

FUNDTRACKER TRENDWATCH

More than 800 real estate funds seeking capital

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

According to IREI's FundTracker database, there are 832 real estate investment funds currently on offer. Thirty-five of those are closed-end funds launched in 2014 or earlier—about 8 percent of the total number of closed-end funds in the market. With the average closed-end fund reaching a final closing in about 19 months, give or take a few weeks—based on the most recent three-year rolling average—it is unlikely that those 35 funds are actually actively being marketed. Although they have not officially reached a final close, most of the funds taking more than 44 months to close simply are not resonating with investors, and probably never will.

- 40 percent of marketing funds are open-end
- 115 of funds currently on offer are debt funds
- Majority of open funds target North America

About 40 percent of the 832 funds (337) currently marketing are open-end, so of course they would be marketing for years, maybe decades. If we assume those closed-end funds launched 2014 or before are de facto closed, we have 460 closed-end funds currently soliciting commitments. These funds are seeking an aggregate total of at least \$442 billion. Because

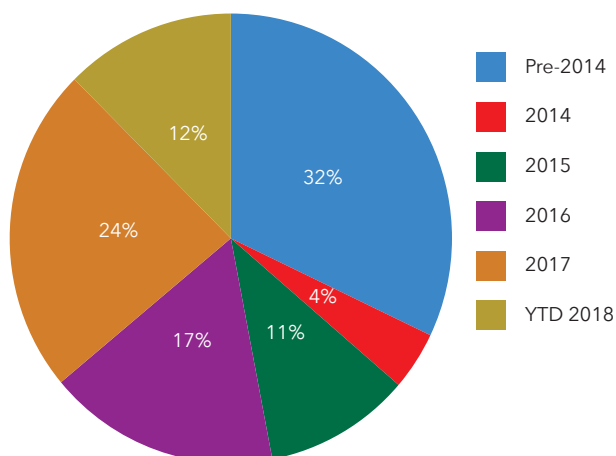
FundTracker does not have maximum cap data on several funds, this amount could be significantly higher. In any case, managers are looking for a lot of capital.

No matter how many funds are launched each year, the number currently marketing has fallen by about the same number year over year. That is, there were 54 more funds still marketing in 2015 than 2014. There are 52 more funds marketing from vintage 2016 than 2015. And there are 55 more funds still in the market from vintage 2017 than 2016. With 2018 so far looking to be a down year when it comes to fund launches, it will be interesting to see if this trend continues to hold.

North America, particularly the United States, is the overwhelming focus of funds launched in 2014 or later and still fundraising. Of the 565 active funds launched during the 2014 to YTD 2018 period, 256 are focused on North America. Another 202 are looking at European assets. Asia Pacific accounts for 67 funds, 34 have a global strategy, and the remaining six are looking at Latin America or MENA investments.

Eighty percent of the currently marketing funds have an equity mandate, while 14 percent are debt funds and 6 percent can invest in either strategy.

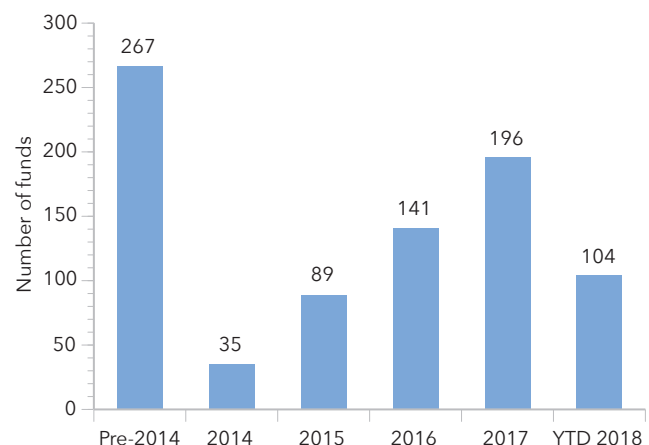
Percent funds currently marketing by year launched



Source: IREI FundTracker

YTD 2018 = Sept. 1, 2018

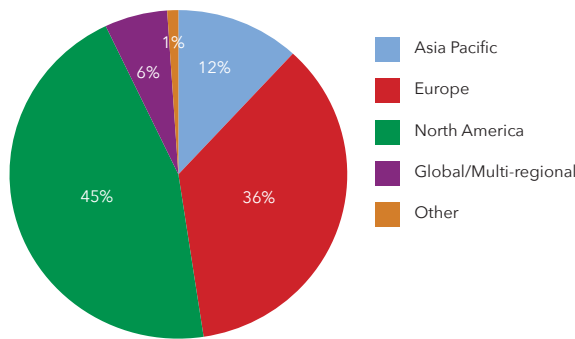
Funds currently marketing by year launched



Source: IREI FundTracker

YTD 2018 = Sept. 1, 2018

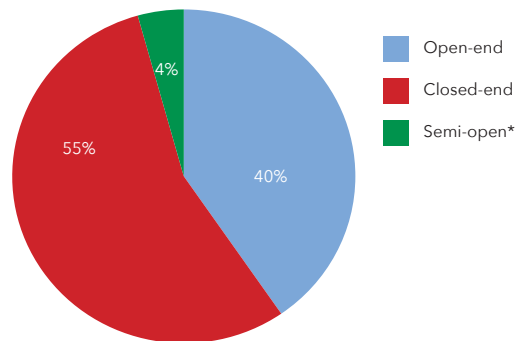
Currently marketing funds by region



Source: IREI FundTracker

YTD 2018 = Sept. 1, 2018

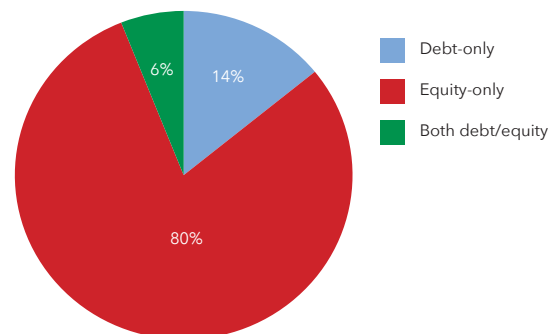
Currently marketing funds by structure



Source: IREI FundTracker

*Semi-open funds have a long-term close date
YTD 2018 = Sept. 1, 2018

Currently marketing funds — debt vs. equity



Source: IREI FundTracker

YTD 2018 = Sept. 1, 2018

from the IREI NEWSLINE

- [Trion Properties](#), a boutique real estate firm based in Los Angeles, recently launched its second real estate fund, Trion Multifamily Opportunity Fund II, which has a \$50 million target.
- [Mesirow Financial](#) has held a final close for its Mesirow Financial Real Estate Value Fund III, with equity commitments of \$567 million from institutional investors across the United States, Europe and Australia.
- [Brookfield Asset Management](#) and Fairfield Residential have held a \$1 billion final close on Brookfield Fairfield U.S. Multifamily Value Add Fund III.
- [Partners Group](#), the global private markets investment manager, has reached its target after raising €2 billion (\$2.3 billion) for its third dedicated private real estate secondaries program.
- The \$151.4 billion [Teacher Retirement System of Texas](#) has committed \$225 million to Mack Real Estate Credit Strategies.
- The \$1.9 billion [Louisiana School Employees' Retirement System](#) has committed \$30 million to Henderson Park Real Estate Fund, a debt fund that will invest in the office, healthcare, retail and student housing sectors throughout Europe.

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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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