

Preqin Research Report

Private Equity Real Estate: Fundraising Update

As shown in Fig. 1, Nauerez & Noell has set the largest target size for an Asia and Rest of World-focused real estate fund. NN Advanced Property Fund is seeking to raise €2 billion for an opportunistic vehicle that provides equity for developers of mixed-use towers. Its primary focus is on the Gulf region. Pacific Star Fund Management is another firm seeking to raise a substantial amount of equity for an Asian and Rest of World-based vehicle. Pacific Star Asia Fund Select has an equity target of \$2 billion and invests in a diverse portfolio of prime commercial, retail and residential properties in all major Asian markets.

Fig. 2 shows the distribution of all private equity real estate funds in market by their target size. 72% of funds are targeting less than \$500 million of equity, with these funds accounting for 35% of equity being raised by all private equity real estate funds in market. Funds targeting between \$500-999 million in equity commitments account for 20% of the vehicles in market and 29% of equity being raised. The largest funds, those targeting over \$1 billion, constitute only 8% of the funds in market, but are responsible for over 30% of all capital that is being raised by private real estate funds.

As illustrated in Fig. 3, the majority of private real estate funds are focused on North America. 198 funds in market are targeting North America, accounting for 54% of vehicles on the road and 55% of total capital being raised. Funds that have a primary focus on Asia and Rest of World, however, have the largest average target size of \$447 million, with the average target size for all vehicles on the road amounting to \$434 million.

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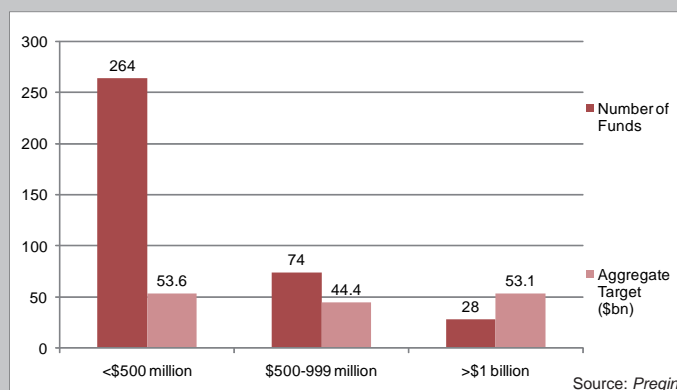
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Fig. 1: 10 Largest Asia and Rest of World Funds on the Road

Fund	Manager	Target Size (mn)	Strategy
NN Advanced Property Fund	Nauerez & Noell	2,000 EUR	Opportunistic
Pacific Star Asia Fund Select	Pacific Star Fund Management	2,000 USD	Core and Value Added
Forum Asian Realty Income III	Forum Partners	1,000 USD	Debt and Opportunistic
AG Asia Realty Fund II	Angelo, Gordon & Co	1,000 USD	Distressed and Opportunistic
CDL China Real Estate Opportunity Fund	Canada Land	1,000 USD	Distressed and Opportunistic
Trophy Property Development II	Winnington Capital	1,000 USD	Opportunistic
Fortress Japan Opportunity Fund	Fortress Investment Group	800 USD	Opportunistic
Apollo Asia Pacific Property Fund	Apollo Global Real Estate Management	750 USD	Debt and Distressed
Harvest China Real Estate Fund II	Harvest Capital Partners	750 USD	Opportunistic
ING Real Estate China Opportunity Fund II	ING Real Estate Investment Management	750 USD	Opportunistic

Source: Preqin

Fig. 2: Private Equity Real Estate Funds in Market by Target Size



Source: Preqin

Fig. 3: Private Equity Real Estate Funds on the Road

Funds on the Road				
	US	Europe	ROW	Total
Number of Funds	198	93	75	366
Aggregate Target Size (\$bn)	82	38	30	150
Average Target Size (\$mn)	431	428	447	434

Source: Preqin

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