

Latin American Private Real Estate Fund Market Set for Huge Growth

14 Latin America-focused private real estate funds actively seek a record \$3.8bn; domestic managers overtake multinationals to dominate fundraising market

Preqin data shows a record number of private real estate funds focusing on Latin America are currently in market, targeting an aggregate \$3.8bn in investor commitments, as fund managers increasingly see more opportunities in the region.

Investor appetite for the region is also strong, with 2012 a record year for Latin America-focused private real estate fundraising. Eight funds reached a final close in 2012 having secured an aggregate \$3.4bn in investor capital.

Other Key Findings:

- Latin America-focused private real estate funds accounted for 5% of aggregate capital secured by real estate funds closed globally in 2012, up from 2% in 2007.
- Domestic firms are becoming increasingly prominent in the region. Latin America-headquartered firms accounted for 52% of capital raised by Latin America-focused real estate funds closed in 2011-2012, compared to just 17% for funds closed in 2009-2010.
- PLA Residential Fund III, managed by Pramerica Real Estate Investors, is the largest Latin America-focused fund to close in the period 2008-2013 YTD, securing \$869mn in investor capital.
- Brazil is the country most commonly targeted by private real estate managers. Of the \$9.3bn raised by Latin America-focused private real estate funds in the period 2009-2013 YTD, \$6.4bn was raised by 17 Brazil-focused funds.
- 6 Mexico-focused funds closed between 2009 and 2013 YTD securing an aggregate \$1.2bn, while six pan-Latin America-focused funds closed having raised \$1.7bn.
- \$2.5bn is currently being targeted by 7 Brazil-focused real estate funds in market, accounting for 66% of total capital sought by Latin America-focused real estate funds on the road.
- 5 Columbia-focused funds are currently in market looking to secure \$600mn in investor commitments.
- TFI-Hines Brazil Income Real Estate Fund and Tishman Speyer Brazil Fund III are the largest Latin America-focused funds currently in market, both seeking \$500mn.

For more information and analysis, please see

http://www.preqin.com/docs/newsletters/RE/Preqin_Real_Estate_Spotlight_August_2013.pdf

Comment:

“There are encouraging signs for private real estate fundraising in Latin America, with a record number of funds on the road seeking capital for investment in the region. With 2012 the strongest year in terms of capital raised to invest in Latin America, the region accounts for a small but growing proportion of all private equity real estate fundraising globally. More managers headquartered in the region are raising funds, reflecting the growing maturity of the private real estate fund industry in the region. The flow of fresh capital is likely to lead to more opportunities for developers to undertake large-scale development projects in key growth markets such as Brazil in coming years”.

Andrew Moylan – Head of Real Assets Products, Preqin

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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