

Largest Private Real Estate Fund Managers Account for Almost Two-Thirds of Fundraising

The largest 20 private real estate funds closed in the last 10 years have been raised by just five different fund managers

Preqin's inaugural *Private Real Estate Top 100* report finds that capital concentration in the real estate industry has reached unprecedented levels. In the last decade, the top 100 largest private real estate fund managers have collectively secured 62% of all investor capital raised for the asset class. In fact, the 20 largest funds closed in the last ten years have all been raised by just five fund managers, and have secured close to \$150bn in institutional capital commitments collectively.

This dominance among the largest fund managers is matched by the influence of the largest investors allocating to the asset class. Generally, institutions report that they are satisfied with their real estate portfolios, and retain strong appetite for real estate investment. This is particularly true of the largest real estate allocators, though: the top 100 largest investors in real estate collectively account for \$1.43tn in capital allocated to the asset class.

For more information and analysis, see the full *Real Estate Top 100* here:

<https://www.preqin.com/docs/reports/Preqin-Special-Report-The-Real-Estate-Top-100-September-2017.pdf>

Key Facts on the 100 Largest Private Real Estate Fund Managers:

- **The top 100 private real estate fund managers have raised an aggregate \$710bn in capital in the past 10 years**, and have an estimated \$161bn in dry powder. This is 62% of total industry fundraising through that period.
- **Out of the top 100 private real estate fund managers, 68 are based in North America**, 20 are based in Europe and nine are based in Asia.
- The largest fund manager, **Blackstone Group, has raised \$83.1bn alone since 2007, and holds \$22bn in dry powder.**

Key Facts on the 100 Largest Private Real Estate Investors:

- **The top 100 investors allocate a mean 10.6% of their assets under management towards real estate.**
- **Eighty-three percent of the top 100 investors have a preference for core funds**, and 82% have a preference for value-added vehicles, while only 22% have a preference for funds of funds and just 6% have a preference for secondaries.
- **Of the top 100 largest investors, 41 are based in West Europe, and they currently allocate \$636bn to real estate.** Thirty-seven are based in North America, and they currently allocate \$518bn to the asset class.
- Additionally, **the largest proportion (85%) of Top 100 investors prefer to make investments in Europe**, while 75% prefer North America and 70% prefer Asia.

Oliver Senchal, Head of Real Estate Products:

"With private real estate industry seeing increased concentration of capital at the top end of the market, the influence of the top 100 real estate fund managers has never been greater. Collectively, these fund managers account for two-thirds of fundraising over the past decade, and consequently are able to influence the fundraising and deal activity of the market to a large degree.

Investors, as a whole, are satisfied with the performance of the asset class over recent years. However, they have reported concern over certain challenges, namely valuations and deal flow, which has only solidified their faith in the networks and consequently the deal sourcing capabilities of the largest and most successful firms. Unsurprisingly, with so much capital invested in the space by the largest investors, we could continue to see the prominence of the largest fund managers rise due to the scale of commitments that institutions must deploy to maintain their allocations to real estate."

Preqin is the leading source of information for the alternative assets industry, providing insight and analysis gathered by its global teams of dedicated researchers. Founded in 2003, the company is a frequent source of intelligence used in the global financial press, through its online databases, regular publications and bespoke data requests.

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