



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.

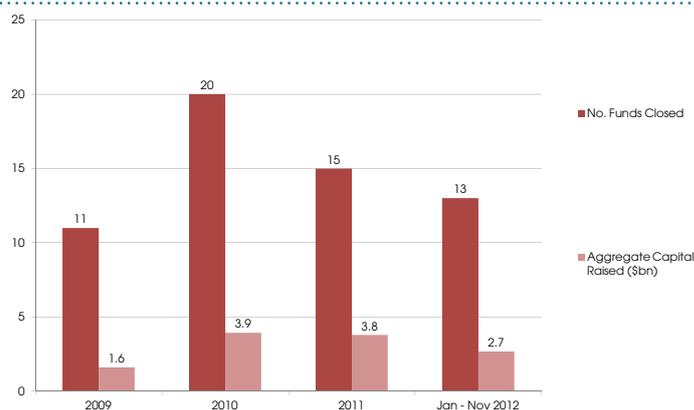
A number of public pension funds are looking to make commitments to core funds in the next year. One such example is [Caisse de Pensions CFE](#), a public pension fund which may return to the private real estate market in the coming year despite not making any real estate fund commitments in the last 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.

Subscriber Quicklink:

Subscribers to Preqin's Real Estate Online can click [here](#) to access detailed profiles for 1,339 institutions investing in core real estate funds.

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www.preqin.com/reo

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
- Investor Location
- Strategy Preferences - Fund Searches and Mandates
 - Core Core-Plus
 - 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:
www.preqin.com/reo