

Average fund size continues to grow

While average time on offer falls

Real estate investment funds that closed in 2018 spent significantly less time in the market than those closing in the previous two years. Last year, the average fund reaching final closing was on offer about 16.5 months. This held true for mega- and non-mega funds alike. When looking at averages, the trimmed mean is a more accurate measure than the standard average because it drops the top and bottom outliers. By that measure, we see funds in 2016 and 2017 took 19 months to reach their targets compared with the 16 months recorded in 2018.

The past three years have also been good for the average fund size. Mega-funds are obviously towering over non-mega-funds, but even when the outlier \$15

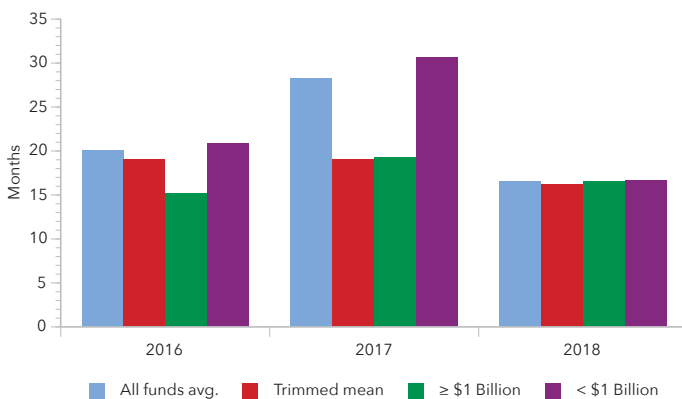
billion funds are removed from the average by incorporating the trimmed mean, the average size is still increasing. For funds closing in 2016, the trimmed mean stood at \$590 million. This number grew to \$606 million in 2017 and \$801 million in 2018.

We are still early in the game when it comes to making predictions for 2019, but so far, the trends noted in this report seem to be holding. As of the beginning of February, 10 funds have reported a final closing. These include the Brookfield Strategic REP III fund at \$15.0 billion and the Blackstone REP IX at \$17.3 billion. If we remove these funds from our size calculations, we find that the remaining funds have raised an average of \$791 million. On average, this crop of funds took 17 months from launch to close. ❖

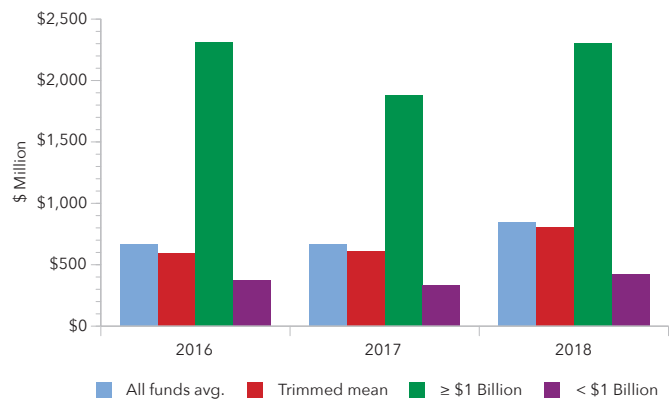
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- Average time in market stands at 16.5 months
- 2018 funds raised \$801 million each, on average
- Mega-funds typically close faster than others

Average time to reach final closing by fund size



Average mega-fund size vs. non-mega-fund size



Source: IREI FundTracker

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

For IREI FundTracker database subscription information, please contact Karen Palma, k.palma@irei.com, +1 925-244-0500, ext. 136

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