

Real Estate Fundraising Sets New Records in 2019

Capital totals passed \$150bn for the first time, and a record number of new funds launched

Annual real estate fundraising exceeded \$150bn for the first time in 2019, as funds closed through the year secured a collective \$151bn. While impressive amounts of capital were raised, the number of vehicles reaching a final close declined sharply. In 2019, only 295 funds closed, which means funds are getting larger – the average size of funds reached \$625mn. Fund managers have capitalized on that success, bringing a record number of funds to market. At the start of 2020, there are 918 real estate vehicles seeking a total of \$281bn from investors.

But even as fundraising has hit new highs, dealmaking has stuttered. The year saw substantial activity, with 9,300 deals announced worth a combined \$410bn. But this does not match the record year seen in 2018, when almost 9,800 deals were recorded with a total value of \$457bn. In a positive sign for fund managers, they did manage to deploy significant amounts of capital, and dry powder actually decreased slightly from \$331bn at the end of 2018 to \$319bn a year later.

For more information, see the full [2019 Real Estate Roundup Factsheet](https://docs.preqin.com/reports/2019-Real-Estate-Fundraising-Deals-Update.pdf) here: <https://docs.preqin.com/reports/2019-Real-Estate-Fundraising-Deals-Update.pdf>

The forthcoming [2020 Preqin Global Real Estate Report](#) is the most comprehensive breakdown of the global industry. To pre-order your complimentary media copy, please email us at press@preqin.com.

Justin Hall, Head of Real Estate:

“Real estate fundraising hit a new high in 2019, surpassing the high-water mark of \$148bn set in 2008. Concerns of a potential market slowdown have led investors to commit more capital to alternative assets, and real estate has benefited from a huge influx of capital in the past five years. But the steep decline in the number of funds closed shows how unevenly that capital is distributed – concentration among the largest fund managers is greater than ever, and the overall success of the market does not mean that first-time or smaller fund managers can expect to meet with easy success when they bring new vehicles to market in 2020.”

Key 2019 Real Estate Facts:

- **Real estate funds secured a total of \$151bn in 2019**, as 295 funds reached a final close. This is an all-time high for annual capital raised, but marks a decline of 39% in the number of funds closed compared to 2018.
- Large funds dominated the market in 2019, and the **average fund size in 2019 reached a record \$625mn**.
- This was driven in part by mega fund closures: **the three largest funds of 2019 collectively raised \$43.5bn**, including the \$20.5bn Blackstone Real Estate Partners IX, which became the largest real estate fund ever.
- Spurred by this success, a record number of funds have launched to seek capital from investors. **The number of funds in market at the start of 2020 is up by 36% at 918**, and these are collectively targeting \$281bn in investor commitments.
- Real estate deals decreased slightly in 2019 compared to the previous year. **In 2019 there were 9,328 deals completed with a value of \$410bn**, compared to 9,795 deals valued at \$457bn in 2018.
- **As of December 2019, dry powder stood at \$319bn**. This is down slightly from \$331bn recorded at the end of 2018, showing that fund managers have been able to successfully deploy capital. Capital calls in H1 2019 totalled \$107bn, putting the year on track to surpass 2018’s full-year record of \$201bn.

Preqin is the Home of Alternatives™, the foremost provider of data, analytics and insights to the alternative assets community. From pioneering rigorous methods of data collection to developing a revolutionary platform, we have committed ourselves to furthering the understanding of alternatives for over 16 years. Through close partnership with our clients, we continuously build innovative tools and mine new intelligence to enable them to make the best decisions every day.

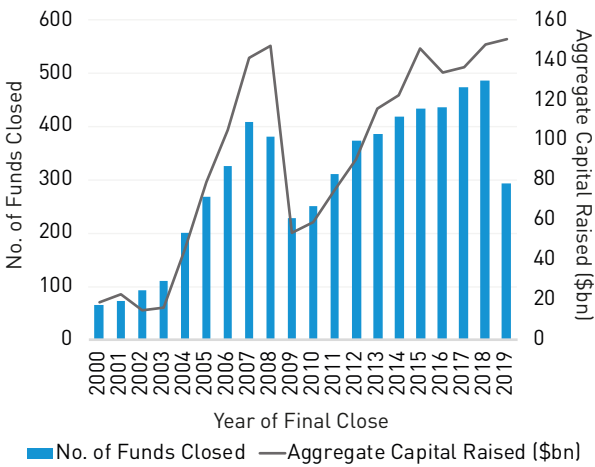
For more information, contact our dedicated press team at press@preqin.com or call (+44) 20 3207 0265.

San Francisco	New York	London	Singapore	Hong Kong	Manila
Chicago	+1 212 350 0100	+44 20 3207 0200	+65 6305 2200	Bangalore	Guangzhou

2019 Real Estate Fundraising & Deals Update

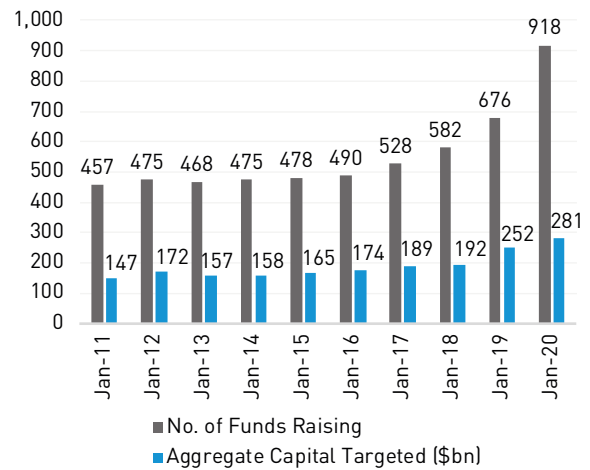
Real estate had a record year as fundraising totals surpassed \$150bn for the first time, and the number of funds in market reaches an all-time high

Fig. 1: Global Closed-End Private Real Estate Fundraising, 2000 - 2019



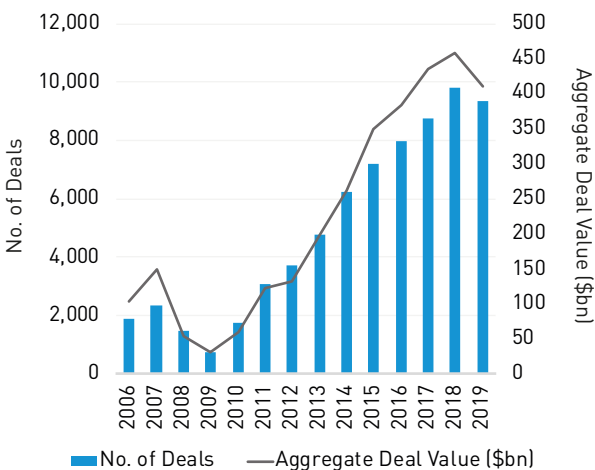
Source: Preqin Pro

Fig. 2: Closed-End Private Real Estate Funds in Market, 2011 - 2020



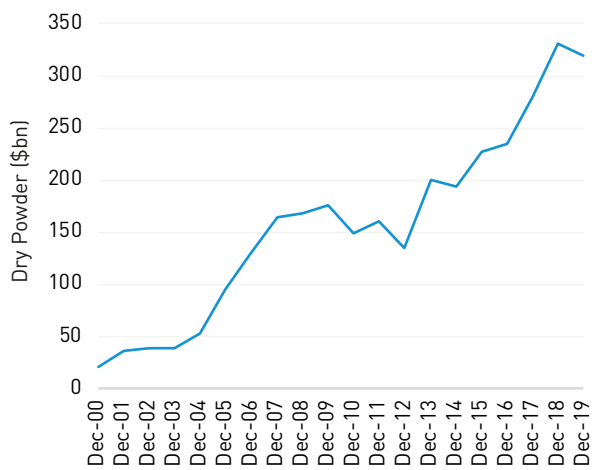
Source: Preqin Pro

Fig. 3: Global Private Equity Real Estate Deals, 2006 - 2019



Source: Preqin Pro

Fig. 4: Global Private Real Estate Dry Powder, 2000 - 2019



Source: Preqin Pro