



FUNDRAISING REPORT **H1 2021**

PERE's interactive and downloadable review of the H1 2021 fundraising environment

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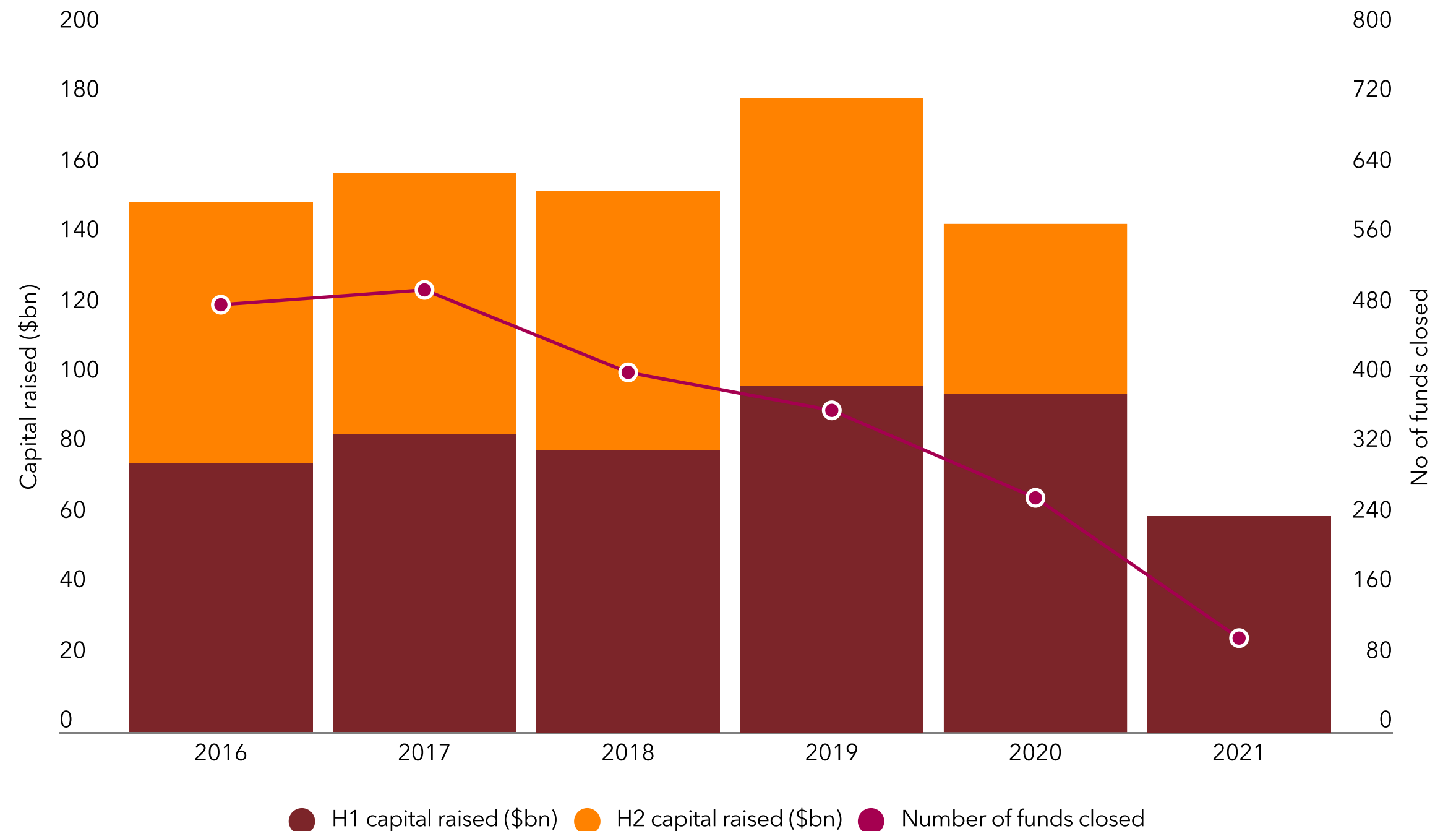
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Fundraising overview

The first half of 2021 saw \$61.7 billion raised across 107 funds closed, down 36.3 percent from H1 2020's \$96.8 billion figure. It was also the smallest H1 total since 2012, when \$57.5 billion was raised during the first six months of the year. Meanwhile, the total number of funds closed during H1 2021 hit a record low in the 14 years since *PERE* has been tracking fundraising data. Because more capital was raised during the first half than second half of the year from 2016-20, 2021 is on track to be the worst fundraising year in the past 10 years. However, if 2021 follows the trajectory of 2015, when \$109.4 billion was raised in H2 compared to \$73.4 billion in H1, the year could still hold its own against other recent fundraising years.

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Year-on-year fundraising



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> Fundraising overview

Opportunistic strategies accounted for the largest percentage of fundraising during the first half of the year at 43.3 percent – a 30 percent increase from 33.3 percent in H1 2020. Among other notable changes in fundraising, mezzanine/debt decreased its percentage of fundraising from 18.2 percent in 2020 to 15.7 percent in H1 2021, while capital raising for core, co-investment, secondaries and fund of funds shrank from an aggregate 13.3 percent to 3.9 percent.

\$62bn

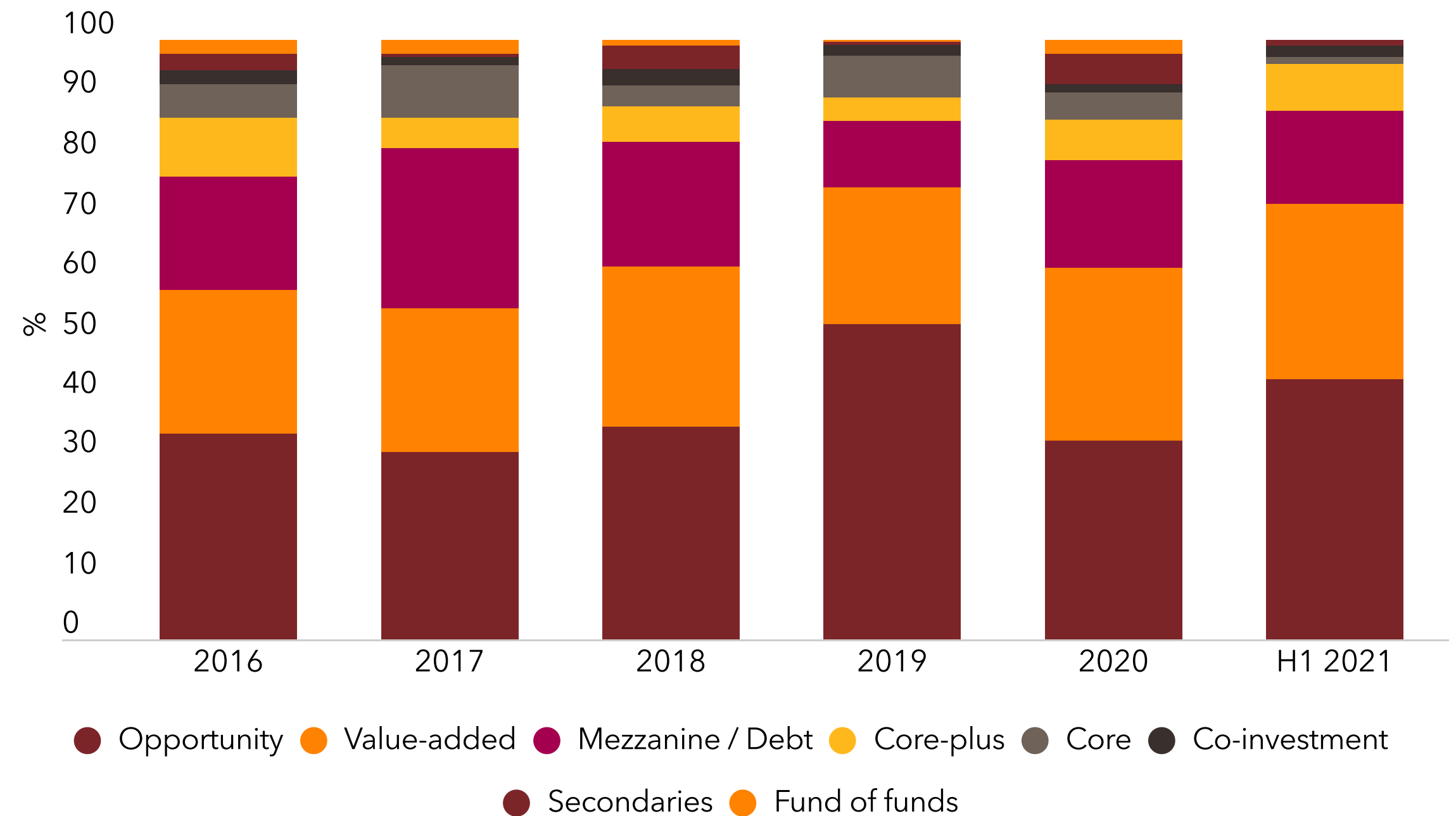
Capital raised by
real estate funds in
H1 2021

\$577m

Average fund
size in H1

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Year on year fundraising by strategy



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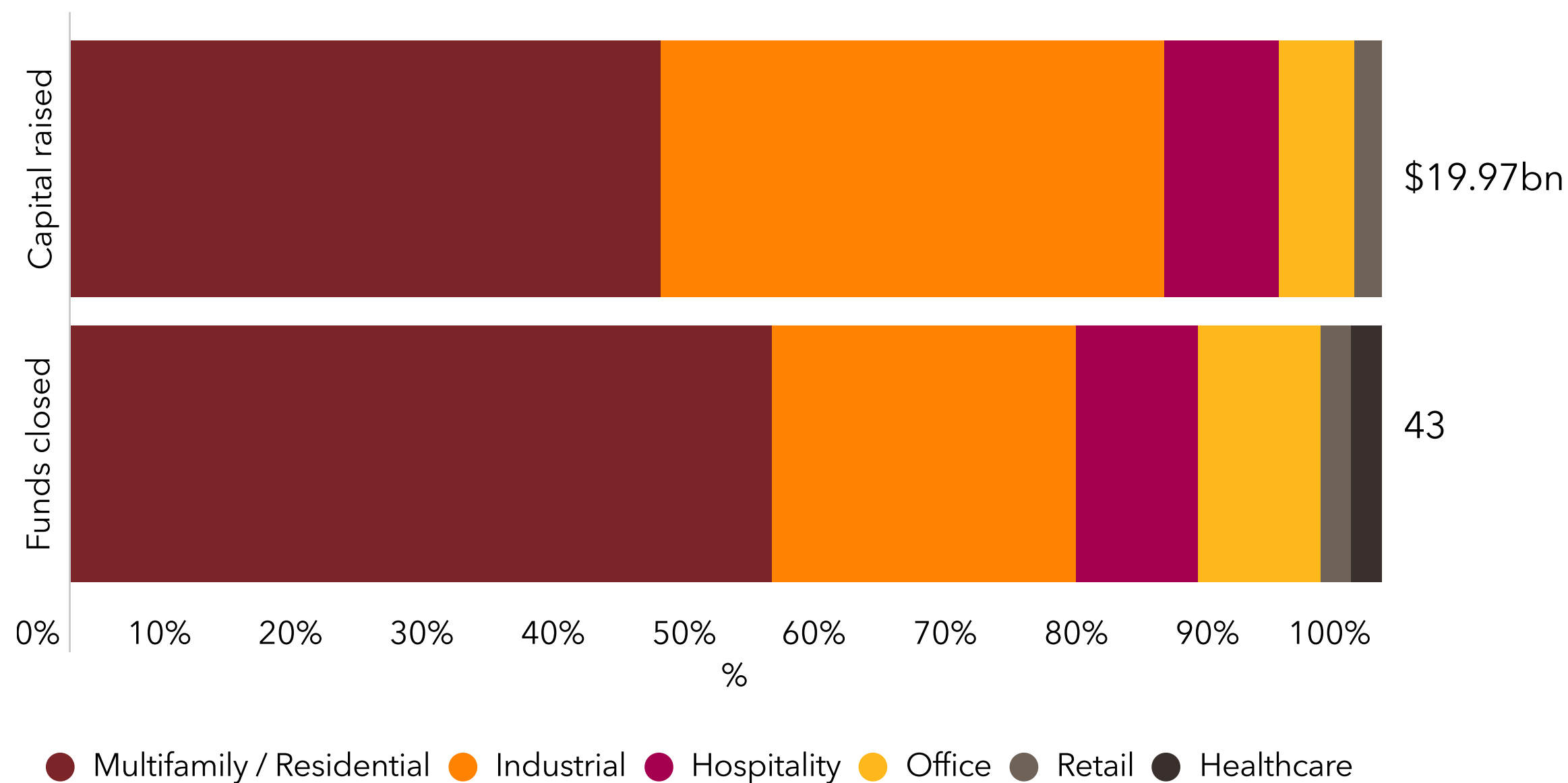
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Fundraising overview

Multifamily was king among sector-specific strategies, capturing 45 percent of H1 2021 sector-focused fundraising by capital raised and 54 percent by number of funds closed. Also popular was industrial, which claimed 38.5 percent of fundraising volume by capital raised and 23.3 percent by funds closed. Hospitality, office, retail and healthcare trailed significantly behind. Hotel funds represented 8.7 percent of capital raised and 9.3 percent of vehicles closed, but office – widely considered the sector facing the greatest uncertainty – had similar levels of success, with 5.7 percent of capital raised and 9.3 percent of funds closed.

Sector-specific fundraising

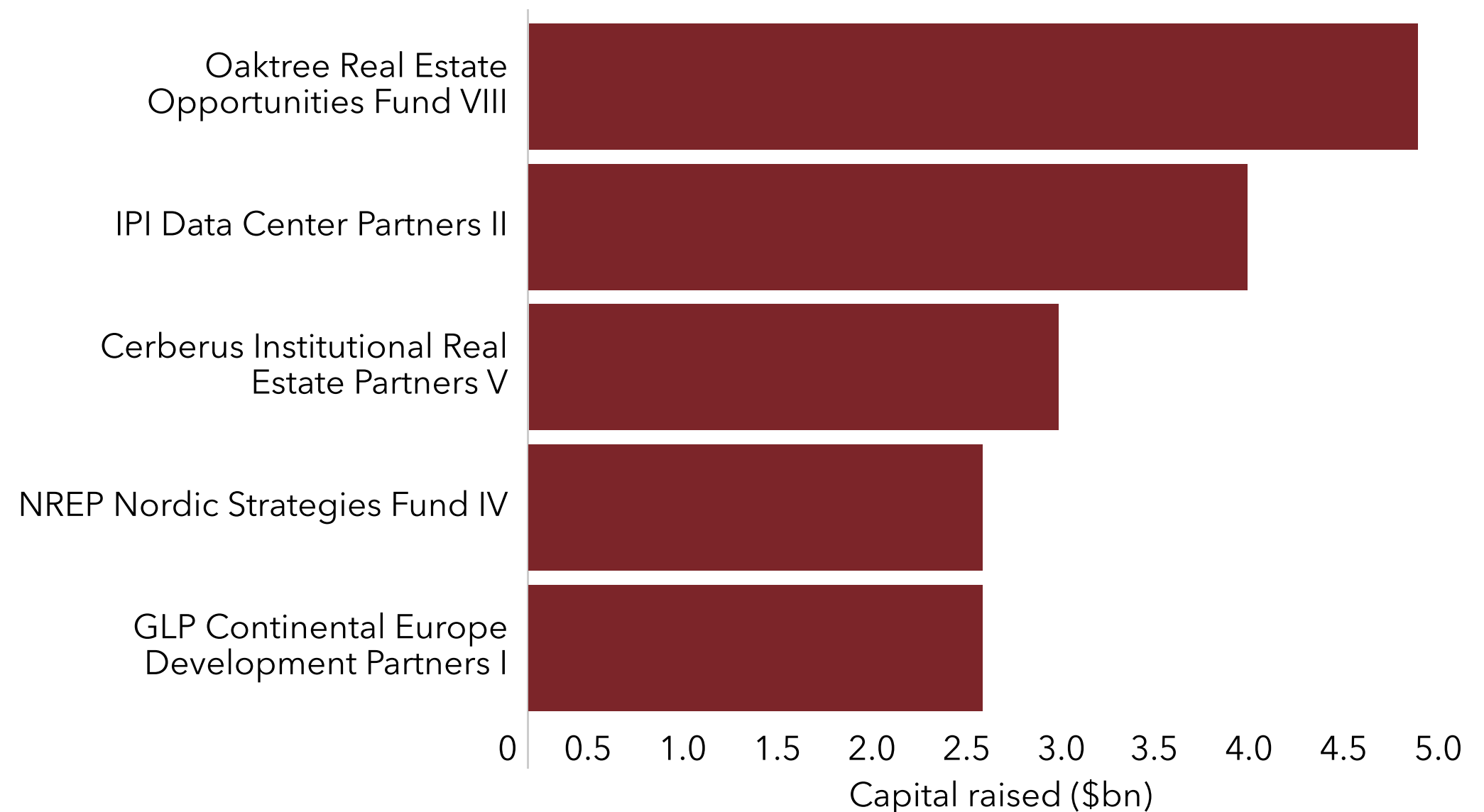




Largest capital raisers

No mega-fundraises were completed during H1 2021, with the largest fund close - Oaktree Capital Management's \$4.7 billion Oaktree Real Estate Opportunities Fund VIII - coming in just shy of the \$5 billion threshold. Oaktree Real Estate Opportunities Fund VIII was one of two multi-regional funds and four opportunistic vehicles in the top five. IPI Data Center Partners III was the sole fund in the group to focus on a single sector as well as a so-called alternative property type. Meanwhile, the \$2.4 billion raised for GLP's GLP Continental Europe Development Partners I was notable in that it represented new equity that closed this year to upsize an existing fund that originally closed in 2018.

Top five fund closes in H1 2021

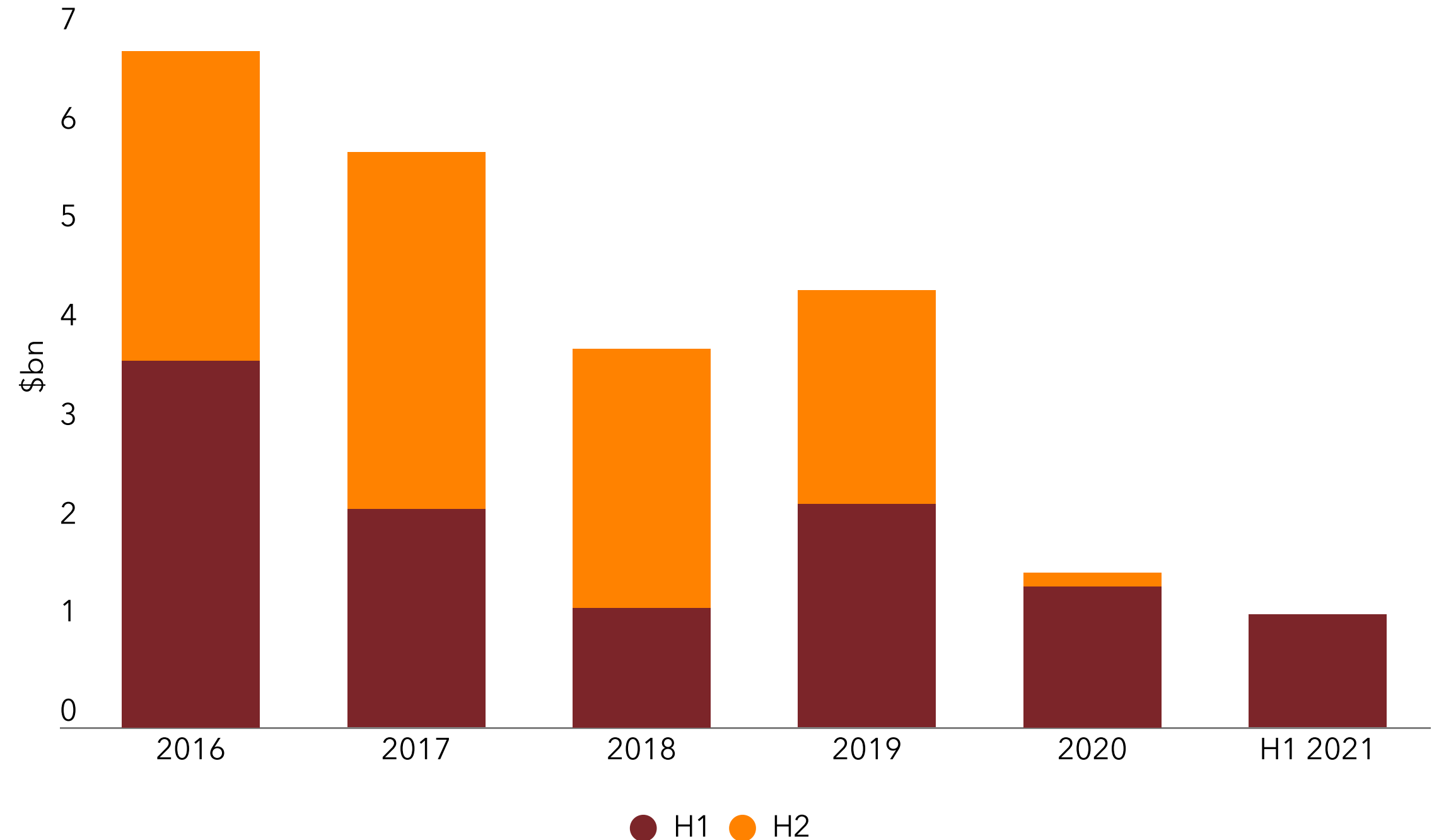


Strategy review: Office

Office-specific fundraising nearly dried up in H2 2020, with just \$144.6 million raised across two funds. However, capital-raising activity targeting the sector rebounded in the first six months of the year, with four office funds reaching a final close and amassing a total of \$1.1 billion. Still, that fundraising total was the lowest half-year amount collected for the sector in the past seven years.

The average office fund size in H1 2021 was around \$284.8 million. The biggest to close during the period was Mapletree's first European office real estate fund, Mapletree Europe Income Trust, which closed on approximately \$600 million in March.

Office-focused fundraising



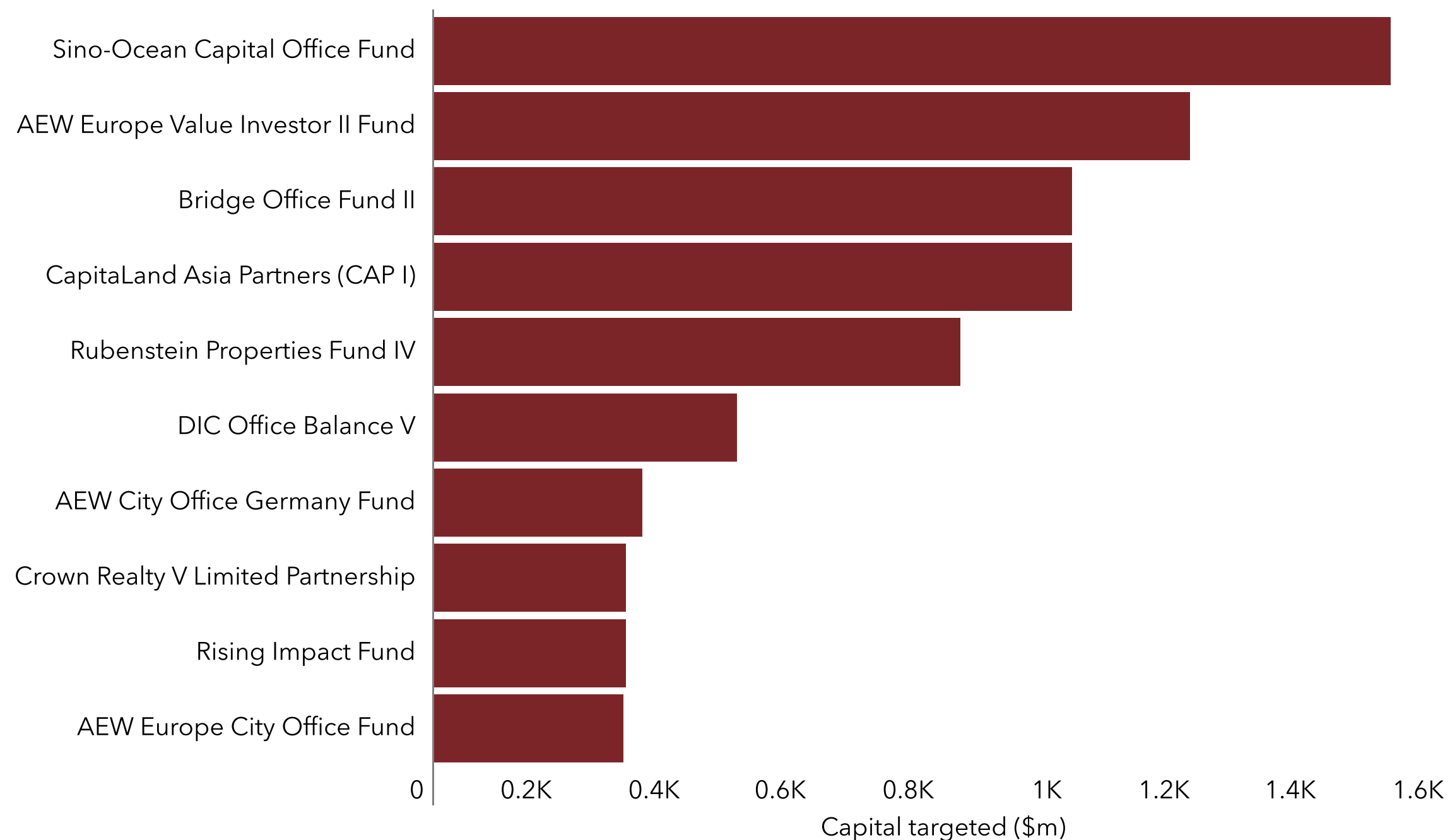
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Strategy review: Office

Neither of the two largest office-specific funds in market – Sino-Ocean Group's Sino-Ocean Capital Office Fund, with a \$1.5 billion target, and AEW's AEW Europe Value Investor II Fund, with a \$1.2 billion target – were focused on the world's largest property market. In fact, North America was not the dominant regional focus among the top 10 largest office funds in market. Rather, the region and Europe were the destination for four funds each in the top 10, with Asia-Pacific accounting for the remainder. However, both Asia-Pacific funds – the other being CapitaLand's CapitaLand Asia Partners – were in the top five and had a target size of \$1 billion or more.

The top 10 largest office funds in market by target size, H1 2021

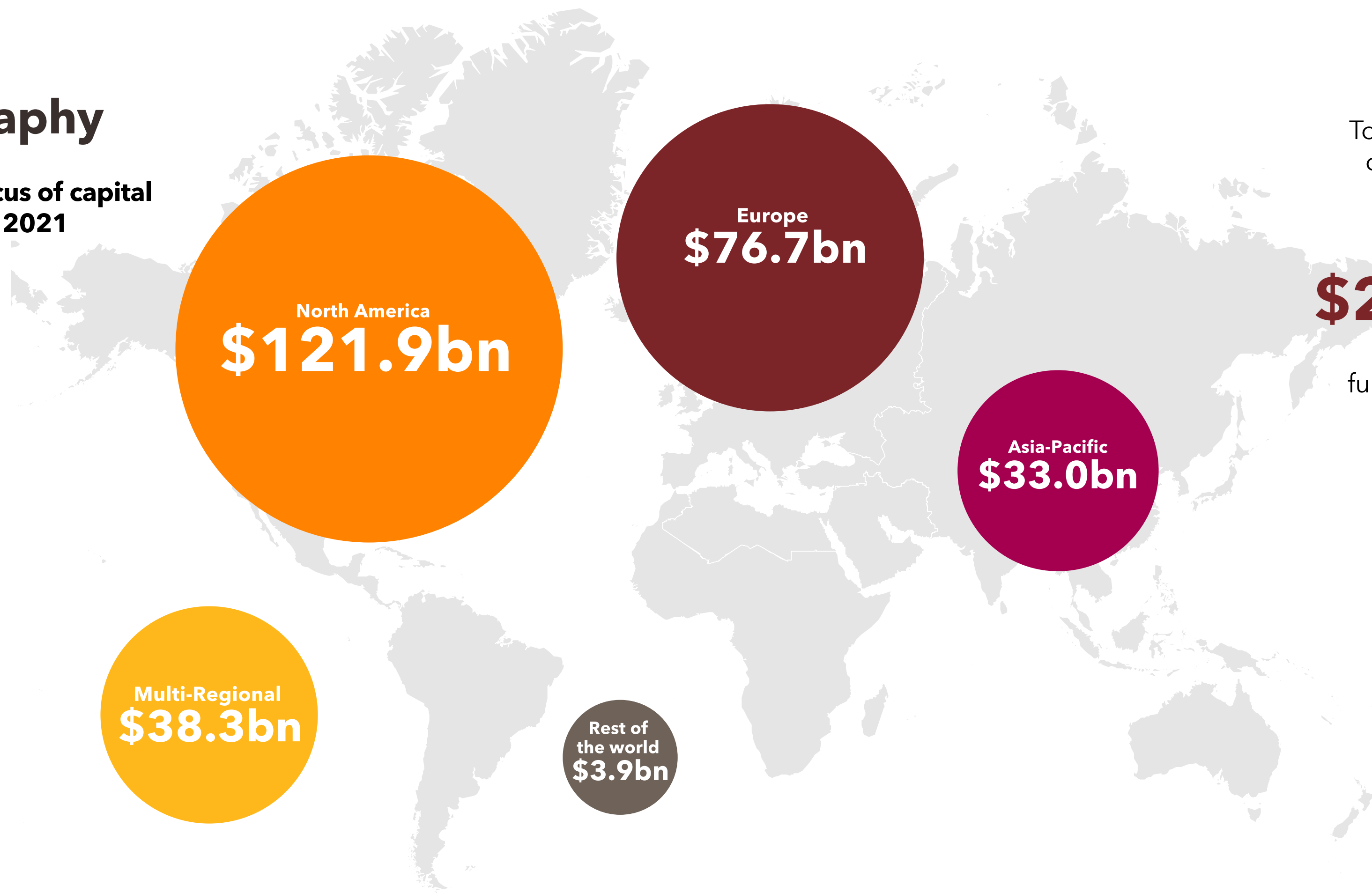


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Geography

Regional focus of capital
raised in H1 2021



950

Total number
of funds in
market

\$274bn

Sought for
funds in market



Funds in market

Largest funds in market as of July 1 2021

Fund name	Fund manager	Target size (\$bn)	Region
Brookfield Strategic Real Estate Partners IV	Brookfield Asset Management	17	Multi-regional
Starwood Distressed Opportunity Fund XII Global	Starwood Capital Group	7.5	Multi-regional
Carlyle Realty Fund IX	The Carlyle Group	6	North America
Prologis China Logistics Venture I & II	Prologis	3.5	Asia-Pacific
KKR Real Estate Partners Americas III	KKR	3	North America
PIMCO Corporate Opportunities Fund III	Pacific Investment Management Co (PIMCO)	3	North America
Oaktree Real Estate Debt Fund III	Oaktree Capital Management	2.75	Multi-regional
Henderson Park Real Estate Fund II	Henderson Park Capital Partners	2.5	Europe
PAG Loan Fund V	PAG	2.5	Asia-Pacific
AIG US Real Estate Fund III	AIG Global Real Estate	2	North America

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