

## Private Equity Real Estate Fundraising Reaches Highest Quarterly Total Since Q3 2008

### Q4 2012 is the most successful quarter for private real estate fundraising since Q3 2008 when \$42.9bn was raised

Twenty-eight closed-end real estate funds held final closes in Q4 2012, raising an aggregate \$22.6bn; this is a significant increase on the \$10.7bn raised in Q3 2012. Much of this increase can be attributed to the final close of the \$13.3bn Blackstone Real Estate Partners VII during the quarter.

Funds holding a final close in 2012 raised an aggregate \$54.4bn, a small decrease on the \$56.3bn raised in 2011. Preqin anticipates the latest figures increasing slightly (10-20%) as more information becomes available, and it is likely that the figure for 2012 will exceed the total from 2011.

#### Other Key Findings:

- **Fundraising by Region:** Funds with a primary focus on North America raised the most capital in Q4 2012; 12 funds targeting the region received an aggregate \$17.9bn in capital commitments. Ten Europe-focused funds raised \$1.8bn and two Asia-focused funds also raised \$1.8bn; three funds investing elsewhere raised \$1.0bn.
- **Notable Funds Closing in Q4 2012:** In addition to the \$13.3bn raised by Blackstone Real Estate Partners VII, Westbrook Partners raised \$1.6bn for Westbrook Real Estate Fund IX, Fortress Investment Group raised ¥130bn for Fortress Japan Opportunity Fund II, and CBRE Global Investors raised \$1.1bn for CBRE Strategic Partners US Value 6.
- **Interim Closes:** In addition to funds holding final closes, 35 funds held interim closes in Q4 2012, raising \$4.7bn towards their fundraising targets.
- **Time Taken to Close Funds:** Funds that closed in 2012 spent an average of 17.5 months in market, an increase from the average of 16.8 months taken to fundraise by funds closed in 2011 and a significant increase on the average of 9.0 months that funds closed in 2007 spent in market.
- **Funds in Market:** There are currently 451 funds in market targeting an aggregate \$148bn. While the number and aggregate target of funds in market fell during Q4 2012, the fundraising market remains crowded and very competitive.

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

#### Comment:

“2012 was another challenging year for private real estate fundraising, with \$54.4bn raised by funds that closed during the year. While there were some notable fundraising successes, including the final close of the largest ever closed-end real estate fund, it remained difficult to raise capital. Fundraising is also an increasingly long process, with funds closing in 2012 spending an average of almost 18 months in market.

There are some encouraging signs for 2013, with 53% of investors planning to make new commitments in the coming year, up from 36% in January 2012. Despite this increase in investor appetite, there will still not be enough capital available for all 451 funds on the road to raise their target amounts of capital successfully, and it will remain extremely difficult for those managers seeking to raise real estate funds in 2013 to stand out from the crowd.”

#### Andrew Moylan – Manager, Real Estate Data

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#### 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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For more information, please contact: Andrew Moylan +44 (0)20 7397 9430 or [amoylan@preqin.com](mailto:amoylan@preqin.com)  
For general press information, please contact: Helen Kenyon +44 (0)20 7645 8880 or [press@preqin.com](mailto:press@preqin.com)

# Q4 2012 Real Estate Fundraising

January 2013

Fig. 1: Quarterly Global Closed-End Private Real Estate Fundraising, Q1 2007 - Q4 2012

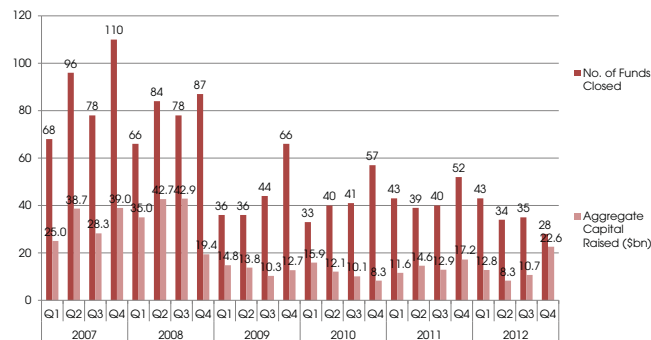


Fig. 3: Closed-End Private Real Estate Funds on the Road over Time, Q1 2009 - Q1 2013

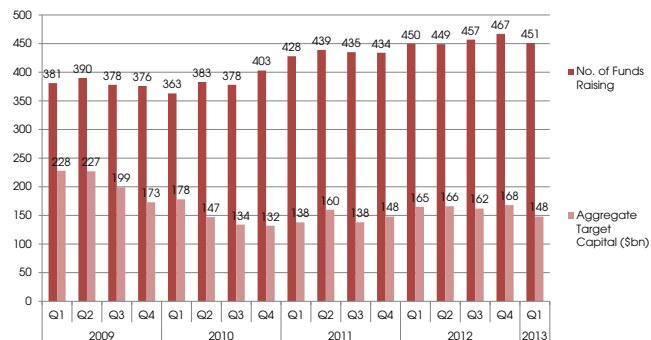


Fig. 5: Largest Closed-End Private Real Estate Funds to Hold a Final Close in Q4 2012

Fund	Firm	Strategy	Size (mn)	Geographic Focus
Blackstone Real Estate Partners VII	Blackstone Group	Opportunistic	13,300 USD	North America, Global
Westbrook Real Estate Fund IX	Westbrook Partners	Value Added	1,589 USD	US, UK, France, Japan
Fortress Japan Opportunity Fund II	Fortress Investment Group	Debt	130,000 JPY	Japan
CBRE Strategic Partners US Value 6	CBRE Global Investors	Value Added	1,100 USD	US
Almanac Realty Securities VI	Almanac Realty Investors	Value Added	819 USD	US
CFSGAM Property Enhanced Retail Fund	Colonial First State Global Asset Management Property	Core, Core-Plus	600 AUD	Australia
Rockspring TransEuropean Property V	Rockspring Property Investment Managers	Core, Core-Plus, Distressed, Value Added	350 EUR	Europe
Davis Investment Ventures Fund II	Davis Companies	Distressed, Opportunistic, Value Added	414 USD	Northeast US
Next Estate Income Fund	BNP Paribas Real Estate Investment Services	Core	230 EUR	Europe
Actis Africa Real Estate Fund 2	Actis	Opportunistic	278 USD	Sub-Saharan Africa

Fig. 2: Q4 2012 Closed-End Private Real Estate Fundraising by Primary Geographic Focus

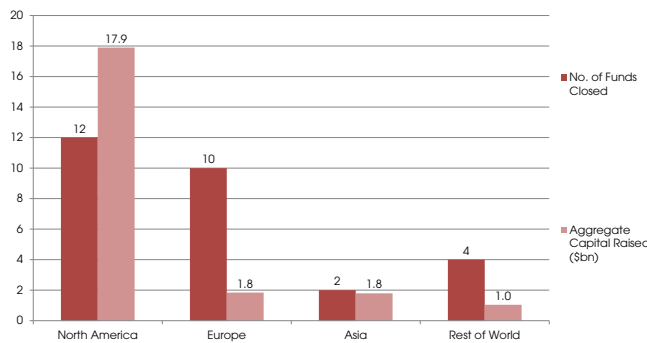
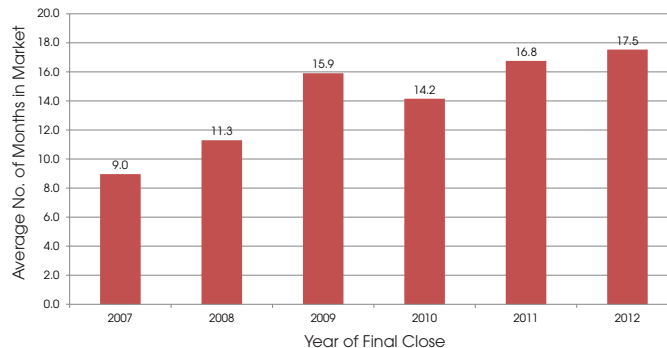


Fig. 4: Average Time Taken for Closed-End Private Real Estate Funds to Achieve a Final Close by Year of Fund Close



## Fundraising by Region

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## Notable Funds Closing in Q4 2012

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## Interim Closes

In addition to funds holding final closes, 35 funds held interim closes in Q4 2012, raising \$4.7bn towards their fundraising targets.

## Time Taken to Close Funds

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## Funds in Market

There are currently 451 funds in market targeting an aggregate \$148bn. While the number and aggregate target of funds in market fell during Q4 2012, the fundraising market remains crowded and very competitive.

Fig. 6: Largest Closed-End Private Real Estate Funds to Hold a Final Close in 2012

Fund	Firm	Strategy	Size (mn)	Geographic Focus
Blackstone Real Estate Partners VII	Blackstone Group	Opportunistic	13,300 USD	North America, Global
Westbrook Real Estate Fund IX	Westbrook Partners	Value Added	1,589 USD	US, UK, France, Japan
Fortress Japan Opportunity Fund II	Fortress Investment Group	Debt	130,000 JPY	Japan
AG Realty Fund VIII	Angelo, Gordon & Co	Debt, Opportunistic	1,265 USD	North America, Europe, Asia
Patron Capital Fund IV	Patron Capital	Distressed, Opportunistic	880 EUR	UK, West Europe
CBRE Strategic Partners US Value 6	CBRE Global Investors	Value Added	1,100 USD	US
AG Core Plus Realty Fund III	Angelo, Gordon & Co	Core-Plus, Debt	1,014 USD	North America, Europe, Asia
CapitaMalls China Development Fund III	CapitaLand	Opportunistic	1,000 USD	China
Niam Nordic V	Niam	Opportunistic	719 EUR	Nordic
Related Real Estate Recovery Fund	Related Companies	Debt, Distressed, Opportunistic	825 USD	US



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