

## Private Equity Real Estate Fundraising Improves Significantly in Q2 2013

**The \$17.3bn raised by funds that closed in Q2 2013 is more than double the \$6.0bn raised in Q1 2013**

Thirty-three closed-end private real estate funds held final closes in Q2 2013, raising an aggregate \$17.3bn, a 188% increase on the \$6.0bn raised in Q1 2013. Preqin anticipates the latest quarterly figures improving slightly (10-20%) as more information becomes available.

### Other Key Findings:

- **Fundraising by Region:** Funds with a primary focus on North America raised the most capital; 26 such funds received aggregate commitments of \$15.3bn. Three Europe-focused funds raised \$0.8bn, while four Asia-focused funds also raised \$1.2bn.
- **Notable Funds Closing in Q2 2013:** Lone Star Funds raised \$5bn for Lone Star Fund VIII, the largest fund to close in the quarter, while Starwood Capital Group raised \$4.2bn for Starwood Distressed Opportunity Fund IX.
- **Interim Closes:** In addition to funds holding final closes, 51 vehicles held interim closes in the quarter, raising \$16.1bn towards their fundraising targets.
- **Time Taken to Close Funds:** Funds that closed in H1 2013 spent an average of 18.7 months in market, a small decrease from the average of 19.2 months taken by funds that closed in 2012, and a significant increase on the average of 9.2 months that funds closed in 2007 spent in market.
- **Funds in Market:** There are currently 446 private real estate funds in market, targeting aggregate commitments of \$168bn. Though the number of funds in market has increased by only 12 vehicles from the previous quarter, the aggregate target of funds on the road has increased by \$12bn.
- **Investors:** 53% of private real estate investors plan to make commitments to the asset class in 2013, compared to 36% of investors which intended to make real estate investments in 2012 when interviewed in December 2011.

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

### Comment:

"Q2 2013 has seen increasing momentum in the private equity real estate fundraising market, with the capital raised in the quarter increasing by 188% compared to Q1 2013. Fifty-one funds held interim closes in the quarter, garnering \$16.1bn towards their equity targets, another positive sign for the fundraising market. Although fundraising is still a lengthy process, funds that closed in H1 2013 spent an average of 18.7 months in market, a decrease from the average of 19.2 months taken by funds that closed in 2012, and investor appetite for the asset class continues to improve. However, the fundraising market remains extremely competitive; the aggregate target of funds on the road has increased by \$12bn from \$156bn at the start of Q2 2013 to \$168bn at the start of Q3 2013.

### Forena Akthar – 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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# Q2 2013 Real Estate Fundraising

July 2013

Fig. 1: Quarterly Closed-End Private Real Estate Fundraising, Q1 2008 - Q2 2013

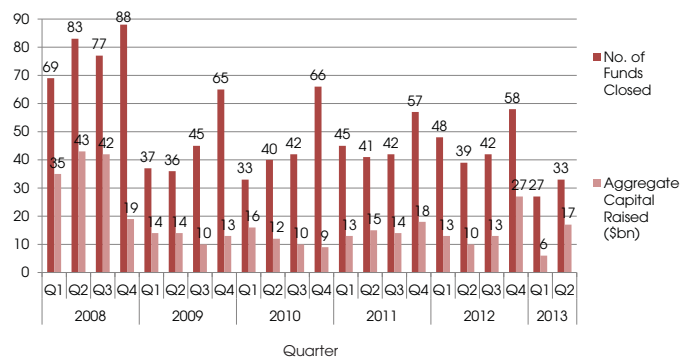


Fig. 3: Closed-End Private Real Estate Funds in Market, Q1 2009 - Q3 2013

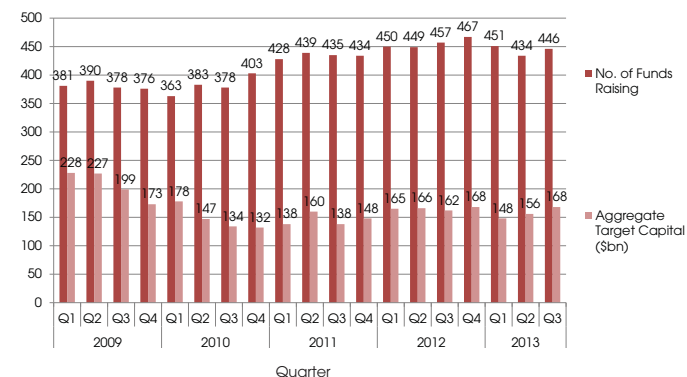


Fig. 5: Largest Closed-End Private Real Estate Funds to Hold a Final Close in Q2 2013

Fund	Firm	Strategy	Size (mn)	Geographic Focus
Lone Star Fund VIII	Lone Star Funds	Debt, Distressed, Opportunistic	5,000 USD	US, Europe, Japan
Starwood Distressed Opportunity Fund IX	Starwood Capital Group	Debt, Distressed, Opportunistic	4,200 USD	US, Europe, India, Brazil
TA Realty Associates X	TA Associates Realty	Core-Plus, Value Added	1,562 USD	US
Kayne Anderson Real Estate Partners III	Kayne Anderson Capital Advisors	Opportunistic	750 USD	US
Tishman Speyer Real Estate Venture VIII	Tishman Speyer	Value Added	700 USD	US
CITIC Capital China Retail Properties Investment Fund	CITIC Capital	Value Added	683 USD	China
LaSalle Income & Growth VI	LaSalle Investment Management	Value Added	362 USD	US
Pramerica Real Estate Capital III	Pramerica Real Estate Investors	Debt	260 EUR	Europe
Edge Principal Investments II	Edge Principal Advisors	Opportunistic	298 USD	US
Kennedy Wilson Real Estate Fund IV	Kennedy Wilson	Distressed, Opportunistic, Value Added	257 USD	US

Fig. 2: Closed-End Private Real Estate Fundraising in Q2 2013 by Fund Primary Geographic Focus

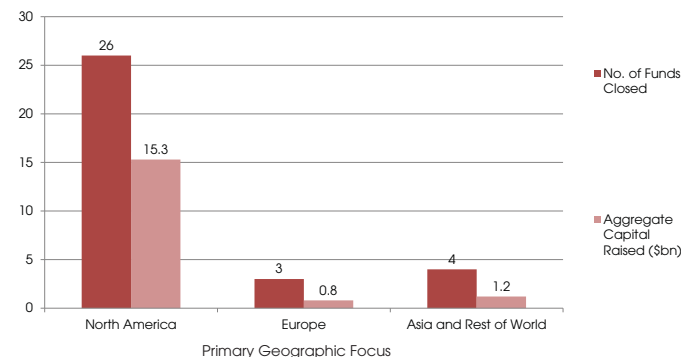
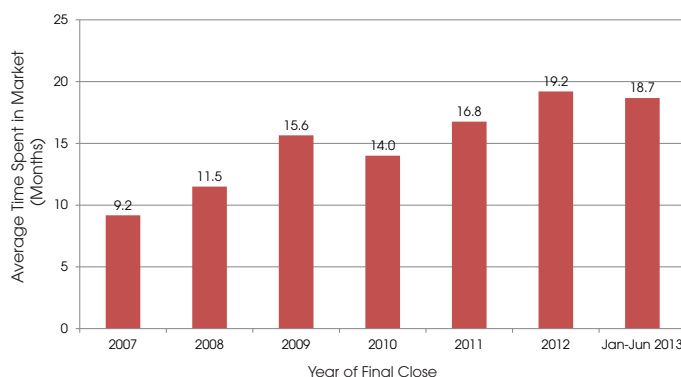


Fig. 4: Average Time Taken for Closed-End Private Real Estate Funds to Achieve a Final Close by Year of Fund Close



## Fundraising by Region

Funds with a primary focus on North America raised the most capital; 26 such funds received aggregate commitments of \$15.3bn. Three Europe-focused funds raised \$0.8bn, while four Asia-focused funds also raised \$1.2bn.

## Notable Funds Closing in Q1 2013

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## Interim Closes

In addition to funds holding final closes, 51 vehicles held interim closes in the quarter, raising \$16.1bn towards their fundraising targets.

## Time Taken to Close Funds

Funds that closed in H1 2013 spent an average of 18.7 months in market, a small decrease from the average of 19.2 months taken by funds that closed in 2012, and a significant increase on the average of 9.2 months that funds closed in 2007 spent in market.

## Funds in Market

There are currently 446 private real estate funds in market, targeting aggregate commitments of \$168bn. Though the number of funds in market has increased by only 12 vehicles from the previous quarter, the aggregate target of funds on the road has increased by \$12bn.

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