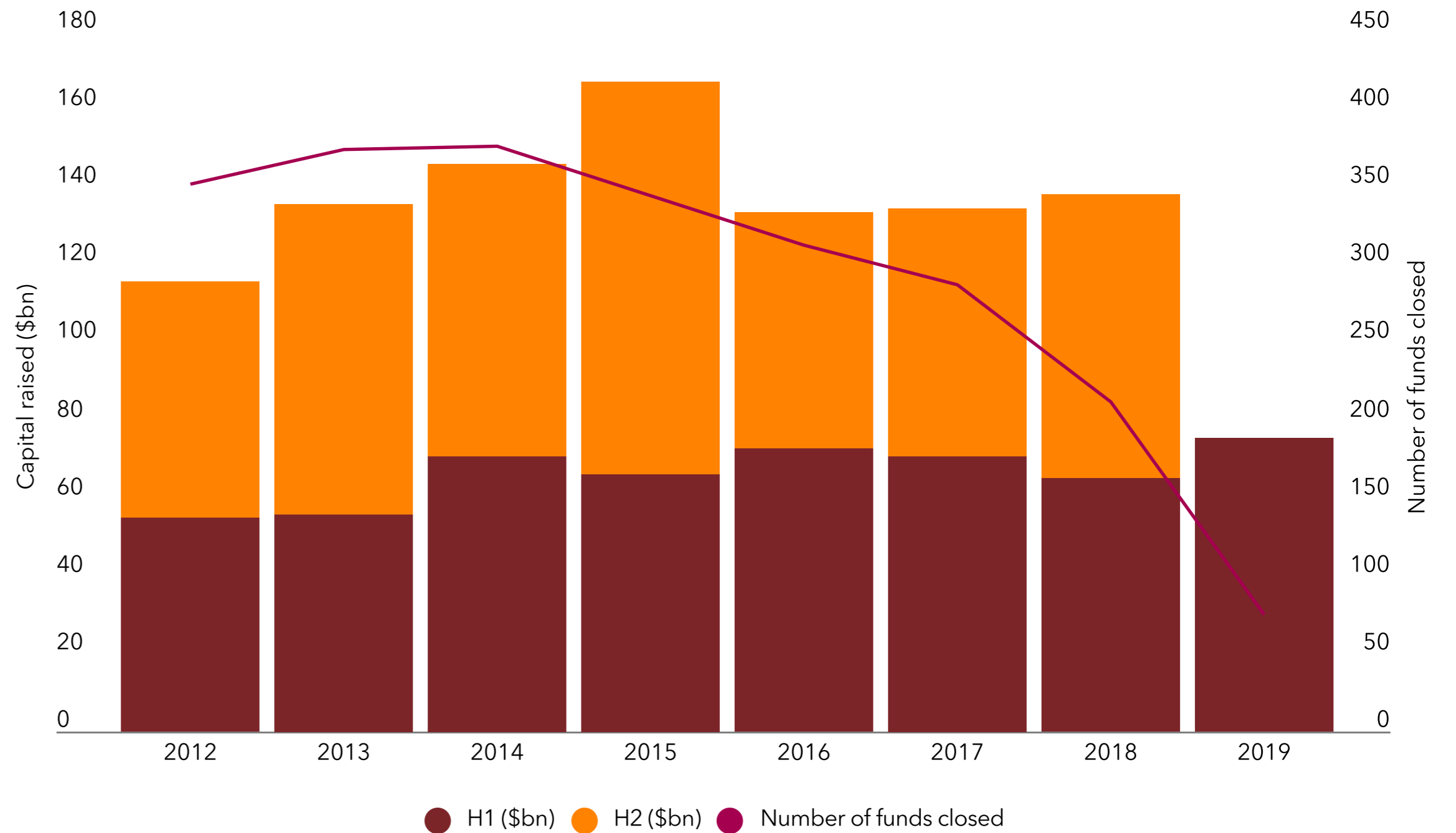
Head of Fund Manager Research
daniel.r@peimedia.com

Fundraising overview

H1 2019 was the most active six-month period in terms of capital raised for private real estate funds holding a final close since the global financial crisis. This was thanks in part to mega-funds, including two which surpassed \$5 billion. A further 17 funds went past the \$1 billion raised mark.

In fact, the rise of the mega-fund has stretched private real estate average fund sizes to around \$1 billion for H1 2019.

Mega-funds ride the private real estate wave



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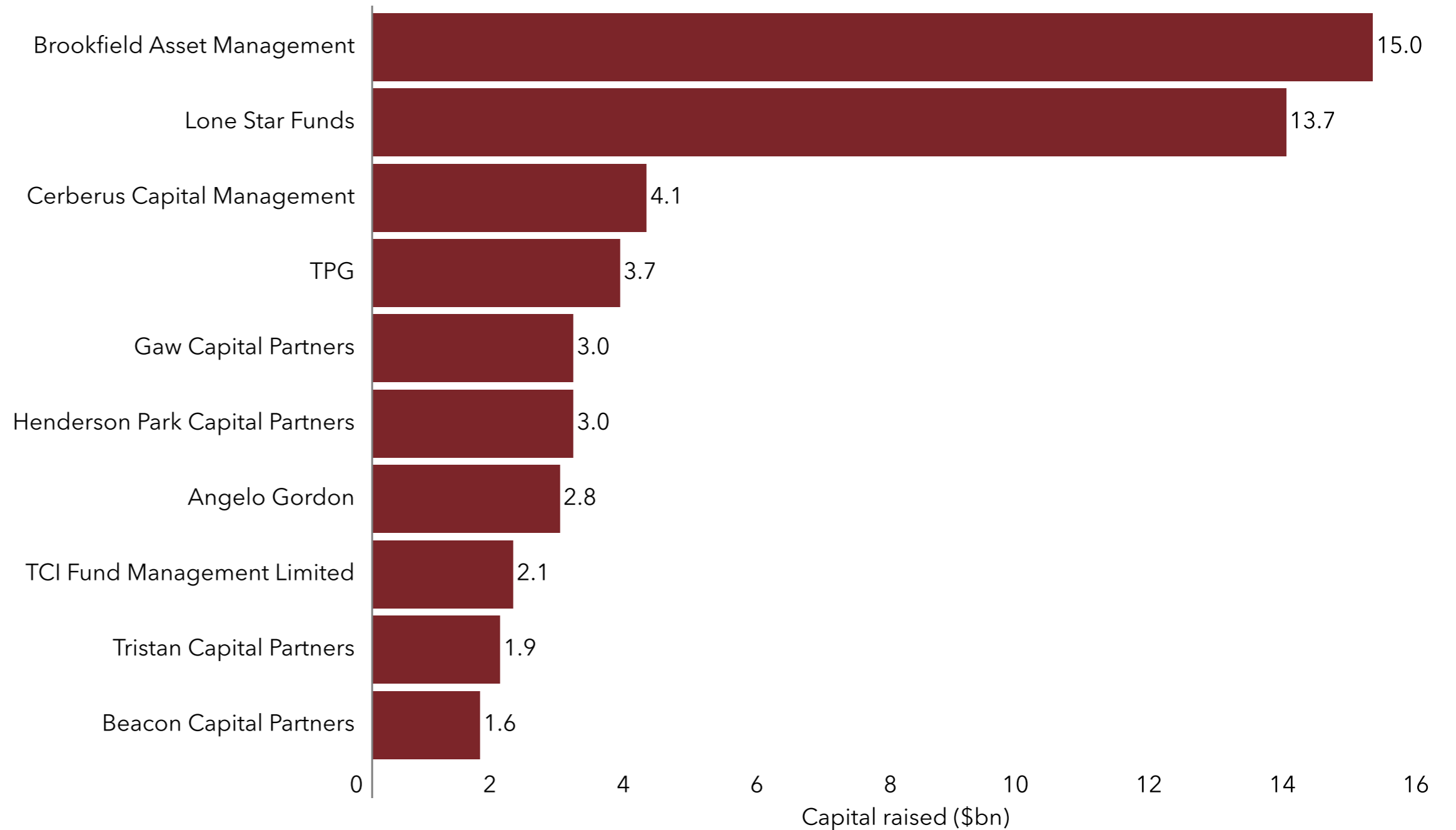
> Fundraising overview

The 10 largest managers in terms of capital raised through funds holding a final close in H1 2019 raised more than \$50 billion from investors – 67 percent of the total.

Brookfield, the largest of these, closed its Strategic Real Estate Partners III in January. Lone Star Funds was second and collected \$13.7 billion across three funds: Lone Star Fund XI, Lone Star Real Estate Fund VI and Lone Star Residential Mortgage Fund II.

Gaw Capital and Henderson Park's positions were bolstered by sidecar capital alongside their funds, \$800 million and \$750 million respectively.

H1 largest fundraisers by funds closed



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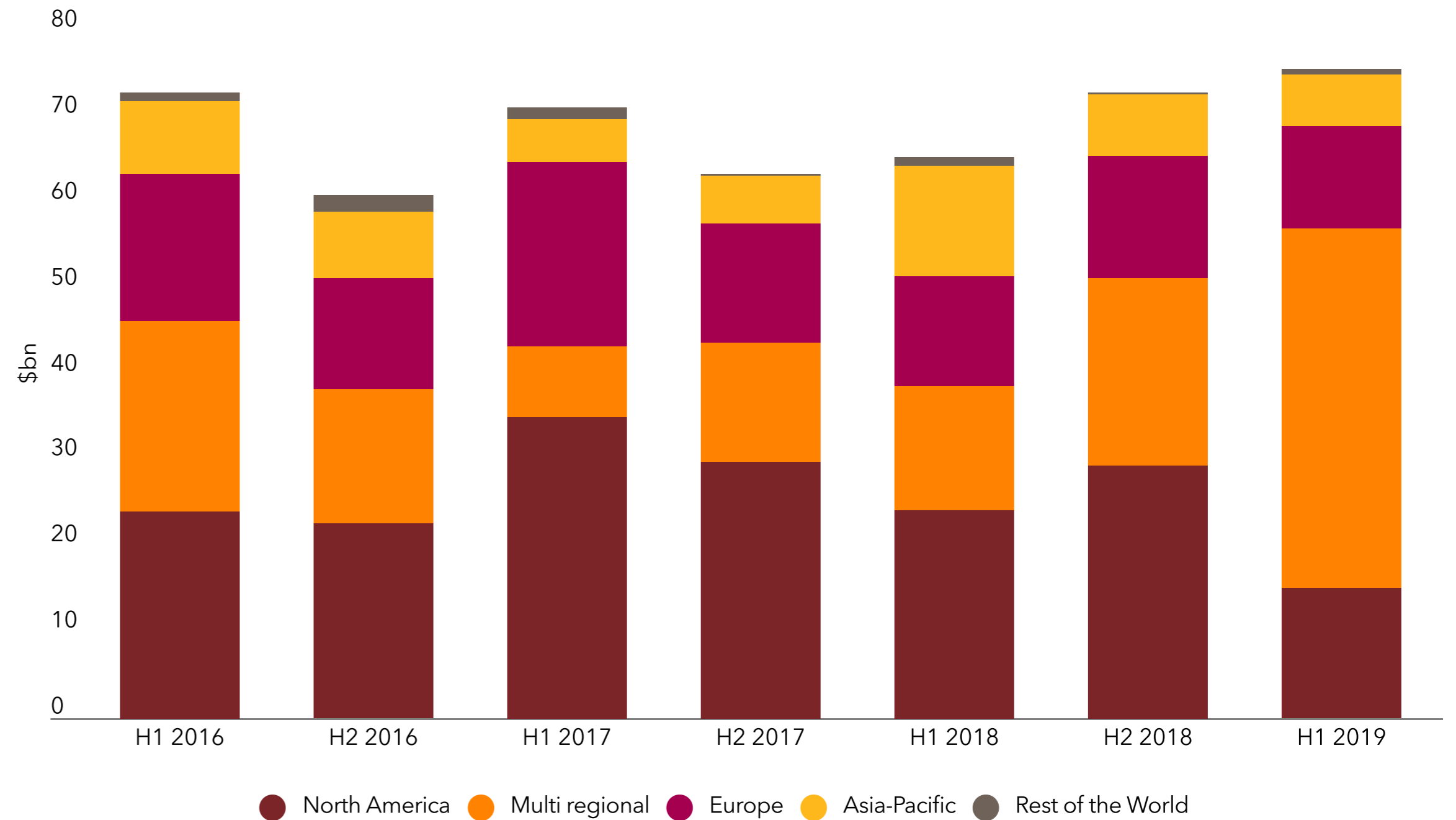
Geography

The amount of region-specific capital dwindled – North America, Europe and Asia-Pacific totals all fell compared with the previous six months.

Capital raised for multi-regional funds – those with a focus on two or more regions – on the other hand, swelled.

Mega-funds dominating the real estate space are generally multi-regional. What would the private real estate space look like without them?

Overall geographical focus of private real estate funds



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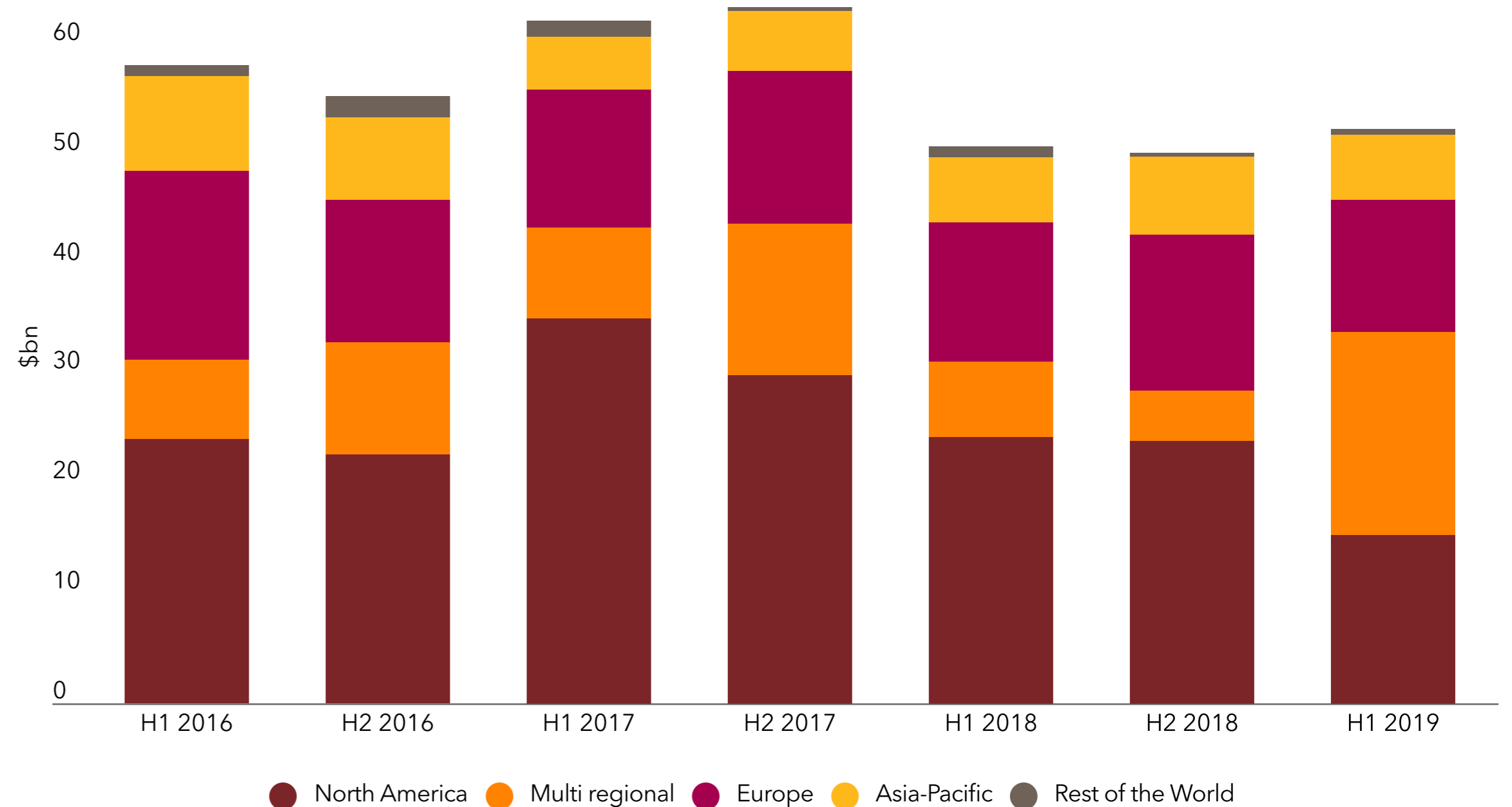
> Geography

Carving out mega-funds – those that attracted \$5 billion or more – shows a more realistic picture of the private real estate space.

With \$52 billion raised by managers of non-mega-funds, H1 2019 fundraising was some way off the highs seen in the two halves of 2017.

Geographically, the story remained consistent, however: funds targeting multiple regions raised the most capital.

Geographical focus of non-mega-funds



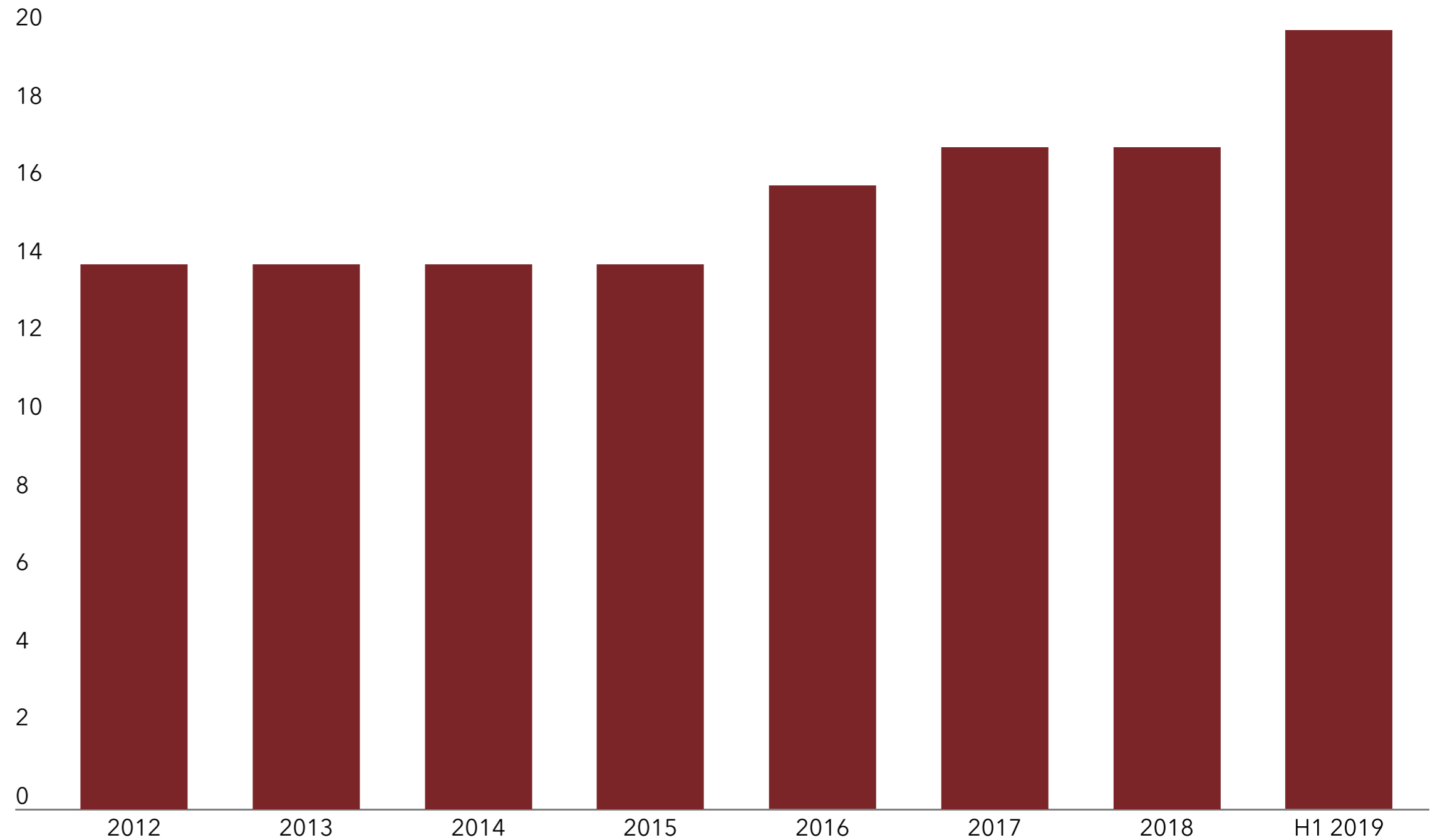
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Time on the road

Managers of funds that closed in H1 2019 took an average of 20 months to reach a final close for their investment vehicles, much higher than the 14 months it took on average to close a fund between 2012 and 2015.

There was little correlation between the size of a fund and the time in which it took to reach a final closing. Gaw Capital and Henderson Park each raised close to \$3 billion from investors but the former took a third of the time taken by the latter to do so.

Funds are taking longer to close



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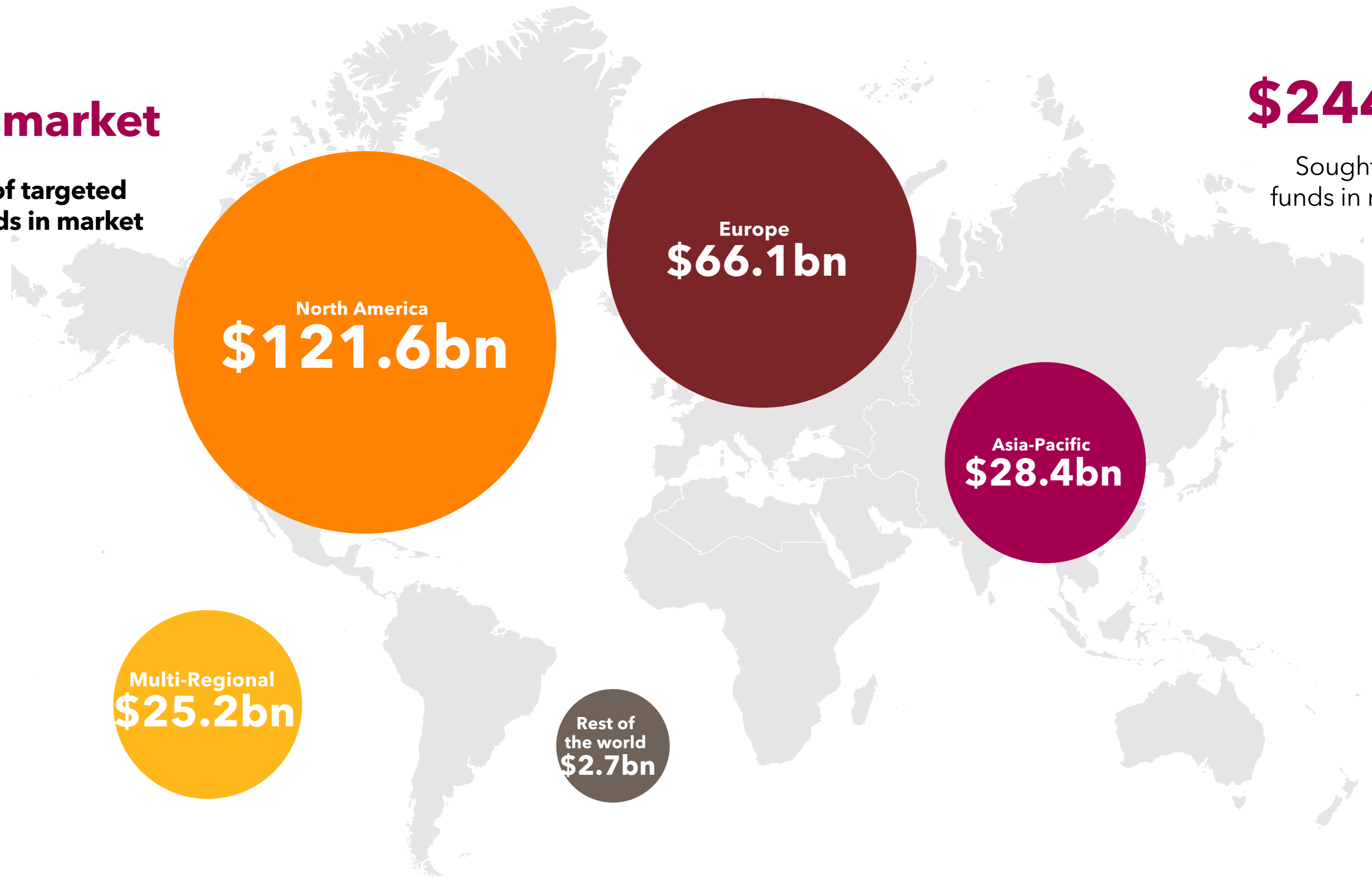
Largest funds in market, 1 July 2019

Fund Name	Target size (\$bn)	Time on the road (months)	Region
Blackstone Real Estate Partners Europe VI	11.3	6	Europe
CIM Opportunity Zone Fund	5.0	5	North America
Nuveen Global Cities	5.0	18	Multi-regional
Oaktree Real Estate Opportunities Fund VIII	3.5	5	North America
Rockpoint Real Estate Fund VI	3.3	4	North America
TPG Real Estate Fund III	3.0	20	Multi-regional
KSL Capital Partners V	2.7	14	Multi-regional
CIM Fund IX	2.5	23	North America
GLP Continental Europe Development Partners I	2.3	7	Europe
AIG US Real Estate Fund III	2.0	5	North America

*Since publishing this report, PERE has learned **GLP Continental Europe Development Partners I** closed at €1 billion in December 2018.

>
Funds in market

Regional focus of targeted amounts by funds in market



\$244bn

Sought for funds in market

How can we help you?

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

Sample client case study

This quarter, we helped a capital advisory firm looking to increase its client base by providing a list of funds in the early stages of fundraising. Alongside this, we also included a list of investors interested in the placement agent's markets of focus.

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 for more information on the research services available.

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PERE subscriptions team
subscriptions@peimedia.com

Other questions to which we also provided solutions:

"I would like a list of all LPs in New York that would be interested in committing to Europe-focused funds"

"What fund management firms are the most active in the African investment space?"

"Could you please send me a list of all North American residential funds that have launched in the past year?"

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