

2017 Posts Record Real Estate Deal Value

While deal activity in North America slows, Europe sees record levels

Private equity real estate firms announced 5,191 deals in 2017, worth a combined \$287bn. Although the number of deals announced remains on par with 2016, 2017 saw a 9% increase in aggregate deal value, pushing the year to a record high. North America was the only region to see declining deal levels, accounting for a falling proportion of global deal activity since 2012. The region recorded 3,696 deals in 2016 worth \$171bn which fell to 3,489 transactions worth \$155bn. Europe, meanwhile, has seen its proportion of global deal activity grow, and saw record deal activity in 2017, with 1,459 deals worth a total of \$89bn. This represents a 13% increase in the number of deals, and a 33% increase in deal value compared to 2016. Although Asia recorded 77 deals, similar to the level seen the previous year, aggregate deal value doubled, reaching \$28bn. The increase pushed the region to represent 10% of total value, while accounting for just 1% of deals globally.

See the sample pages of the 2018 Preqin Global Real Estate Report [here](#).

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

Key Private Equity Real Estate Deals Facts:

- **2017 saw 5,191 private equity real estate deals announced for a combined \$287bn, the highest annual total on record.** This surpasses the previous record of 5,221 transactions worth \$263 in 2016.
- **North America continues to account for the majority of deal activity**, with 3,489 deals announced, representing two-thirds of global transactions 54% of total deal value in 2017.
- However, **North America's proportion of global deals and aggregate value has declined from 81% and 72% respectively in 2012.**
- Meanwhile **Europe's proportion of global deal activity has grown**, and represents 28% of transactions and 31% of total deal value in 2017.
- Additionally, **the real estate industry in Europe has seen record deal activity in 2017**, with 1,459 deals announced worth \$89bn. This surpasses Europe's previous record of 1,289 deals worth \$67bn in 2016.
- The real estate industry in Asia saw **aggregate deal value double to \$28bn** through 77 transactions, driving the region to represent just 1% of deals globally, but 10% of total value.

Oliver Senchal, Head of Real Estate Products:

"Despite sluggish deal activity in the beginning of the year, levels picked up in H2, driving 2017 to be a banner year for the private equity real estate deal industry. The year saw 5,191 transactions announced, worth a record \$287bn, surpassing the previous record of \$263bn reached in 2016. Despite the number of transactions remaining relatively stable over the years and concerns surrounding pricing, the quarter of a trillion dollars available to fund managers has pushed investment volume to new highs.

North America accounts for the largest part of the slowdown in the number of deals, and was the only region which saw declines in both number of transactions and deal value compared to 2016. Although UK deal activity slowed in the immediate wake of the UK-EU referendum in 2016, deal levels in Europe nonetheless bounced back, seeing record investment activity in 2017. Furthermore, real estate activity in Europe centred around UK and German assets, which accounted for 28% and 29% of European transactions respectively."

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