



This report is an excerpt from: **Quarterly Update: Real Estate, Q1 2013**. To download the full report please visit: https://www.preqin.com/docs/quarterly/RE/Preqin_Quarterly_Real_Estate_Update_Q1_2013.pdf.

Institutional Investors in Private Real Estate

Investor appetite for high risk/return strategies, such as opportunistic and value added, has been increasing since January 2011 (Fig. 1). North America-based real estate investors are more likely to target these strategies in the next 12 months, whereas a greater proportion of Europe- and Asia-based investors are seeking lower-risk core and core-plus strategies (Fig. 2). Although investor appetite for first-time funds has decreased steadily in recent years, the proportion of investors considering committing to a first-time fund tripled between December 2012 and March 2013 (Fig. 4).

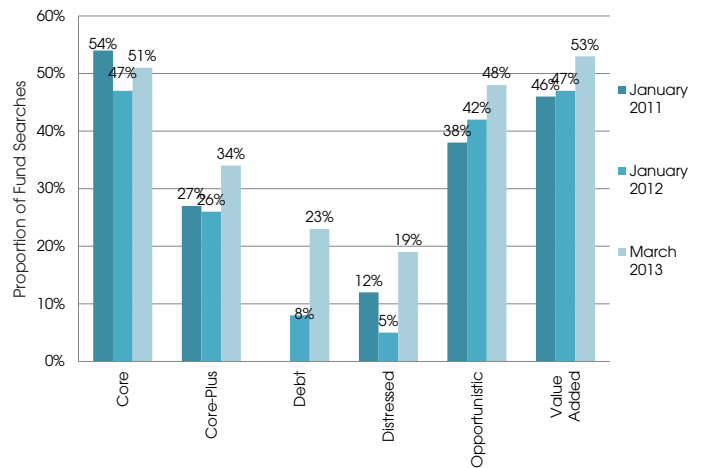
Of all global real estate investors, 24% will utilize separate accounts. However, appetite for these structures varies significantly by investor type, as shown in Fig. 5.

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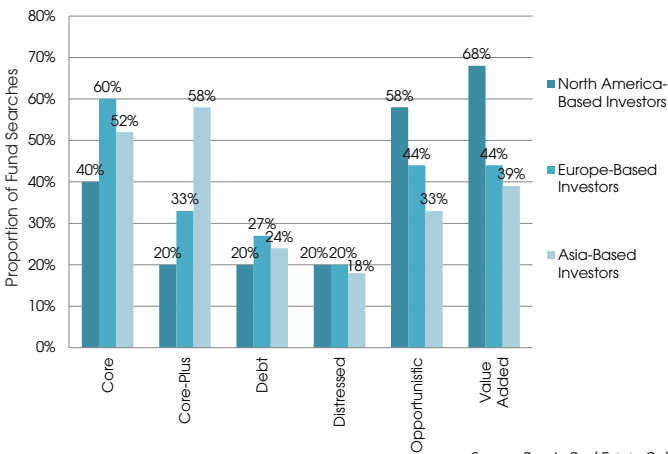
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Fig. 1: Strategies Targeted in the Next 12 Months by Private Real Estate Investors, January 2011 - March 2013



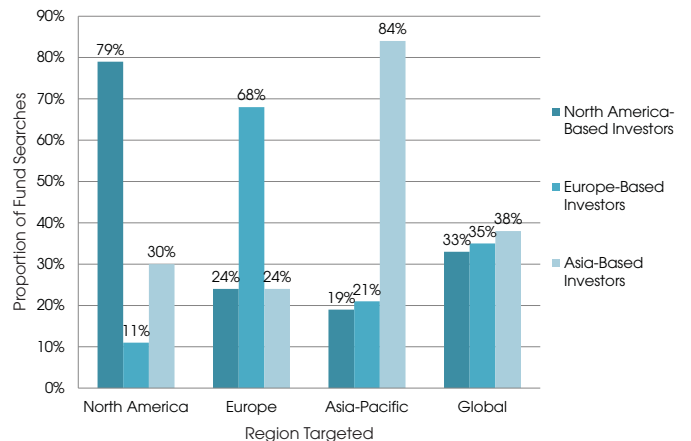
Source: Preqin Real Estate Online

Fig. 2: Strategies Targeted in the Next 12 Months by Private Real Estate Investors by Investor Location



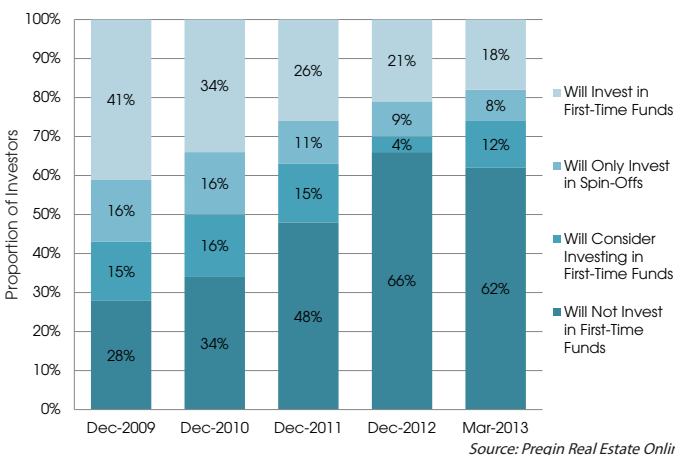
Source: Preqin Real Estate Online

Fig. 3: Regions Targeted in the Next 12 Months by Private Real Estate Investors



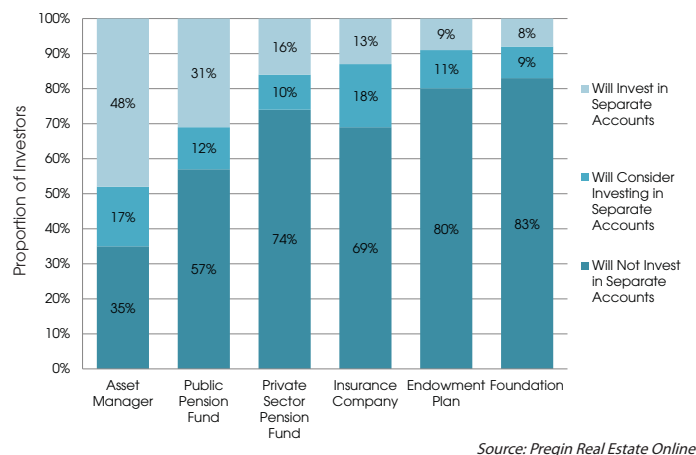
Source: Preqin Real Estate Online

Fig. 4: Changing Attitudes towards First-Time Private Real Estate Funds, December 2009 - March 2012



Source: Preqin Real Estate Online

Fig. 5: Real Estate Investor Appetite for Separate Accounts by Investor Type



Source: Preqin Real Estate Online