

This report is an excerpt from: **Preqin Quarterly: Real Estate, Q3 2012**. To download the full report please visit: https://www.preqin.com/docs/quarterly/RE/Real_Estate_Quarterly_Q3_2012.pdf

Fundraising Overview

Twenty-six closed-end private real estate funds reached a final close in Q3 2012, garnering \$9bn in capital commitments from investors. Although the number of funds reaching a final close in Q3 2012 was down compared to the previous quarter, the aggregate capital raised was a slight increase on the \$8.3bn raised in Q2 2012. The amount of capital secured by closed-end real estate funds in Q3 2012 was considerably lower than Q3 2011, when 39 private real estate funds closed on an aggregate \$13.1bn.

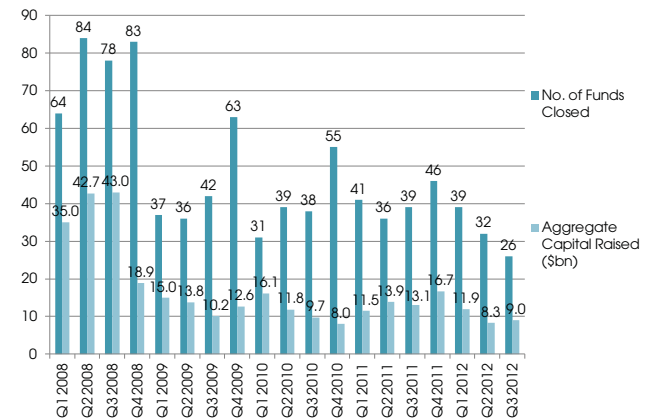
The average time spent on the road by real estate funds that closed between 2007 and September 2012 is shown in Fig. 14. Funds that closed in Q3 2012 spent an average of 17.0 months in market, a small decrease from the 18.6 months for funds that closed in H1 2012. Private real estate funds that reached a final close in 2010 spent an average of 14.4 months in market compared to funds closing in 2008 and 2009, which spent an average of 11.5 and 16.3 months in market respectively. Although fundraising conditions remain extremely challenging and competitive, funds that closed in Q3 2012 spent less time in market on average than those in the first half of the year.

The average length of time taken for a private real estate fund to reach a final close gives an insight into the overall conditions of the current fundraising market, as well as providing an indication of investor appetite for the asset class. Fig. 15 illustrates the breakdown of time spent on the road by funds that closed in Q3 2012. Six percent of funds did so having spent just six months or less in market, while 22% achieved a final close within 7-12 months. Thirty-nine percent of funds closed after spending 13-18 months in market, compared to 22% of funds that closed after spending 19-24 months on the road. Eleven percent of funds spent 25 or more months on the road.

Although it did not close during the quarter, the final close of Blackstone Real Estate Partners VII at the start of Q4 2012 is a positive sign for the real estate fundraising market going into the final part of the year. The fund closed on \$13.3bn on 10 October 2012, becoming the largest private unlisted real estate fund ever closed.

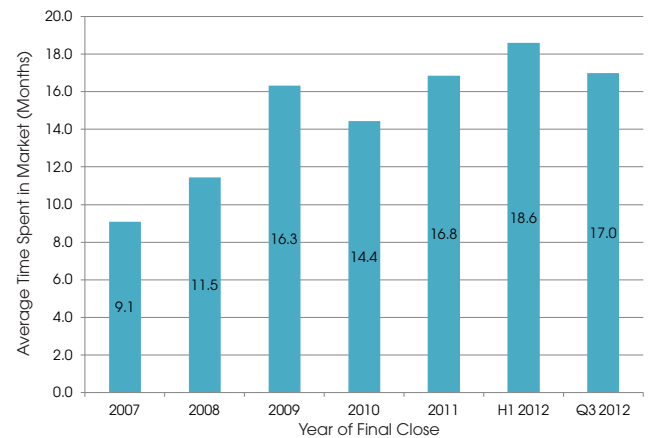
Preqin's Real Estate Online product features detailed information on over 2,500 real estate funds that have reached a final close. Want to know how the market has evolved over the years? We can help. For more information, or to register for a demo, please visit: www.preqin.com/reo

Fig. 13: Quarterly Global Closed-End Private Real Estate Fundraising, Q1 2008 - Q3 2012



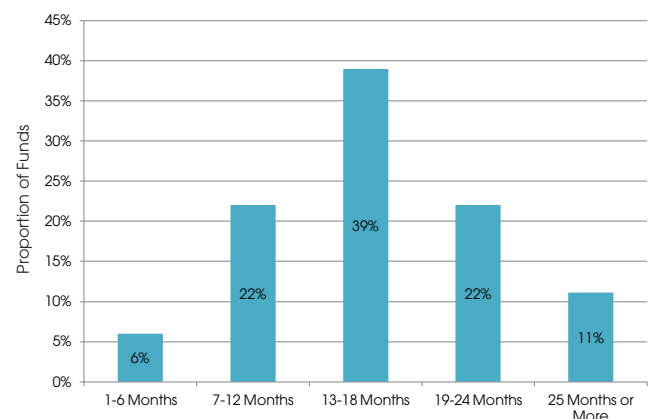
Source: Preqin Real Estate Online

Fig. 14: Average Time Taken for Closed-End Private Real Estate Funds to Achieve a Final Close by Year of Fund Close



Source: Preqin Real Estate Online

Fig. 15: Breakdown of Time Spent on the Road by Funds Closed in Q3 2012



Source: Preqin Real Estate Online