

Q2/20 first look

Preliminary numbers are in and real estate investment funds closing in second quarter 2020 raised \$38.22 billion — the highest second quarter total since second quarter 2008 and the highest overall quarterly total since first quarter 2019's record-setting \$63.7 billion.

- Highest total capital raised since first quarter 2019
- 11 of the 26 funds raised \$1 billion or more

When looking at second quarter 2020 from the number of funds closed standpoint, you can see that the preliminary total for funds closed is 26 funds. Compared to the last two years, this number can seem relatively normal, especially when it ties with 2019's

second quarter number of funds closed, but when going back further and looking at second quarter 2018's 38 funds closed and second quarter 2017's 54 funds closed, the number 26 can seem fairly low.

The driving force behind such a high total of capital raised in second quarter 2020 was the 11 megafunds that closed. The largest fund to close was Blackstone's Blackstone Real Estate Partners Europe VI. The fund raised \$10.6 billion for its latest European opportunistic real estate fund making it the largest ever dedicated European real estate fund. BREP Europe VI is looking to invest in office, hotel, logistics, multifamily and single-family assets in France, Germany, Italy, the Netherlands, Spain, and the United Kingdom.

BREP Europe VI alone made up for approximately 28 percent of the second quarter 2020 total. Paired with the 10 other megafunds, in aggregate, these funds raised approximately \$31.4 billion, accounting for 82 percent of the overall total. This compares with the second quarter 2019, when four of the 26 funds raised more than \$1 billion and accounted for \$10 billion, or 48 percent of the overall total. Going back even further, this compares with second quarter 2018, when six of the 38 funds raised more than \$1 billion and accounted for \$13.7 billion, or 44 percent of the total.

Based on early data, the first-half 2020 total capital raised (\$56.98 billion) is significantly behind the first-half of 2019 (\$84.16 billion), but the total is only slightly behind the first-half 2018 and 2017 figures of \$59.32 billion and \$57.36 billion, respectively.

Whether fundraising will slow significantly in the second half of 2020 due to COVID-19, only time will tell.

— Denise DeChaine

Second quarter totals, 2007–2020*

Year	Number of funds closed	Total capital raised (\$B)
2007	45	\$27.77
2008	51	\$50.31
2009	36	\$14.65
2010	31	\$21.90
2011	19	\$7.10
2012	29	\$12.86
2013	47	\$17.35
2014	38	\$20.33
2015	54	\$32.05
2016	40	\$34.28
2017	54	\$37.58
2018	38	\$28.38
2019	26	\$20.54
2020*	26	\$38.22

Source: Institutional Real Estate FundTracker Database, *preliminary numbers as of July 17, 2020

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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