

First look at Q3 real estate fundraising

It is possible the COVID-19 pandemic is beginning to have an impact on real estate fundraising activity, given some investors' reluctance to commit capital without a face-to-face meeting. But while preliminary data for the third quarter indicates a drop-off from the previous quarter (\$43.4 billion was raised by funds closing in the second quarter), it is actually an increase on a year-over-year basis. The \$20.7 billion raised by funds that closed in third quarter 2020 exceeds the \$19.9 billion raised by funds that closed in third quarter 2019.

At a first glance, the big story for third quarter fundraising is the strong showing by debt-focused real estate investment funds. Debt-focused funds were responsible for slightly more than half of the third quarter fundraising haul at nearly \$10.6 billion. Much of the capital earmarked for real estate debt investment was raised by the largest fund to close in the third quarter — Blackstone Group's Blackstone Real Estate Debt Strategies IV, which closed with approximately \$8 billion.

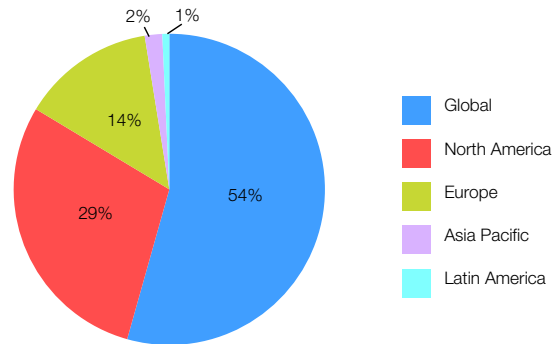
Funds focused on the multifamily sector also had a strong showing in the third quarter, accounting for \$3.2 billion of the total capital raised. The second-largest fund to close in the quarter was Churchill Real Estate Holdings' Churchill Real Estate Fund, which closed with \$2 billion in equity commitments.

Among funds that provided a strategy, value-added funds were the biggest capital raisers in the third quarter. Funds with a value-added strategy raised more than \$4.6 billion.

By region, global or multi-regional funds were the most active, raising nearly \$11.3 billion. Funds with a focus on North America raised nearly \$6.1 billion, and funds with a focus on Europe raised nearly \$2.9 billion. Funds focused on Asia Pacific and Latin America represented a smaller portion of the overall fundraising haul, at \$375 million and \$150 million, respectively. ❖

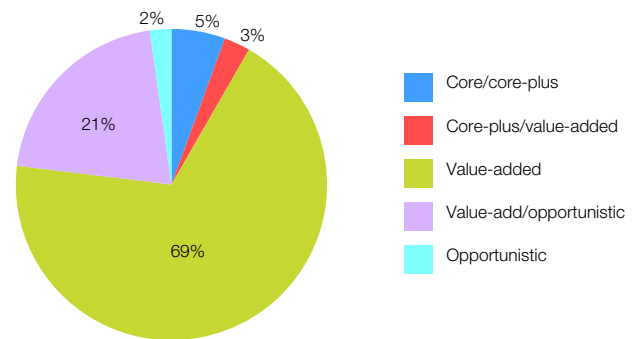
Loretta Clodfelter is senior editor of *Institutional Real Estate Americas*.

Total capital raised, by region, Q3/2020



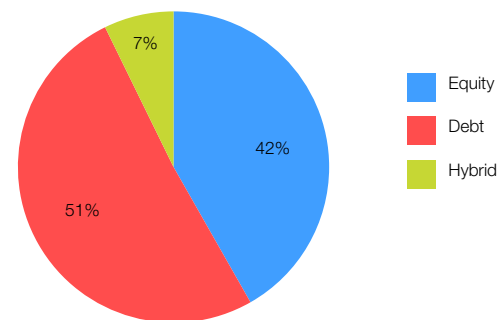
Source: Institutional Real Estate, Inc., as of Oct. 14, 2020

Total capital raised, by strategy, Q3/2020



Source: Institutional Real Estate, Inc., as of Oct. 14, 2020

Total capital raised, equity vs. debt, Q3/2020



Source: Institutional Real Estate, Inc., as of Oct. 14, 2020

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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