

PERE

FUNDRAISING REPORT Q3 2020

PERE's interactive and downloadable review of the Q3
2020 fundraising environment

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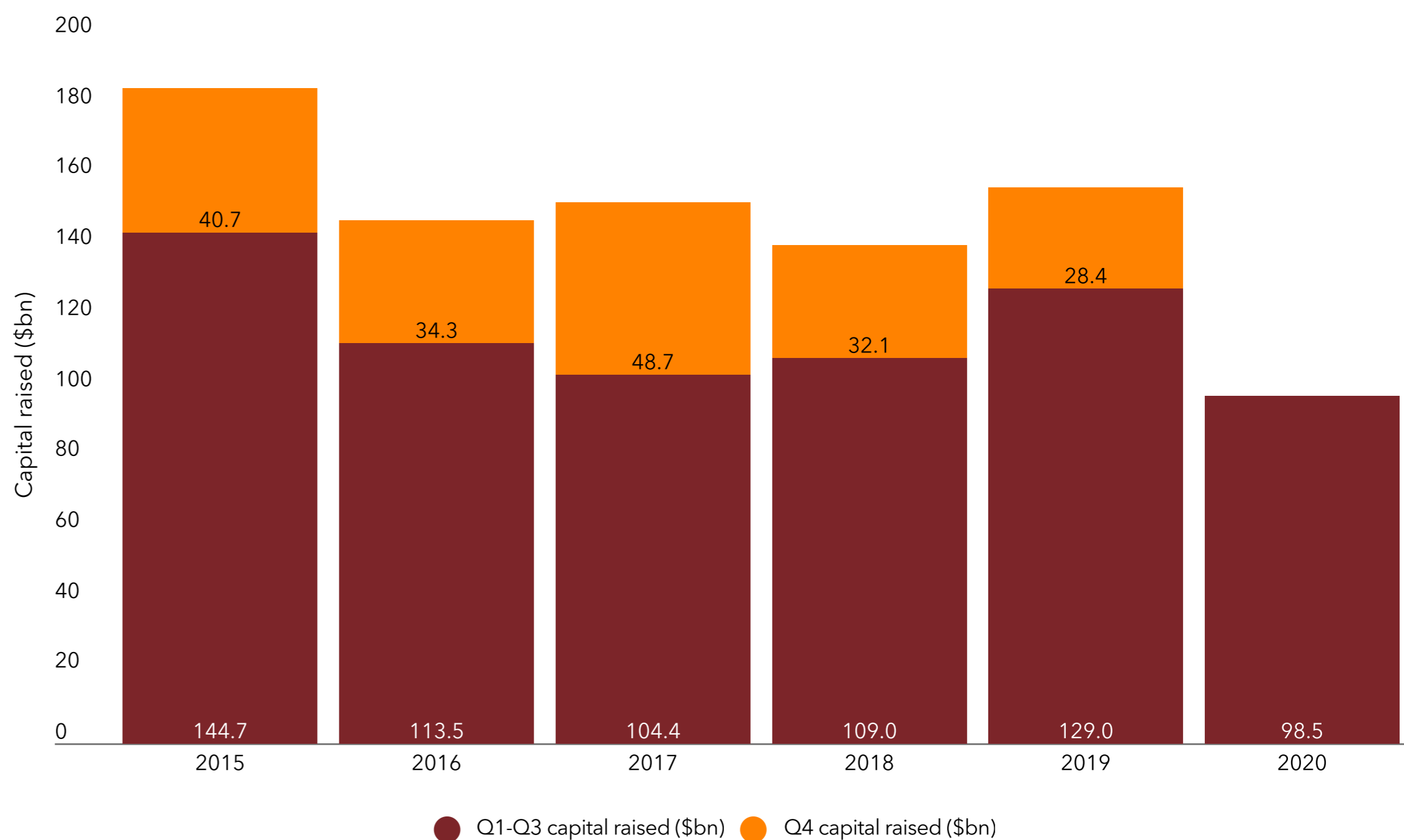


Fundraising overview

2020 has seen the lowest Q1-Q3 fundraising period for closed-end real estate vehicles in the past five years, with \$98.5 billion in aggregate capital raised. Widespread market uncertainty, triggered by the pandemic and travel restrictions, has impacted fundraising momentum across strategies. This is why more sequel funds have closed this year, as opposed to first-time vehicles.

The full-year fundraising total, however, is set to rise, with *PERE's* research team estimating \$32 billion in additional fundraising by the year-end.

Year-on-year fundraising by capital raised



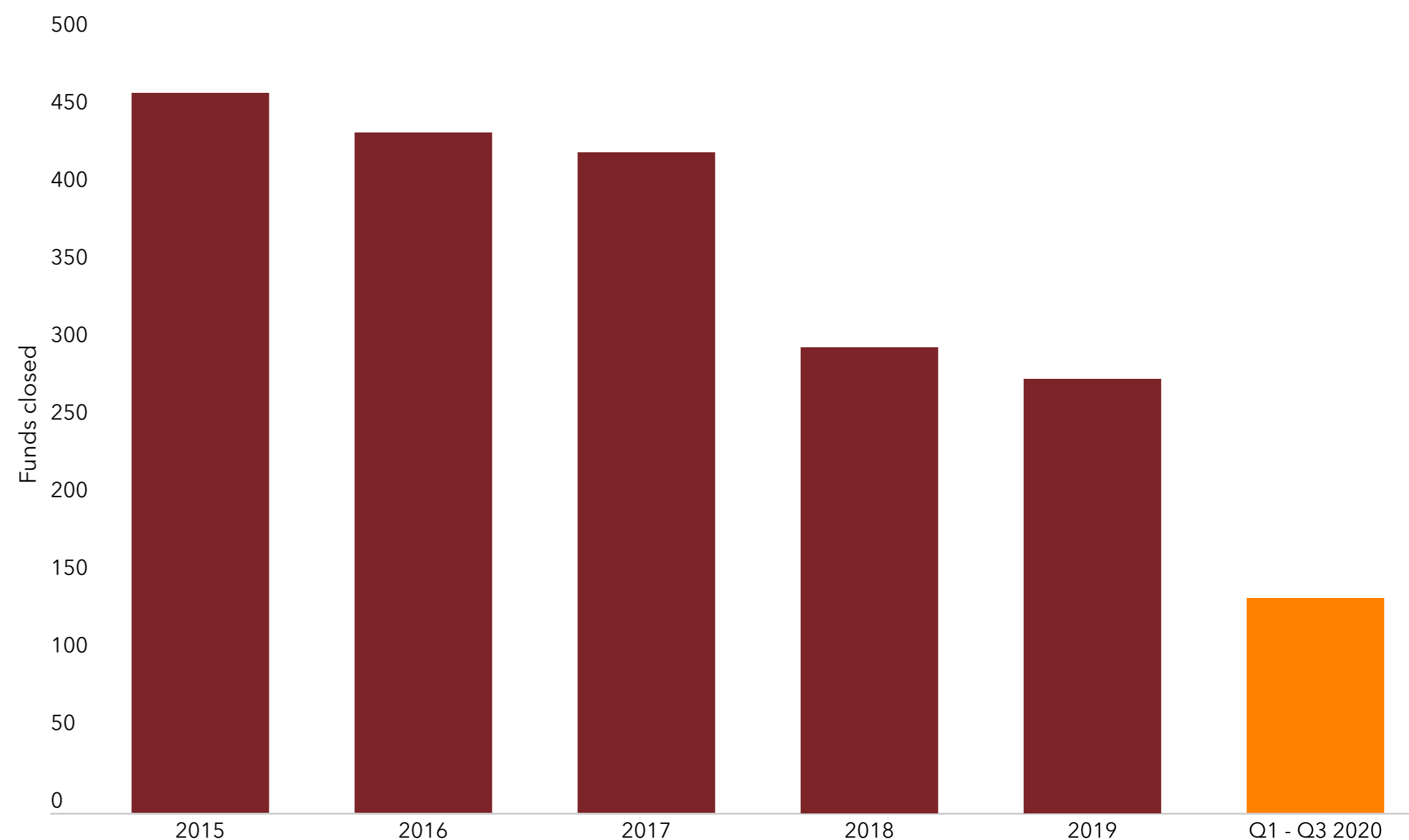
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Fundraising overview

Predictably, the number of fund closes has also declined sharply so far this year, with 138 funds closed between Q1-Q3 2020. By comparison, 2018 and 2019 recorded a similar number of fund closes, higher than the number this year but significantly lower than the peak in 2017.

To reach 2019's level, however, 142 more funds would need to close in the remaining three months of the year.

Year-on-year fundraising by funds closed



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Fundraising: Strategy focus

Opportunistic and value-add funds took up an equal proportion of total fundraising between Q1-Q3 2020, which has not been the case in the past five years. The decline in opportunistic fundraising's share can be attributed to fewer global mega-funds and large regional closes so far this year.

Meanwhile, several core-focused managers are moving up the risk curve and launching value-add vehicles, contributing to an increase in this strategy's overall share.

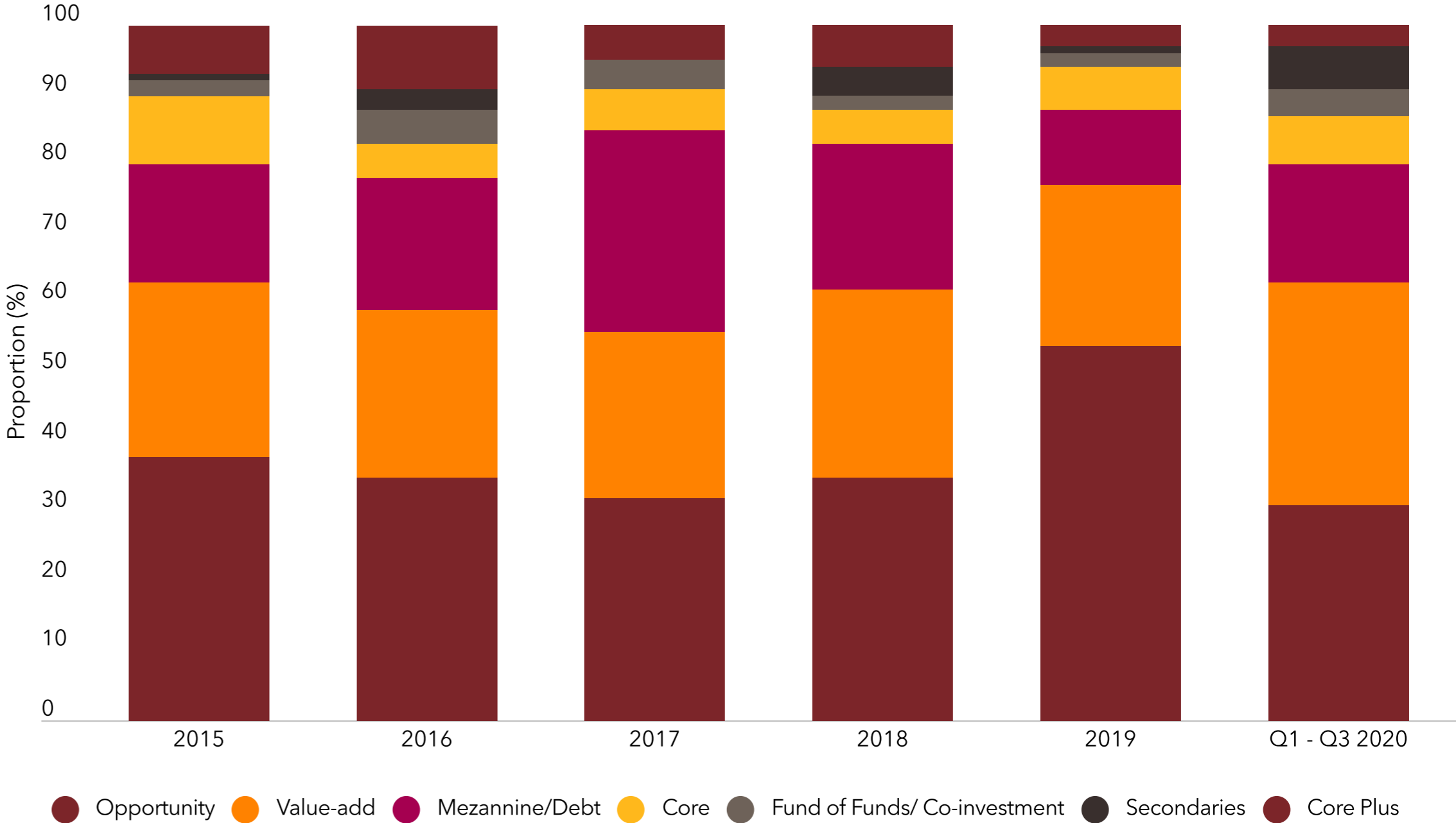
\$98.5

Capital raised by private equity real estate funds in Q1-Q3 2020

138

Number of funds

Year-on-year fundraising by strategy



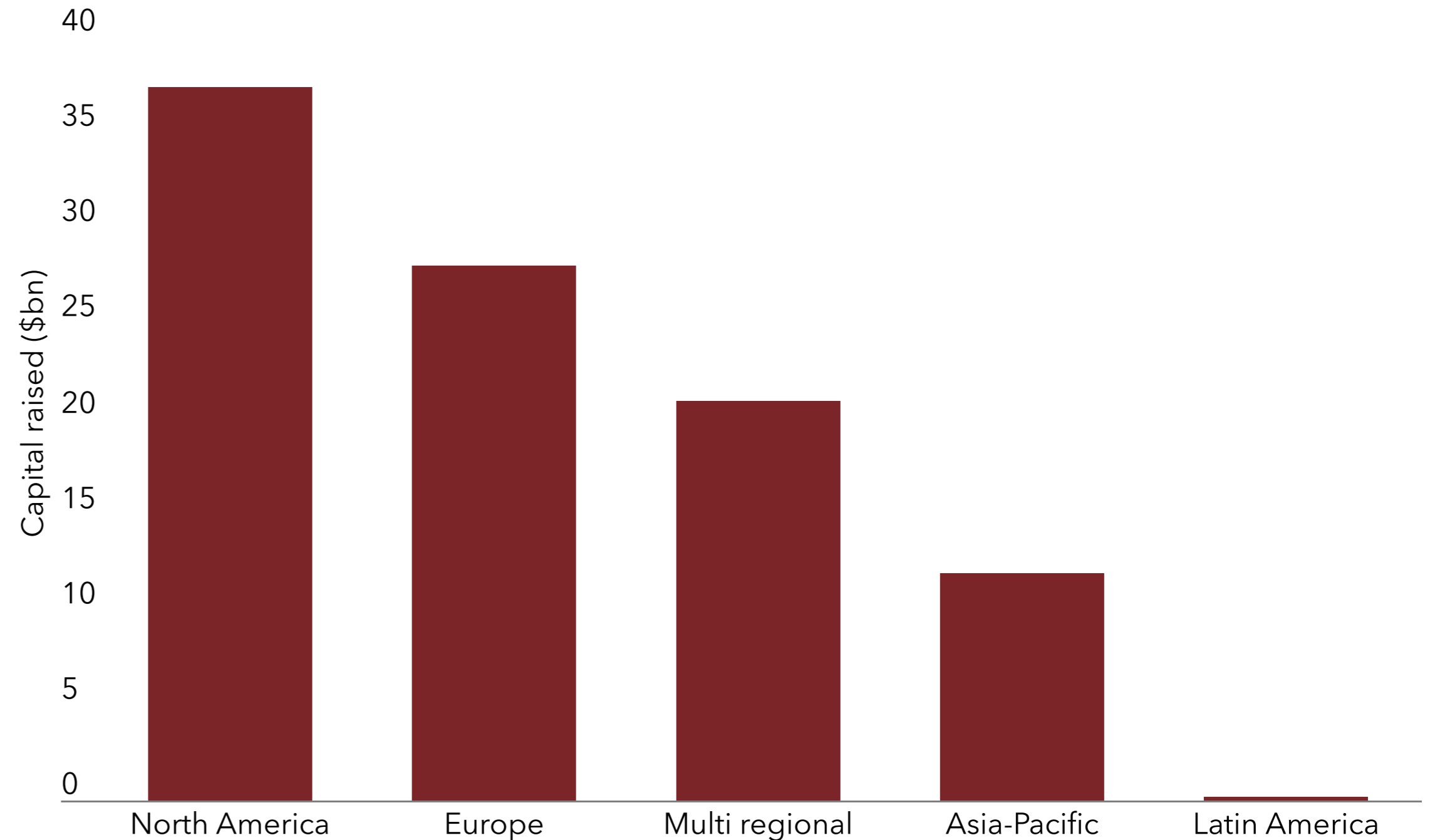
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Fundraising: Regional focus

Fewer global or multi-regional mega funds were raised in the first nine months of 2020. The bulk of fundraising was for North America-focused vehicles, followed by European funds.

The pandemic has also taken the focus for raising fresh money away from the emerging markets of Latin America, Middle East, Africa and large portions of South-East Asia, with a large proportion of the capital raised for Asia-Pacific earmarked for regions such as Japan, South Korea, Australia and Hong Kong.

Regional focus of capital raised



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Top ten fundraises

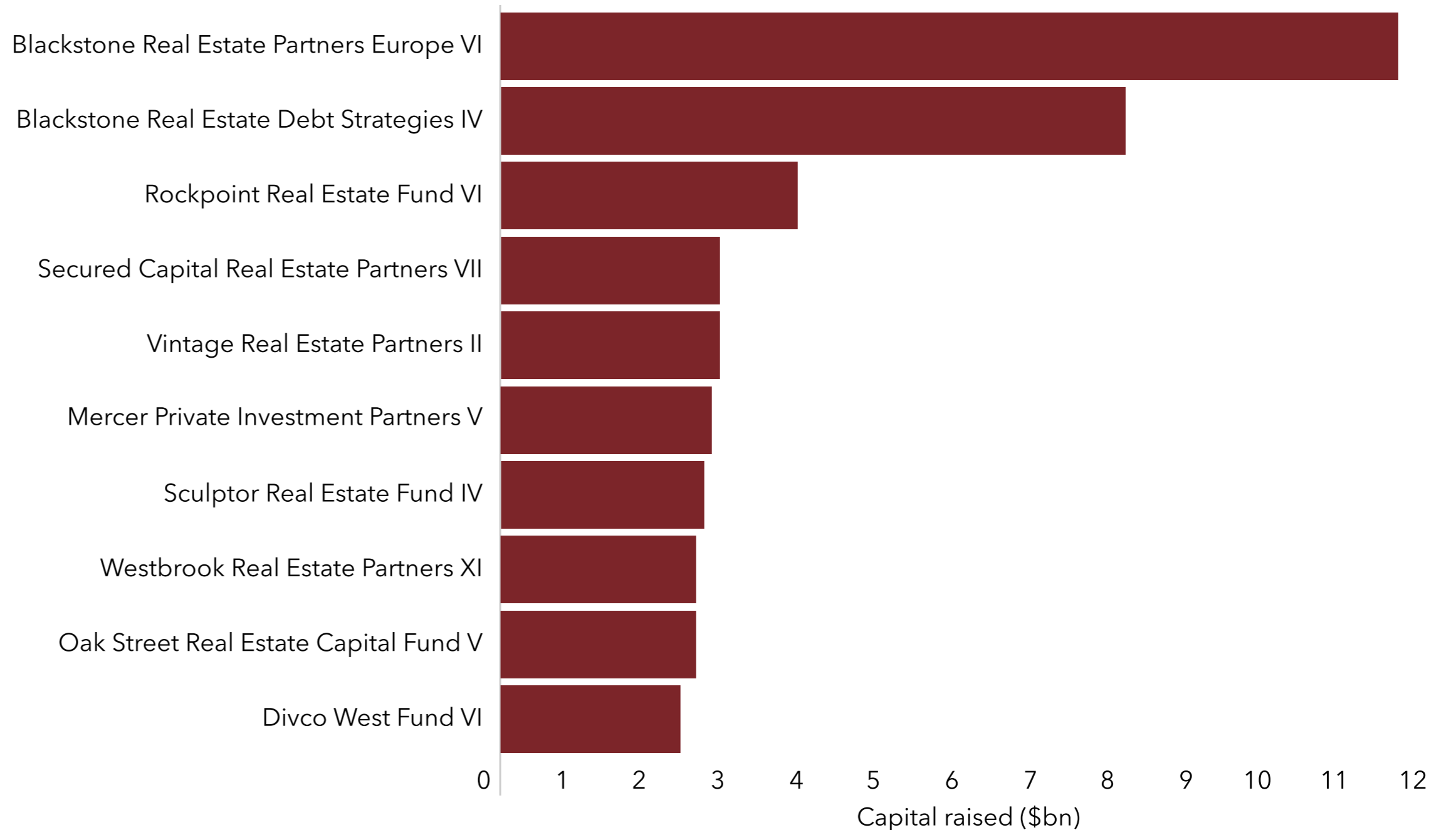
Blackstone was the unbridled winner in the fundraising landscape, raising two mega real estate funds: the \$11.5 billion Blackstone Real Estate Partners Europe VI and the \$8 billion Blackstone Real Estate Debt Strategies IV, the latter being the largest real estate credit fund in history.

Besides these two Blackstone vehicles, no other fund closed above the \$4 billion mark during the third quarter.

Meanwhile, only one Asia-focused fund, PAG's Secured Capital Real Estate Partners VII, made the Q1-Q3 2020 top 10.

Ten largest fund closes between Q1-Q3 2020

To see an up to date list of all funds closed this year to date, [click here](#)



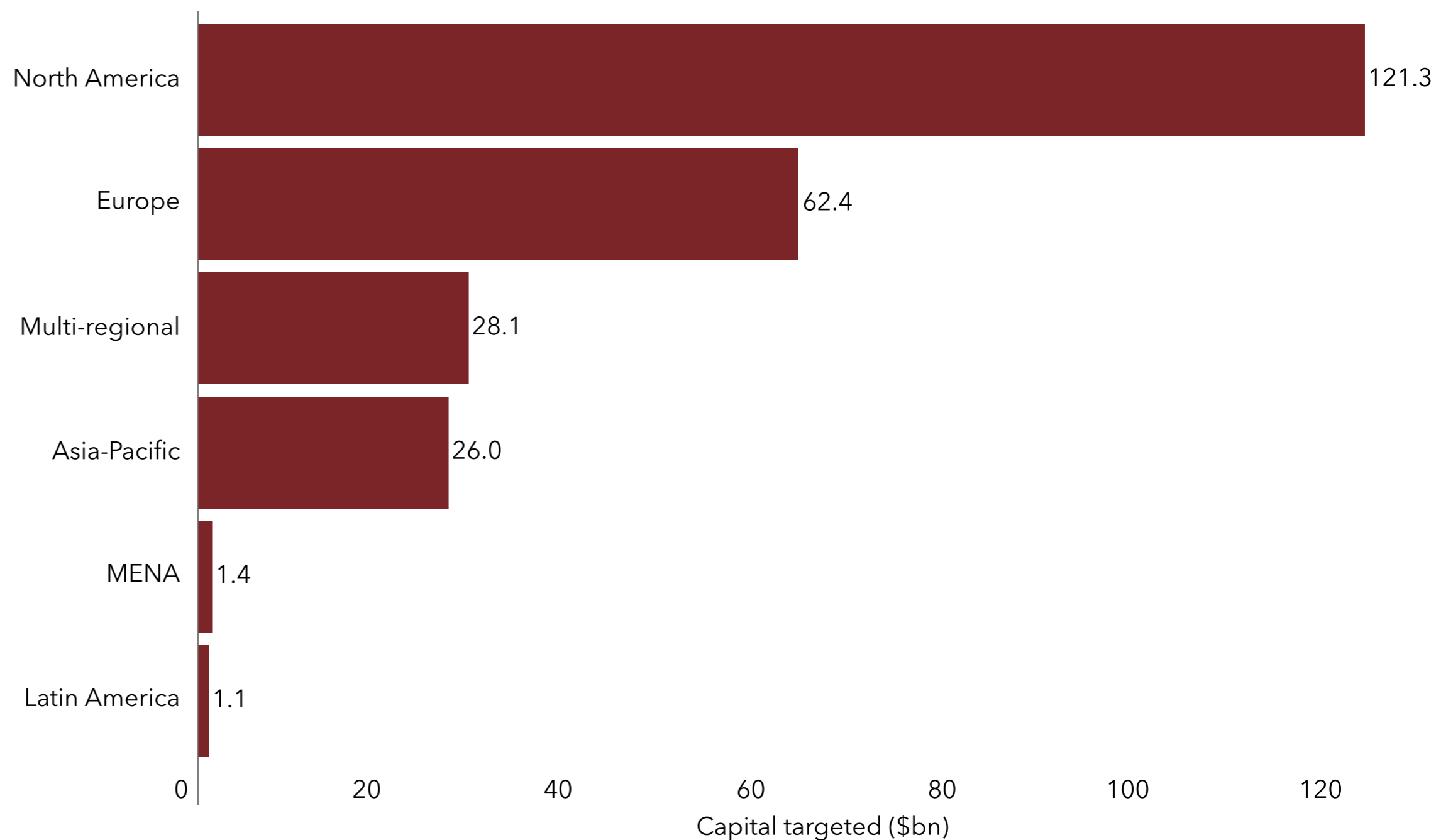
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Funds in market: Regional focus

A similar geographic trend is playing out for those funds currently in market.

Multi-regional fundraises for the remainder of the year will be slightly more than the first three quarters' total, if fundraising goals are met. However, North American funds will continue to dominate global fundraising and are expected to raise an estimated \$121.3 billion in aggregate capital by year-end.

Regional focus of funds in market



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Funds in market, Oct 1, 2020

Top 10 largest funds in market

Fund name	Fund strategy	Target size (\$bn)	Region
Starwood Global Opportunity Fund XII	Opportunity	8.0	Multi-regional
CIM Opportunity Zone Fund	Opportunity	5.0	North America
Oaktree Real Estate Opportunities Fund VIII	Opportunity	3.5	North America
Fortress Credit Opportunities Fund V Expansion	Opportunity	3.0	Multi-regional
CIM Fund IX	Opportunity	2.5	North America
AIG U.S. Real Estate Fund III	Value-Add	2.0	North America
Davidson Kempner Long-Term Distressed Opportunities Fund V	Mezzanine/Debt	2.0	Multi-regional
Partners Group Real Estate Opportunities 2019	Secondaries	2	Multi-regional
Crestline Opportunity Fund IV	Mezzanine/Debt	1.75	North America
Madison Realty Capital Debt Fund V	Mezzanine/Debt	1.75	North America

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