

This report is an excerpt from: **Prequin Quarterly: Real Estate, Q3 2012**. To download the full report please visit: [https://www.prequin.com/docs/quarterly/RE/Real Estate Quarterly Q3 2012.pdf](https://www.prequin.com/docs/quarterly/RE/Real_Estate_Quarterly_Q3_2012.pdf)

Funds on the Road Overview

As of October 2012, there are 467 funds in market targeting an aggregate \$155bn. The number of funds that are in market at the start of Q4 2012 is a slight increase compared to the previous quarter, and continues the slow increase in funds on the road since the start of the year. The aggregate target of funds in market decreased by \$7bn during Q3 2012.

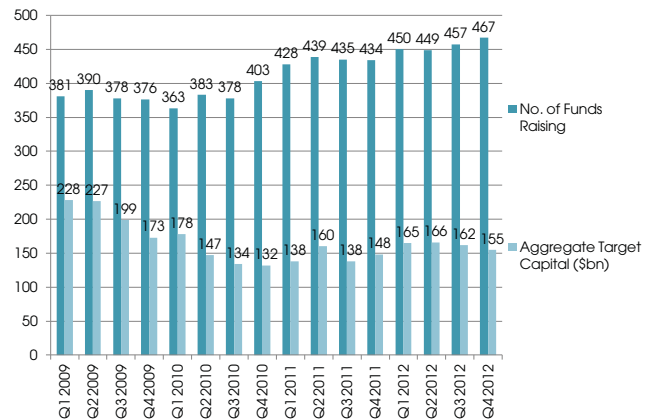
Since Q1 2009, the number of funds in market has increased from 381 to 467; however, the aggregate target of funds on the road has fallen considerably from \$228bn to \$155bn. This marks a sizeable drop in average fund size for real estate funds on the road, and demonstrates the caution fund managers have about going to market with ambitious target sizes in the current fundraising climate. The period from Q1 2009 to Q3 2010 saw the number of funds in market remain steady, before increasing to 403 funds in Q4 2010. The fourth quarter of 2010 saw the aggregate target dip to \$132bn, its lowest level since Q1 2009. Since Q4 2010 there has been a gradual upward trend in the number of funds in market, peaking at 467 in October 2012.

Of the 467 funds currently in market, 263 have a primary focus on North America and are currently targeting an aggregate \$82.6bn. Europe-focused funds account for the next largest number of funds in market, with 121 funds, up from 108 funds in Q3, targeting \$44.5bn. Orion European Real Estate Fund IV, managed by Orion Capital Managers, is currently the largest Europe-focused fund in the market, and is targeting €1.3bn. The fund will adopt an opportunistic strategy and will focus on properties throughout Western Europe.

The remaining 83 funds in market are focused on Asia and Rest of World, with 59 focused on Asia and 24 focused on Rest of World; they are targeting \$19.7bn and \$8.1bn respectively. The largest fund targeting Asia is Fortress Japan Opportunity Fund II, which will pursue a debt strategy and is targeting ¥100bn. The largest fund targeting Rest of World is Dubai Real Estate Fund, managed by Brookfield Asset Management; it is an opportunistic and value added fund targeting \$1bn.

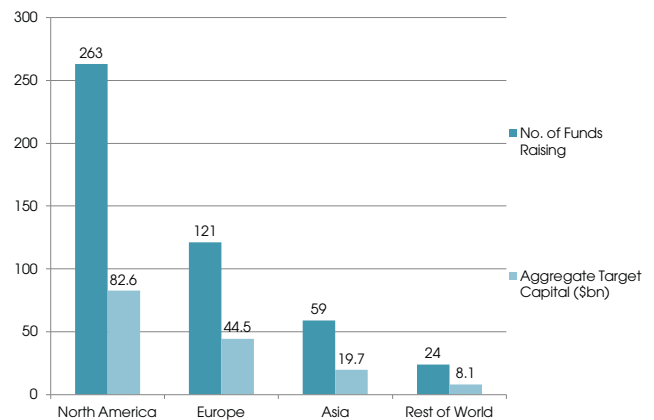
**Although it was on the road at the beginning of Q4 2012, Blackstone Real Estate Partners VII reached a \$13.3bn final close on 10th October 2012. BREP VII has not been included in Fig.20, Fig. 21 and Fig. 22.*

Fig. 20: Closed-End Private Real Estate Funds in Market over Time, Q1 2009 - Q4 2012*



Source: Prequin Real Estate Online

Fig. 21: Closed-End Private Real Estate Funds in Market by Primary Regional Focus*



Source: Prequin Real Estate Online

Prequin's Real Estate Online features in-depth information regarding the 467 private real estate funds currently in market seeking capital.

Want to see which fund strategy is the most overcrowded at the moment? We can help you identify gaps in the market. For further information, or to arrange a demo, please visit:

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Largest Funds in Market

Fig. 22: 10 Largest Closed-End Private Real Estate Funds in Market*

Fund	Firm	Target Size (mn)	Strategy	Geographic Focus
Blackstone Real Estate Debt Strategies II	Blackstone Group	4,000 USD	Debt	North America, Europe
Brookfield Strategic Real Estate Partners	Brookfield Asset Management	3,500 USD	Opportunistic	Global
Starwood Distressed Opportunity Fund IX	Starwood Capital Group	2,500 USD	Debt, Distressed and Opportunistic	Global
Rockpoint Real Estate Fund IV	Rockpoint Group	2,000 USD	Distressed and Opportunistic	North America, Europe, Asia
Walton Street Real Estate Fund VII	Walton Street Capital	2,000 USD	Opportunistic	US
Westbrook Real Estate Fund IX	Westbrook Partners	2,000 USD	Value Added	US, UK, France, Japan
Orion European Real Estate Fund IV	Orion Capital Managers	1,300 EUR	Opportunistic	West Europe
Oaktree Real Estate Opportunities Fund VI	Oaktree Capital Management	1,500 USD	Debt, Distressed and Opportunistic	US, Global
Perella Weinberg Real Estate Fund II	Perella Weinberg Partners	1,200 EUR	Opportunistic	Europe
Fortress Japan Opportunity Fund II	Fortress Investment Group	100,000 JPY	Debt	Japan

Source: Preqin Real Estate Online