

Real Estate Spotlight is the monthly newsletter published by Preqin packed full of vital information and data, all based on our latest research into the private equity real estate industry. Real Estate Spotlight combines information from our online products Real Estate Online and Real Estate Capital Sources.

December 2012
Volume 6 - Issue 12

FEATURED PUBLICATION:



The 2013 Preqin Private Equity Compensation and Employment Review

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Real Estate Spotlight

December 2012

Feature Article

Changing Consultant and Investor Attitudes to Private Real Estate

This month's feature looks at the changing preferences of investment consultants and institutional investors. What strategies are they targeting? What are their future investment plans?

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Lead Article

Compensation and Employment

In this month's lead article we review the findings from the 2013 Preqin Private Equity Compensation and Employment Review. We examine the current levels of employment across the private equity industry, including private real estate, and analyze current compensation practices.

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Preqin Industry News

This month's Industry News looks at investor appetite towards core private real estate funds. Is investor interest in this strategy declining? What are the latest fundraising statistics for core funds?

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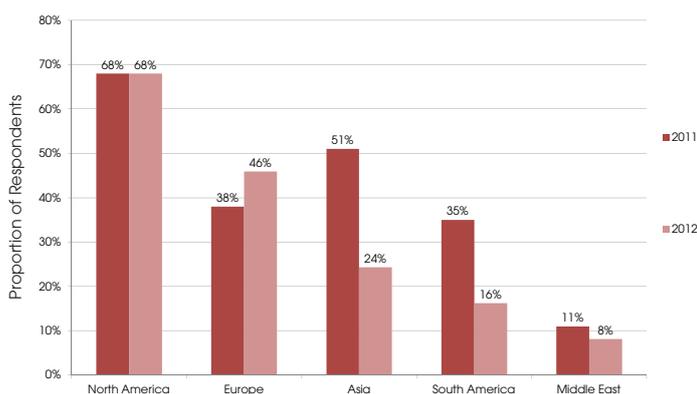
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Changing Consultant and Investor Attitudes to Private Real Estate

Dami Sogunro and Andrew Moylan examine the changing strategies and geographic preferences of investment consultants and institutional investors and the implications for the private real estate fund market.

Fig. 1: Regions Viewed by Consultants as Presenting the Best Opportunities in Private Real Estate, 2011 - 2012



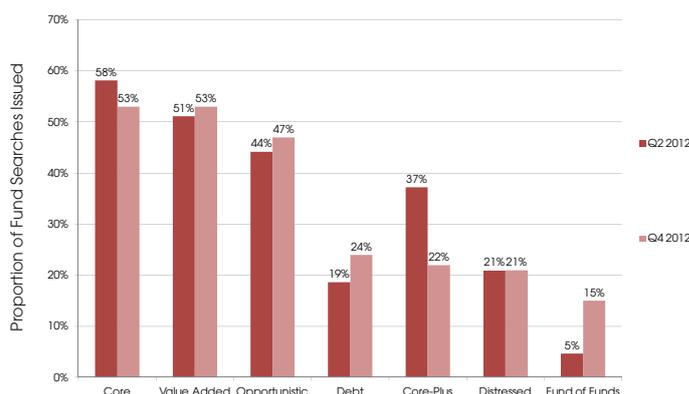
Source: Preqin 2012 and 2013 Alternatives Investment Consultant Review

Ongoing economic uncertainty in the eurozone and global markets has made raising capital for investments in European real estate very challenging. Perhaps more significantly, the current fundraising levels in the European private real estate market appear to suggest that investor interest in the region remains fairly low. In 2012 so far, only 22 funds have closed, raising an aggregate €5.2bn in capital commitments, compared with the aggregate €8.1bn raised by funds which reached a final close in 2011. Preqin's survey of real estate investors at the start of 2012 in Preqin Investor Outlook: Real Estate, H1 2012 showed that only 33% of surveyed investors planned to target investments in Europe in 2012.

However, alternatives investment consultants active in the private real estate universe have expressed a different opinion on private real estate opportunities in Europe. Within the private real estate asset class, a significant proportion of investors (51%) employ the services of an investment consultant to assist in fund selection, making these consultants an important group to consider when assessing the current private real estate market. Preqin recently surveyed 80 alternatives investment consultants from around the world in the 2013 Preqin Alternatives Investment Consultant Review; collectively, these consultants have over \$1.5tn worth of alternative assets under advisement.

Forty-six percent of consultants interviewed stated that they believe there are good opportunities for investment in Europe (Fig. 1). This is an increase from the 38% which expressed the same opinion in 2011. While many investors have been reluctant to invest in Europe given the ongoing uncertainty, it is clear that consultants expect there to be good opportunities in the region in the coming months, with more distressed opportunities and an expanding debt fund market.

Fig. 2: Investor Fund Searches Issued by Strategy, Q2 2012 vs. Q4 2012



Source: Preqin Real Estate Online

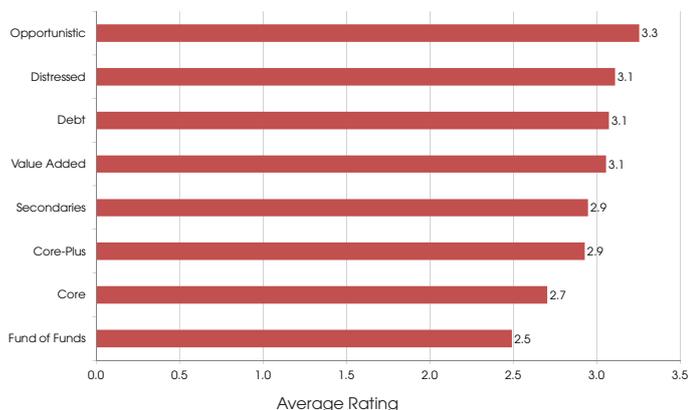
These results suggest consultants may recommend that their clients make more commitments to Europe-focused funds over the next few months.

With investment consultants acting as important gatekeepers for such a significant proportion of private real estate investor capital, exploring their opinions about investment opportunities across various strategies and geographies can provide an insight into the current private real estate market and outlook for the asset class. When compared with Preqin's most recent surveys of investors in the asset class, they can also reveal contrasting changes in consultant and investor sentiment towards particular investment strategies or aspects of the market. Investment consultants can provide an important access point for fund managers looking to raise capital for their private real estate funds, particularly given the current challenging market conditions.

The dominant opinion among investment consultants is that the more established markets present the best opportunities at present, and there is less interest in real estate in emerging economies. As shown in Fig. 1, over two-thirds (68%) of consultants named North America as the region presenting the best opportunities, a proportion which remains unchanged since 2011. In contrast, sentiment towards emerging markets has dropped significantly. Investment consultant appetite for Asia dropped from 51% of surveyed consultants naming the region as presenting good opportunities in 2011 to 24% in 2012. The proportion of investment consultants naming South America as a region with good investment opportunities as fell from 35% in 2011 to 16% in 2012.



Fig. 3: Private Real Estate Investment Consultant Attitudes to Different Fund Types at Present



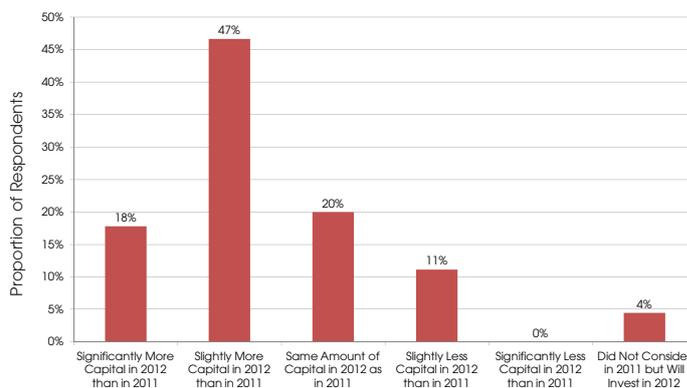
Source: Preqin 2013 Alternatives Investment Consultant Review

Key Strategies

Preqin’s most recent research shows that core funds remain one of the most commonly targeted strategies; however, appetite for this strategy seems to be declining. As is shown in Fig. 2, 53% of institutional investors searching for funds in Q4 2012 are targeting core funds, with the same proportion targeting value added funds and 47% targeting opportunistic strategies. As of Q2 this year, 58% of investors searching for new funds were targeting core strategies, a larger proportion than the 51% and 44% that were targeting value added or opportunistic investments respectively.

However, this may continue to change in the coming months as many investment consultants believe that the better opportunities are in funds with higher risk/return profiles. In the 2013 Preqin Alternatives

Fig. 4: Amount of Capital Consultants & Their Clients Plan on Committing to Private Real Estate in 2012 compared to 2011



Source: Preqin 2013 Alternatives Investment Consultant Review

Investment Consultant Review, investment consultants were asked to rate which real estate fund types present the best investment opportunities on a scale of one to five, with five representing the most attractive opportunities and one representing the least. Investment consultants view core as one of the least attractive strategies, with the fund type receiving an average ranking of 2.7.

Instead, investment consultants ranked opportunistic as the strategy presenting the best opportunities, with an average ranking of 3.3. Opportunistic was ranked slightly higher than the other highly ranked strategies of debt, distressed private real estate, and value added, all of which have an average ranking of 3.1. Some commentators have suggested that the increased demand for core assets has meant these are now overpriced, and it seems that consultants now believe there are better opportunities elsewhere. However, many investors

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remain extremely risk-averse and it may prove difficult to convince these institutions to move up the risk/return ladder.

Capital Outlay

The majority of investment consultants responded in Preqin's September 2012 survey that they expected capital committed to private real estate funds in 2012 to end up exceeding the amount they committed in 2011, as Fig. 4 shows. Sixty-nine percent of consultants will either be significantly or slightly increasing their commitment level to private real estate, or will be investing in the asset class after having not invested in the previous year.

Among those consultants which expected to increase their commitments this year as of September 2012, a notable 47% will make slightly more capital commitments in 2012 in comparison to 2011. With many investment consultants looking to make new private real estate commitments on behalf of their clients in the near future, these consultants can be an important target group for fund managers looking to raise fresh capital commitments. A slightly larger proportion of investment consultants expected to slightly reduce their level of commitment to the asset class this year, with 11% stating so this year compared to 9% in 2011. However, no consultants will be making any significant reductions. In a similar study of institutional investors, Preqin found that 37% of investors expected to commit more capital in the next 12 months.

Key Issues Facing the Real Estate Market

When asked about the key issues facing the real estate market, the valuation of investments has again been named by private real estate investment consultants as the single most important issue, with almost a quarter (24%) of consultants citing this as the most prominent issue facing those investing in the asset class.

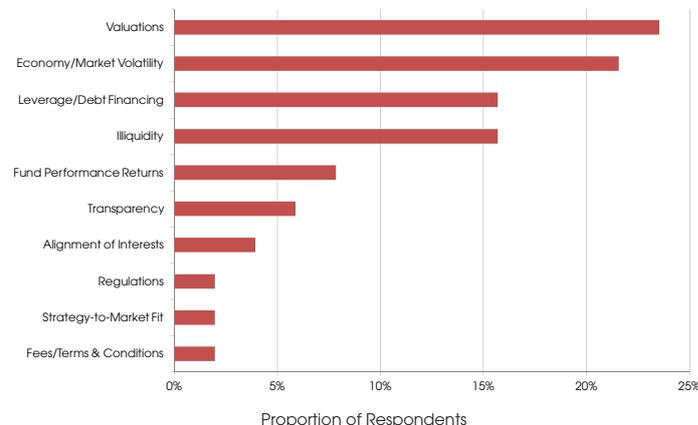
The economic climate and the resulting volatility was named by 22% of consultants as the single most important issue facing investors in the private real estate market. Market illiquidity and levels of leverage and debt financing were two other issues given equal importance by surveyed consultants, with each rated as the single most important issue in the market by 16% of private real estate investment consultants.

Industry regulations, strategy-to-market fit, and fees/terms and conditions were cited by the smallest proportion of investment consultants as the single most important issue in the private real estate market, with each issue named by only 2% of investment consultants.

Outlook

The results of the 2013 Preqin Alternatives Investment Consultant Review are encouraging for many fund managers, with consultants and their clients expecting to invest more capital in private real estate funds in the future. Within the consultant community, many view higher risk/return profile strategies as offering the best opportunities in the current market, with core investments proving less attractive to many consultants. In the current tough fundraising environment, this

Fig. 5: Investment Consultants' Perception of Key Issues in the Private Real Estate Market



Source: Preqin 2013 Alternatives Investment Consultant Review

will be encouraging news for fund managers seeking capital for these types of funds. However, with lower risk investments remaining a focus for a large proportion of institutional investors, fund managers looking to raise capital for opportunistic and value added will likely struggle in the coming months.

While Europe's economic challenges are well documented, investment consultants have growing confidence in the real estate investment opportunities that exist in the region; therefore, it seems likely that Europe-focused fundraising will increase in the coming year. However, for managers of Asia or Latin America-focused funds, fundraising could be extremely challenging, with consultants seemingly set to concentrate more on the established, liquid markets in North America and Europe than in previous years.

Subscriber Quicklink:

Subscribers to Real Estate Online can click [here](#) to see access detailed profiles for 347 investment consultants advising on real estate investments.

This article draws upon information from the [Preqin 2013 Alternatives Investment Consultant Review](#). Click [here](#) to find out more, or to purchase your copy.

Preqin Real Estate Online features detailed profiles for over 3,500 institutional investors actively investing real estate. Looking for an investor that is interested in your exact fund type/strategy? Want to know who is the best contact to reach out to? We can help.

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**Buyout deals: Preqin tracks private equity-backed buyout deals globally, including LBOs, growth capital, public-to-private deals, and recapitalizations. Our coverage does not include private debt and mezzanine deals.

***Venture capital deals: Preqin tracks cash-for-equity investments by professional venture capital firms in companies globally across all venture capital stages, from seed to expansion phase. The deals figures provided by Preqin are based on announced venture capital rounds when the capital is committed to a company.

****Preqin contacts investors directly to ensure their alternatives programs are active. We emphasize active investors, but clients can also view profiles for investors no longer investing or with programs on hold.



Compensation and Employment: Spotlight on Real Estate

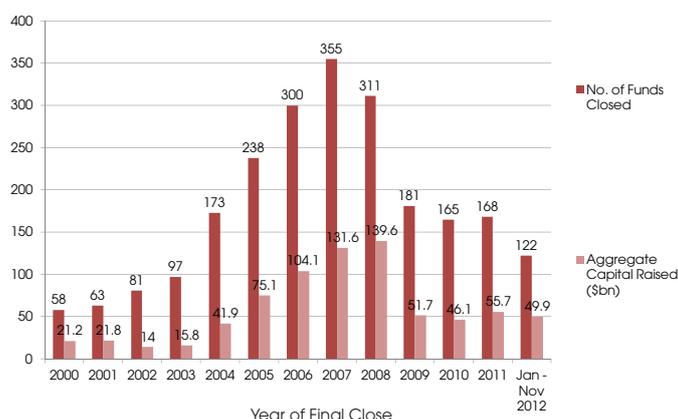
Jessica Sutro provides a summary of the findings from Preqin's latest review of current employment levels and remuneration practices in the private equity industry, including private real estate.

Real estate firms have certainly been impacted by the recent slowdown in the real estate fundraising market that followed the financial crisis in 2008; the number of funds closed fell from 311 in 2008 to 181 in 2009, with the capital raised falling by over half in the same time period, from \$139.6bn in 2008 to \$51.7bn in 2009 (Fig. 1). In 2011 the amount of capital raised by closed real estate funds reached a post-2008 high of \$55.7bn raised by a total of 168 funds; however, in 2012 so far 122 funds have closed on an aggregate \$49.9bn, still below the figures for 2011.

Although real estate fund managers looking to raise capital from investors will likely face challenges in the future, the number of active closed-end private real estate firms has continued to grow. Fig. 2 shows the number of new fund managers joining the private real estate sector each year (calculated using the vintage of their first fund to represent their year of establishment). There has been a consistent growth in the number of active firms despite the onset of the financial crisis in 2008.

However, there has been a decrease in the number of new closed-end private real estate firms launching in 2012 compared to 2011, with 45 new firms so far in 2012 compared to 63 in all of 2011. (The 2012 figure only includes firms that have reached one or more interim closes on their debut funds in order to begin making new investments.) Uncertain conditions in the private equity real estate fundraising market may be impacting the number of new real estate firms choosing to bring funds to market. In 2007, prior to the financial crisis, 113 new closed-end private real estate firms launched, a substantially larger figure than the number that have launched in 2012 to date.

Fig. 1: Annual Real Estate Fundraising, 2000 - November 2012



Source: Real Estate Online

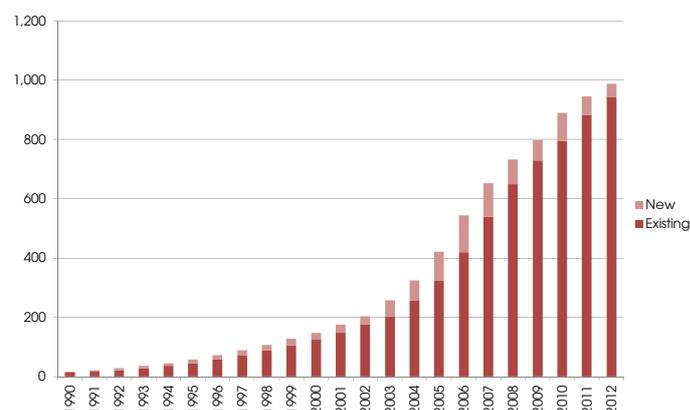
Compensation and Employment in the Private Equity Industry

The pool of over 4,800 active private equity firms, which includes real estate firms, grows to over 8,000 when private equity firms that do not raise, or have not yet raised, distinct private equity funds (i.e. those that manage corporate or personal capital and those that manage third-party capital without pooling into commingled private investment vehicles) are included. These 8,000 firms currently employ an estimated 89,000 individuals around the world.

The 2013 Preqin Compensation and Employment Review provides detailed analysis on the employment practices of over 200 leading private equity firms, almost a quarter of which are involved in investing in private real estate. Though the fundraising markets for both private equity and private real estate remain challenging, the results of Preqin's survey indicate that there have been minimal changes not only in the number of active private real estate (Fig. 2), but also to base salaries at participating firms. Fig. 3 shows that only 1% of participating firms reported a firm-wide decrease in base salaries between 2011 and 2012 and 42% reported no change over the same time period. The majority of changes made to base salaries were increases, with a significant 45% of participating firms reporting a firm-wide increase in base salaries of between 1% and 10%.

The Review also reveals that base salaries are likely to either remain consistent or increase slightly in the coming year. Fig. 4 shows the projected average firm-wide changes in base salaries for participating firms between 2012 and 2013, with the projections for changes in base salaries in the coming year mostly paralleling

Fig. 2: Number of Active Closed-End Private Real Estate Firms over Time (by Vintage of First Fund Raised)



Source: 2013 Preqin Private Equity Compensation and Employment Review

changes recorded between 2011 and 2012. Participating firms expecting to see an increase in base salaries of 1-10% between 2012 and 2013 make up 46% of all participating firms, a similar proportion to the 45% of participating firms which saw increases of 1-10% between 2011 and 2012.

Forty-three percent of participating firms expect to see no changes in base salaries between 2012 and 2013, and only 1% expect to see a decrease in the same time period. A small proportion of participating firms anticipate a more substantial increase in base salaries between 2012 and 2013, with 9% expecting an increase of between 11% and 20%, and 2% an increase of 21-50%.

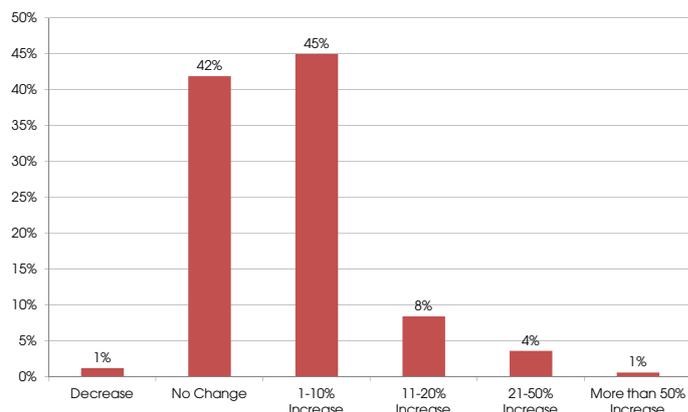
Participating firms also largely reported either an increase or no change in their bonus pool size in the calendar/fiscal year 2011 compared to 2010, as shown in Fig. 5. Thirty-four percent of participating firms reported that bonus pool sizes increased at their firm compared to the previous year, but 19% reported a decrease in their bonus pools in the calendar/fiscal year 2011 compared to 2010. Almost half (47%) of firms reported no change over the same time period.

Compensation on an Individual Level

The Review also features detailed benchmark individual compensation figures for different positions at participating firms, including figures for base salary, total annual cash compensation, long-term incentive/carried interest award and total remuneration data. Forty different positions are featured in the Review, including 15 real estate-specific positions.

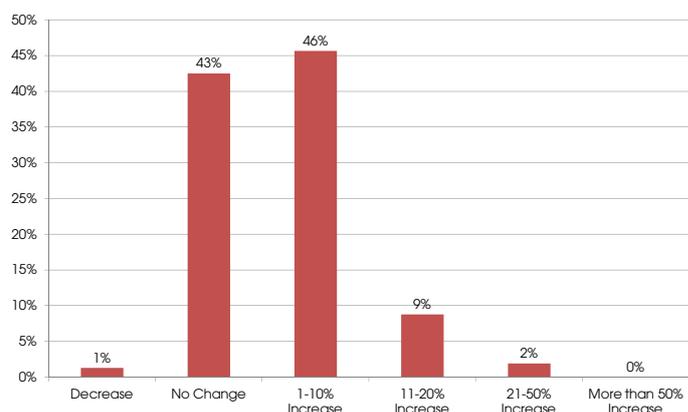
When looking at individual compensation, some important trends can be identified based on a firm's assets under management, geographic market and the type of fund they are raising. For example, the operating economics of the largest funds, with higher income from management fees, are often more favourable for their managers. For example, a managing general partner at firms participating in the survey conducted for the 2013 Preqin Private Equity Compensation and Employment Review could have a median base salary at a firm with assets under management of \$1bn or more that is almost double the same position at a firm with assets under management of \$150mn.

Fig. 3: Breakdown of Average Firm-Wide Changes in Base Salaries at Participating Firms between 2011 and 2012



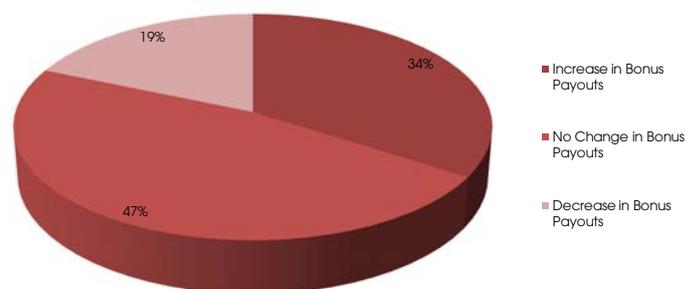
Source: 2013 Preqin Private Equity Compensation and Employment Review

Fig. 4: Breakdown of Projected Average Firm-Wide Changes in Base Salaries at Participating Firms between 2012 and 2013



Source: 2013 Preqin Private Equity Compensation and Employment Review

Fig. 5: Proportion of Participating Firms Reporting an Increase, a Decrease, or No Change in Bonus Payouts for Performance in Calendar/Fiscal Year 2011 Compared to Previous Year



Source: 2013 Preqin Private Equity Compensation and Employment Review

Data Source:

This article features data and analysis taken from Preqin's latest publication, the 2013 Preqin Private Equity Compensation and Employment Review.

Compiled in collaboration with FPL Associates, the publication provides an insight into the current compensation practices within the private equity industry, including real estate, and analysis of growth and employment levels for private equity globally. For more information, please see p.8 or visit:

www.preqin.com/compensation

Compensation and Employment Review

Produced in collaboration with leading compensation specialists FPL Associates, the [2013 Preqin Private Equity Compensation and Employment Review](#) is the industry's most comprehensive guide to compensation practices, featuring detailed benchmark remuneration data for 40 positions, including 15 real estate-specific positions, incorporating information from over 200 leading firms globally. A source of reliable and accurate information on the latest trends in private equity compensation and employment is a vital tool enabling decision-makers and advisors to examine existing compensation practices against wider industry benchmarks.

Key content includes:

- Compensation data by position, including base salary, bonus, carry, and quartile splits.
- Compensation data split by firm type, region and size where possible.
- Survey of compensation practices at private equity firms.
- Current employment within the private equity industry.
- Growth of the industry.



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Preqin Industry News

[Olivia Harmsworth](#) explores the latest data on core private real estate funds, featuring exclusive data from Preqin's analysts. Real Estate Online subscribers can click on the investor/firm/fund names to view the full profiles.

Investor interest in core funds remains high, despite recent fundraising figures indicating that appetite for this strategy is declining. As shown in the Chart of the Month, the number of core funds closing each year has been in decline since 2010, when the number of funds closed reached a peak of 20, falling to 15 in 2011, with 13 funds closed in 2012 to date. Aggregate capital commitments to these funds over this period have also declined, from a high of \$3.9bn in 2010 to \$2.7bn in 2012 to date. Nonetheless, investors still display interest in increasing or making fresh capital commitments to core strategy funds.

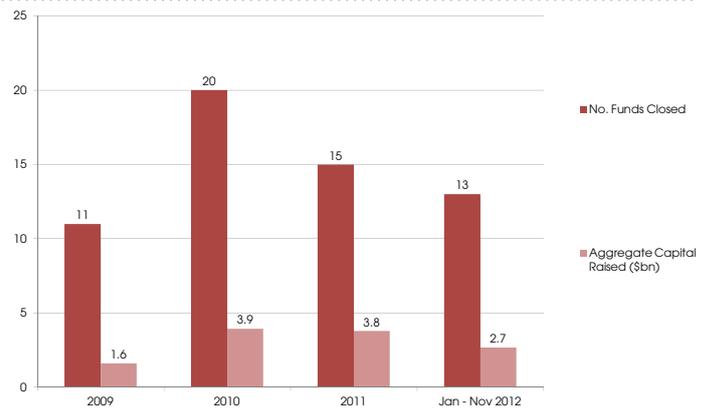
A number of public pension funds are looking to make commitments to core funds in the next year. One such example is [Caisse de Pensions CFF](#), a public pension fund which may return to the private real estate market in the coming year despite not making any real estate fund commitments in the last 12 months. It has a bias towards core and core-plus strategies, with a preference for highly experienced fund managers, although it will consider first-time Swiss managers.

Despite a clear preference for the core strategy, a number of investors are flexible concerning the size or geographic focus of their investments. [Bavarian Chamber of Supply Pension](#) has plans to make new real estate commitments in the next 12 months; however, it is unsure as to the amount of capital commitments and will invest on the basis of arising opportunities. It maintains a preference for core vehicles, and currently has an 11.5% allocation to real estate, with 55% of this in private real estate funds. [Environment Agency Pension Funds](#) is also planning to make new commitments to the real estate asset class; it has a preference for UK-focused core funds. It is searching for a multi-manager to oversee a £90mn sustainable property mandate. It has a target range of 3-6% to property and currently allocates 3.2% to the asset class.

A number of investors make commitments to core funds as part of a broader strategy. [Korean Federation of Community Credit Cooperative](#) is open to most strategies, but will not invest in opportunistic private equity real estate funds. It is planning to increase its allocation to private real estate funds, especially in those investing in overseas markets in the coming year. It intends to make at least two fund commitments in 2013, and will consider all geographical regions except Japan.

Elsewhere, [Indiana Public Retirement System](#) has recently made a commitment of \$100mn to [Harrison Street Core Property Fund](#), a core vehicle which will cap its leverage at 40% across the portfolio and will seek to provide investors with annual average gross returns of 9-10%. The open-ended US-focused core vehicle seeks to acquire stabilized, income-producing properties in the student

Chart of the Month: Closed-End Core Private Real Estate Fundraising, 2009 - November 2012



Source: Preqin Real Estate Online

housing, senior housing, medical office and storage segments of the market.

Among the core funds that have recently closed is [Delin Capital Asset Management's Capital Preservation Portfolio I](#), which focused on investments in the UK, Belgium and the Netherlands. The fund held a final close in November 2012 with aggregate capital commitments of €200mn. Another such fund is [Next Estate Income Fund](#); a core real estate investment vehicle managed by [BNP Paribas Real Estate Investment Services](#) targeting newly developed or recently delivered office buildings in Europe. The fund will invest no greater than 35% of its capital in any one given country. It held a final close in October 2012 on €230mn.

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Future Fund Searches and Mandates

The difference between success and failure in attracting institutional commitments can be the ability to initially identify which investors are most likely to be interested in your fund.

To help with this task, Preqin's Real Estate Online now allows fund managers and placement agents to identify potential investors in their funds by searching for institutional investors by their future investment plans.

Preqin updates these details by speaking directly to investors – saving you time and ensuring our intelligence is up to date and accurate.

- **Future Investment Plans** - Investor profiles include details of investors' future fund searches, detailing whether they are targeting specific private real estate strategies and/or regions of focus, and also contain summaries of their plans for the next 12 months.
- **Future Fund Searches and Mandates** - Forward-looking search for all the institutional investors that are looking to invest in funds that match your criteria.
- Filter potential investors by location, investor type, fund type preferences for the next 12 months, regional preferences for the next 12 months, and likely timeframe for their next fund commitment.

Future Plans, Searches and Mandates Jump to...

Date of Plans: Q4 2012

Strategies Targeting: Core, Value Added, Opportunistic

Regions Targeting: Asia Pacific, Europe, North America, Emerging Markets, Global

Timeframe: Next 12 Months

Next 12 Months:	Estimated Investments:	Estimated Amount (mn):
4		60 USD

Summary: As of October 2012, [Investor Name] was planning to commit USD 60 million to four funds in the following 12 months. It would target markets in Asia, Europe and North America and seek core, value added and opportunistic funds.

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Fund Searches and Mandates

Select all required filter criteria

- Investor Type
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 - Value Added Opportunistic
 - Distressed Debt
 - Fund of Funds Secondaries
- Region Preferences - Fund Searches and Mandates
 - Asia Pacific Emerging Markets
 - Europe Global
 - North America Rest of World
- Timeframe of Next Investment
 - Immediately
 - Next 6 Months
 - Next 12 Months
 - Longer term
 - Opportunistic

Keyword Search:

Investor Name	Strategies	Regions	Date Inserted
Investor Name		North America	08-Oct-12
Investor Name			08-Oct-12
Investor Name	Core, Fund of Funds	Europe	05-Oct-12
Investor Name			05-Oct-12
Investor Name	Core, Value Added, Opportunistic	Europe, Global	05-Oct-12
Investor Name		Europe	05-Oct-12
Investor Name	Value Added		05-Oct-12
Investor Name			05-Oct-12
Investor Name		Rest of World	04-Oct-12
Investor Name		North America	04-Oct-12

Whether you're hoping to secure new commitments for a US-focused opportunistic fund or launch a Europe-focused core vehicle, access to Preqin's Real Estate Online database can help.

[Real Estate Online](http://www.preqin.com/reo)

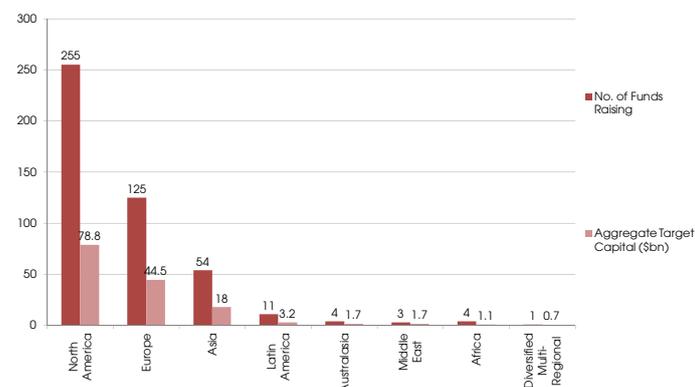
For more information and to arrange a walkthrough of the service, please visit:
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Fundraising Update

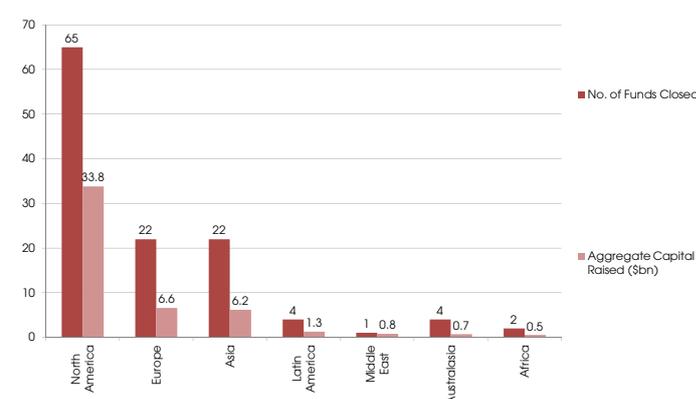
Karun Ahluwalia provides a round-up of the latest real estate fundraising statistics.

Fig. 1: Closed-End Private Real Estate Funds in Market by Geographic Focus



Source: Preqin Real Estate Online

Fig. 2: Closed-End Private Real Estate Fundraising by Geographic Focus, January - November 2012



Source: Preqin Real Estate Online

Fig. 3: Five Largest Closed-End North America-Focused Private Real Estate Funds to Close, January - November 2012

Fund	Fund Manager	Size (\$mn)	Type	Location Focus
Blackstone Real Estate Partners VII	Blackstone Group	13,300	Opportunistic	US, Canada, Global
Westbrook Real Estate Fund IX	Westbrook Partners	1,589	Value Added	US, France, Japan, UK
AG Realty Fund VIII	Angelo, Gordon & Co	1,265	Debt and Opportunistic	North America, Europe, Asia
AG Core Plus Realty Fund III	Angelo, Gordon & Co	1,014	Core-Plus and Debt	North America, Europe, Asia
Related Real Estate Recovery Fund	Related Companies	825	Debt, Distressed, Opportunistic and Value Added	US

Source: Preqin Real Estate Online

Fig. 4: Recently Closed Funds

Westbrook Real Estate Fund IX	
Manager	Westbrook Partners
Strategy	Value Added
Target IRR (Gross)	18%
Property Focus	Diversified
Geographic Focus	US, France, Japan, UK
Final Close	\$1,589mn (November 2012)
Placement Agent	Probitas Partners

Almanac Realty Securities VI	
Manager	Almanac Realty Investors
Strategy	Value Added
Target IRR (Net)	12%
Property Focus	Operating Companies
Geographic Focus	US
Final Close	\$819mn (November 2012)

Source: Preqin Real Estate Online

Subscriber Quicklink:

Subscribers to Preqin's Real Estate Online can click [here](#) to access detailed profiles for all 457 private real estate funds currently in market, including strategy, geographic focus, property focus, target size, anticipated closings and more.

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Industrial-Focused Fund Managers

Joanna Chavasse analyzes key statistics on industrial-focused closed-end private real estate fund managers.

Fig. 1: Key Facts: Solely Industrial-Focused Closed-End Private Real Estate Funds

Total Number of Funds in Market	21
Aggregate Target Capital of Funds in Market (\$bn)	6.3
Aggregate Capital Raised (\$bn) 2008 - November 2012	8.3
Aggregate Capital Raised (\$bn) in Last 10 Years (2003 - October 2012)	21

Source: Preqin Real Estate Online

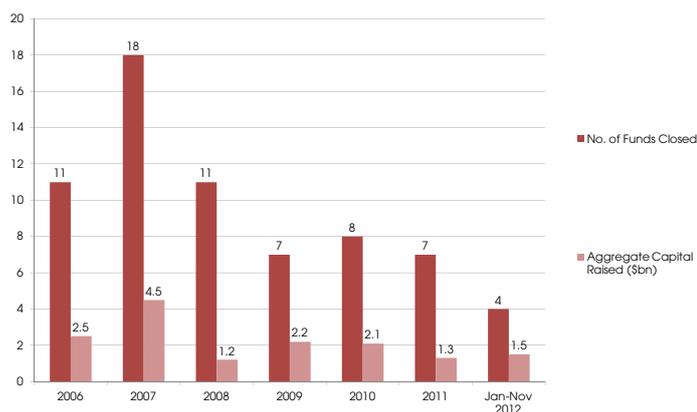
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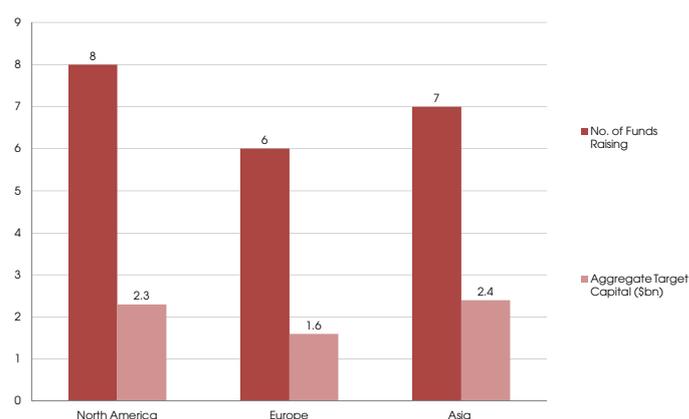
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Fig. 2: Annual Solely Industrial-Focused, Closed-End Private Real Estate Fundraising, 2006 - November 2012



Source: Preqin Real Estate Online

Fig. 3: Solely Industrial-Focused, Closed-End Private Real Estate Funds in Market by Geographic Focus



Source: Preqin Real Estate Online

Fig. 4: 10 Largest Solely Industrial-Focused Closed-End Private Real Estate Funds in Market

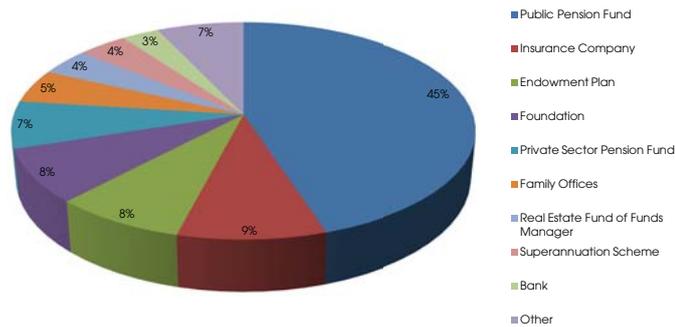
Fund	Firm	Fund Focus	Strategy	Target Size (mn)
KTR Industrial Fund III	KTR Capital Partners	US	Value Added	750 USD
Prologis Japan Development Fund 1	Prologis Private Capital	Japan, Asia	Opportunistic	600 USD
High Street Real Estate Fund IV	High Street Equity Advisors	US	Core-Plus, Value Added	500 USD
Redwood Japan Logistics Fund	The Redwood Group	Japan	Opportunistic	500 USD
IVG Garbe Logistik Fonds	IVG Funds	Germany	Core	400 EUR
Redwood China Logistics Fund	The Redwood Group	China	Core-Plus, Opportunistic, Value Added	2,500 CNY
St Bride's London Industrial Fund	St Bride's Managers	UK	Core, Core-Plus	250 GBP
IndoSpace Logistics Partners II	Everstone Capital	India	Opportunistic	350 USD
Trade Park Fund	Paradigm Real Estate Managers	UK	Core, Core-Plus, Value Added	200 GBP
Cobalt Industrial REIT III	USAA Real Estate Company	US	Value Added	250 USD

Source: Preqin Real Estate Online

Fund Searches and Mandates

Which real estate strategies are investors targeting? Which types of investors are initiating searches? Forena Akthar analyzes the latest real estate searches and mandates from investors gathered by Preqin in October and November 2012.

Fig. 1: Real Estate Fund Searches Issued by Investor Type, October-November 2012



Source: Preqin Real Estate Online

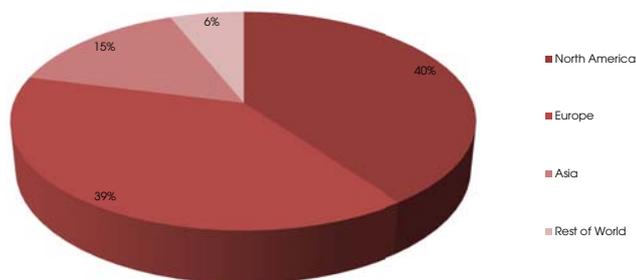
Subscriber Quicklink:

Subscribers can click [here](#) to access the Fund Searches and Mandates feature on Real Estate Online, which allows you to filter private real estate investors on Preqin's database by their strategy and regional preferences for planned future investments within specific time frames.

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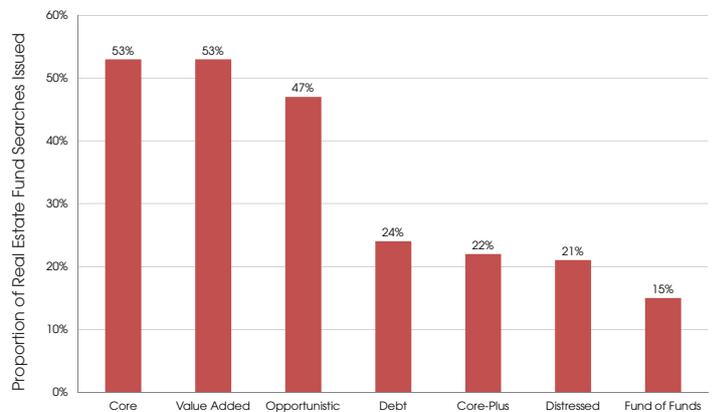
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Fig. 2: Real Estate Fund Searches Issued by Investor Location, October-November 2012



Source: Preqin Real Estate Online

Fig. 3: Real Estate Fund Searches Issued by Strategy Sought, October-November 2012



Source: Preqin Real Estate Online

Fig. 4: Examples of Real Estate Fund Searches Issued, October-November 2012

Investor	Investor Type	Investor Location	Fund Search Details
Pensionskasse Bühler	Private Sector Pension Fund	Switzerland	Pensionskasse Bühler is looking to continue investing in direct and private real estate in the coming 12 months. The private sector pension fund will focus on investments targeting Switzerland, and anticipates allocating capital on a case-by-case basis. It will generally favour low-risk core fund commitments.
Texas Treasury Safekeeping Trust Company	Endowment Plan	US	Texas Treasury Safekeeping Trust Company is planning to commit \$50mn to four private real estate funds in the next 12 months. It will target markets in Asia, Europe and North America, and seek core, value added, opportunistic and debt funds.
Tokio Marine and Nichido Fire Insurance	Insurance Company	Japan	Although Tokio Marine and Nichido Fire Insurance has not made any new private real estate fund commitments so far this year, it expects to invest ¥5bn in unlisted real estate funds in 2013. It will shift its focus from core strategies to core-plus funds and only seek opportunities in the domestic market.

Source: Preqin Real Estate Online



Conferences Spotlight

Conference	Dates	Location	Organizer
Asia GRI 2012	4 - 5 December 2012	Hong Kong	Global Real Estate Institute
Winter Forum on Real Estate Opportunity & Private Fund Investing	23-25 January 2013	California	IMN
Private Equity Real Estate Forum	30-31 January 2013	London	IIR & IBC
Real Estate Investors Summit: Dealmakers Conference	April 2013	Florida	Opal Financial Group
Real Estate Investment World China 2013	15-18 April 2013	Shanghai	Terrapinn
Real Estate Investment World Latin America 2013	18 - 19 June 2013	Miami	Terrapinn
Real Estate Investment World Asia 2013	25-27 June 2013	Singapore	Terrapinn
GRI Europe Summit 2013	10-11 September 2013	Paris	GRI

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