

Private Equity Real Estate Fundraising Declines in Q1 2012 \$9.5bn raised by funds holding a final close, a decline on Q4 2011

Twenty-six closed-end private real estate funds reached a final close in Q1 2012, raising an aggregate \$9.5bn. This represents a decline on the \$15.8bn raised by 39 funds in Q4 2011; however, Preqin anticipates the latest quarterly figures improving slightly (10-20%) as more information becomes available, suggesting fundraising in Q1 2012 may ultimately be close to the levels seen in the first three quarters of 2011.

Q1 2012 Fundraising

Fundraising by Region – Funds with a primary focus on North America raised the most capital; 15 such funds received aggregate commitments of \$6.3bn. Seven Europe-focused funds raised \$2.0bn while four Asia and Rest of World-focused funds raised \$1.2bn.

Notable Funds Closing - Angelo, Gordon & Co raised \$1.27bn for AG Realty Fund VIII and \$1.01bn for AG Core Plus Realty Fund III. Related Companies raised \$825mn for Related Real Estate Recovery Fund while GTIS Partners raised \$810mn for GTIS Brazil Real Estate Fund II.

Interim Closes – In addition to funds holding final closes, 27 held interim closes in the quarter, raising \$7.0bn towards their fundraising targets.

Time Taken to Close Funds - Funds closed in Q1 2012 spent an average of 18.1 months in market, an increase from the 17.3 months for funds closed in 2011 and a significant increase on the average of 8.7 months that funds closed in 2007 spent in market.

Funds in Market: There are currently 449 funds in market, targeting aggregate commitments of \$166bn. The number and aggregate target of funds on the road remained steady during Q1, but the fundraising market remains extremely competitive.

Please see factsheet following this release for more data on private equity real estate fundraising.

Comment:

The \$9.5bn raised in Q1 2012 represents a decline on Q4 2011, but we anticipate the latest quarterly fundraising figures will improve by around 10-20% as more information becomes available. This would suggest that the first quarter of 2012 saw fundraising continue at the level seen during much of 2011. The number and aggregate capital raised by funds holding interim closes does suggest that there is more momentum in the fundraising market, with managers raising sufficient capital to hold closes and begin making investments.

The fundraising market remains extremely competitive, however, with almost 450 funds on the road targeting \$166bn. The aggregate target of funds on the road represents more than three times the amount of capital raised in 2011. While there have been firms achieving considerable fundraising success, there have been many others which have been forced to delay anticipated closings. Given the level of competition in the fundraising market, raising capital for private real estate funds looks set to remain challenging in the coming months.

Andrew Moylan - Manager, Real Estate Data

Note to Editors:

- Preqin is spelled without the letter 'U' after the 'Q', the company name being an amalgamation of the former name, Private Equity Intelligence.

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.



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Q1 2012 Real Estate Fundraising

April 2012

Fig. 1: Quarterly Global Closed-End Private Real Estate Fundraising, Q1 2007 - Q1 2012

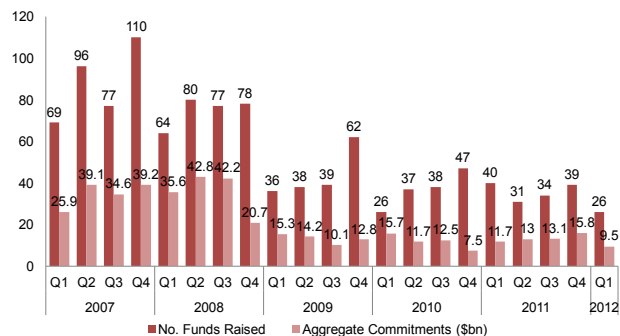
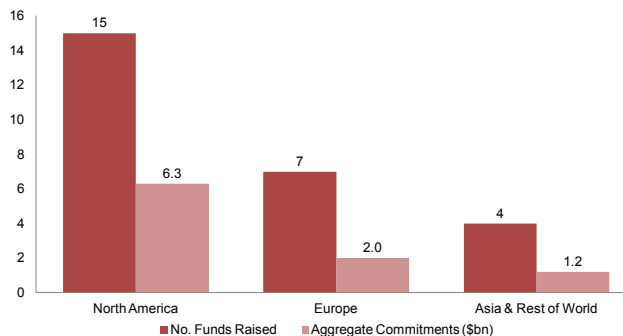


Fig. 2: Q1 2012 Closed-End Private Real Estate Fundraising by Primary Geographic Focus



Fundraising by Region

Funds with a primary focus on North America raised the most capital; 15 such funds received aggregate commitments of \$6.3bn. Seven Europe-focused funds raised \$2.0 billion while four Asia and Rest of World-focused funds raised \$1.2 billion.

Notable Funds Closing

Angelo, Gordon & Co raised \$1.27bn for AG Realty Fund VIII and \$1.01bn for AG Core Plus Realty Fund III. Related Companies raised \$825mn for Related Real Estate Recovery Fund while GTIS Partners raised \$810mn for GTIS Brazil Real Estate Fund II.

Interim Closes

In addition to funds holding final closes, 27 held interim closes in the quarter, raising \$7.0 billion towards their fundraising targets.

Time Taken to Close Funds

Funds closed in Q1 2012 spent an average of 18.1 months in market, an increase from the 17.3 months for funds closed in 2011 and a significant increase on the average of 8.7 months that funds closed in 2007 spent in market.

Funds in Market

There are currently 449 funds in market, targeting aggregate commitments of \$166bn. The number and aggregate target of funds on the road remained steady during Q1, but the fundraising market remains extremely competitive.

Fig. 3: Largest Closed-End Private Real Estate Funds to Hold a Final Close in Q1 2012

Fund	Firm	Strategy	Size (mn)	Geographic Focus
AG Realty Fund VIII	Angelo, Gordon & Co	Opportunistic, Debt	1,265 USD	North America, Europe, Asia
AG Core Plus Realty Fund III	Angelo, Gordon & Co	Core-Plus, Debt	1,010 USD	North America, Europe, Asia
Related Real Estate Recovery Fund	Related Companies	Opportunistic, Debt, Distressed	825 USD	US
GTIS Brazil Real Estate Fund II	GTIS Partners	Opportunistic	810 USD	Brazil
Development Venture III	AXA Real Estate	Opportunistic	589 EUR	West Europe
U.S. Real Estate Partners	AllianceBernstein	Opportunistic, Debt, Distressed	680 USD	US
Curzon Capital Partners III	Tristan Capital Partners	Core-Plus, Value Added	420 EUR	Europe
Cornerstone Real Estate Fund VIII	Cornerstone Real Estate Advisers	Value Added	546 USD	US
Artemis Real Estate Partners I	Artemis Real Estate Partners	Opportunistic, Debt, Distressed	436 USD	US
Paramount Group Real Estate Fund V	Paramount Group	Core-Plus	400 USD	US

Fig. 4: Average Time Taken for Closed-End Private Real Estate Funds to Achieve a Final Close by Year of Fund Close

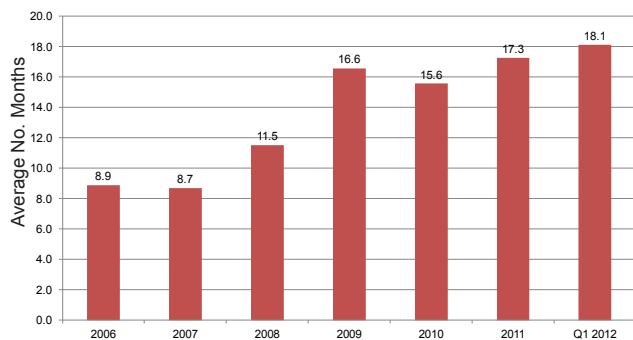
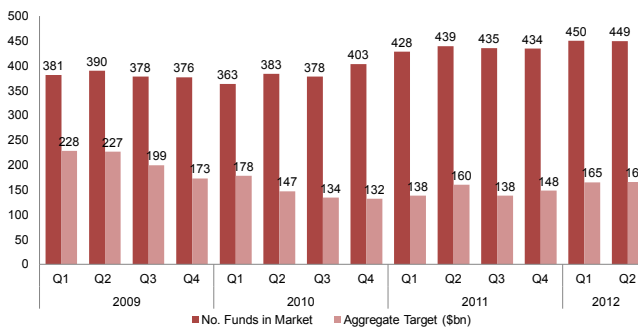


Fig. 5: Closed-End Private Real Estate Funds on the Road over Time, Q1 2009 - Q2 2012



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