

# Preqin Research Report

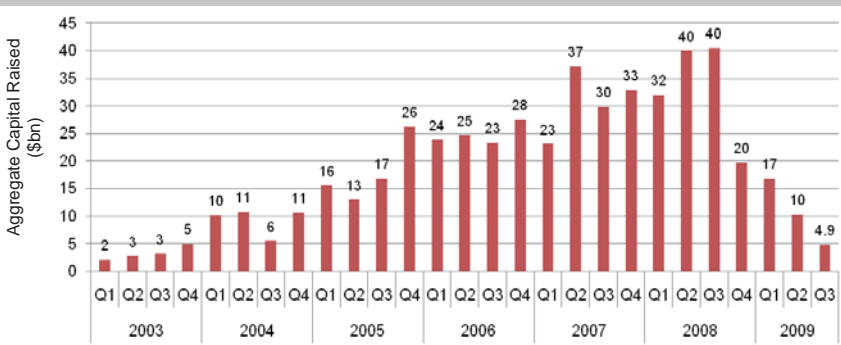
## Q3 2009 Real Estate Fundraising Update

### Preliminary Results

**Fig. 1: Top Ten Largest RE Funds to Hold a Final Close in Q3 2009**

Fund	Firm	Type	Amount Closed (Mn)	Manager Country	Fund Focus
Dune Real Estate Fund II	Dune Capital Management	Debt and Opportunistic	800 USD	US	US
Broadway Real Estate Fund III	Broadway Partners	Value Added	700 USD	US	US
Secured Capital Japan Real Estate Partners IV	Secured Capital Japan Co.	Opportunistic	525 USD	Japan	ROW
CapMan Hotels RE	CapMan Real Estate	Core-Plus	333 EUR	Finland	Europe
Partners Group Global Real Estate 2008	Partners Group	RE Fund of Funds	275 EUR	Switzerland	Europe
Banyan Tree Indochina Hospitality Fund	Banyan Tree Holdings	Opportunistic	283 USD	Singapore	ROW
JP Morgan Greater Europe Opportunistic Property	JP Morgan Asset Management	Opportunistic	178 EUR	US	Europe
IndoSpace Logistics Partners	Future Capital Holdings	Opportunistic	250 USD	India	ROW
Principal Green Property Fund I	Principal Real Estate Investors	Opportunistic and Value Added	214 USD	US	US
Vision Brazil Real Estate Opportunities Fund I	Vision Brazil Investments	Opportunistic	209 USD	Brazil	ROW

**Fig. 2: Quarterly Global RE Fundraising, Q1 2003 - Q3 2009**



Private equity real estate funds worldwide raised just \$4.9 billion in Q3 2009, the lowest fundraising total for a quarter since Q3 2003, when 17 funds raised \$3.2 billion.

As Fig. 3 demonstrates the number and aggregate target of private equity real estate funds in market has been declining throughout 2009. Although the number of funds in market is falling, the market remains extremely competitive. The aggregate target of all funds on the road represents significantly more than the total raised during 2008, the most successful year ever for private equity real estate fundraising.

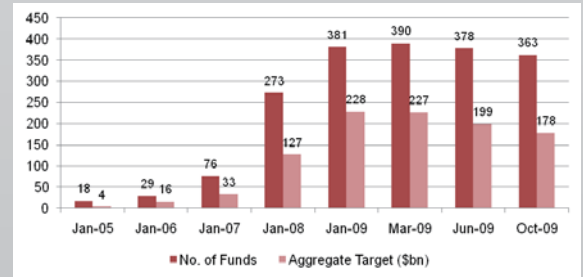
In 2009 to date, just 18% of fund managers have achieved or exceeded their fundraising target, with 82% of funds falling short of their equity goals. In 2007, 79% of

funds matched or exceeded their target size.

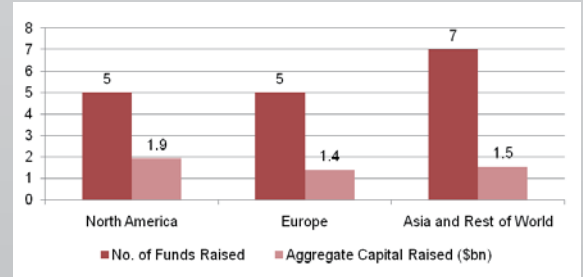
North American funds accounted for the largest proportion of capital raised during Q3 2009, with five funds raising an aggregate \$1.9 billion. Seven funds targeting Asia and Rest of World closed receiving commitments of \$1.5 billion and five Europe focused funds raised \$1.4 billion.

As illustrated by Fig. 5, 45% of all PERE funds closing in Q3 2009 adopted an opportunistic strategy, making it the most widely used strategy in the quarter. Value added also proved popular, with nearly a quarter (24%) of all funds employing this strategy. Core-plus, debt and fund of funds shared a fairly even split of the market, with 12%, 10% and 8% respectively.

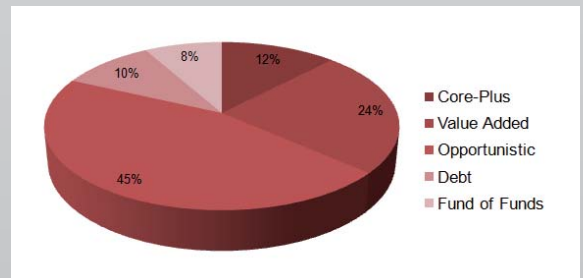
**Fig. 3: Funds on the Road Over Time**



**Fig. 4: Q3 2009 Fundraising by Fund Primary Geographic Focus**



**Fig. 5: Breakdown of Q3 2009 Fundraising by Strategy**



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Full results and report on Q3 2009 fundraising will be available in Preqin's monthly newsletter, *Spotlight*.

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