

## Nearly 950 funds seeking capital

One-third of all open funds launched since the beginning of 2016

According to IREI's FundTracker database, there are currently 949 real estate investment funds currently on offer. About a third of these funds are open-end, so you would expect them to have long tails.

Another third have been launched since 2016, so those are still relatively healthy. But 161 closed-end funds — 17 percent of the total — were launched prior to 2014. Although they might not have officially reached a final close, it is unlikely that those funds are still actively raising capital. Most of the funds taking more than 44 months to close simply are not resonating with investors. By comparison, the average time

in the market for funds closing in the past three years has been someplace around 18 months, give or take a couple of weeks. So far in 2017, the average time for a fund to reach a final closing is standing at 16 months, though this figure is likely to end up closer to the 18-month average as we record additional fund closings during the traditional fourth-quarter final closing period.

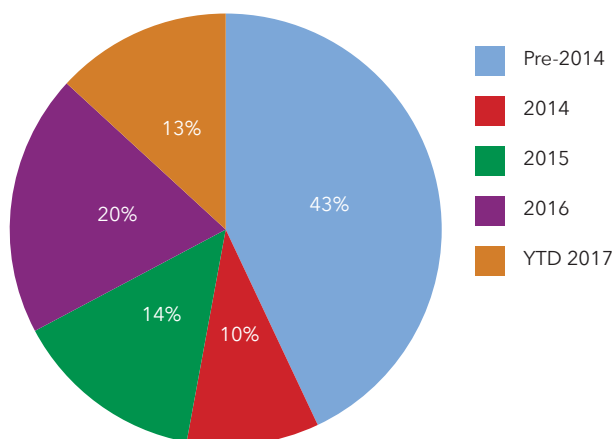
Forty-three percent of the funds currently raising capital were launched prior to 2014. On the surface, this seems like an awful lot of funds having trouble reaching the end of their fundraising. However, of the 408 funds still in the market from that time period, 247 are open-end vehicles. Another 57 were launched in 2013, putting them just on the edge of still being viable.

North America, particularly the United States, is the overwhelming focus of funds launched in 2014 or later and still fundraising. Of the 541 active funds launched in the past three years, 248 are focused on North America. Another 178 are looking at European assets. Asia Pacific accounts for 74 funds, 33 have a global strategy, and the remaining eight are looking at Latin America or MENA investments.

Seventy-nine percent of the currently marketing funds have an equity mandate, while 14 percent are debt funds and 7 percent can invest in either strategy. When compared to funds closing in the past three years, it appears funds with a debt component have an easier time closing than your average equity fund. Debt and hybrid funds comprise 27 percent of the total funds reaching final closing since 2014, with equity funds coming in at 73 percent.

- 161 closed-end funds have been marketing for more than 44 months
- One-third of marketing funds are open-end
- Majority of open funds target North America

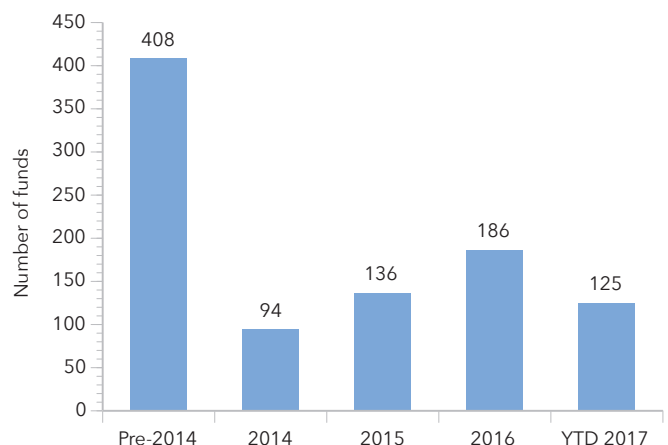
Percent funds currently marketing by year launched



Source: IREI FundTracker

YTD 2017 = Sept. 1, 2017

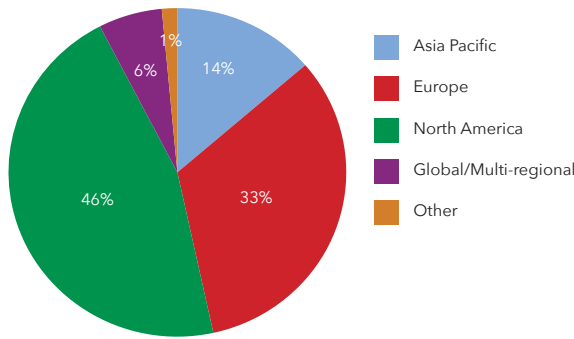
Funds currently marketing by year launched



Source: IREI FundTracker

YTD 2017 = Sept. 1, 2017

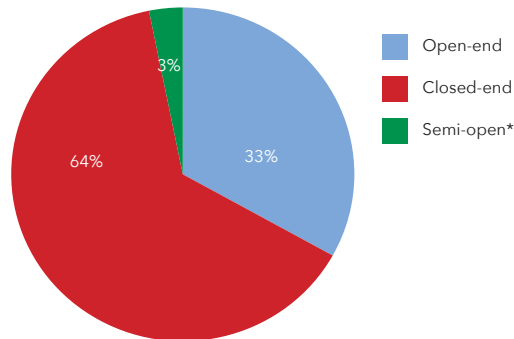
## Currently marketing funds divided by region



Source: IREI FundTracker

YTD 2017 = Sept. 1, 2017

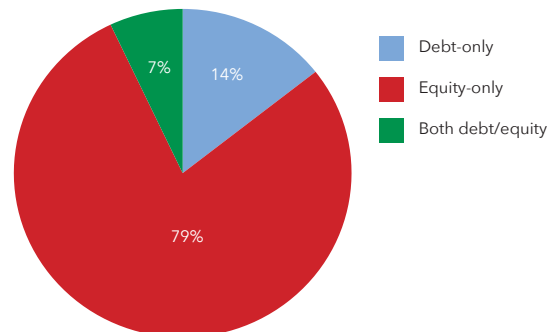
## Currently marketing funds by structure



Source: IREI FundTracker

\*Semi-open funds have a long-term close date  
YTD 2017 = Sept. 1, 2017

## Currently marketing funds — debt vs. equity



Source: IREI FundTracker

YTD 2017 = Sept. 1, 2017

## from the IREI NEWSLINE

- The \$29 billion [South Carolina Retirement System Investment Commission](#) has committed \$200 million to the Heitman Core Real Estate Debt Income Trust, a real estate debt fund that will provide financing for U.S. hotel, industrial, multifamily, office, retail, self-storage and student-housing properties.
- The \$192 billion [New York State Common Retirement Fund](#) has committed \$300 million to Prologis Targeted U.S. Logistics Fund, an open-end real estate fund that acquires, operates and sells high-quality logistics facilities in target markets across the United States critical to global trade.
- [Swiss Life Asset Managers](#) has launched a new German real estate fund, SL REF (DE) Key Regional Cities Germany, which will focus on office properties with an ABBA investment strategy in up to 26 selected German cities that offer stable values and returns.
- The \$11.2 billion [South Dakota Investment Council](#) has committed up to \$300 million to the \$5 billion Blackstone Real Estate Partners Asia II, which will invest in warehouses and shopping malls in China, India, Southeast Asia and Australia.
- The \$85 billion [Minnesota State Board of Investment](#) has committed up to \$150 million each to two opportunistic funds – Carlyle Realty Partners' Realty Fund VIII and Landmark Partners' LREF VIII.

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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.

# FUNDTRACKER TRENDWATCH

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