

23% of Private Real Estate Dry Powder Held by 10 Largest Firms Deployment of \$37bn could shape future success of industry

The 10 largest private real estate firms, based capital raised for closed-end funds in the past 10 years, have a combined \$37bn in uncalled capital the latest Preqin study revealed. Of this, around \$20bn is earmarked for investment in North America. There is a further \$121bn in dry powder available to the rest of real estate industry.

The top 10 firms have raised a combined \$163.3bn in the past 10 years – 25.7% of the total \$636.5bn raised by all private real estate firms in the period.

Other findings:

The Top 10 and Investors

- 25% of private real estate investors have invested in at least one fund managed by a top 10 firm.
- 76% of investors in funds managed by the top 10 are North America-based. 13% are based in continental Europe, 6% in Asia-Pacific and 4% in the UK.
- US public pension funds are amongst the most prolific investors in funds managed by the top 10 firms; 41% of all such investors in private real estate have invested with at least one of the top 10 firms.
- Six of the top 10 managers have funds on the road as of May 2011 – 12 vehicles are seeking a combined \$28.3bn, and of these funds, four have held an interim close.

The Top 10 and Fundraising

- The proportion of capital raised accounted for by firms in the top 10 has fluctuated from 63% in 2001 to 43% in 2008 and 17% in 2009. The top 10 have contributed 15% of capital raised 2011-to-date.
- The top 10 have raised, on average, significantly more capital than they were targeting each year except for in 2009. Funds closed an average 5% larger than anticipated in 2010, matching the 2008 figure.
- Funds managed by the top 10 firms that closed during 2010 spent an average 16.3 months in market compared to 10.3 months in 2008 and 15 months in 2009.

10 Largest Firms by Funds Raised over Last 10 Years (\$bn)

Firm	Funds Raised over Last 10 Years (\$bn)
Blackstone Group	30.1
Morgan Stanley Real Estate	23.0
Fortress Investment Group	21.0
Goldman Sachs Merchant Banking Division	18.0
Lone Star Funds	19.2
Carlyle Group	10.8
Brookfield Asset Management	10.7
Colony Capital	10.6
LaSalle Investment Management	10.6
Beacon Capital Partners	10.2

See the full report here:

[http://www.preqin.com/docs/newsletters/RE/Preqin Real Estate Spotlight JUNE 2011.pdf](http://www.preqin.com/docs/newsletters/RE/Preqin%20Real%20Estate%20Spotlight%20JUNE%202011.pdf)

Comment:

The top 10 firms manage a significant proportion of real estate capital and as such will be hugely influential on the market as a whole. These firms demonstrated the ability to consistently collect substantial amounts of capital and raise increasingly large funds while the industry enjoyed a sustained period of growth during the last decade. However, the downturn had a major impact on the real estate industry, with the performance of many private real estate funds significantly affected.

London: Equitable House, 47 King William Street, London EC4R 9AF Tel: +44 (0)20 7645 8888

New York: 230 Park Avenue, 10th floor, New York NY 10169 Tel: +1 212 808 3008

Singapore: Samsung Hub, 3 Church Street, Level 8, Singapore, 049483 Tel: +65 6408 0122

Web: www.preqin.com / info@preqin.com

As investors remain cautious, the success with which these firms deploy their large levels of uncalled capital could be crucial in their future fundraising prospects.”

Andrew Moylan – Manager, Real Estate Data

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin’s services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: www.preqin.com

Note to Editors:

- Preqin is spelled without the letter ‘U’ after the ‘Q’.

For more information on this release, please contact: Andrew Moylan: +44(0)20 7397 9430 or amoylan@preqin.com

For general press information, please contact Tim Friedman: +44 (0)20 7645 8880 or tfriedman@preqin.com