

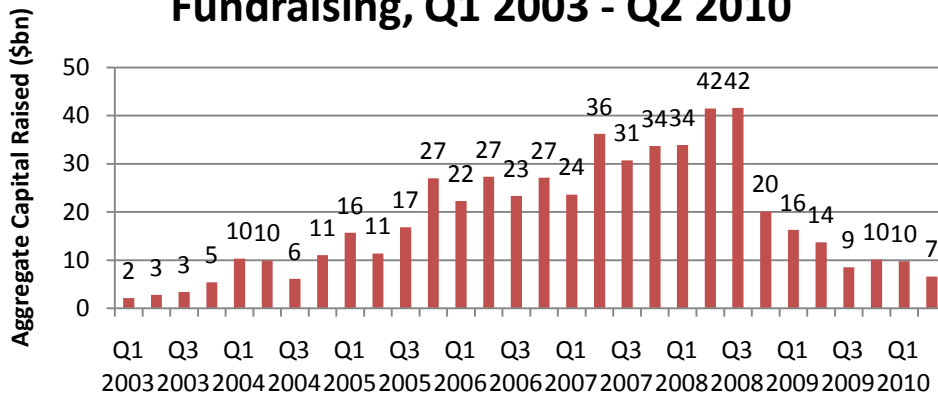
Private Equity Real Estate Fundraising Falls to Lowest Level Since 2004

Only \$7.3 billion raised in Q2 2010 suggesting predicted recovery is yet to occur.

Putting the Results in Context

The \$7.3 billion raised by 20 private equity real estate funds in Q2 2010 is the lowest amount of capital raised by the industry since Q3 2004, when 30 funds raised an aggregate \$6.1 billion. The fundraising environment remains extremely competitive and it is clear that the recovery many predicted is yet to occur.

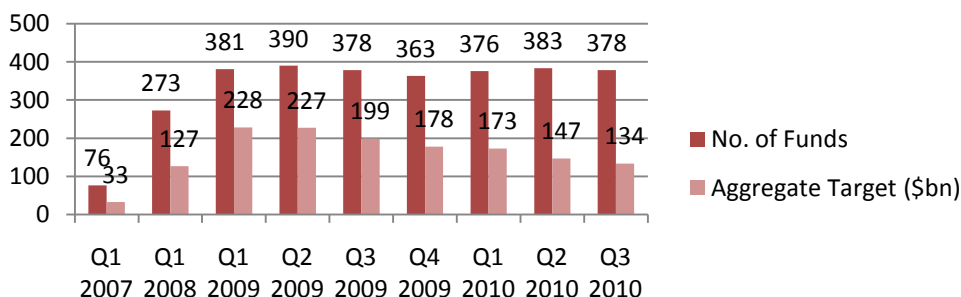
Fig. A: Global Private Equity Real Estate Fundraising, Q1 2003 - Q2 2010



Funds on the Road

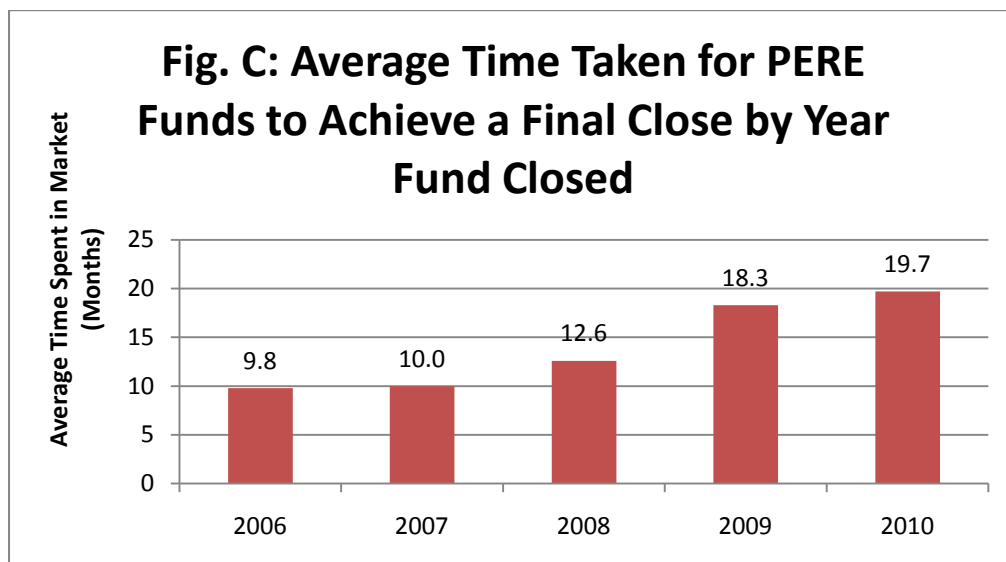
The aggregate target of private equity real estate funds in market has fallen significantly from \$228 million in Q1 2009 to \$134 million in Q3 2010. Many fund managers have reduced their fundraising targets, while others have been forced to abandon their efforts altogether.

Fig. B: PERE Funds on the Road over Time Q1 2007 – Q3 2010



Time Taken to Close Funds

The time it is taking fund managers to close funds reflects the competitiveness within the fundraising market. Funds which have closed in 2010 spent an average of 19.7 months in market. In comparison funds which closed in 2006 spent, on average, less than 10 months in market.



Please see the factsheet that follows this press release.

Comment:

“The low fundraising total for Q2 2010 confirms that private equity real estate fundraising remains extremely competitive, with fund managers taking over a year and a half to close their funds. While the aggregate target of funds in market has fallen, there is still a large number of funds on the road seeking commitments from an investor community which remains far less active than it was a few years ago.

Preqin has found that most institutions do plan to increase their activity in the second half of 2010, but many have significant amounts of capital committed to existing funds and are receiving very few distributions to re-invest. With real estate transactions increasing, more investors will receive distributions, which will in turn lead to increased activity in the fundraising market. This will take time however, and it seems likely that there will be several more quarters of slow fundraising to come.” **Andrew Moylan, Manager - Real Estate Data**

Ends

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin's services daily, and its data and statistics are regularly quoted by the financial press.

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Note to Editors:

- Please note that Preqin has completely replaced Private Equity Intelligence as the official company name.

- Preqin is spelled without the letter 'U' after the 'Q'.

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Preqin Research Report

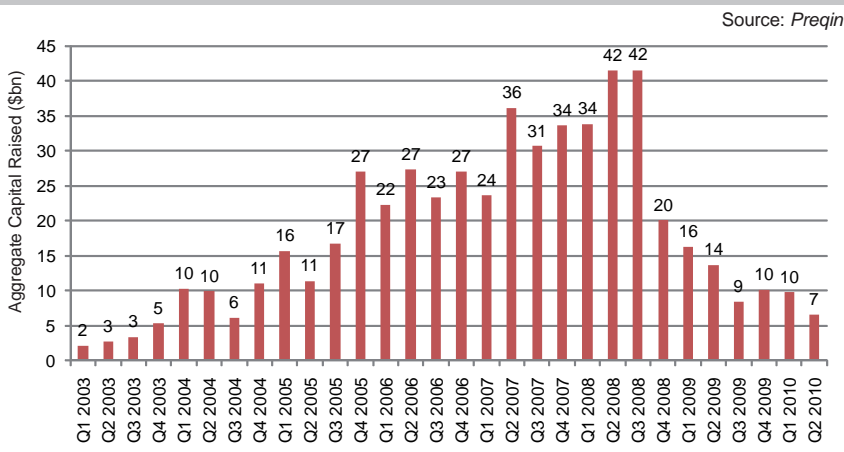
Q2 2010 Private Equity Real Estate Fundraising Update

Fig. 1: Top Five Largest Real Estate Funds to Close in Q2 2010

Fund	Firm	Type	Amount Closed (Mn)	Manager Country	Fund Focus
Starwood Global Opportunity Fund VIII	Starwood Capital Group	Distressed, Opportunistic	1,800 USD	US	Global
Starwood Capital Global Hospitality Fund II	Starwood Capital Group	Distressed, Opportunistic	965 USD	US	Global
Fortress Japan Opportunity Fund	Fortress Investment Group	Debt, Opportunistic	75,000 JPY	US	Japan
Mesa West Real Estate Income Fund II	Mesa West Capital	Debt	614 USD	US	Western US
AEW Partners VI	AEW Capital Management	Debt, Distressed, Opportunistic	575 USD	US	North America

Source: Preqin

Fig. 2: Global Private Equity Real Estate Fundraising, Q1 2003 - Q2 2010



Source: Preqin

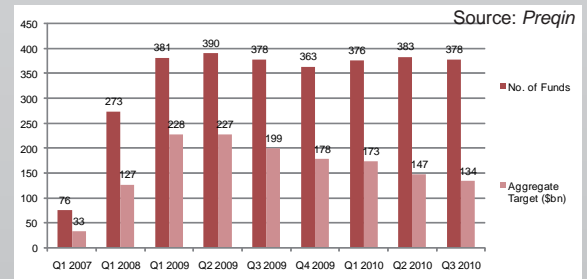
Fundraising hit a new five-year low in Q2 2010, when 20 private equity real estate funds closed having raised an aggregate \$7.3 billion. This is the lowest quarterly aggregate since Q3 2004, when 30 private equity real estate funds raised \$6.1 billion. These figures show that fundraising is still in decline following the financial crisis.

There are 378 private equity real estate vehicles currently on the road seeking an aggregate \$134 billion. This represents a significant decline from the same quarter last year when 378 vehicles were targeting an aggregate \$199 billion. Many fund managers have been forced by poor fundraising conditions to reduce their initial fundraising targets, with some having to abandon their fundraising efforts altogether.

The average time taken for real estate vehicles to close is another reflection of the poor fundraising conditions. Funds that have closed so far in 2010 have spent an average 19.7 months on the road, compared to funds that closed in 2007 that took, on average, 10 months to close.

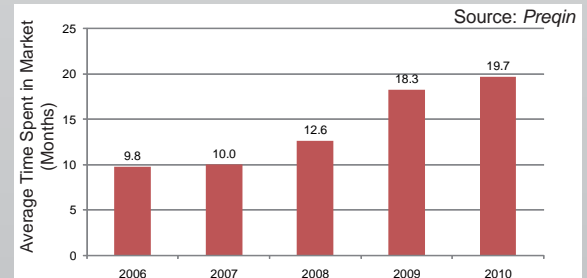
In terms of regional focus, primarily North America-focused funds accounted for nearly three-quarters of all capital raised in the quarter. Five primarily Europe-focused funds closed in the quarter having raised \$700 million and four primarily Asia and Rest of World-focused funds closed having raised \$1.2 billion.

Fig. 3: Private Equity Real Estate Funds on the Road over Time, Q1 2007 – Q3 2010



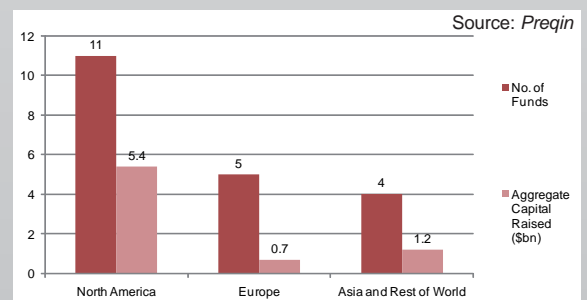
Source: Preqin

Fig. 4: Average Time Taken for PERE Funds to Achieve a Final Close by Year Fund Closed



Source: Preqin

Fig. 5: Fundraising by Fund Primary Geographic Focus, Q2 2010



Source: Preqin



Preqin provides information, products and services to real estate firms, fund of funds, investors, placement agents, law firms, advisors and other professionals across six main areas:

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Full results and report on Q2 2010 PERE fundraising will be available in Preqin's monthly newsletter, Real Estate Spotlight.

To register to receive Spotlight please visit: www.preqin.com/spotlight

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