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Press Release

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North American Infrastructure Gathers Pace

2017 sees second consecutive record year for both fundraising and deal activity

The unlisted infrastructure industry in North America marked a banner year in 2017. Twenty-eight funds focused on the region secured a record $35bn in investor commitments, representing over half (54%) of total capital raised globally. Additionally, 862 deals were announced worth a reported $129bn, accounting for a third of global activity through the year. This is the second consecutive record year for North America: in 2016, 807 transactions were announced for a reported $123bn, 29% of the number of deals globally. Social infrastructure, which includes assets related to education, healthcare and government buildings, represented almost half (49%) of deals completed in the region in 2017, replacing renewable energy as the largest industry. Looking to the year ahead, there are indications that the pace of activity will continue: the highest proportion (69%) of investors globally view North America as the region which presents the best opportunities in 2018.

See the sample pages of the 2018 Preqin Global Infrastructure Report here.

Members of the press can request a complimentary copy of the report. Please email press@preqin.com for more details.

Key North America Infrastructure Facts:

- In 2017, 28 North America-focused unlisted infrastructure funds closed. **They secured a record $35bn**, accounting for 54% of global capital raised. This is up from 23 funds which raised $33bn in 2016.
- **The year also saw 862 deals announced for a reported $129bn**, surpassing 2016's record of 807 transactions worth a combined $123bn.
- In fact, **North American infrastructure deals made up a third of global transactions in 2017, an increase from 29% the year before**.
- **Social assets made up the largest proportion of the number of deals,** accounting for 49% of transactions. This is an increase from 30% of the number of deals the year before.
- **In 2016, renewable energy made up the largest proportion of deal activity**, accounting for 35% of the number of transactions. However, the sector saw its proportion of deal numbers decrease to 27% in 2017.
- **Conventional energy projects also represented a decreasing proportion of deal numbers**, down from 19% of transactions in 2016 to 11% in 2017.
- After two consecutive record-breaking years, investors continue to report a preference for North America: **69% of investors believe that North America presents the best opportunities in 2018**.

Tom Carr, Head of Real Assets Products:

"Much has been said in recent months of the proposed government roadmap for infrastructure investment in the US. With the initial framework announced, it is clear that much emphasis will be placed on private sources of capital taking the lead in producing new and renewed infrastructure assets for the country. As it stands, the infrastructure industry in the region is well-placed to respond: record fundraising and deal activity speaks to an energized fund manager universe, and sizable investor interest. This is even more evident in the formation of Blackstone Infrastructure Fund I, the largest open-ended infrastructure vehicle ever announced, which is specifically looking to target opportunities in the US which President Trump's infrastructure plan might promote.

However, there will be significant challenges involved in marrying the priorities of private sources of capital and the needs of public infrastructure projects. It is telling that deal activity in 2017 focused primarily on social and energy infrastructure, projects which are easily monetized to provide a revenue stream for investors. Other projects such as roads, bridges and tunnels are harder to make attractive for private investors, and careful attention must be paid to the financial and regulatory framework used to make these kinds of projects viable."

Preqin is the leading source of information for the alternative assets industry, providing insight and analysis gathered by its global teams of dedicated researchers. Founded in 2003, the company is a frequent source of intelligence used in the global financial press, through its online databases, regular publications and bespoke data requests.

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