

Q3/18 first look

Rolling up and down

Third quarter 2018 saw real estate investment funds continue the rollercoaster trend of recent fundraising, which has been up and down over the past few years.

- Funds closed in Q3/18 raised \$28.6 billion
- Fundraising total for the first three quarters of 2018 is highest since 2015
- Average fund size is trending up in Q3/18

Although numbers have been up and down, early numbers show a quarter well ahead of third quarter 2017. Funds reaching a final close in third quarter 2018 raised a total of \$28.6 billion compared to \$18.3 billion raised during third quarter 2017.

Not only is the fundraising total ahead of third quarter 2017's total, the combined total for the first three quarters of 2018, \$85.3 billion, is the highest it has been since the first three quarters of 2015, \$92.1 billion.

Looking back to the first two quarters of 2018, first quarter saw a major jumpstart to the

year with 32 funds raising a fundraising total of \$26.2 billion, compared to first quarter 2017's \$17.8 billion. Second quarter 2018 saw a decrease in activity at 31 funds closed raising a total of \$25.4 billion, compared to second quarter 2017 having 45 funds raising \$33.3 billion.

The fund with the largest fundraising volume for Q3 2018 was The Carlyle Group's Carlyle Realty Partners VIII, which raised approximately \$5.5 billion.

The second-largest fund to close in third quarter 2018 was AllianceBernstein's AllianceBernstein Commercial Real Estate Debt III, which raised approximately \$3.1 billion. The third-largest fund to close in third quarter 2018 was Partners Group's Partners Group Real Estate Secondary 2017, with approximately \$2.3 billion.

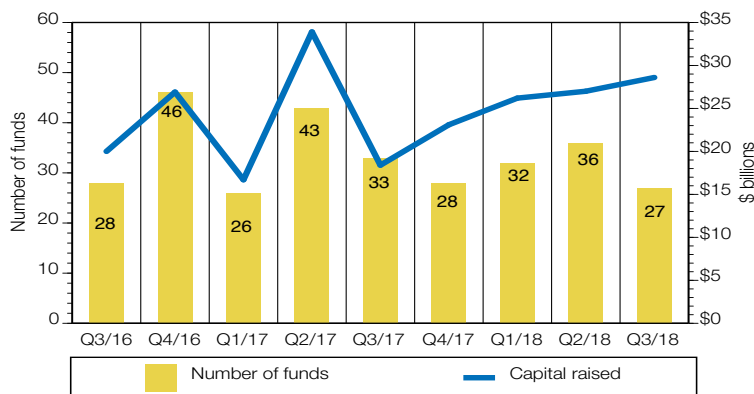
Third quarter 2018 funds closed a bit slower than third quarter 2017 funds, with those closing in third quarter last year taking an average of 17.2 months to reach a final close compared with this year's average of 18.8 months.

Fund size is also trending back upward. Looking at the size of funds closed in the first three quarters, we see the 2016 and 2017 trimmed means coming in at \$640.4 million and \$615.8 million, respectively, while the of 2018 mean has climbed to \$826 million.

The third quarter 2018 total will likely change as additional fund closings are announced, but it is safe to say that fewer funds are closing compared to last year, but more capital is being raised. It will be interesting to watch how fourth quarter 2018 completes the picture.

— Denise DeChaine

Fundraising trends, Q3/16-Q3/18



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.

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