

PERE

FUNDRAISING REPORT Q1 2026



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Q1



Home

Fundraising

Strategy

Sector

Time on the road

Target

Regions

Average fund size

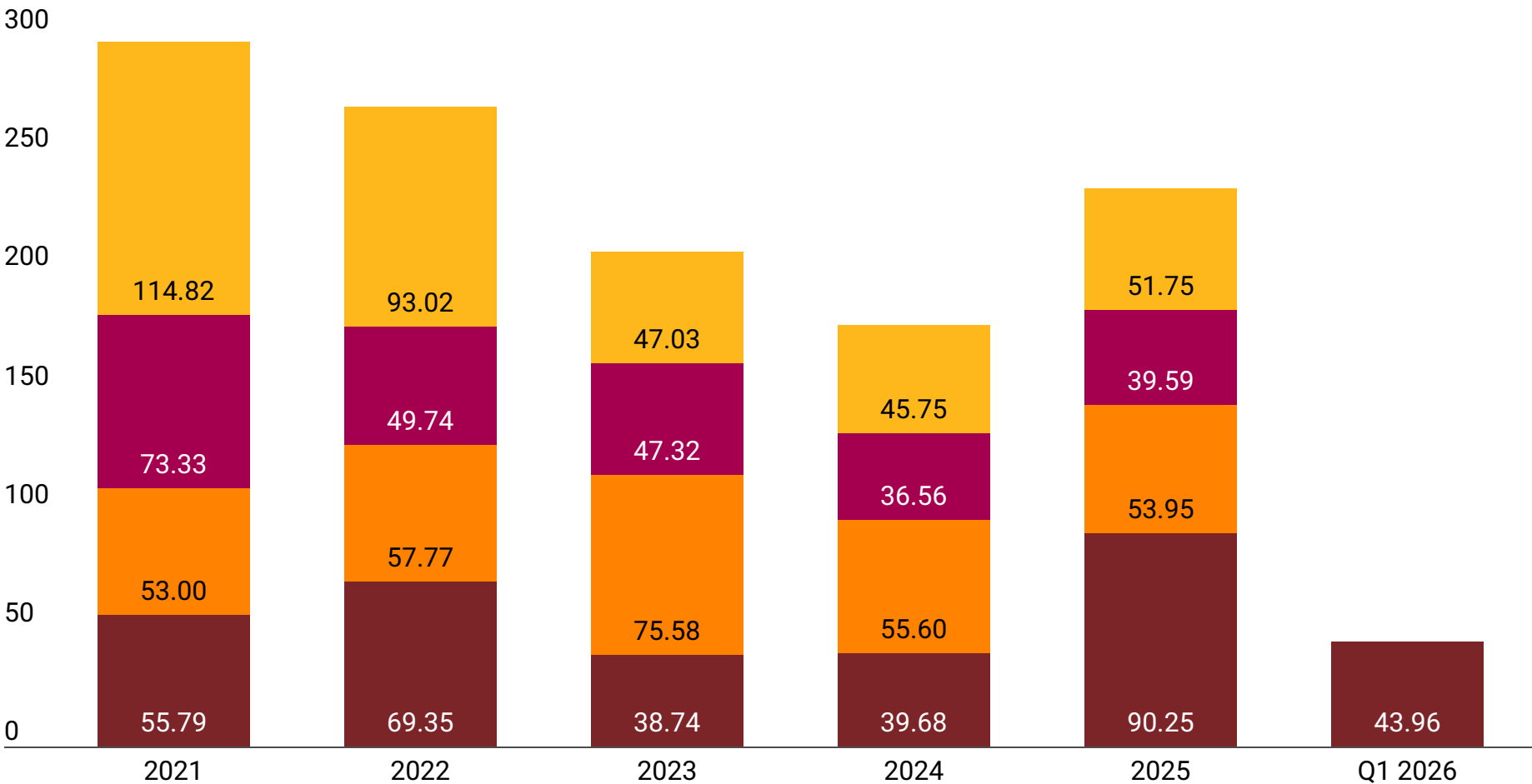
Fund closes and
funds in market

Steep drop

Private real estate strategies amassed a total of \$43.96 billion in Q1 2026. While this marks a 50 percent drop from the \$90.25 billion raised during the same period in 2025, it is important to note last year's Q1 equity haul got a major boost from Blackstone and Brookfield, which together contributed \$35.05 billion to the total.

No mega-funds closed in Q1 2026, with the largest vehicles raised all in the \$3 billion range: Digital Realty DC Partners Fund, Ares US Real Estate Fund XI, and Bain Capital Real Estate Fund III.

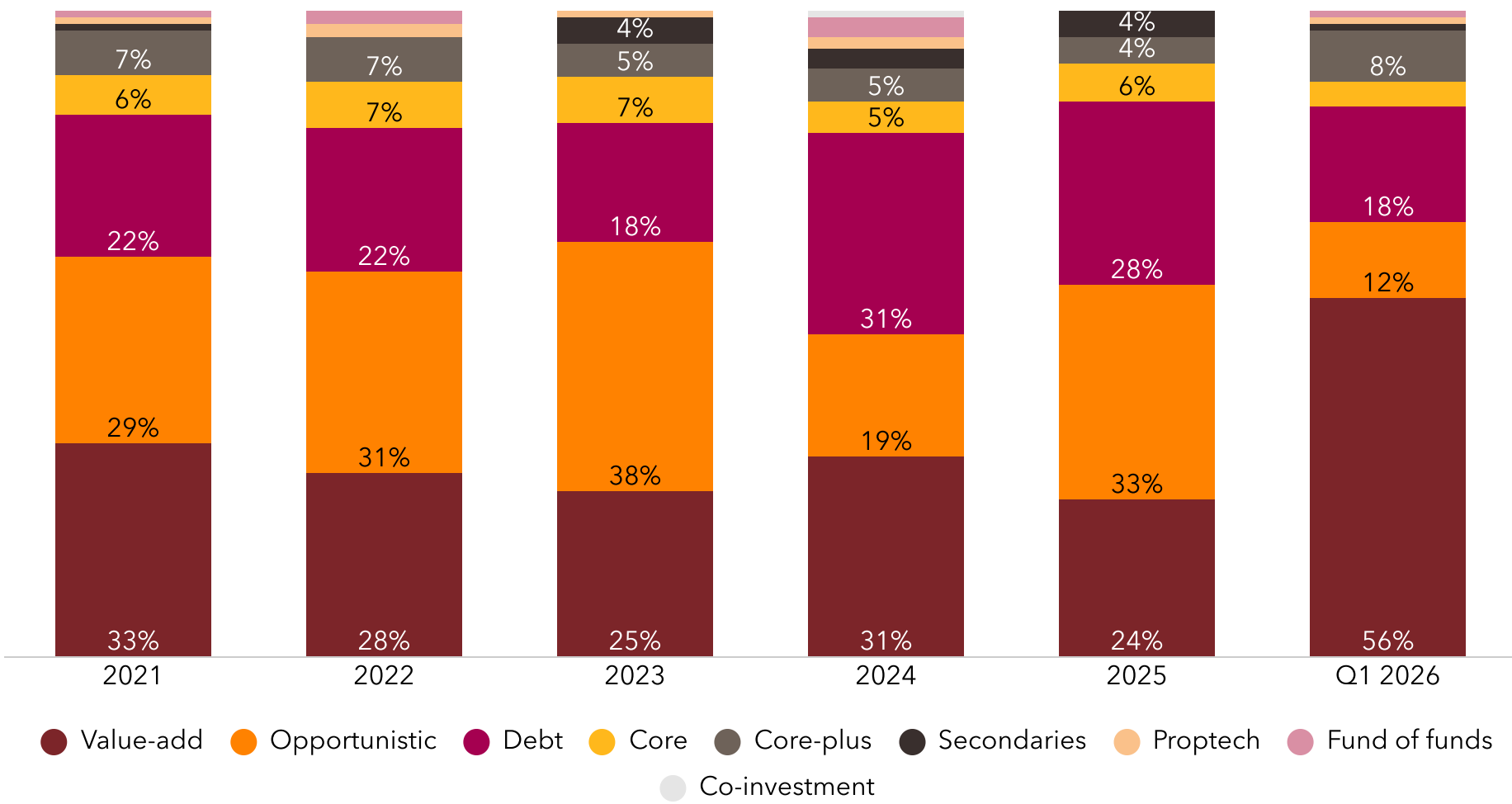
Private real estate fundraising (Capital raised, \$bn)



Value-add leads

In Q1 2026, value-add strategies overtook opportunistic to become the most popular strategy, capturing 56 percent of the total capital raised. This surge can be largely attributed to the fact that seven of the 10 largest funds closed in the quarter had a value-add strategy. Debt emerged as the second most popular strategy, capturing 18 percent of the total capital raised. Meanwhile, opportunistic – which was the top strategy last year – dropped from 33 percent in full-year 2025 to 12 percent during the first quarter.

Proportion of capital by strategy focus

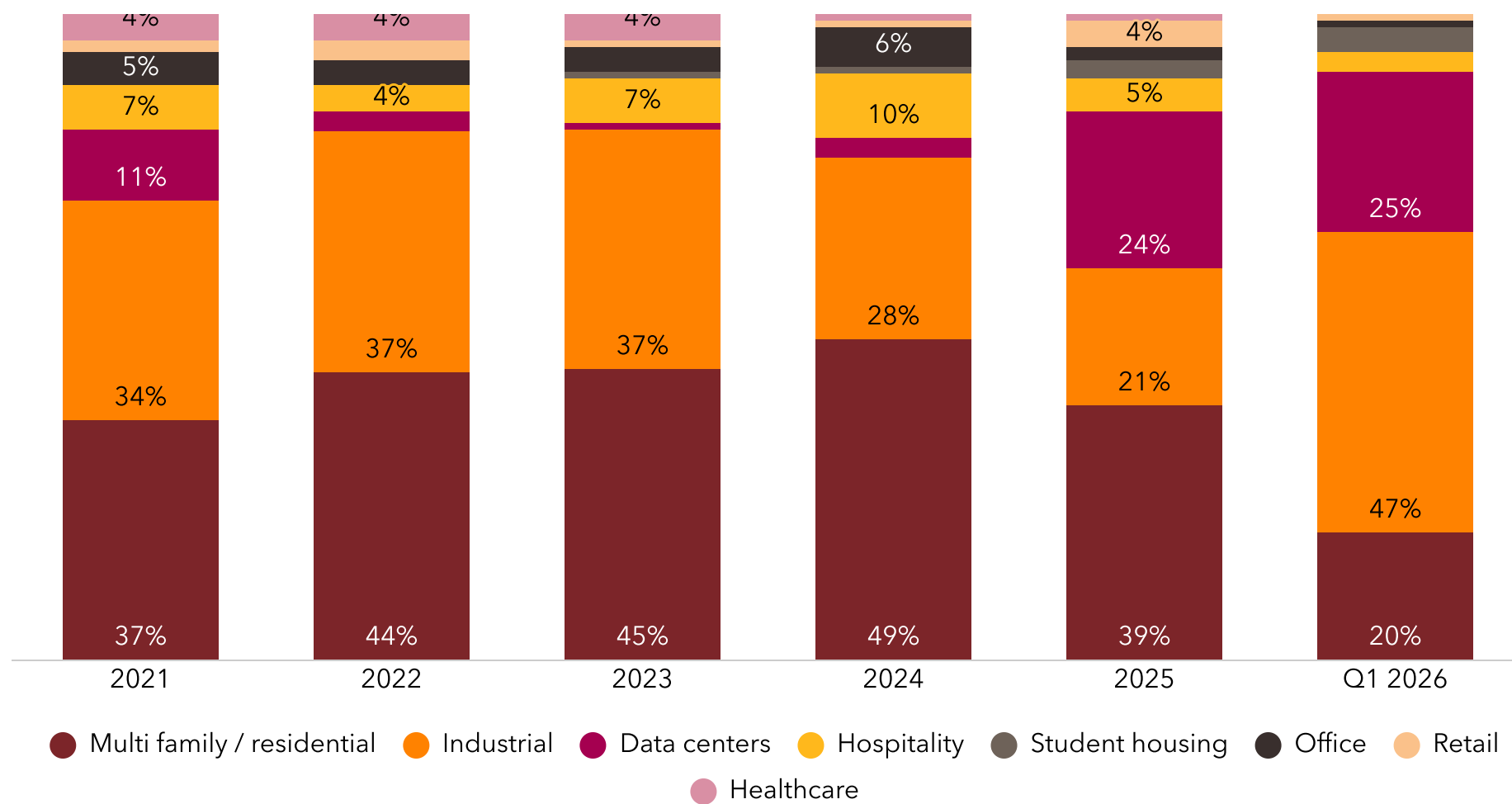


Industrial soars

Industrial has overtaken multifamily in attracting the most capital among sector-specific funds. Industrial funds jumped from 21 percent of total sector-specific fundraising in full-year 2025 to 47 percent in Q1 2026. Helping to drive industrial's dominance were three industrial funds among the top 10 largest closes in Q1: CBRE Asia Value Partners VII, Metropolitan Fund II, and NorthPoint Industrial Fund VII.

Multifamily/residential-focused funds fell to second place, slipping from 39 percent of sector-specific fundraising in full-year 2025 to 20 percent in Q1 2026.

Sector-specific real estate fundraising

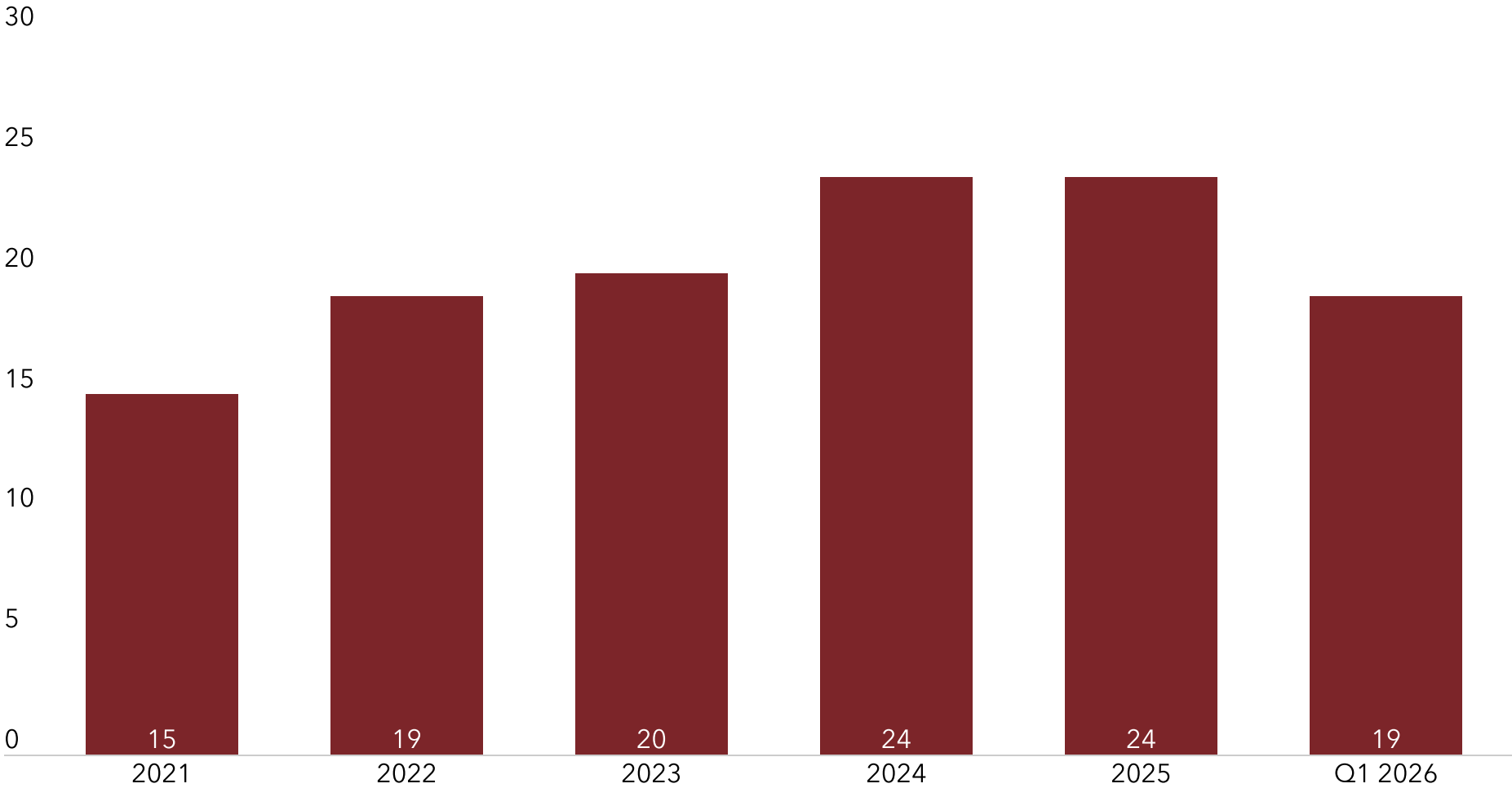


Less time on road

Although the fundraising total in Q1 2026 plummeted year-on-year, the average time in market also dropped significantly. The average fundraising period for closed funds fell to 19 months, down from 24 months in full-year 2025. This marks the lowest average time on the road since 2022.

Notably, at least five of the 10 largest funds closed in Q1 spent fewer than 19 months on the road. The largest fundraise of the quarter, the Digital Realty DC Partners Fund, took only 13 months to reach its \$3.25 billion final close.

Average number of months on the road for funds closed

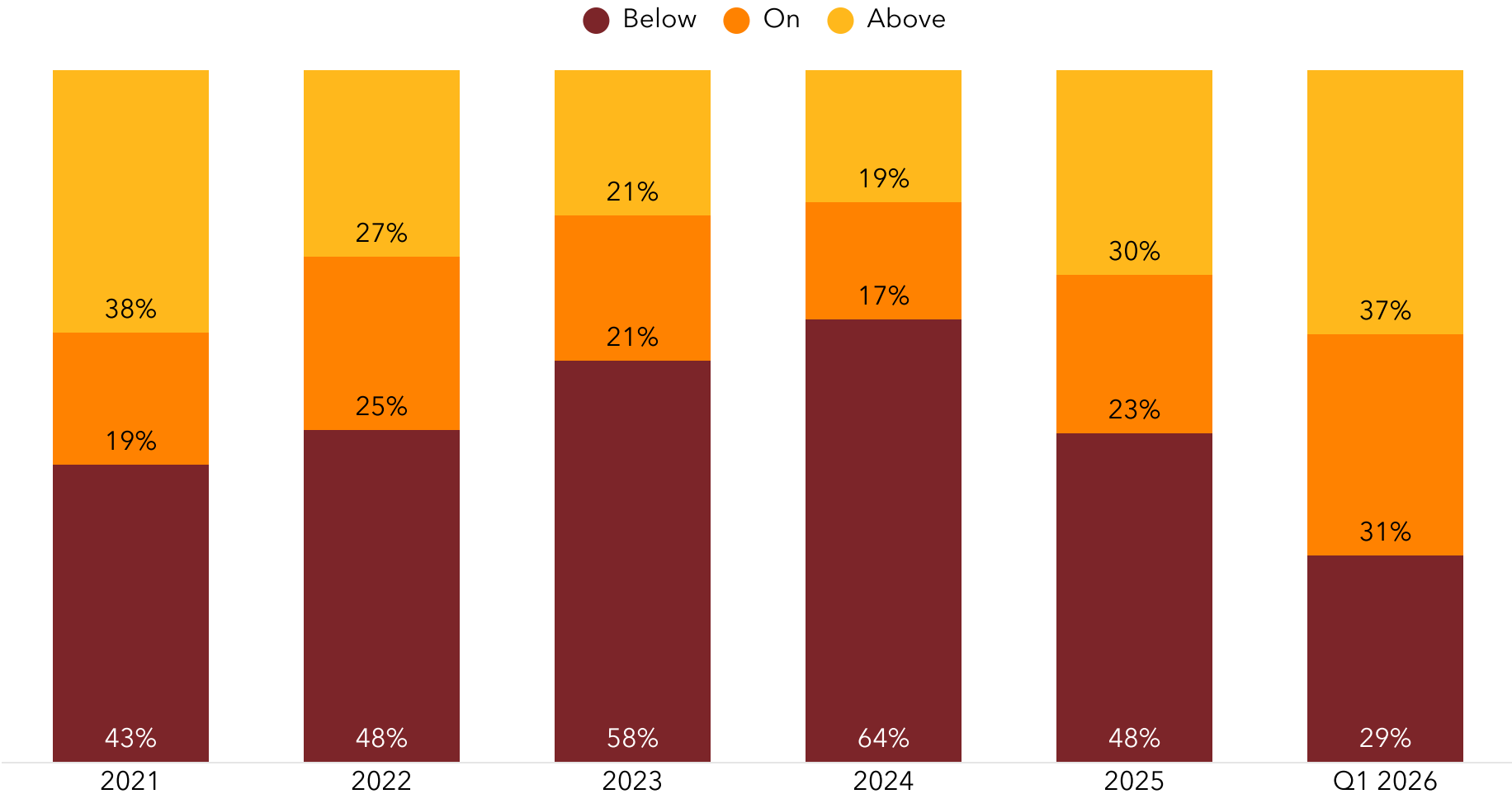


More targets met

The vast majority of funds hit or beat their targets during the first quarter. In Q1 2026, only 29 percent of closed funds fell short of their fundraising targets. Sixty-eight percent of funds closed met or exceeded their goals, of which 37 percent surpassed their targets.

This marks a significant and continuing improvement from previous years. In 2024, a staggering 64 percent of funds fell below their target, and in 2025, that figure improved to 48 percent. Driving this quarter's success, at least eight of the top 10 funds closed in Q1 2026 exceeded their targets.

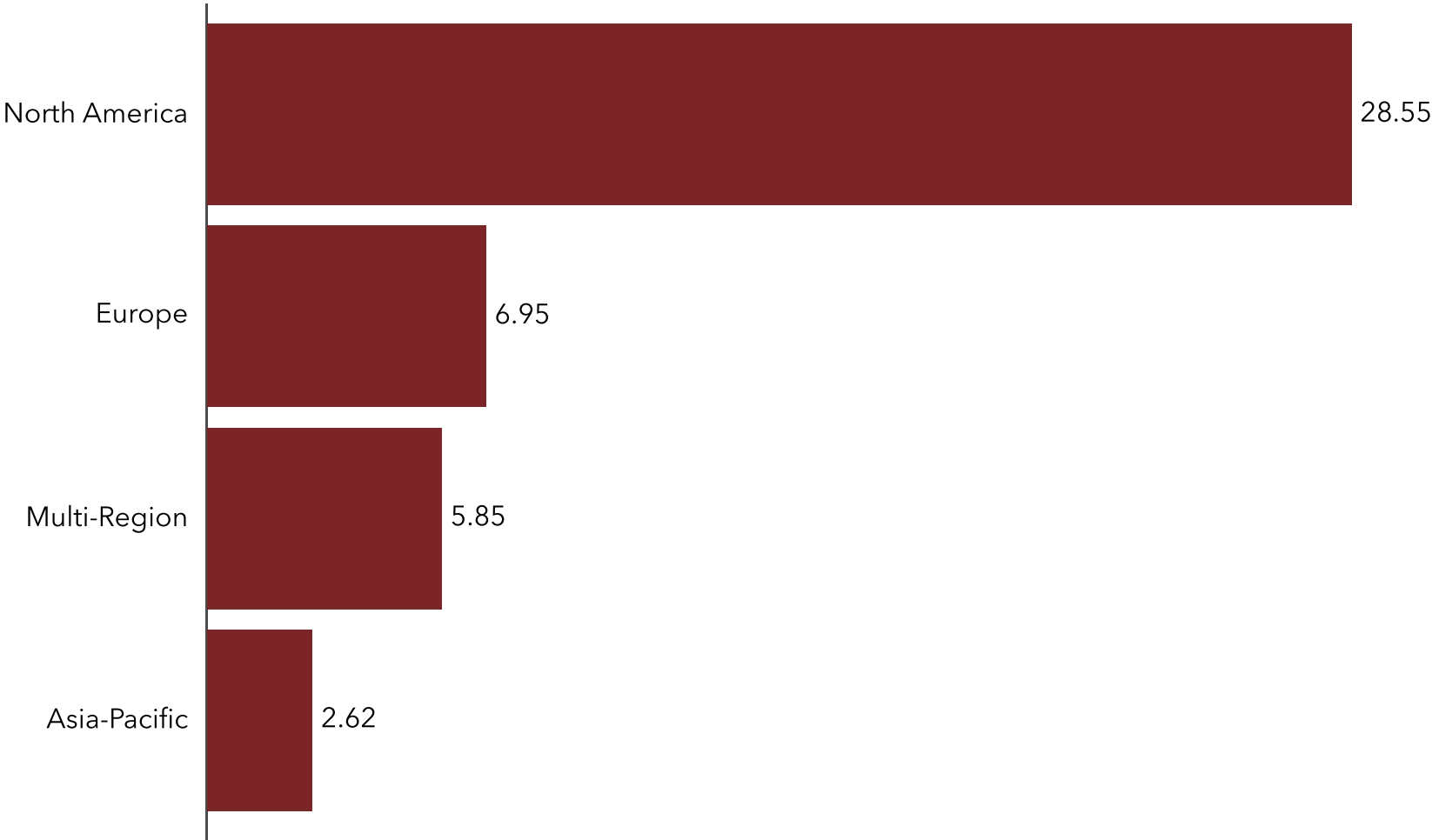
Proportion of closed-ended funds that met target size



North America still dominates

North America remained the primary regional focus for private real estate funds closed in Q1 2026, attracting \$28.55 billion in total capital raised. Indeed, five of the 10 largest funds that closed during the quarter were North America-focused. In second place, Europe-focused vehicles lagged far behind with \$6.95 billion raised, although the region was the investment destination for two of the 10 largest funds closed in Q1. Multi-region-focused funds followed closely in third with \$5.85 billion, with Asia-Pacific in last place with a \$2.62 billion quarterly total.

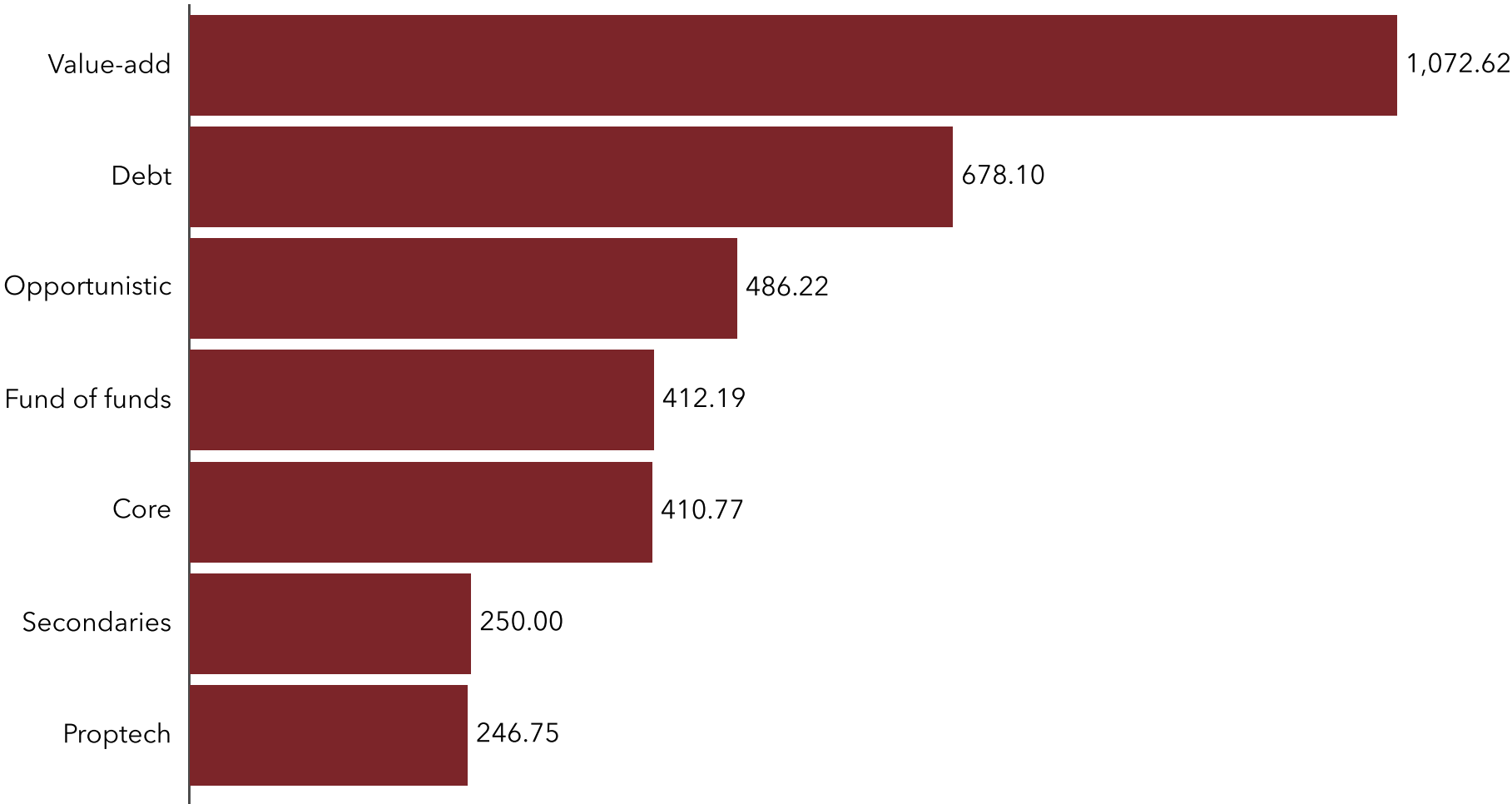
Capital raised by regional focus, Q1 2026 (\$bn)



Size and strategy correlation

The most popular investment strategies also had the largest fund sizes. Value-add funds, which dominated capital raising by strategy, also had the largest average size. A total of 20 value-add funds closed during the quarter, averaging \$1.07 billion per vehicle. Debt and opportunistic strategies followed in second and third place, respectively. With debt, 10 funds closed in Q1 with an average size of \$678.1 million. Meanwhile, 9 opportunistic funds closed with an average size of \$486.2 million.

Average fund sizes for close-end vehicles by strategy, Q1 2026 (\$m)



Top fund closes in Q1 2026

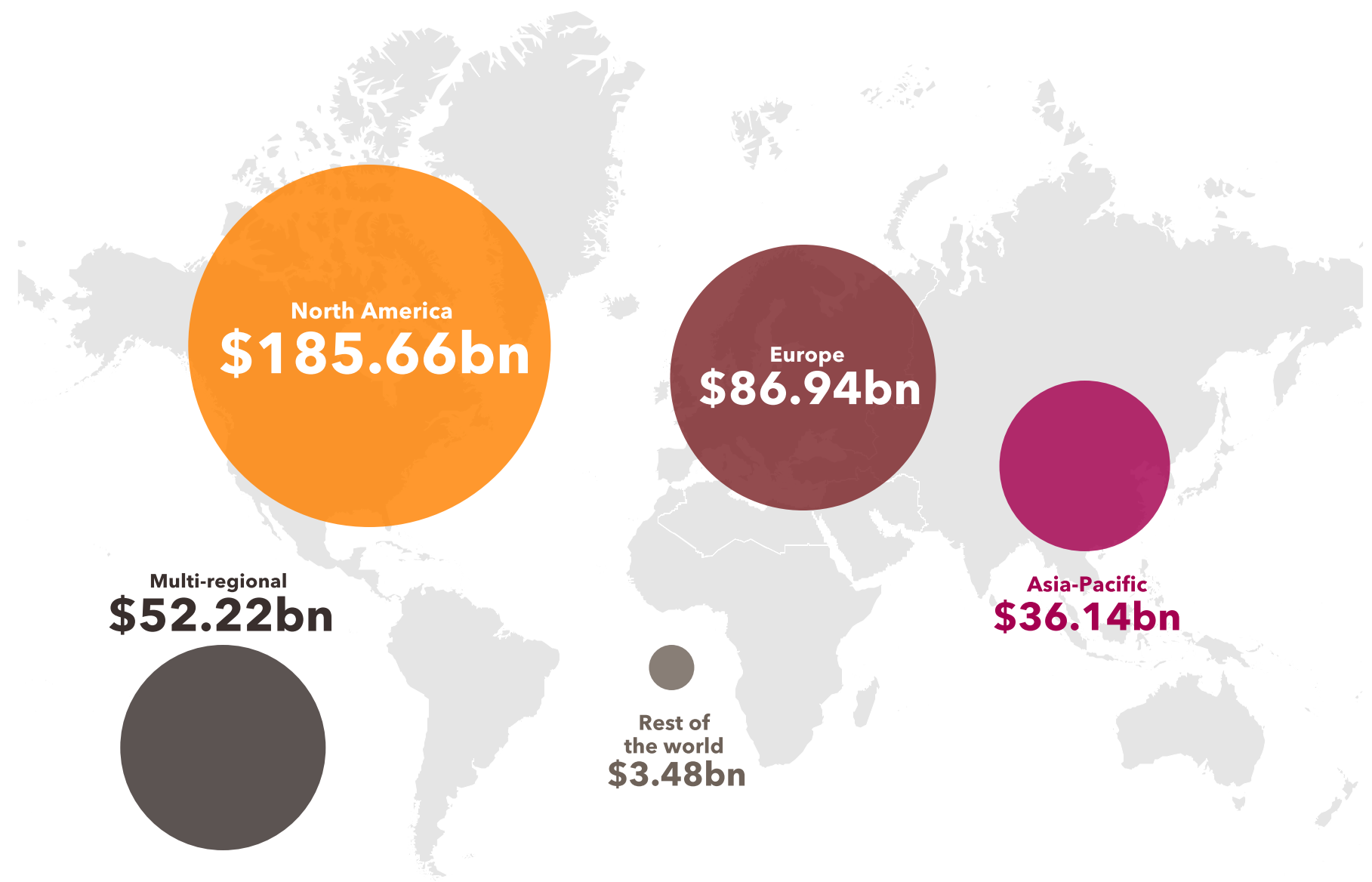
Seven of the 10 funds closed are value-add funds

Fund	Manager	Current size (\$bn)	Strategy
Digital Realty DC Partners Fund	Digital Realty	3.25	Value-add
Ares US Real Estate Fund XI	Ares Management	3.10	Value-add
Bain Capital Real Estate Fund III	Bain Capital	3.10	Value-add
Heitman US Value Fund VI	Heitman	2.00	Value-add
Ares European Property Enhancement Partners IV	Ares Management	1.90	Value-add
CBRE Asia Value Partners VII	CBRE Investment Management	1.87	Value-add
Metropolitan Fund II	ICG	1.63	Opportunistic
NorthPoint Industrial Fund VII	NorthPoint Development	1.27	Value-add
Lone Star Residential Mortgage Fund IV	Lone Star Funds	1.03	Debt
Intervest Real Estate Credit Fund III	Intervest Capital Partners	1.00	Debt

Funds in market: by region

North America once again dominates as the top regional focus for private real estate fundraising with \$185.66 billion targeting the region. Indeed, it is the investment destination for six of the 10 largest funds in the market. Europe continues to be the second most popular geographic focus, accounting for \$86.94 billion in funds currently in the market.

While only \$52.22 billion is targeting multi-regional funds, two of the top three funds in the market are multi-regional-focused: Starwood Opportunity Fund XIII and North Haven Real Estate Fund XI Global.



Top funds in market

Only two of the vehicles have targets exceeding \$5bn

Fund	Manager	Target (\$bn)	Strategy
Starwood Opportunity Fund XIII	Starwood Capital Group	10.00	Value-add
Blue Owl Real Estate Capital Fund VII	Blue Owl Capital	6.50	Value-add
North Haven Real Estate Fund XI Global	Morgan Stanley Investment Management	4.00	Opportunistic
KKR Real Estate Partners Americas IV	KKR	4.00	Opportunistic
Brookfield Real Estate Finance Fund VII	Brookfield Asset Management	4.00	Debt
Cheyne Real Estate Credit Capital Solutions	Cheyne Capital Management	3.30	Debt
Kayne Anderson Real Estate Partners VII	Kayne Anderson	3.00	Opportunistic
Harrison Street Real Estate Partners X	Harrison Street Asset Management	3.00	Opportunistic
TPG Credit Essential Housing Fund IV	TPG	3.00	Debt
TPG AG Realty Value Fund XII	TPG	3.00	Value-add

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