

# Real Estate Secondary Market Transaction Volume Reaches \$2.6 Billion During 2012

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The market for real estate secondary transactions has recorded a fourth straight year of record transaction volume, with \$2.6 billion of activity during 2012, based on Landmark Partners' annual global tally. A tenured investor in the real estate secondary market, Landmark continues to aggregate this data through a variety of channels including the firm's own transaction experience as well as discussions with other market participants.

The tally is an estimate of net asset value at the time of sale. By Landmark's measure, 2012 marked the second straight year of 20% annual growth. The \$2.6 billion of volume was amassed across 48 transactions, versus \$2.2 billion of volume across 47 transactions in 2011. Approximately 37% of activity was concentrated in U.S. real estate partnerships, 40% in European real estate partnerships, 18% in Asian real estate partnerships, and the remaining 5% concentrated in Global real estate partnerships.

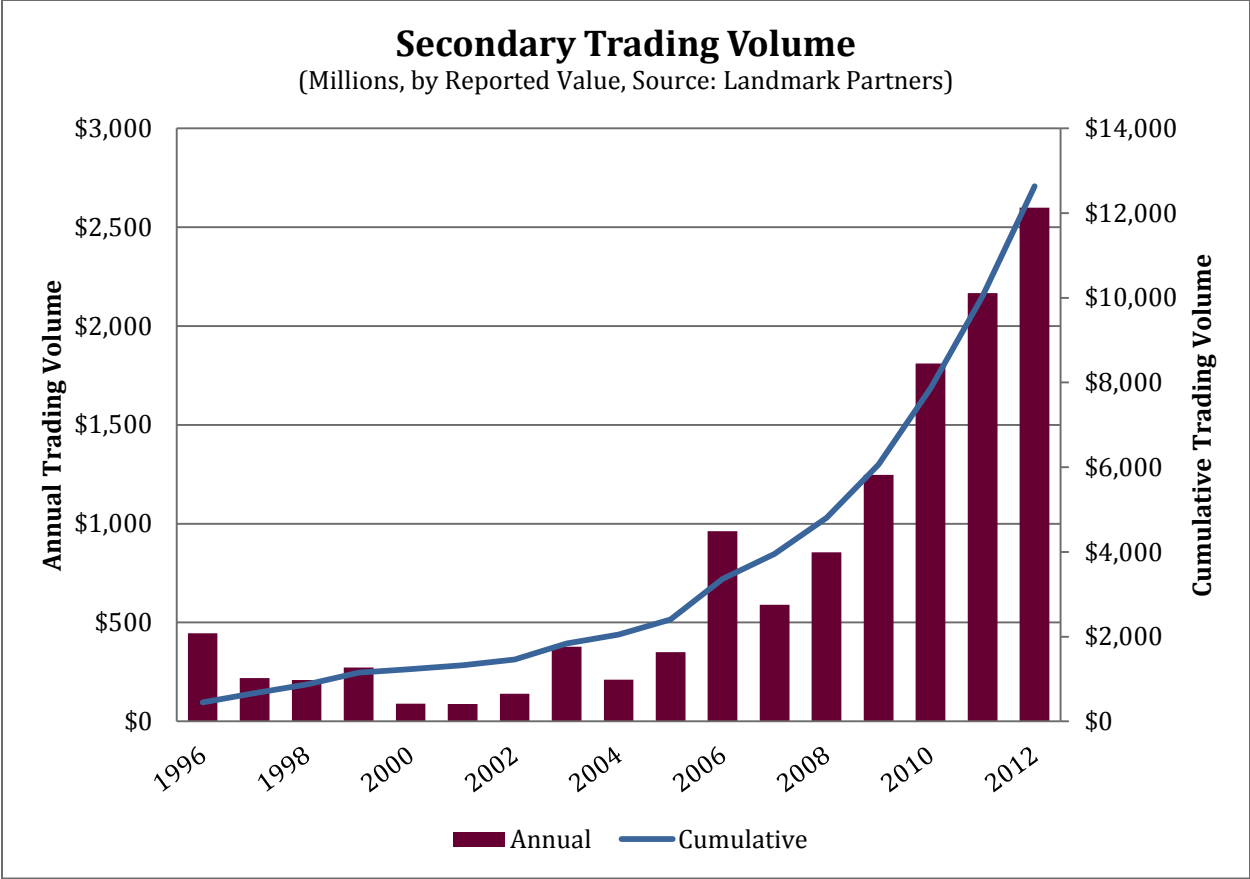
Motivated by regulatory pressures and balance sheet objectives, banking institutions and financial conglomerates continued to be active sellers through 2012. Other active sellers included foundations, pension funds, and insurance companies that were motivated by portfolio rebalancing objectives.

Landmark's dataset does not include the entire volume of "LP to LP" trades, and therefore understates the aggregate volume of activity. Such trades are private in nature and not typically reported in the marketplace. In addition, Landmark's dataset excludes transactions involving interests in single asset real estate joint venture partnerships and other private "non-fund" vehicles.

Looking forward, Landmark expects a growing number of institutional investors to transact in the secondary market in order to rebalance legacy exposures and meet portfolio management objectives. As the market cycle continues to evolve, and a global recovery takes form, the secondary market will enable investors to free capital to invest in the latest strategies while also meeting their allocation targets.

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REAL ESTATE SECONDARY TRANSACTION VOLUME



Transaction volume reflects an estimation of manager Reported Value at the time of sale; excludes trades of less than \$10 million in UK and European unlisted funds except verified transactions totaling \$10 million or larger; also excludes trades of interests in open ended funds unless those funds were closed to redemption at the time of the transaction.

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