

# PRIVATE REAL ESTATE DEBT MARKET

Using data from Preqin's **Real Estate Online**, we take a look at the real estate debt market, showcasing data on historical fundraising, funds in market, investors and top performing funds.

## KEY FACTS

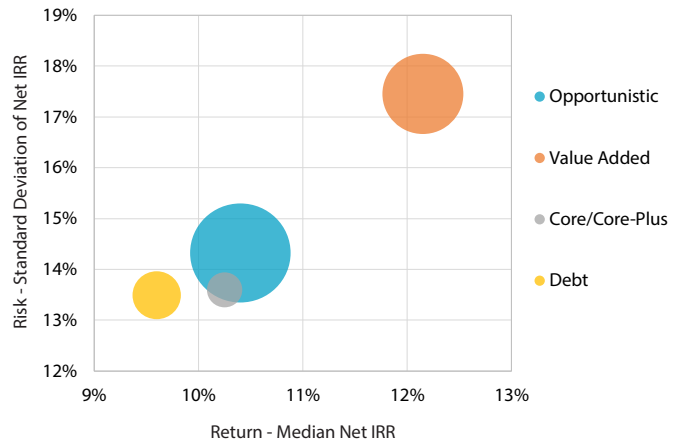


**\$37bn**  
is currently being targeted by 98 private real estate debt funds in market.



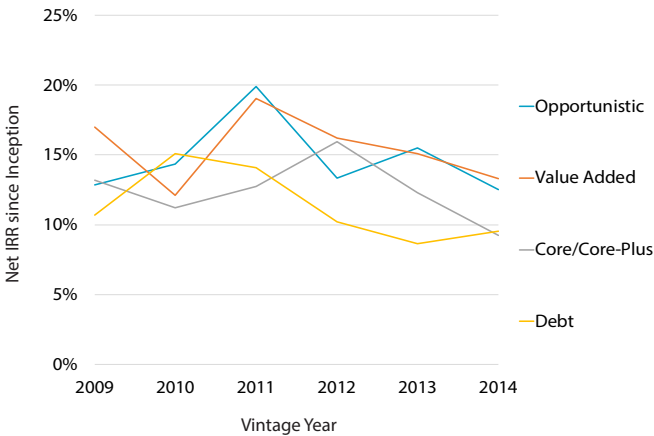
**27%**  
Over a quarter of all investor fund searches and mandates issued in Q3 2017 include plans to invest in real estate debt.

Fig. 1: Closed-End Private Real Estate: Risk/Return by Primary Strategy (All Vintages)



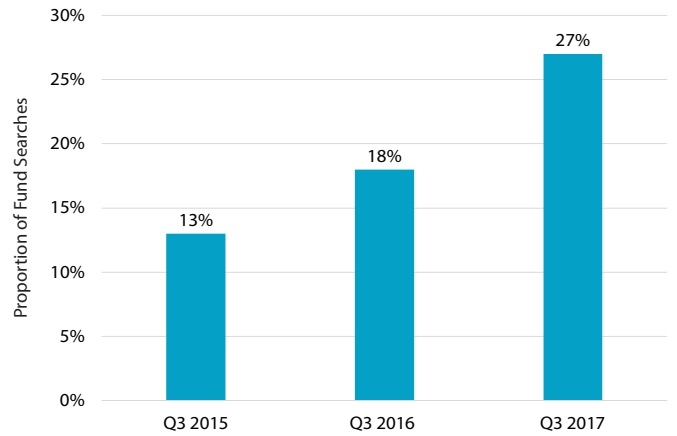
Source: Preqin Real Estate Online

Fig. 2: Closed-End Private Real Estate Funds: Median Net IRRs by Vintage Year and Strategy



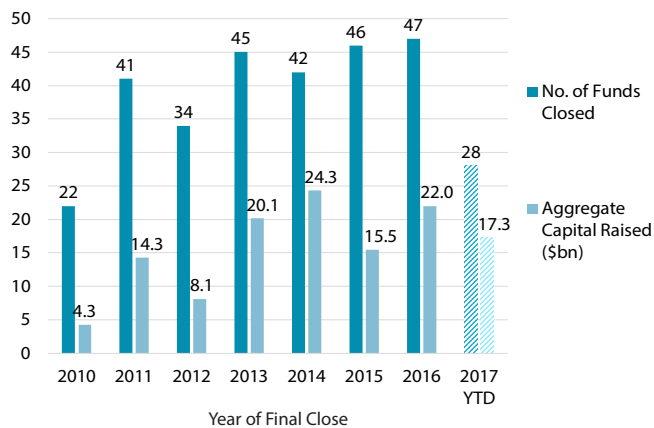
Source: Preqin Real Estate Online

Fig. 3: Investor Searches and Mandates that Include Debt Funds, Q3 2015 - Q3 2017



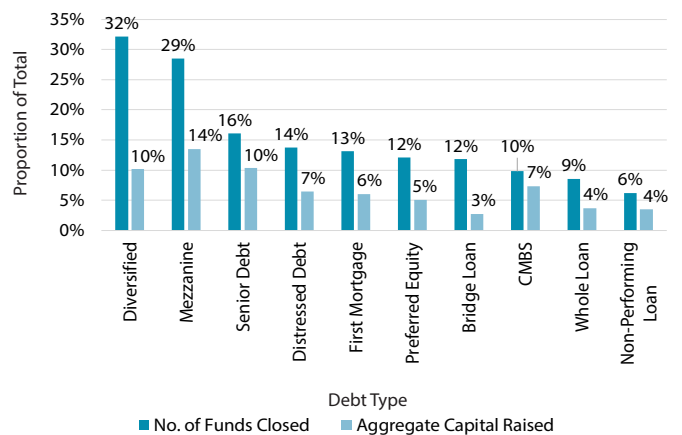
Source: Preqin Real Estate Online

Fig. 4: Closed-End Private Real Estate Debt Fundraising, 2010 - 2017 YTD (As at September 2017)



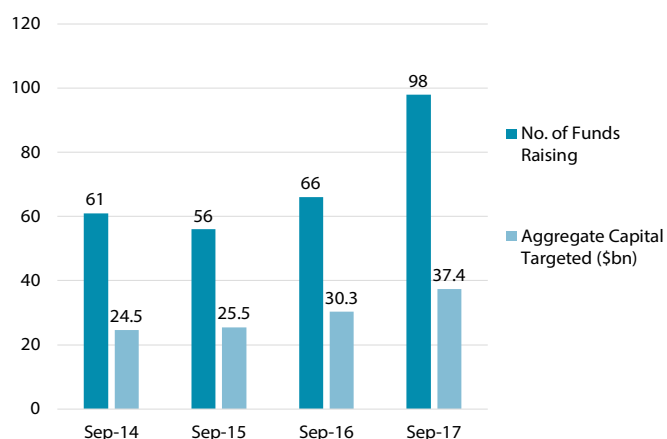
Source: Preqin Real Estate Online

Fig. 5: Closed-End Private Real Estate Debt Fundraising by Debt Type, 2010 - 2017 YTD (As at September 2017)



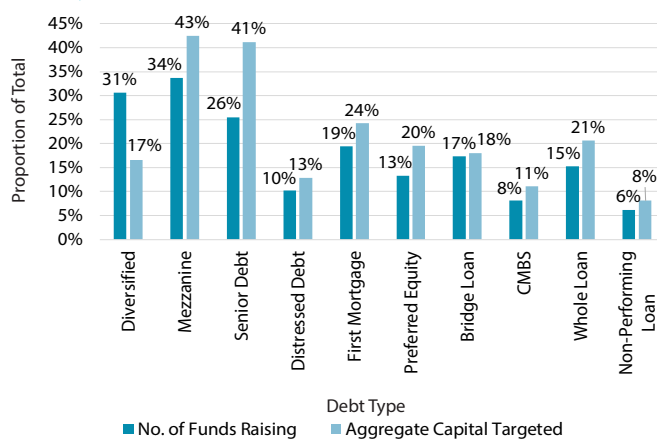
Source: Preqin Real Estate Online

**Fig. 6: Closed-End Private Real Estate Debt Funds in Market over Time, 2014 - 2017**



Source: Preqin Real Estate Online

**Fig. 7: Closed-End Private Real Estate Debt Funds in Market by Debt Type (As of September 2017)**



Source: Preqin Real Estate Online

**Fig. 8: Top Performing Closed-End Private Real Estate Debt Funds (All Vintages)**

Fund	Firm	Vintage	Fund Size (mn)	Geographic Focus	Net IRR (%)	Date Reported
Occasio CMBS Fund I	Redwood-Kairos Real Estate Partners	2008	15 USD	North America	59.8	30-Jun-17
Colony Investors I	Colony NorthStar	1991	185 USD	North America	45.8	30-Jun-17
Managed Account II	25 Capital	2010	108 USD	North America	34.2	31-Mar-17
Fir Tree Mortgage Opportunity Fund	Fir Tree Partners	2008	364 USD	North America	30.1	31-Mar-17
TerraCotta Realty Fund	TerraCotta Group	2011	100 USD	North America	29.6	31-Dec-16

Source: Preqin Real Estate Online

**Fig. 9: Sample Investor Commitments to Closed-End Private Real Estate Debt Funds**

Fund	Firm	Fund Size (mn)	Debt Type(s)	Geographic Focus	Sample Investor(s)
H/2 Special Opportunities IV	H/2 Capital Partners	1,587 USD	CMBS, Distressed Debt, Mezzanine	North America, West Europe	Arizona State Retirement System, Old Dominion University, Varma Mutual Pension Insurance Company
Brunswick Real Estate Capital II	Brunswick Real Estate	800 EUR*	Senior Debt	Nordic	Folksam, PRI Pensionsgaranti
Oaktree Real Estate Debt Fund	Oaktree Capital Management	1,112 USD	CMBS, First Mortgages, Mezzanine	Global	Chipstone Foundation, Illinois State Board of Investment
Europa Mezzanine Fund	Europa Capital	163 GBP	Mezzanine	UK	Century Tokyo Leasing Corporation
Talmage Total Return Partners	Talmage	200 USD	B-Notes, CMBS, First Mortgages, Mezzanine, Senior Debt	North America	Oregon State Treasury

\*Denotes target size.

Source: Preqin Real Estate Online

**DATA SOURCE:**

Real Estate Online is Preqin’s industry-leading real estate information resource, incorporating all of our real estate data, intelligence and functionality, providing you with the most comprehensive coverage of the asset class available.

**In Numbers: Private Real Estate Debt on Real Estate Online**

- Number of private real estate fund managers offering a debt strategy: 752
- Number of closed-end private real estate debt funds: 910
- Number of investors with a preference of investing in private real estate debt: 1,316

For more information, or to arrange a demonstration, please visit:

[www.preqin.com/realstate](http://www.preqin.com/realstate)