

# Preqin Research Report

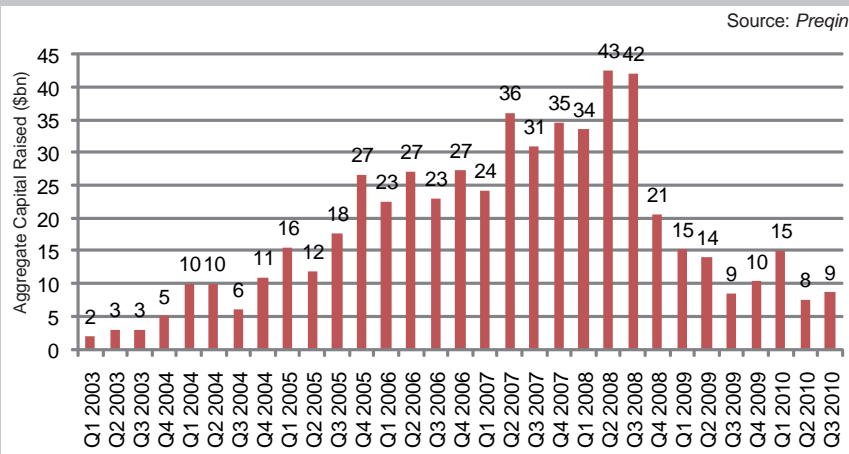
## Q3 2010 Private Equity Real Estate Fundraising Update

**Fig. 1: Top Five Largest Real Estate Funds to Close in Q3 2010**

Fund	Firm	Strategy	Size (mn)	Manager Country	Fund Focus
Fortress Credit Opportunities Fund II	Fortress Investment Group	Debt and Distressed	2,600 USD	US	Global
TA Realty Associates IX	TA Associates Realty	Core-Plus, Debt, Distressed and Value Added	1,700 USD	US	US
Brockton Capital II	Brockton Capital	Debt, Distressed and Opportunistic	496 GBP	UK	UK
AG Asia Realty Fund II	Angelo, Gordon & Co	Distressed and Opportunistic	625 USD	US	Asia
AG Net Lease Realty Fund II	Angelo, Gordon & Co	Value Added	550 USD	US	US

Source: Preqin

**Fig. 2: Global Private Equity Real Estate Fundraising, Q1 2003 - Q3 2010**



Source: Preqin

There was an increase in aggregate capital raised in Q3 2010 from the previous quarter of 14%, with 19 funds closing with aggregate commitments of \$8.7 billion, up from the \$7.6 billion raised in Q2 2010. However, since 2005 there have only been two quarters in which less capital was raised, demonstrating that fundraising remains extremely challenging in the current environment. 13 primarily North America-focused funds raised a total of \$6.0 billion, one primarily Europe-focused fund closed on \$0.8 billion, and five primarily Asia and Rest of World-focused funds raised \$1.9 billion.

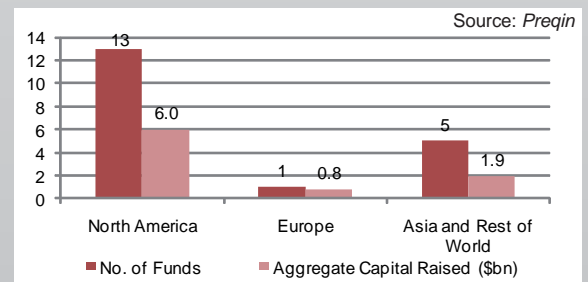
The aggregate target of funds currently on the road seeking capital continued to decline over Q3 2010, as Fig. 4 shows. However, the number of funds in market increased to 403 over the period, perhaps suggesting a slight increase in fund

manager confidence in the prospects for fundraising in the coming months.

The average time taken for private equity real estate funds to reach a final close has continued to increase over 2010, as Fig. 5 shows. Funds closed in 2010 to date have taken an average of 18.9 months to reach a final close, up from 18.2 months in 2009 and nearly double the average time taken for funds closing in 2006.

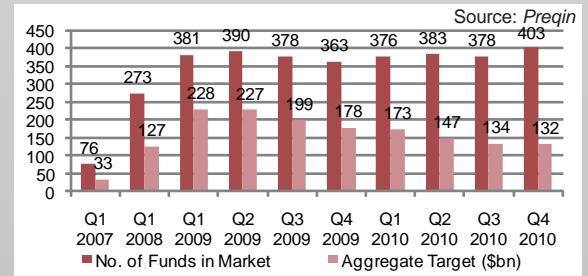
The largest fund to close in Q3 2010 was Fortress Credit Opportunities Fund II. The vehicle aims to make investments in a range of distressed and undervalued credit investments including, but not limited to, opportunistic corporate loans and securities, residential loans and securities, commercial mortgage loans and securities and other consumer or commercial assets and asset-backed securities.

**Fig. 3: Private Equity Real Estate Fundraising by Primary Geographic Focus, Q3 2010**



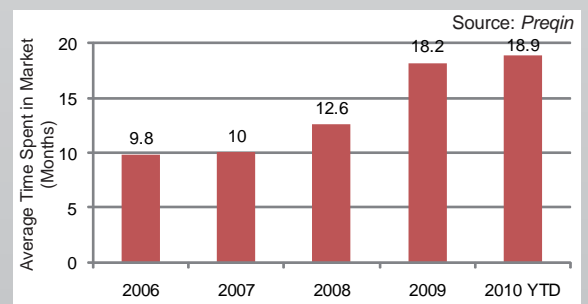
Source: Preqin

**Fig. 4: Private Equity Real Estate Funds on the Road over Time, Q1 2007 - Q4 2010**



Source: Preqin

**Fig. 5: Average Time Taken for PERE Funds to Achieve a Final Close by Year Fund Closed**



Source: Preqin



alternative assets. intelligent data.

Preqin provides information, products and services to real estate firms, fund of funds, investors, placement agents, law firms, advisors and other professionals across six main areas:

- > Fund Performance
- > Fundraising
- > Fund Manager Profiles
- > Investor Profiles
- > Fund Terms
- > Compensation and Employment

Available as:

- > Hard Copy Publications
- > Online Database Services
- > Consultancy and Research Support
- > Tailored Data Downloads

For more information and to register for a demo, please visit:

[www.preqin.com/realestate](http://www.preqin.com/realestate)

Full results and report on Q3 2010 PERE fundraising will be available in Preqin's monthly newsletter, Real Estate Spotlight.

To register to receive Spotlight please visit: [www.preqin.com/spotlight](http://www.preqin.com/spotlight)

© 2010 Preqin Ltd. / [www.preqin.com](http://www.preqin.com)