

Two funds raise 'big bucks'

Early numbers are in for real estate investment funds in the first quarter 2019, and they look encouraging, but also misleading. At this time last year, we were looking at preliminary data of \$27.4 billion raised by 21 funds closed in the first quarter 2018. First quarter 2019 also registered 21 fund closings, but in contrast to last year's first quarter total, they raised a whopping \$48.3 billion.

The reasons for the dramatic uptick in the dollar amount raised: Blackstone Real Estate Partners IX and Brookfield Strategic Real Estate Partners III. The two record-setting funds raised a combined total of \$32.3 billion, accounting for 67 percent of the total amount raised during first quarter 2019.

First quarter 2019 data now represents the highest first quarter total on record, ever. It also represents the second-highest quarterly total ever, trailing second quarter 2008's total of \$57.2 billion.

Looking at preliminary data for Asia and Europe funds, the largest Asia-focused fund to close

was Alpha Investment Partners' Alpha Asia Macro Trends Fund III, raising approximately \$1.1 billion. The largest Europe-focused fund to close in first quarter 2019 was Tristan Capital Partners' European Property Investors Special Opportunities 5, raising approximately \$1.9 billion.

Seven of the 21 funds closing in first quarter 2019 raised \$1 billion or more. In aggregate, these funds raised \$41.1 billion, accounting for 85 percent of the overall total. This compares to the first quarter 2018, when six of the 35 funds raised more than \$1 billion and accounted for \$23.4 billion, or 76 percent of the total. Going back even further, this compares to first quarter 2017, when seven of 25 funds raised more than \$1 billion and accounted for \$9.6 billion, or 51 percent of the total.

Over the past few years, investors have started to employ fewer investment managers, thus making larger commitments to a select few, with a focus on large, proven and successful managers such as Blackstone and Brookfield. The result? Ever-more mega-funds that continue to grow in size.

— Denise DeChaine

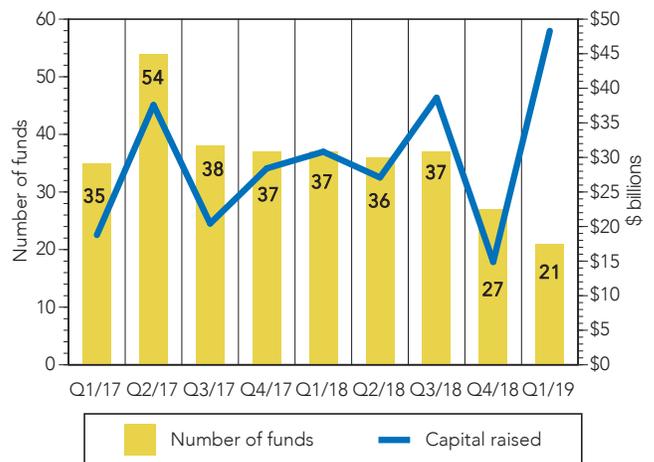
- \$48.3 billion raised by 21 funds in the first quarter
- 2 super-mega-funds accounted for 67% of the total raised
- 7 of the 21 funds raised \$1 billion or more

Largest funds closed Q1/2019

Fund Name	Total Raised	Region
Blackstone Real Estate Partners IX	\$17.3 billion	Global
Brookfield Strategic Real Estate Partners III	\$15.0 billion	Global
TPG Real Estate Partners III	\$3.7 billion	Global
European Property Investors Special Opportunities 5	\$1.9 billion	Europe
Alpha Asia Macro Trends Fund III	\$1.1 billion	Asia/Australia
Heitman Value Partners IV	\$1.1 billion	United States/Canada/North America
Artemis Real Estate Partners Fund III	\$1.0 billion	Europe

Sources: FundTracker, first quarter preliminary data

Fundraising trends, Q1/17-Q1/19



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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