

Another Record Year for Private Equity Real Estate Deals

In 2018, there were a record 6,418 private equity real estate deals worth a record \$325bn

The private equity real estate deal market experienced a seventh consecutive year of record-breaking deal activity in 2018 as 6,418 deals were completed worth a total of \$325bn. Preqin expects these figures to rise by up to 5% as more information becomes available, but this already puts 2018 levels slightly above 2017 activity, when 6,406 deals were made worth an aggregate \$324bn. Growth in deal activity was not universal, though: North America was the only region to see an increase in the number of PERE transactions from 2017 – up to 4,467 from 4,343 – as Europe, Asia, and the Rest of World regions all saw slight declines.

For more information and analysis, see the full *Private Equity Real Estate Deals Data Pack* here:
<http://docs.preqin.com/data/Preqin-Real-Estate-Deals-and-Exits-February-2019-Data-Pack.xlsx>

Tom Carr, Head of Real Estate:

“2018’s private equity real estate deal activity rose past 2017 levels, marking this year as the seventh consecutive year of record-breaking activity. Exit activity was also strong, remaining on par with 2017’s record levels. Deal activity outpacing exit activity would seem to be an indication that fund managers are looking to invest in new property more than they are looking to sell. However, in recent years, the gap between deal and exit levels has closed, an indication that fund managers have been able to take advantage of a favourable exit environment to disburse their investments. Real estate may once have been seen as a buy-and-hold strategy – this is no longer the case.”

Key Private Equity Real Estate Deals Facts:

- **In 2018, there were 6,418 private equity real estate deals worth a record \$325bn.** This represented a record in terms of number of transactions completed, as well as amount of capital invested.
- **North America represented the bulk of deal activity:** 4,539 deals were recorded in the region worth \$209bn. Another 1,658 deals were recorded in Europe for \$93bn, and 77 deals in Asia for \$14bn.
- **Transactions for office property continued to represent the largest portion of activity,** with 1,677 deals worth \$118bn.
- For the first time, **the number of industrial deals outpaced retail deals:** in 2018, there were 908 transactions for industrial property, compared to 839 retail deals.
- **Smaller deals accounted for the largest number of real estate transactions recorded,** with 2018 seeing 2,598 deals of less than \$50mn.
- Exit activity remained on par with 2017 levels, with **2018 recording 3,912 exits for a total of \$230bn.**

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Preqin’s data and analysis is frequently presented at industry conferences, and is used in the global financial press and academic journals & white papers. We are always happy to support journalists by providing reports, custom data and one-on-one interviews.

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