

FUNDTRACKER TRENDWATCH

The world is full of choices

Number of currently marketing funds continues to increase

The number of real estate investment funds currently seeking capital is at an all-time high. At this time three years ago, IREI's FundTracker database reported 813 marketing funds. By January 2014, the number had grown to 901. January 2015 saw 214 open funds with a total aggregate target of \$354 billion, and today, we are looking at 1,065 funds with an aggregate total of at least \$390 billion. (Not all funds, especially open-end vehicles, list a maximum target.) Some of this growth can probably be explained by better data collection methods. Some additional funds might have been added when we moved from a traditional definition of "fund" to a definition that

includes most products seeking capital, including joint ventures and club deals. But the trend is obvious — investors are facing more choices than ever when it comes to placing their real estate allocations.

In past years, FundTracker has only reported the fund raising of traditional pooled funds. But for many investors, this traditional structure

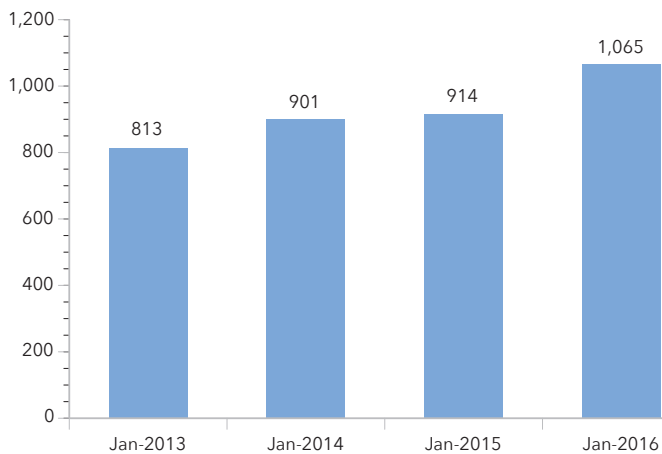
does not work. The market has responded to investors' concerns, and structures such as joint ventures, club deals and even shared separate accounts (an oxymoron if there ever was one) are now being presented as a way to meet investors' need for better alignment of interests.

Although several of the industry's iconic open-end funds go back 25 or 30 years, it is likely that many of the older funds still shown as "currently marketing" are actually zombie funds. They might not have officially closed, but they are not raising capital either. To get a clearer view of how many true choices investors have, we have peeled off those funds launched after 2010. When looking at funds launched in the past six years, 660 funds launched since 2010 are still open. Of those launched since 2013, 446 are still open. 2015-vintage funds find 174 still open. And five funds have already hit the market in 2016, one open-end fund and four closed-end funds. Assuming these more recent offerings are the most active in the market, investors have a lot to choose from.

North America is still the prime destination for fund capital, accounting for 42 percent of the funds in the market. Another 34 percent of the funds have a European mandate. Thirteen percent focus on the Asia Pacific region.

- Number of currently marketing funds increases 16 percent
- North America and Europe are the focus of three-quarters of funds
- More than 60 percent of funds are closed-end

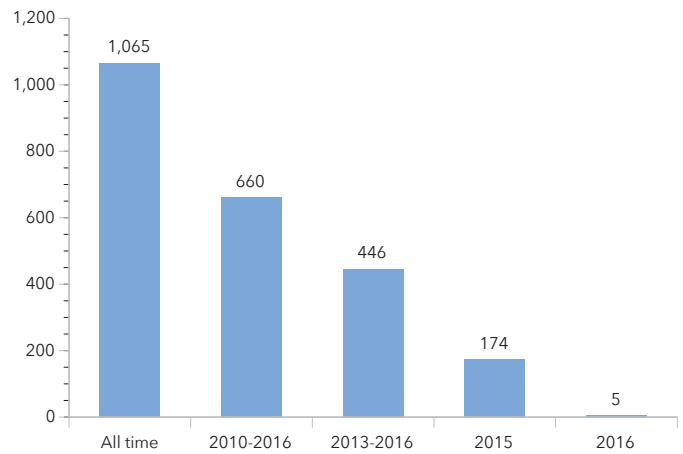
Growth in number of funds currently marketing



Source: IREI FundTracker

Funds marketing as of Jan 15, 2016

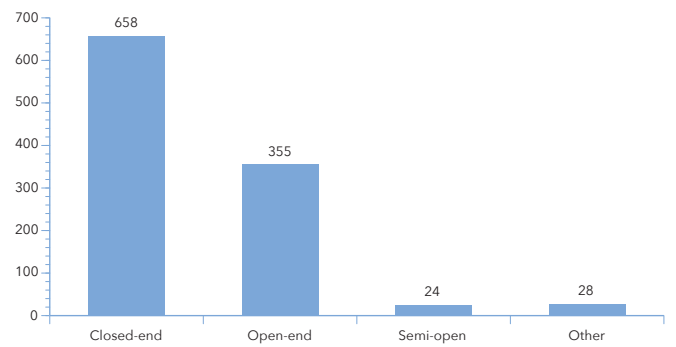
Funds currently marketing by year launched



Source: IREI FundTracker

Funds marketing as of Jan 15, 2016

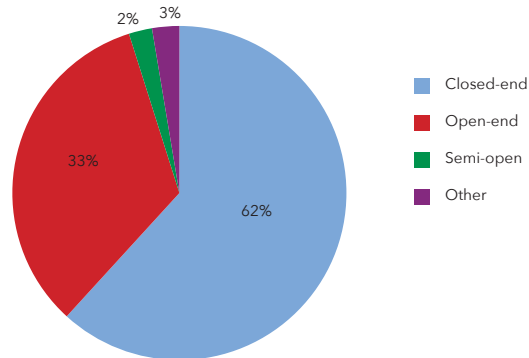
Funds currently marketing by product type



Source: IREI FundTracker

Funds open as of Jan. 15, 2016

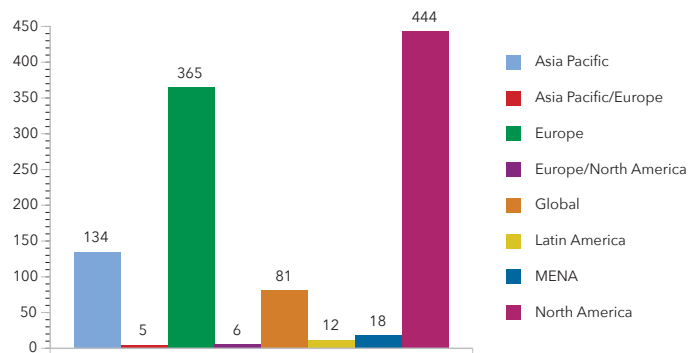
Funds currently marketing by product type



Source: IREI FundTracker

Funds open as of Jan. 15, 2016

Funds currently marketing by region



Source: IREI FundTracker

Funds open as of Jan. 15, 2016

from the IREI NEWS CLOUD

- [CBRE Global Investors](#) held the final closing for CBRE Wood Partners Development 4, a multifamily development fund with equity commitments of \$411 million, exceeding its fundraising target.
- A new private equity fund of Indian mortgage lender [Housing Development Finance Corp](#) (HDFC.NS) will target raising \$500 million from offshore investors for domestic property projects, including in warehousing and logistics.
- [Covenant Capital Group](#) has held a final close of \$260 million for Covenant Apartment Fund VIII.
- [Mesa West Capital](#) has raised \$390 million in its first close for Mesa West Real Estate Income Fund IV, a value-added fund launched in July 2015 targeting \$750 million in equity commitments.
- The \$12.2 billion [Orange County \(Calif.\) Employees Retirement System](#) is seeking a general investment consultant.
- The \$110 million [Lexington \(Mass.\) Contributory Retirement System](#) is seeking to commit \$5 million to an open-end core or core-plus real estate fund.
- [Crow Holdings Capital - Real Estate](#) has announced its \$1.85 billion final close for its Crow Holdings Realty Partners VII and a \$295 million close for its inaugural Crow Holdings Retail Fund..

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Information in this report has been drawn from IREI's proprietary FundTracker database. Online subscriptions are available. Click [here](#) for more information.

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