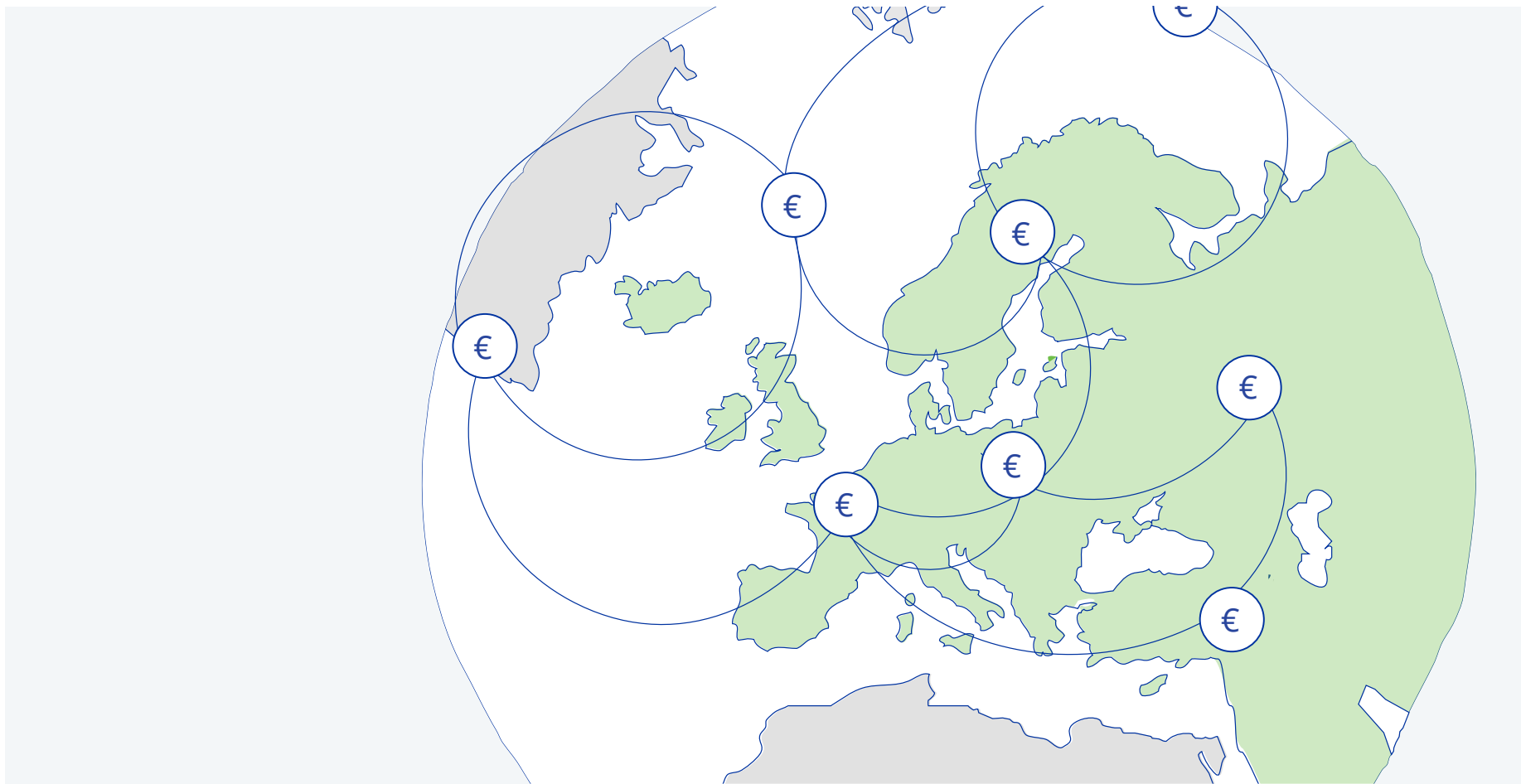




Capital Raising Survey 2020

Research

INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. Our aim is to build a competitive and sustainable asset class for institutional investors by promoting greater transparency, accessibility, professionalism and standards of best practice.

INREV is Europe's leading platform for the sharing and dissemination of knowledge on the non-listed real estate industry.

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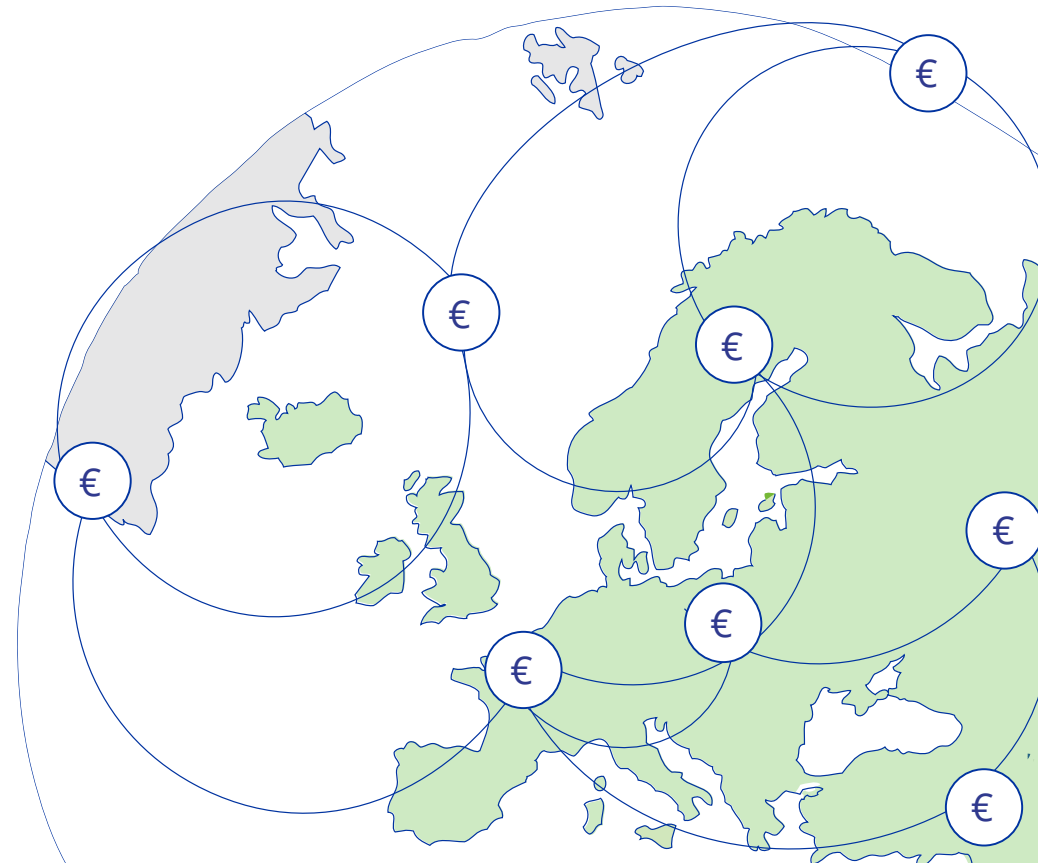
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Executive summary

- > Capital raised for real estate increased to a record high of €201.3 billion in 2019
- > Non-listed debt products continue to increase their share in the total new equity raised
- > Pension funds and insurance companies account for the majority share of the total capital raised

Non-listed real estate kept its attractiveness as an asset class in 2019. Capital raised for new investment continued the trend upwards and reached a record level.

Capital raising exceeds €200 billion

In this year's edition 159 fund managers participated in the Capital Raising Survey. Although this is lower compared to last year when over 200 respondents were included, the total capital raised for new investments into real estate ran up to a record of €201.3 billion in 2019. The majority of the new equity raised (60.7%) had already been invested in 2019. The remaining capital (39%) was not deployed at the end of the year. During 2019 capital was sought for 982 vehicles which equate to a minimum of €196.4 billion of new equity raised for investments into non-listed real estate, a substantial increase compared to the previous record of €154.8 billion for 2018.

European strategies attract the most capital

In 2019, €73.3 billion was allocated to vehicles targeting Europe which is the largest portion of the total capital raised (37.3%). Vehicles targeting North America and Asia Pacific raised 25.8% (€50.7 billion) and 14.9% (€29.3 billion) of the total, respectively. Global

strategies accounted for 21.6% (€42.4 billion). Compared to last year, European, Asia Pacific and global strategies saw an increase in new equity raised, whereas North American strategies saw a slight decrease.

Regional bias

Asia Pacific managers demonstrate the strongest regional bias with 79.6% of the capital raised allocated to Asia Pacific. Managers in Europe plan to deploy 76.9% of the capital raised into their home region and the remainder to global strategies (11.0%), Asia Pacific (7.0%) and North America (5.1%). Traditionally North American managers apply the most diversified strategy in terms of regional allocation with only 42.1% of new equity raised earmarked for North America, 33.2% for global strategies, 17.9% for Europe and 6.3% for Asia Pacific.

Further increase in new equity allocated to non-listed debt products

For the third consecutive year, non-listed debt products attracted a higher share of the total capital raised reaching 16.3% in 2019. Similar to previous years non-listed funds and separate accounts investing directly account for the largest share with 48.5% and 22.1% respectively of the capital that was raised in 2019. Other types of vehicles including

separate accounts investing into indirect, joint ventures and club deals and funds of funds saw a decline in their share of the total capital raised compared to last year.

A broader base of capital providers

Although pension funds continue to be the main provider of new equity, their share decreased for the fourth consecutive year from 46.4% in 2015 to 30.2% of the total in 2019. Conversely, a larger share of the capital raised originates from other sources. Over the same period, insurance companies raised their share from 14.6% to 22.5% although this was slightly lower compared to 2018. Other types of investors, including sovereign wealth funds, funds of funds, high net worth individuals and family offices, increased their share in the total equity raised by value reaching 31.5% in 2019.

Increased uncertainty due to outbreak of COVID-19

The survey, which was conducted in January and February 2020, demonstrates that a majority of the managers (69.2%) expected an increase in capital raising activities in the next two years. Although out of scope for this report, it is clear that this optimism has been overtaken by the outbreak of COVID-19 in the first quarter of 2020 and been replaced with a highly uncertain outlook. Not only could this pandemic result in challenges regarding deploying the capital that was raised in 2019 but not yet invested, there may also be knock-on effects on capital raising activities for subsequent years.

Introduction

The ANREV / INREV / NCREIF Capital Raising Survey 2020 explores capital raising activities in the non-listed real estate industry in 2019. The survey provides insights by region, vehicle type and investment strategy, where possible presenting a historical comparison with previous studies.

INREV launched the Capital Raising Survey in 2006. Since 2015, the survey has had a global reach and is conducted alongside ANREV and NCREIF.

The total sample for this year's survey includes 159 managers. The majority (93) was domiciled in Europe, followed by those in Asia Pacific (33) and North America (33). As in previous editions, no managers from South America or Africa contributed to the survey.

The results presented in this study are based on data provided by the managers. Only aggregated results are shown and are restricted to those categories with a minimum sample size of three. To maintain a constant sample size throughout the report, the aggregate results may include figures that are not reported under any category.

The information was gathered through a three-step process. The first part of the questionnaire is focused at the manager level, the second at the vehicle level (for funds of funds and debt funds) and the third relates to data from the INREV Vehicles Universe.

ANREV, INREV and NCREIF do not use publicly available information and both members and non-members can provide data to the survey.

Use

The results of the Capital Raising Survey may be used for research and information purposes only. They may not be used for the following:

- To determine the value of a fund
- To determine the value of a financial instrument
- To determine the amount payable under a financial instrument
- To determine the amount payable under a financial contract
- To calculate performance fees
- To define the allocation of a portfolio

It is important to note that the sample size and composition of the survey varies by year. Therefore, historical comparisons should be treated with caution.

Figures are quoted as at 31 December 2019, unless otherwise stated. ANREV, INREV and NCREIF would like to thank the managers for their participation in the Capital Raising Survey 2020.

COVID-19

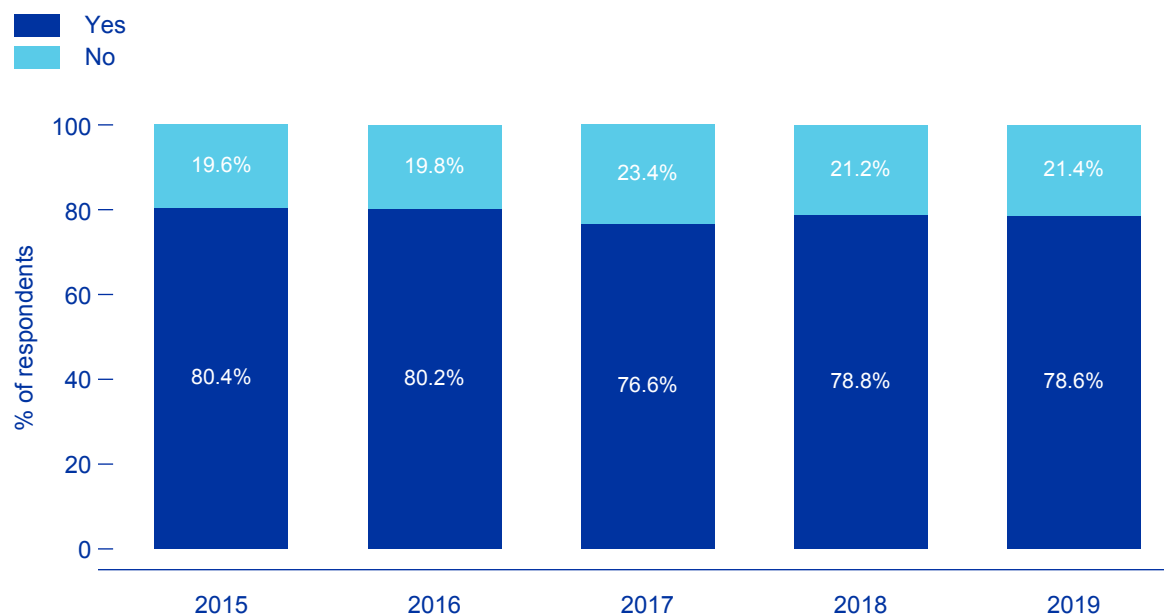
On a final note, it is stressed that data for this survey was collected in January and February 2020, looking back on the capital raising activities in 2019. During the draw up of the report, the Coronavirus developed into a worldwide pandemic with a severe impact on society and the economy in general and therefore the real estate investment market. For this reason, insights and conclusions of this year's Capital Raising Survey may have already been overtaken by time and should be considered even more carefully than normal.

Capital raising activity

The majority of managers participating in the global survey indicated that they raised capital during 2019. The capital raised is made up of investments via non-listed real estate funds, separate accounts investing directly into real estate and investments into indirect vehicles, joint ventures and club deals, funds of funds and non-listed real estate debt products.

The ratio between the number of managers that raised capital and those that did not has been relatively stable over time. Over the past four years, around one-fifth of the respondents did not raise capital.

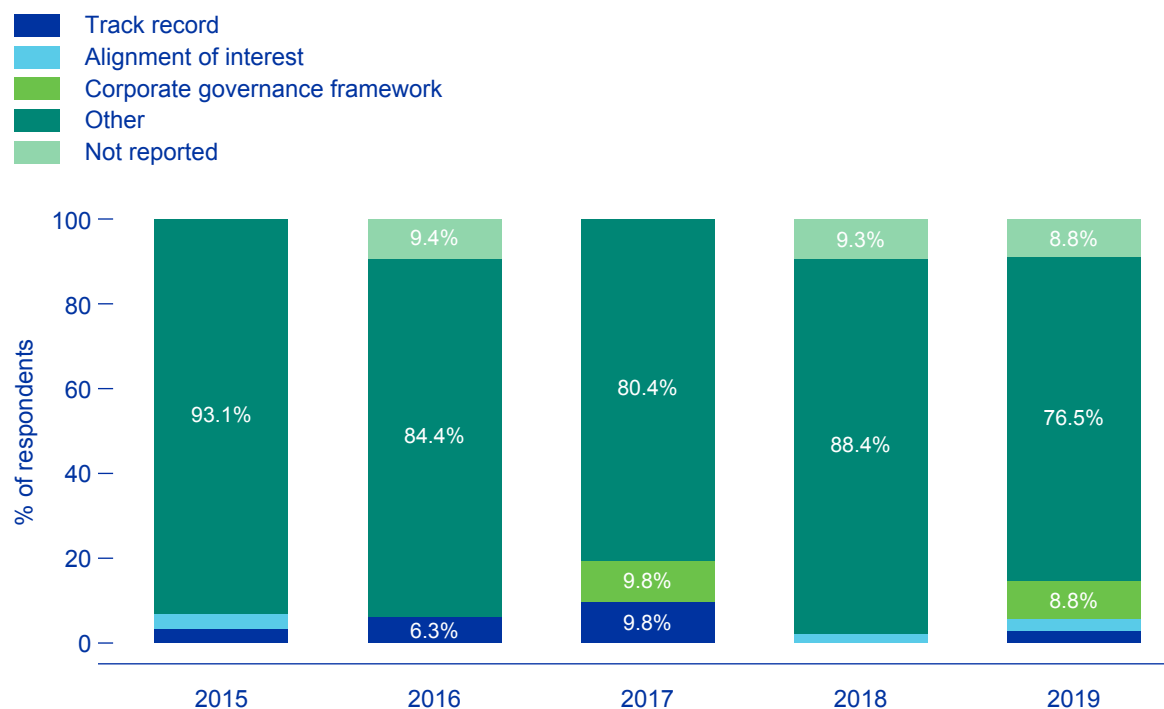
Figure 1: Capital raising activity



Most of the managers that did not raise any capital during 2019 selected 'other' as the main reason. Although this accounts for the majority of the respondents (76.5%) that indicated that they had not raised capital, this is the lowest share since this question has been part of the survey. When asked for further clarification, respondents indicated that they had no need for more capital.

Managers also stated that they were still deploying capital from previous capital raising rounds or that they had not launched new vehicles in the last year. The second most cited reason for not raising capital, 'corporate governance framework', was cited by 8.8% of the managers. Other reasons for not raising capital were 'alignment of interest' and 'track record', both with a share of 2.9%.

Figure 2: Reasons why no capital was raised



Methods of capital raising

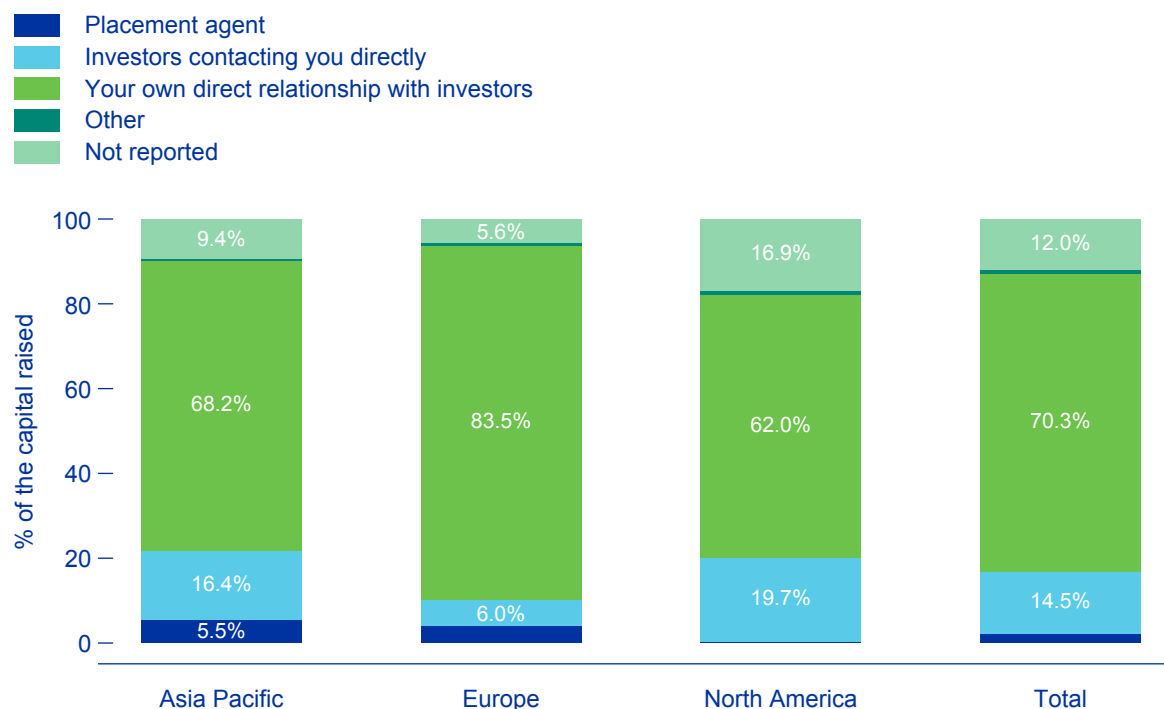
As in previous editions, direct relationships between managers and investors continue to be the most frequently used channel for capital raising. Of global new capital for real estate, 70.3% was raised in this way. Other methods of capital raising include investors contacting managers directly, with 14.5% of the total, while 2.3% was raised by placement agents. 'Other' was stated by 0.9% and the remaining 12.0% was left unspecified.

European managers relied the most upon their direct relationship with investors. Of the total new capital raised, 83.5% was done by this method.

For managers based in North America, another important part of the capital raised came from investors contacting managers directly with 19.7% of the total.

Measured in terms of capital raised, placement agents captured the largest market share in the Asia Pacific region with 5.5% of the new equity raised.

Figure 3: Methods of capital raising by manager domicile

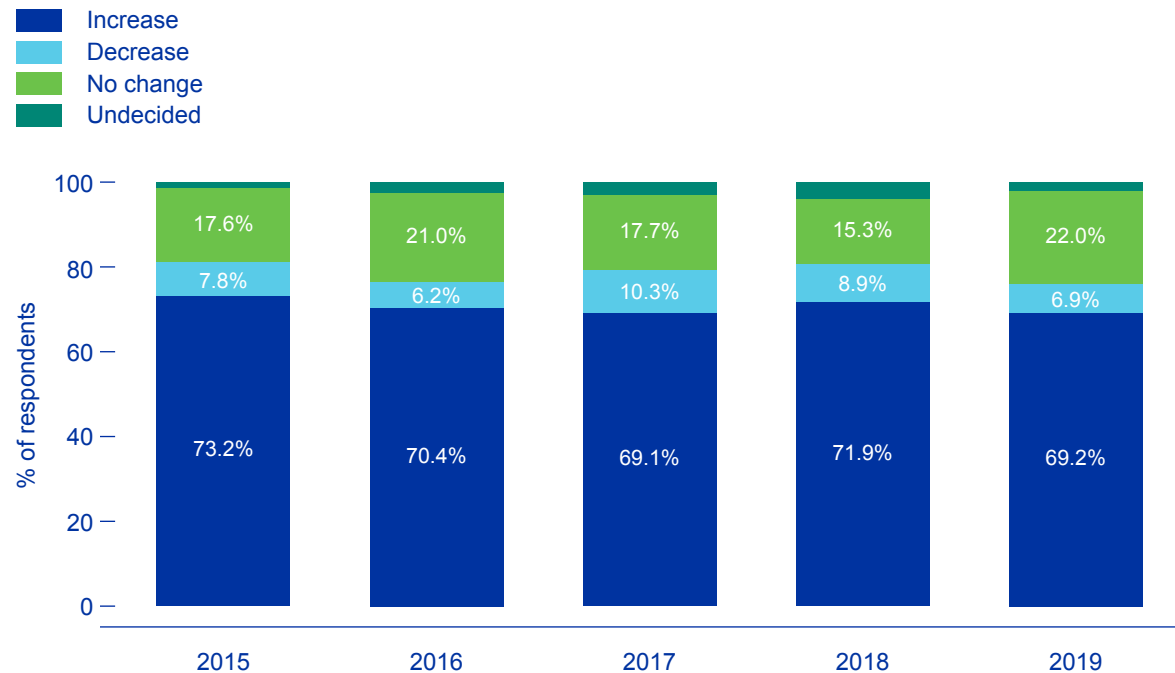


Expectations for capital raising activities

Managers maintained their positive expectations for prospective capital raising activity over the next two years.

The majority of the managers, 69.2%, expect a further increase in their capital raising activities over the next two years. On the other hand, only 6.9% of the managers expect to decrease their capital raising activities. Slightly more than one-fifth of the respondents expect to maintain their current level of capital raising activities, while the rest (1.9%) are undecided.

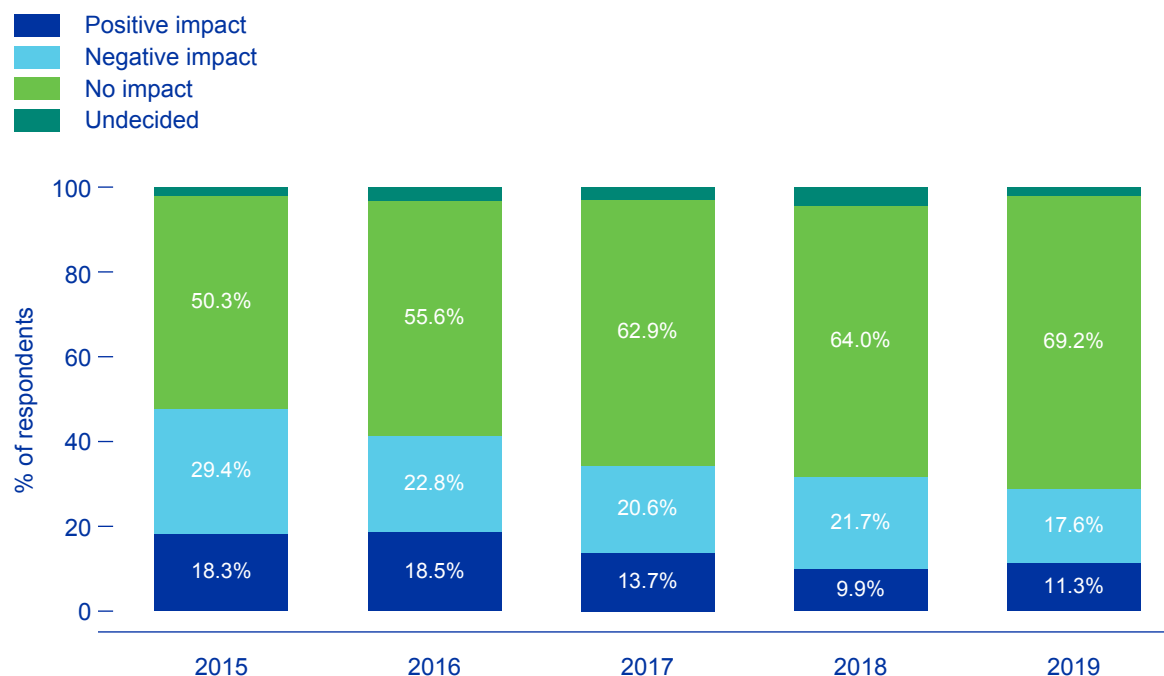
Figure 4: Expectations for capital raising activities over the next two years



On the subject of regulation, a growing share of respondents state that they do not expect it to have any impact on their capital raising activities. Between 2015 and 2019 this share rose from 50.3% to 69.2%. In addition, there has been a continuing decline in the share of managers expecting regulation to have either a positive or a negative impact. In 2015, 47.7% of the managers expected regulation to impact their capital raising activities, while in this year's report the proportion has dropped to 28.9%.

Among those managers who think that regulation could have an impact on their capital raising activities, the majority (17.6% of the total) expect the impact to be negative, whereas only 11.3% expect it to be positive.

Figure 5: Impact of regulation on capital raising activities

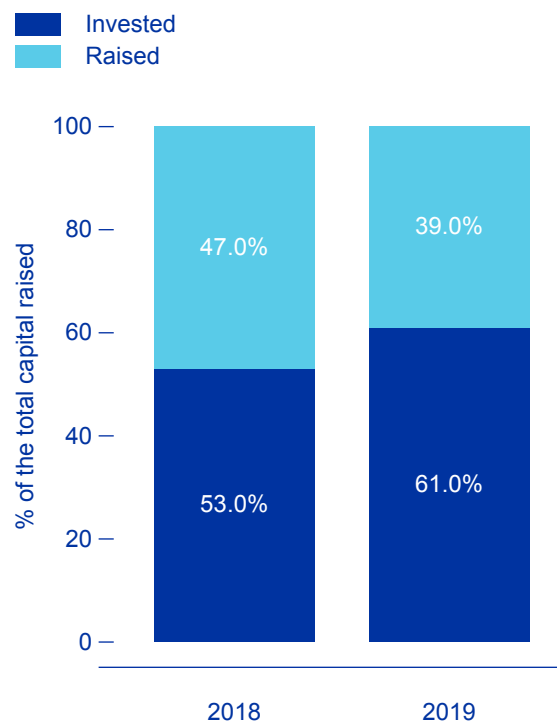


Equity raised for the non-listed real estate industry globally

During 2019, a minimum of €201.3 billion of new capital was raised globally for investment into the real estate market, an increase compared to the total of €161.7 billion raised in 2018.

Around €122 billion of the capital raised in 2019 has already been invested, which represents an increase compared to last year, both in absolute and relative terms.

Figure 6: Equity raised and invested

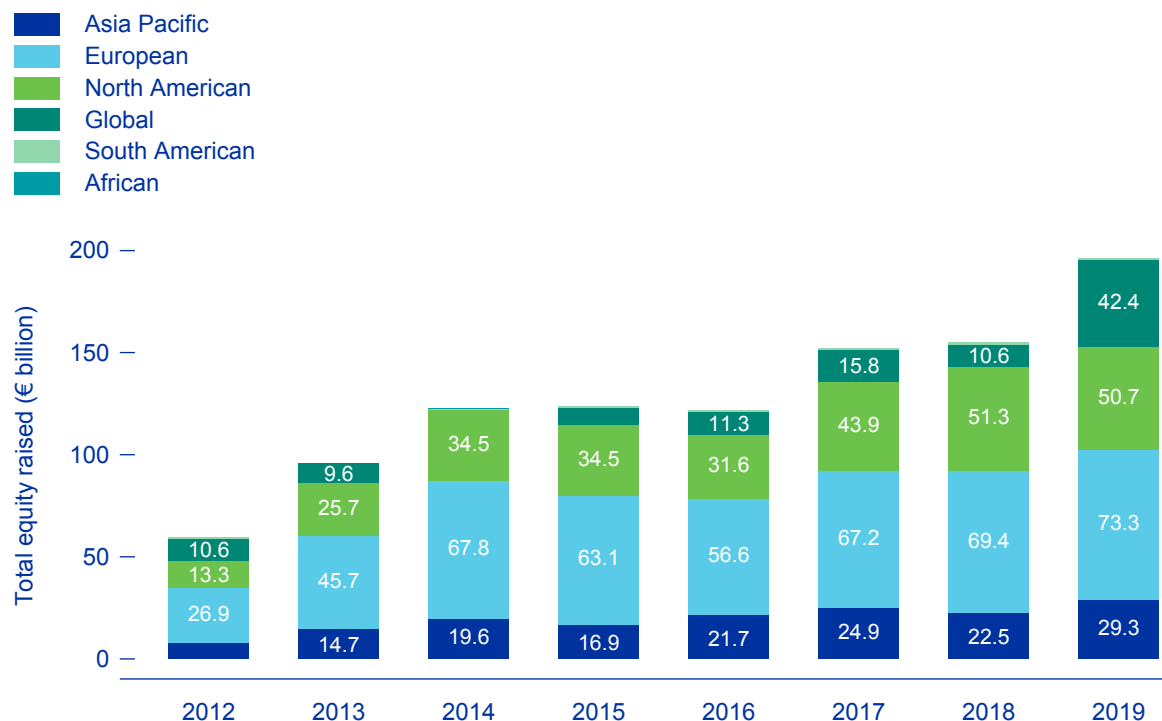


The non-listed real estate market continued to attract substantial volumes of capital in 2019. Managers raised €196.4 billion of new capital worldwide, for non-listed vehicles, substantially above last year's €154.8 billion.

The regional focus of the capital raised during 2019 remains comparable to previous years. The largest share is targeting Europe, accounting for 37.3% of the total capital

raised, followed by North American strategies (25.8%), Asia Pacific strategies (14.9%) and global strategies (21.6%). Global strategies show the largest increase compared to last year. On the other hand, capital raised for North American strategies decreased slightly from €51.3 billion in 2018 to €50.7 billion in 2019.

Figure 7: Equity raised for the non-listed real estate industry by regional strategy



Non-listed real estate continues to attract the interest of investors, with the number of vehicles raising capital increasing from 933 in 2018 to 982 in 2019.

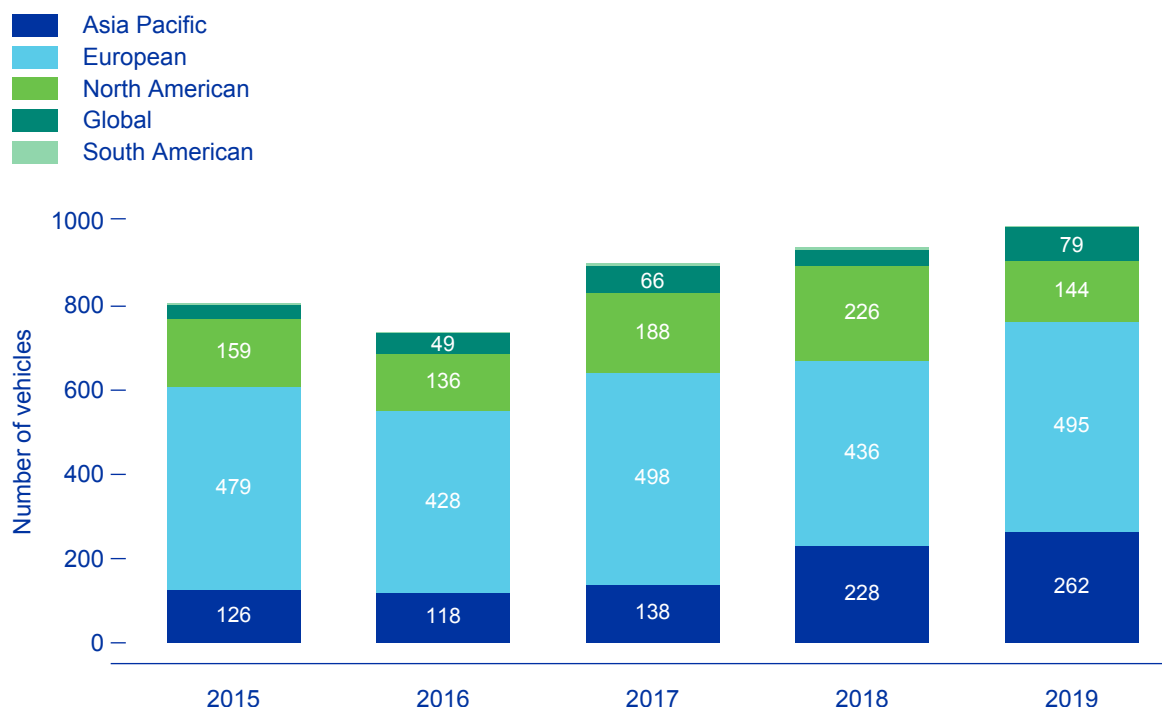
Most of the vehicles that raised capital in 2019 have a European strategy; they total 495 compared to 436 last year.

During 2019, the number of vehicles raising capital that target the Asia Pacific region has increased for the third consecutive year to 262.

The number of vehicles raising capital for global strategies has doubled between 2018 and 2019, from 37 to 79.

Vehicles with a European strategy represent 50.4% of the total by number but below 40% of the total capital raised. Meanwhile those targeting Asia Pacific represent 26.7% by number and 14.8% of total capital and North American vehicles represent only 14.7% by number but 25.8% by value. This indicates that those vehicles targeting North America are, on average, larger than those targeting the other regions.

Figure 8: Equity raised by regional strategy by number of vehicles



‘New equity was sought for 982 vehicles in 2019’

Equity raised by regional strategy and by manager domicile

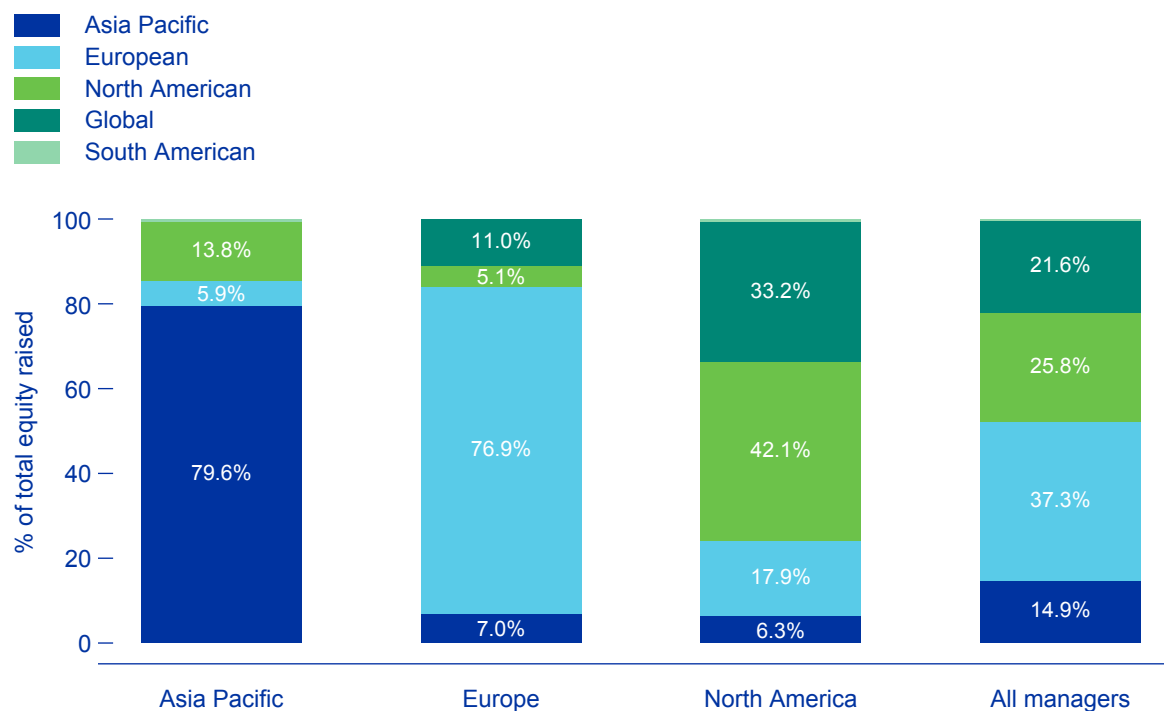
Delving deeper into the equity raised in 2019, there tends to be a bias towards investing in the home region, regardless of the domicile of the manager.

Managers from Asia Pacific have the highest proportion targeting their home market. Of the total capital raised in 2019, 79.6% was allocated to Asia Pacific strategies and only 13.8% and 5.9% respectively for North American and European strategies.

Of the total equity raised by European managers, 76.9% is targeting Europe while the remainder was assigned to global vehicles (11%), Asia Pacific (7.0%) and North America (5.1%).

North American managers have the lowest allocation of total capital raised to their home market (42.1%), adopting a broader range of strategies than their Asia Pacific or European peers. Of the remaining capital raised, 33.3% was allocated to global strategies while 17.9% and 6.3% was allocated to European and Asia Pacific strategies respectively.

Figure 9: Equity raised by regional strategy and fund manager domicile by value



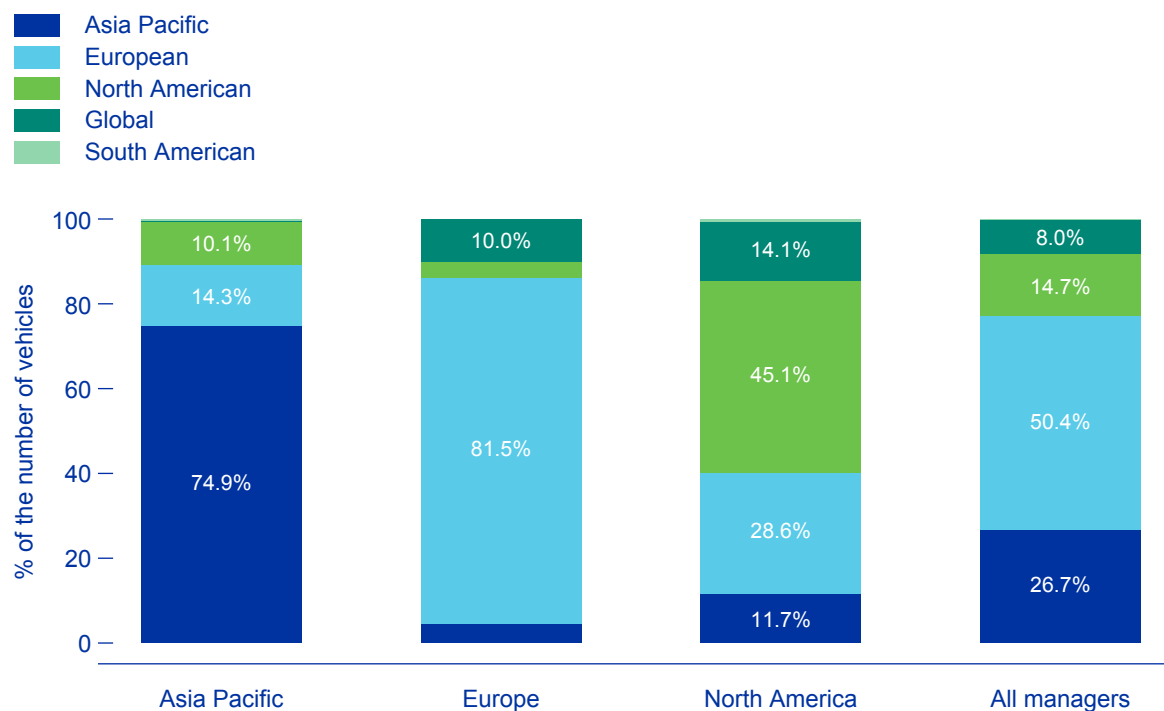
The predominance of vehicles targeting domestic markets is further highlighted by the number of vehicles for which capital was raised.

Of the 482 vehicles for which European managers raised equity last year, 81.5% have a European strategy. Global strategies represent the second biggest group, with 10.0% of the total number of vehicles, while those targeting Asia Pacific and North America only represent 4.6% and 3.9%, respectively.

Asia Pacific managers raised capital for a total of 287 vehicles in 2019, of which 74.9% have an Asia Pacific strategy. Vehicles targeting North America and Europe respectively represent 10.1% and 14.3% of the total number.

North American managers raised capital for 213 vehicles, of which 45.1% by number target their home region. The remainder of the vehicles focus on European (28.6%), Asia Pacific (11.7%) and global strategies (14.1%).

Figure 10: Equity raised by regional strategy and fund manager domicile by number of vehicles

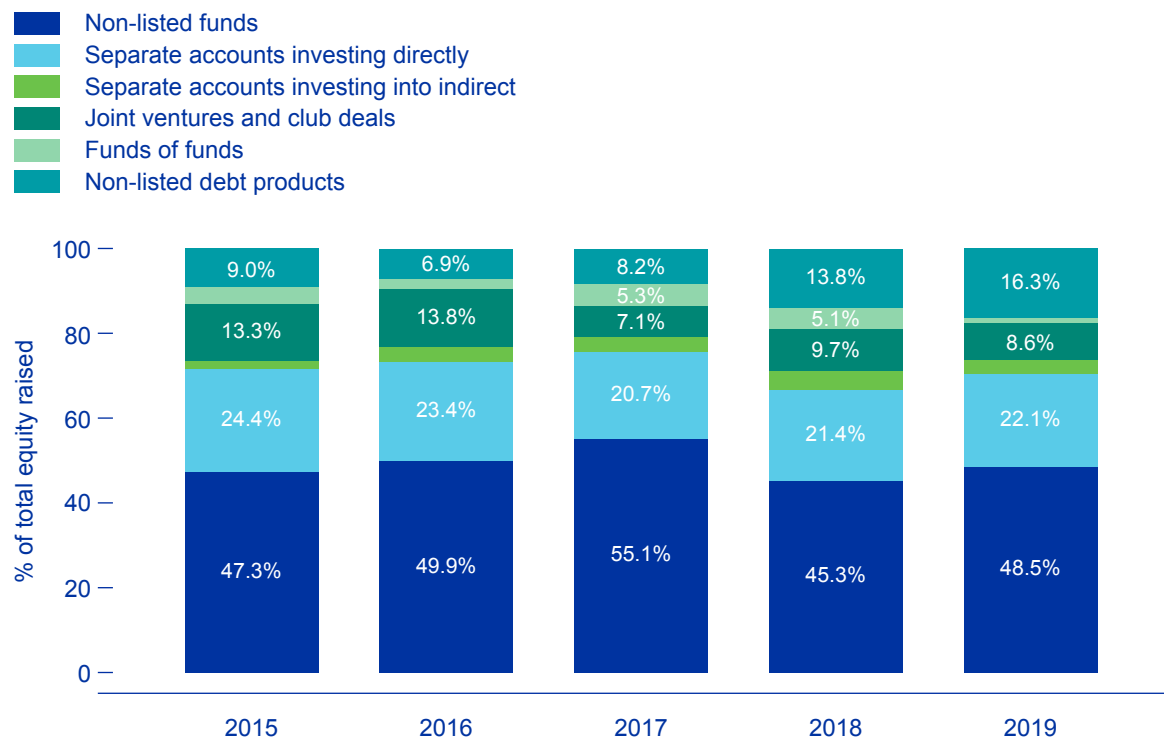


Equity raised by vehicle type

Of the €196.4 billion of capital raised during 2019, 48.5% was allocated to non-listed funds, representing a small increase compared with last year's. As in previous years, funds remain the most popular type of vehicle among investors.

Separate accounts investing into direct real estate, on the other hand, increased in importance in 2019, coming to represent more than a fifth of the total capital raised. Meanwhile non-listed debt products accounted for 16.3% of the total equity raised while 8.6% was assigned to joint ventures and club deals, with both shares comparable to last year. Separate accounts investing indirectly (3.2%) and funds of funds (1.4%) remain the least popular types of vehicle for accessing the real estate market, based on their total capital raised.

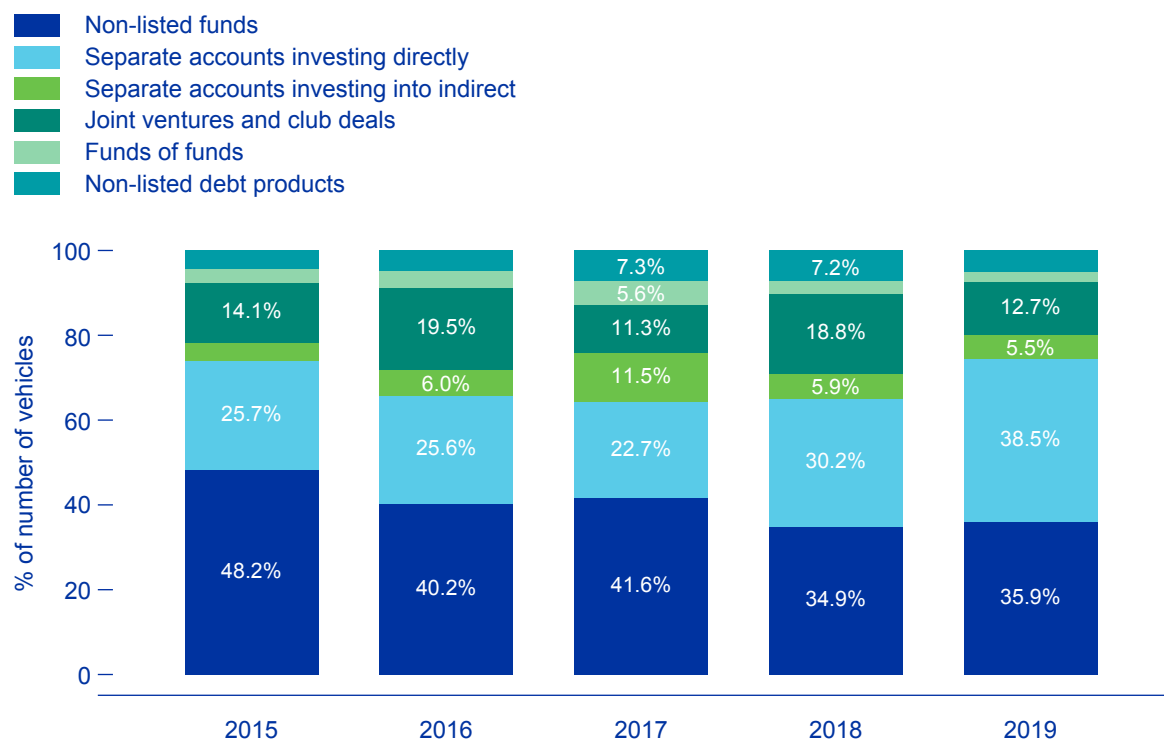
Figure 11: Equity raised by vehicle type by value



Despite that separate accounts investing directly in real estate is the second category in terms of capital raised, it is the first time they accounted for the largest number of vehicles to attract capital in 2019. A total of 378 such vehicles raised capital during 2019, representing 35.9% of the total number. This increase is largely explained by managers using separate accounts investing directly for each individual asset.

The second category by the number of vehicles was non-listed funds (353), representing around a third of the total, slightly less than in previous years. The remaining capital was assigned to 125 joint ventures and club deals, 54 separate accounts investing into indirect real estate, 48 non-listed debt products and 24 funds of funds.

Figure 12: Equity raised by vehicle type by number of vehicles



Equity raised by vehicle type and by regional strategy

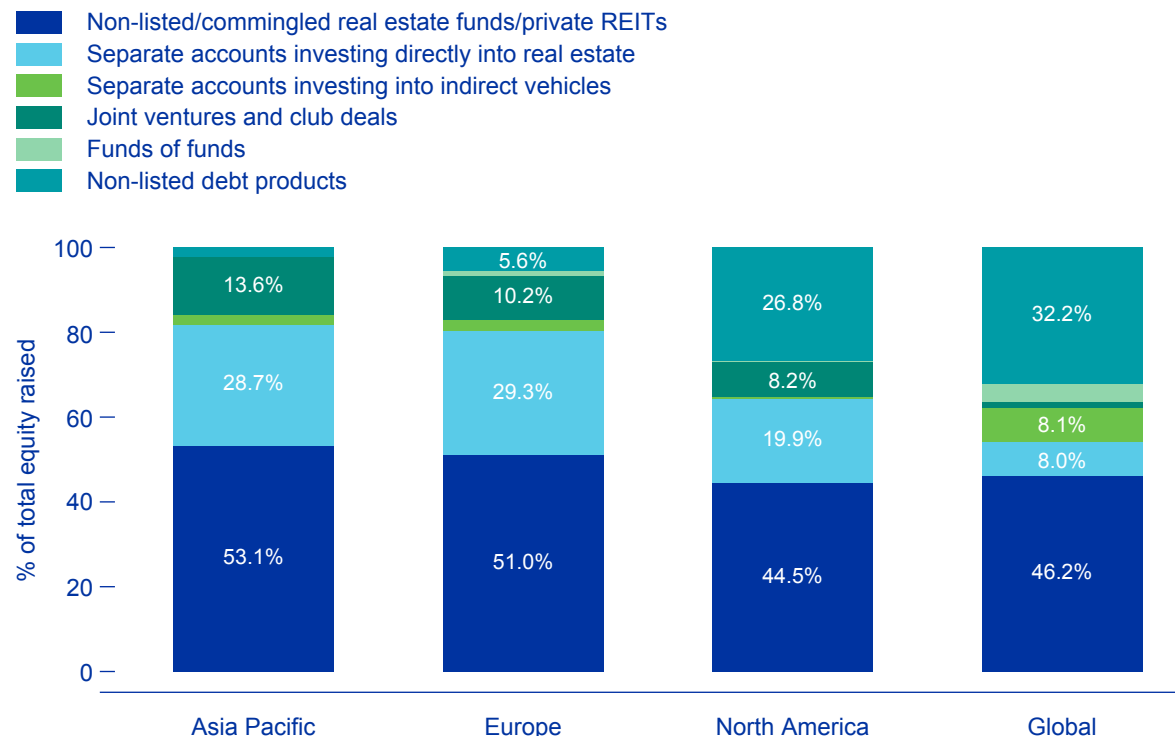
Non-listed funds remain the vehicle of choice by value of capital raised, regardless of the regional strategy.

More than half of the total equity raised for Asia Pacific strategies in 2019 was allocated to non-listed real estate funds (53.1%). The remaining capital was assigned to separate accounts investing directly into real estate (28.7%), joint ventures and club deals (13.6%), non-listed debt products (2.3%) and separate accounts investing into indirect vehicles (2.2%).

For vehicles with a European strategy, the largest share of capital was again raised for non-listed funds (51.0%), with the rest split between separate accounts investing directly into real estate (29.3%), joint ventures and club deals (10.2%), non-listed debt products (5.6%), separate accounts investing into indirect real estate (2.8%) and funds of funds (1.1%).

Non-listed funds also attracted the largest proportion of capital targeting North America (44.5%), but unlike the other two regions non-listed debt products (26.8%) attracted the second-largest share of new equity raised. Separate accounts investing directly into real estate (19.9%) came third, followed by joint ventures and club deals (8.2%), separate accounts investing into indirect real estate (0.4%) and funds of funds (0.2%).

Figure 13: Equity raised by vehicle type and by regional strategy by value

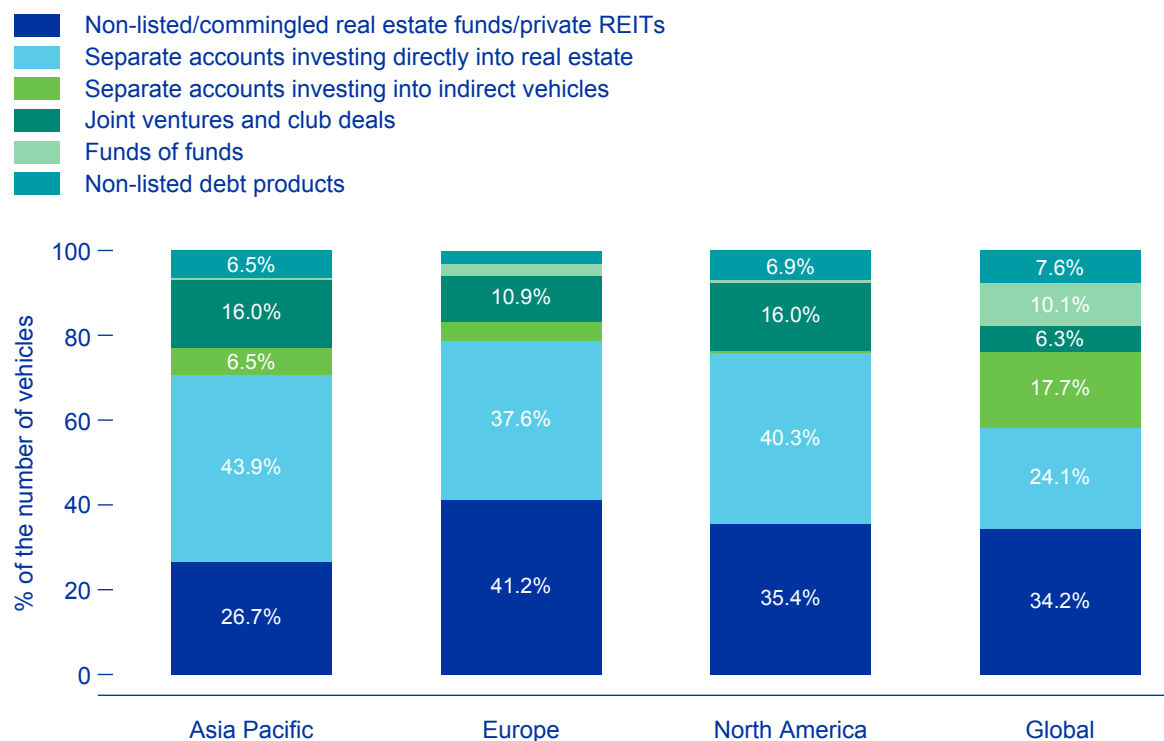


For vehicles targeting a global strategy, non-listed funds are the most popular vehicle for the first time (46.2%), while last year it was funds of funds. Non-listed debt products account for 32.2% of the total equity raised for global strategies, followed by separate

accounts investing into indirect vehicles and separate accounts investing directly into real estate with 8.1% and 8.0% respectively. Funds of funds (4.2%) and joint ventures and club deals (1.3%) make up the remainder.

By number of vehicles, non-listed real estate funds represent the largest category for European and global strategies. Whereas separate accounts investing directly into real estate account for the largest number for Asia Pacific strategies and North American strategies.

Figure 14: Equity raised by vehicle type and by regional strategy by number of vehicles



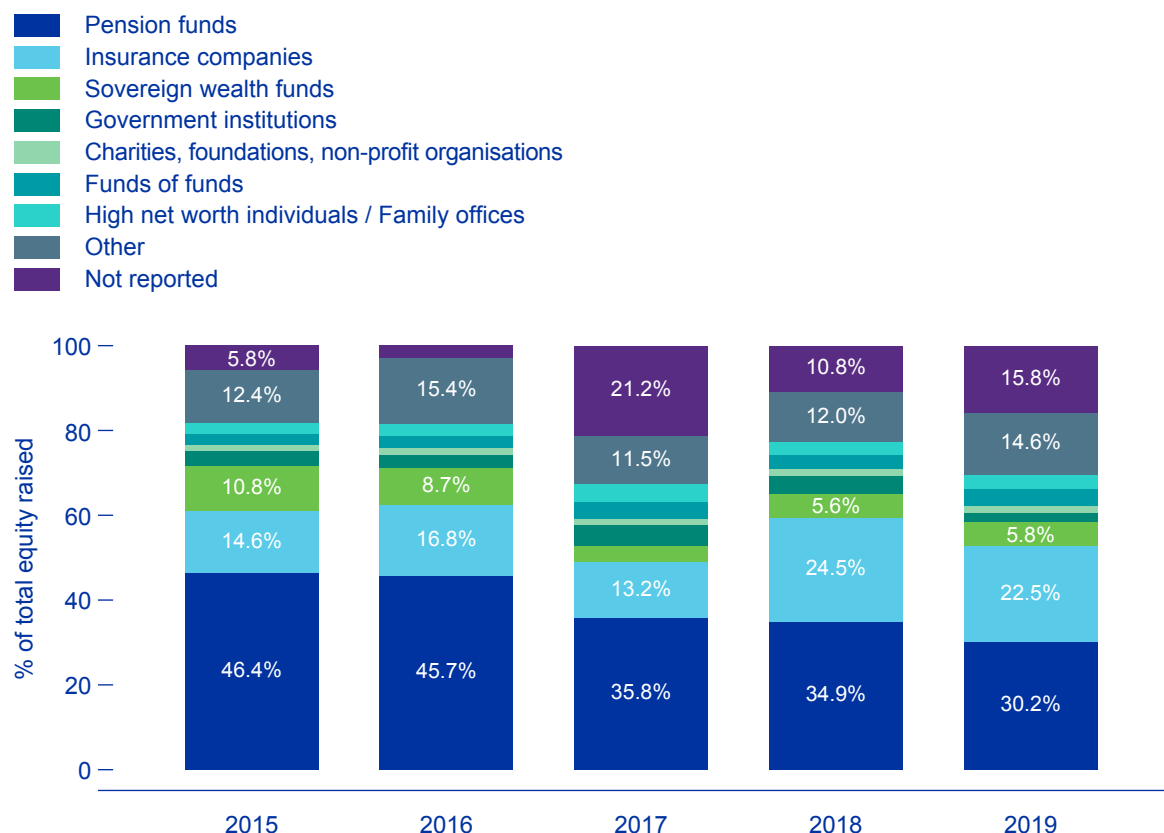
Equity raised by investor type

Pension funds continue to be the main source of capital for the non-listed real estate industry, though their share of the total capital raised decreased over a longer period, from 46.4% in 2015 to 30.2% in 2019.

Insurance companies, traditionally the second-largest source of capital, decreased their share from 24.5% in 2018 to 22.5% in 2019.

On the other hand the share of capital raised from sovereign wealth funds has increased from 3.9% to 5.8% between 2017 and 2019. The remaining part of the capital raised originates from funds of funds (4.0%), high net worth individuals / family offices (3.5%), government institutions (2.1%), charities, foundations and non-profit organisations (1.5%) and other investors (14.6%). Combined, this category of other types of investors increased their share considerable compared with previous years.

Figure 15: Equity raised by investor type by value

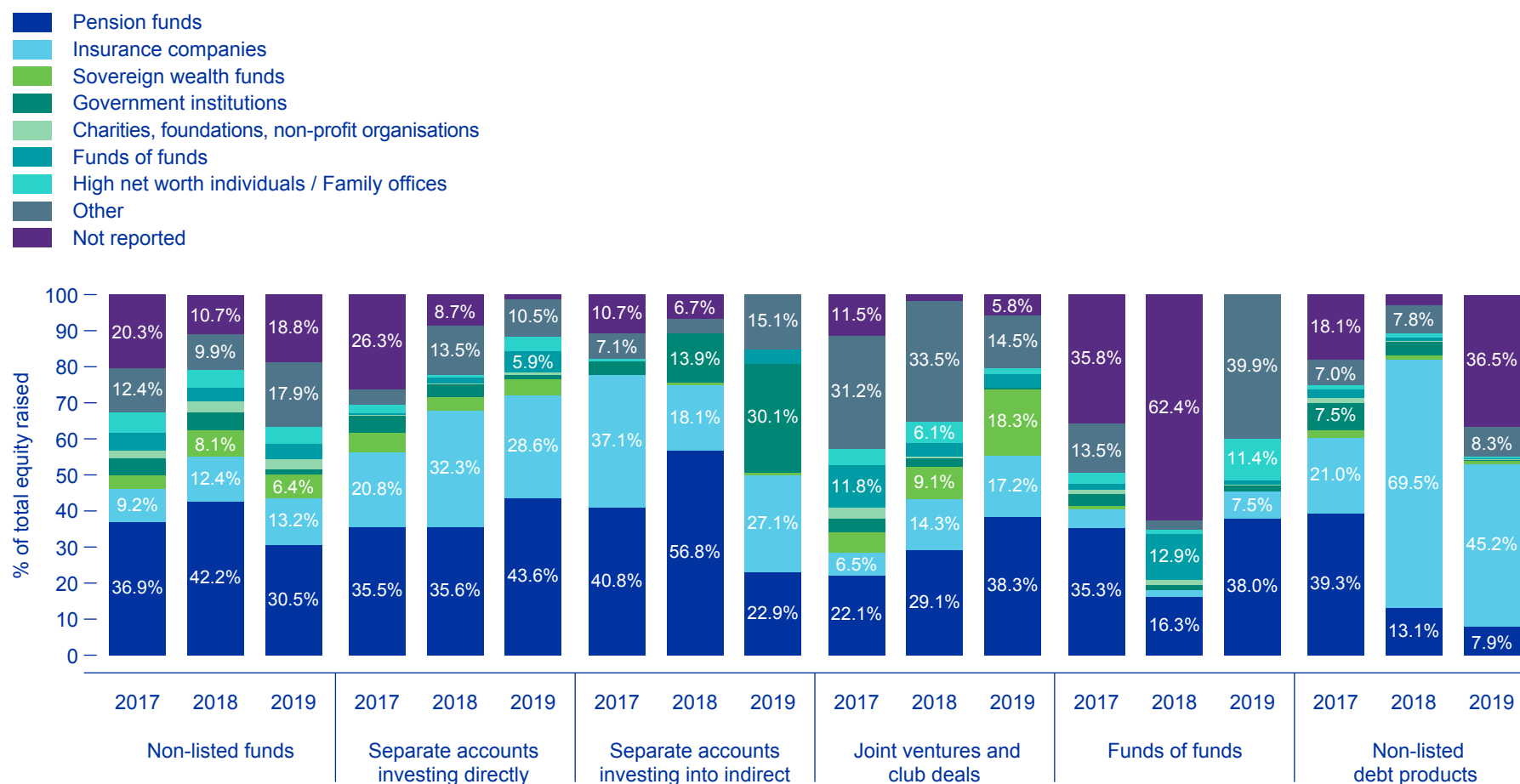


Pension funds remain the largest source of capital raised for non-listed funds (30.5%), separate accounts investing directly (43.6%) and funds of funds (38.3%). Also, their share of the capital raised for joint ventures and club deals increased from 22.1% in 2017 to 38.3% in 2019, making them the largest contributor.

On the other hand, the share of pension funds in the capital raised for separate accounts investing into indirect dropped substantially from 56.8% in 2018 to 24.4% in 2019. Pension funds were also less prominent in raising capital for non-listed debt products. Insurance companies remain as the main

source of capital for non-listed debt funds, representing the source of around 45% of all the capital raised for this kind of vehicles.

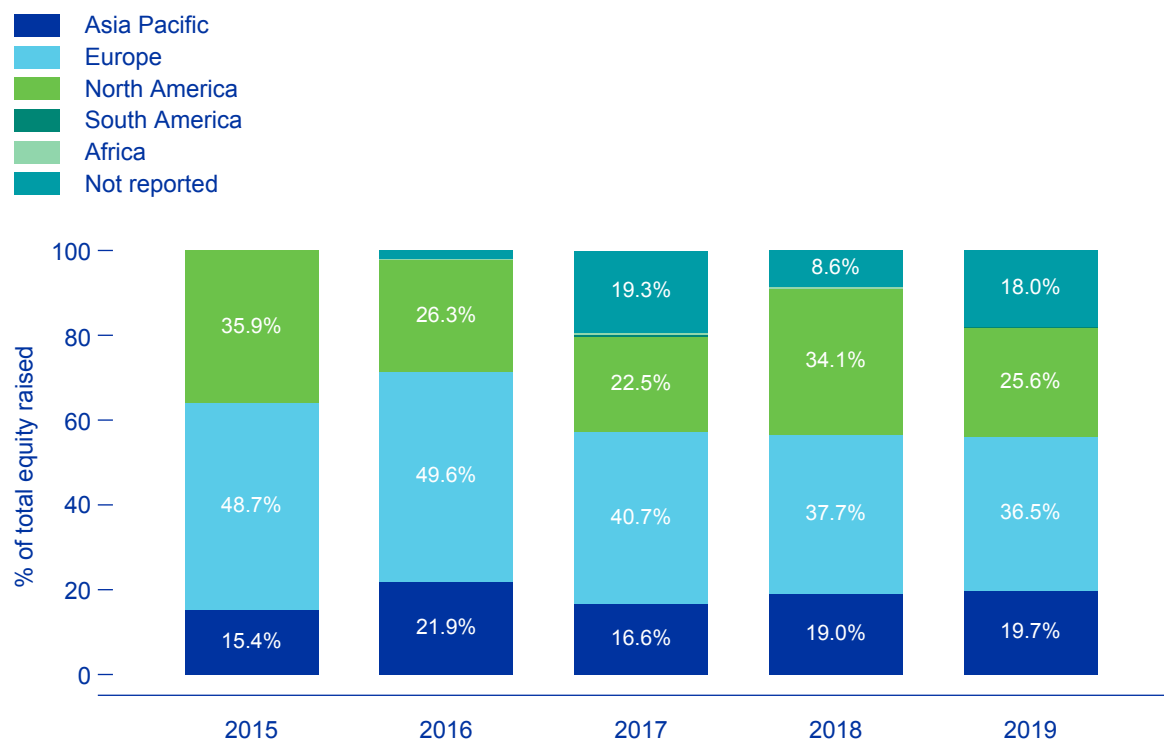
Figure 16: Equity raised by investor type and by vehicle type by value



Equity raised by investor domicile

The majority of global capital raised in 2019 came from European investors, representing 36.5% of the total, similar to last year's proportion of 37.7%. By contrast, a smaller share came from North American investors, down from 34.1% in 2018 to 25.6% in 2019. The contribution of Asia Pacific investors to the total equity raised increased for the second consecutive year, reaching 19.7%, the second highest level since the start of the time series in 2015.

Figure 17: Equity raised by investor domicile by value



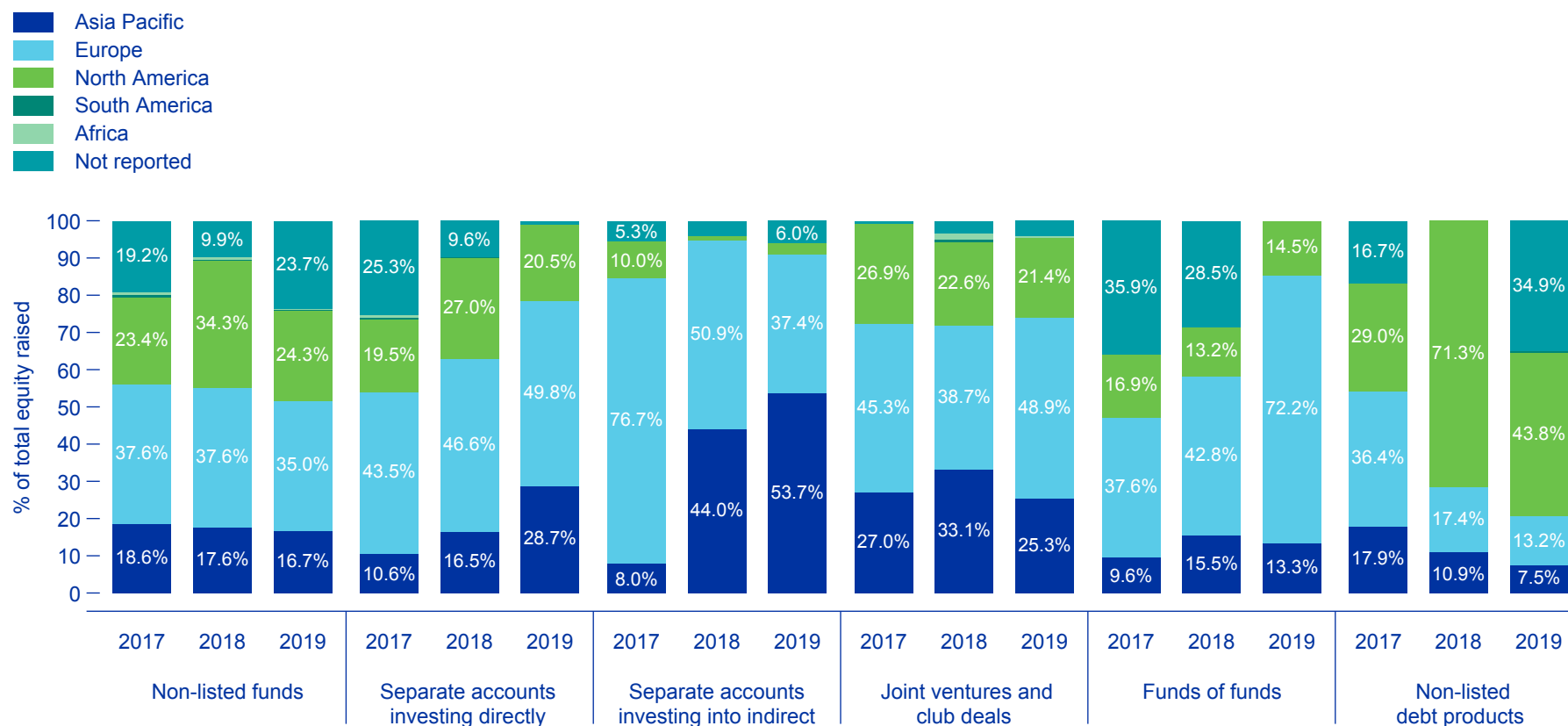
Linking vehicle type and investor domicile, equity raised from European investors remains the main source of capital for non-listed funds (35.0%), separate accounts investing directly (49.8%), joint ventures and club deals (48.9%) and funds of funds (72.2%). For all of these vehicles, but funds,

the share of capital raised from European investors increased compared to 2018.

The majority of the capital raised for separate accounts investing into indirect vehicles comes from Asia Pacific investors, who increased their share from 44.0% in 2018 to

53.7% in 2019. North American investors are the most important supporters of non-listed debt products, maintaining a majority of the capital raised (43.8%).

Figure 18: Equity raised by investor domicile and by vehicle type by value



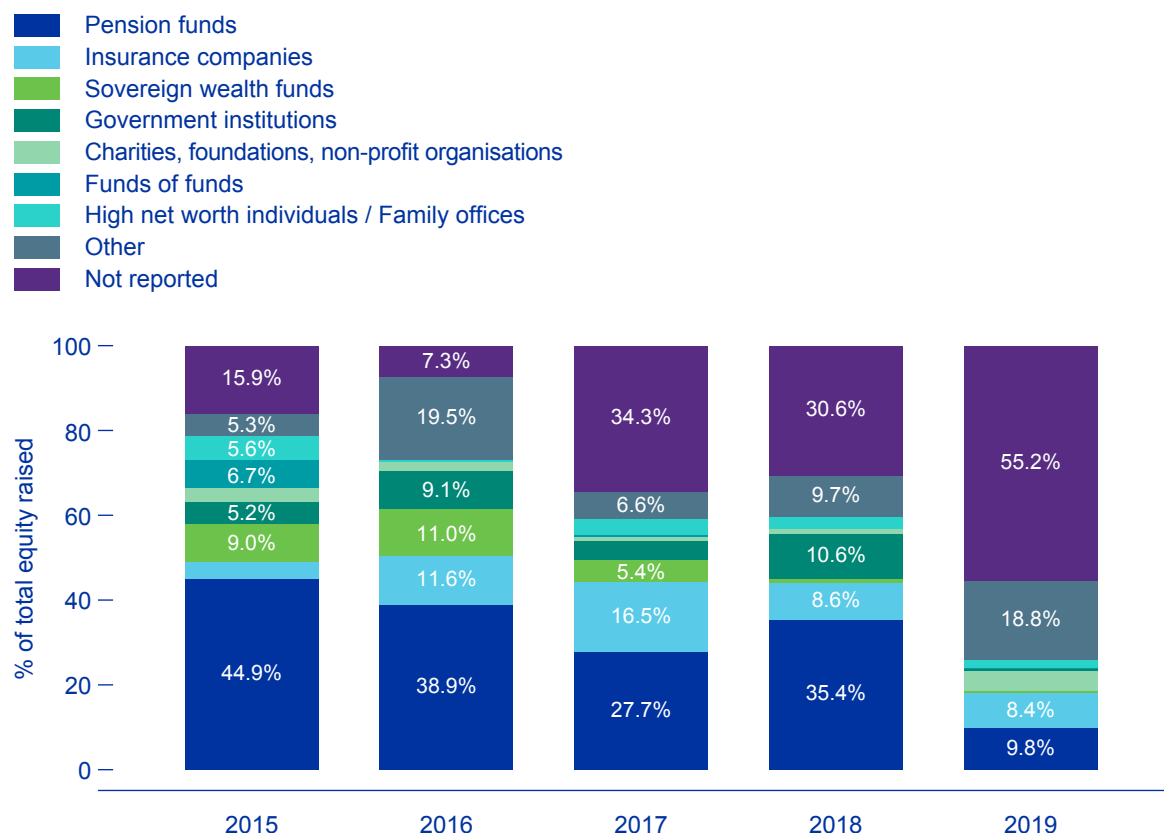
Equity raised for global strategies

For a vehicle to have a global strategy, no more than 90% of the total Gross Asset Value (GAV) may be invested in a single region.

During 2019, those vehicles with a global strategy attracted €42.4 billion of capital. Global strategies account for 21.6% of all the capital raised for non-listed vehicles.

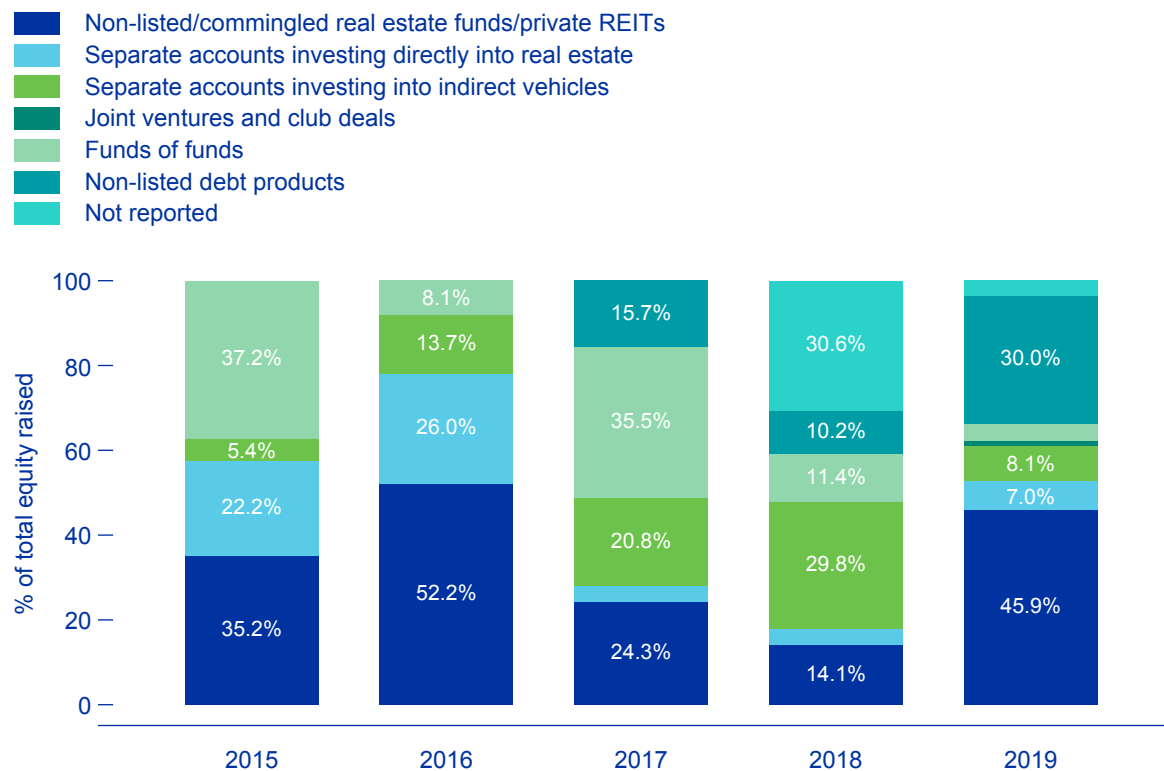
As in previous years, the main source of capital for this strategy was pension funds, accounting for 9.8% of all the equity allocated to the strategy. Insurance companies were the second largest contributor of capital to global strategies, with a share of 8.4% in 2019. Government institutions contributed the third-highest amount (4.7%), followed by high net worth individuals / family offices (1.9%) and non-profit organisations (0.6%). The rest of the capital was raised from other investors (18.8%) or not reported (55.2%).

Figure 19: Global strategy - equity raised by investor type



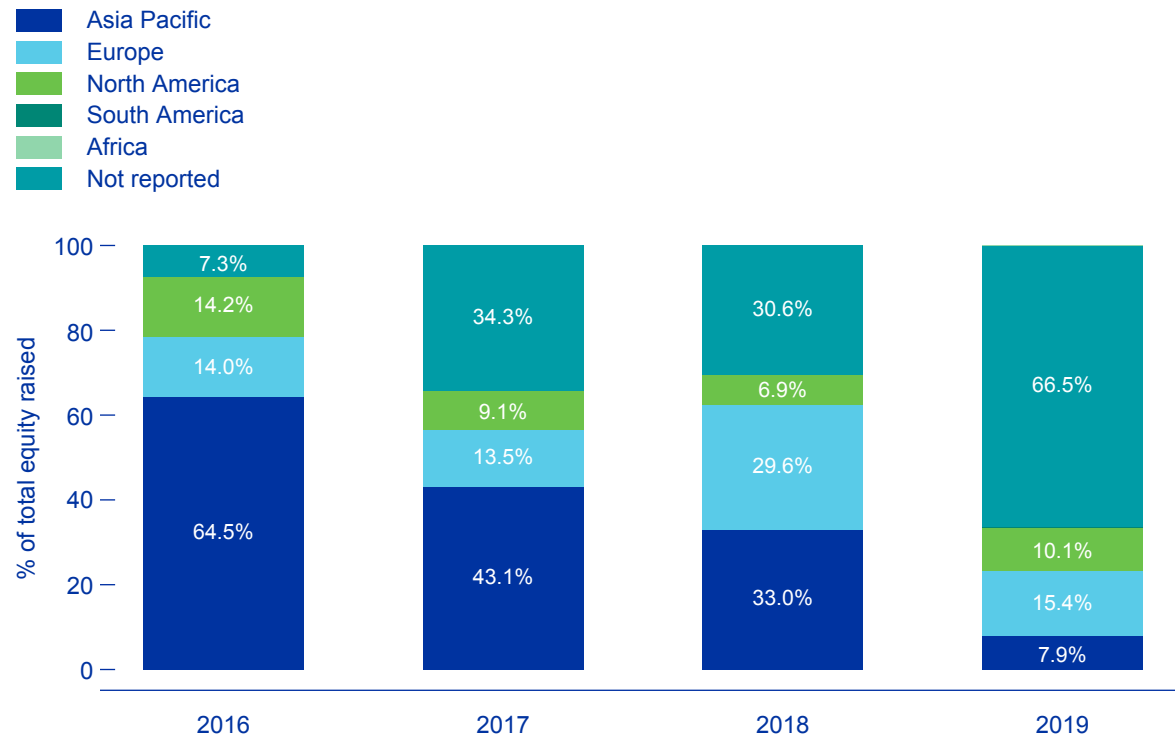
For the first time since 2017, non-listed funds were the most popular vehicle for global strategies, accounting for 45.9% of the total capital raised in 2019. Non-listed debt products attracted the second-largest amount of capital (30.0%), representing the biggest move from last year. Separate accounts investing into indirect vehicles (8.1%). The remaining capital allocated to global strategies was split between funds of funds (4.1%) joint ventures and club deals (1.3%) and not reported (3.6%).

Figure 20: Global strategy - equity raised by vehicle type



European investors remain the leading source of capital for global strategies, accounting for more than 15% of the total capital raised. North American investors reached the second position with 10.1% of the capital raised in 2019. Meanwhile Asia Pacific investors' share in the capital raised for global strategies represents only 7.9% in 2019. It is worth nothing that two-thirds of the capital raised is unspecified by investor domicile.

Figure 21: Global strategy - equity raised by investor domicile



Equity raised for European strategies

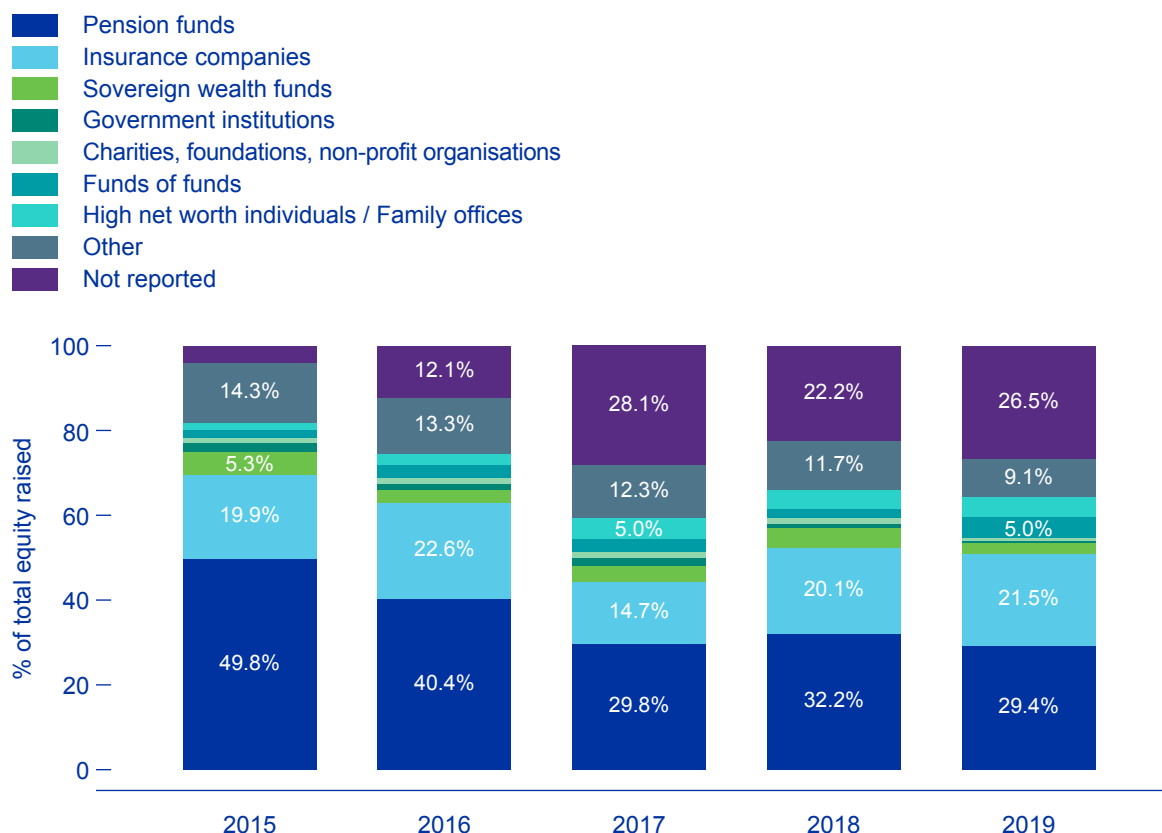
The following sections focus only on capital raising activities for vehicles following a European strategy.

During 2019, €73.3 billion was allocated to vehicles with a European strategy, higher than the €69.4 billion raised during 2018. This represents 36.4% of all capital raised in 2019.

Pension funds and insurance companies remain the principal source of capital for vehicles deploying a European strategy, accounting for more than 50% of the total equity raised reported by investor type.

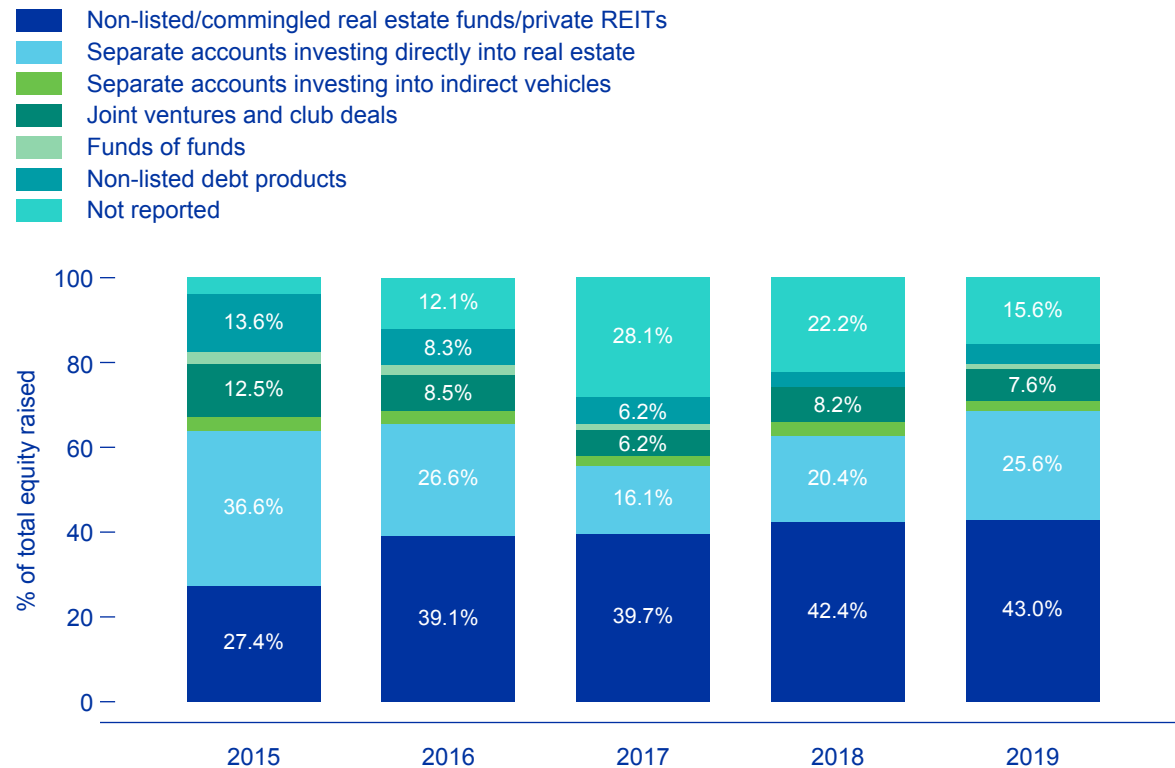
In 2019 pension funds accounted for the largest share of total new equity raised reported by investor type (29.4%), while insurance companies were the second most important source of capital with 21.5% of the total. Insurance companies increased their share in 2019 for the second consecutive year since 2017.

Figure 22: European strategy - equity raised by investor type



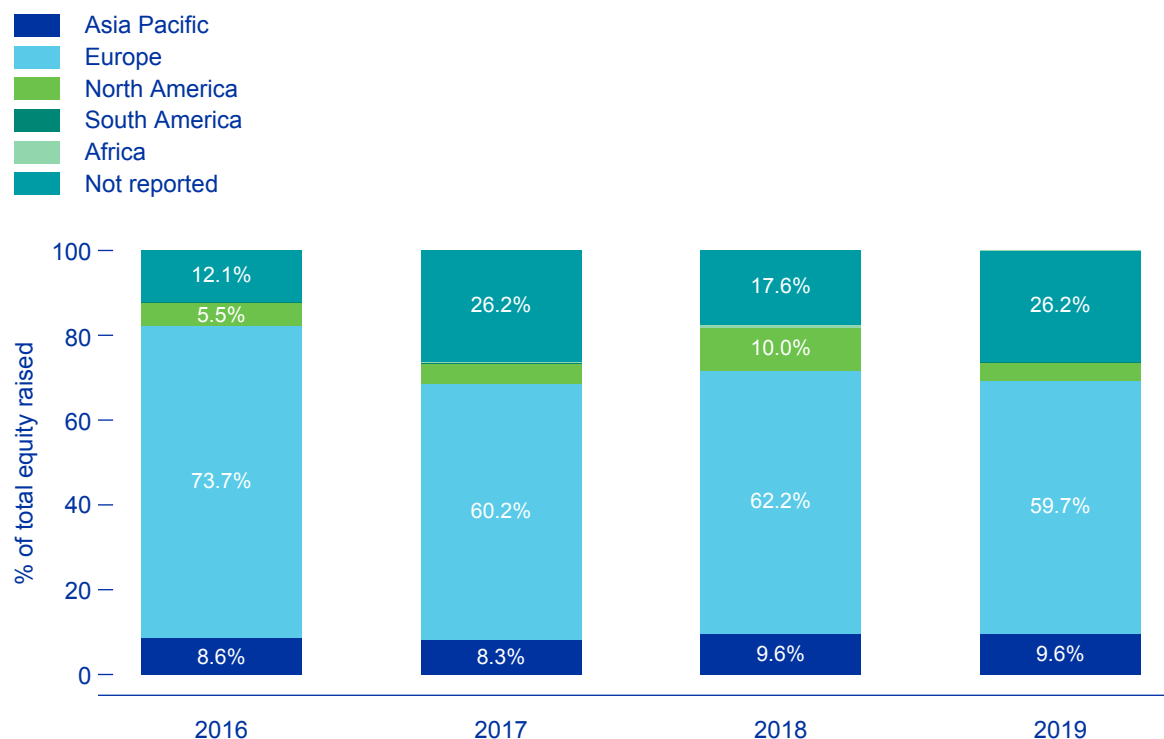
Non-listed real estate funds attracted the majority of the capital allocated to European strategies (43.0%). Separate accounts investing directly were the second most important type of vehicle based on capital raised, increasing their share from 20.4% in 2018 to 25.6% in 2019, while the remainder was divided across joint ventures and club deals (7.6%), non-listed debt products (4.6%), separate accounts investing into indirect vehicles (2.5%) and funds of funds (1.1%).

Figure 23: European strategy - equity raised by vehicle type



By investor domicile almost 60% of the equity raised for European strategies came from European investors. Equity raised from Asia Pacific investors accounted for 9.6% of the total, while only 4.3% came from North American investors. South American and African investors played a marginal role in terms of capital raised for the European market. For the remaining capital that was raised for European strategies (26.2%), the domicile of the investors were unspecified.

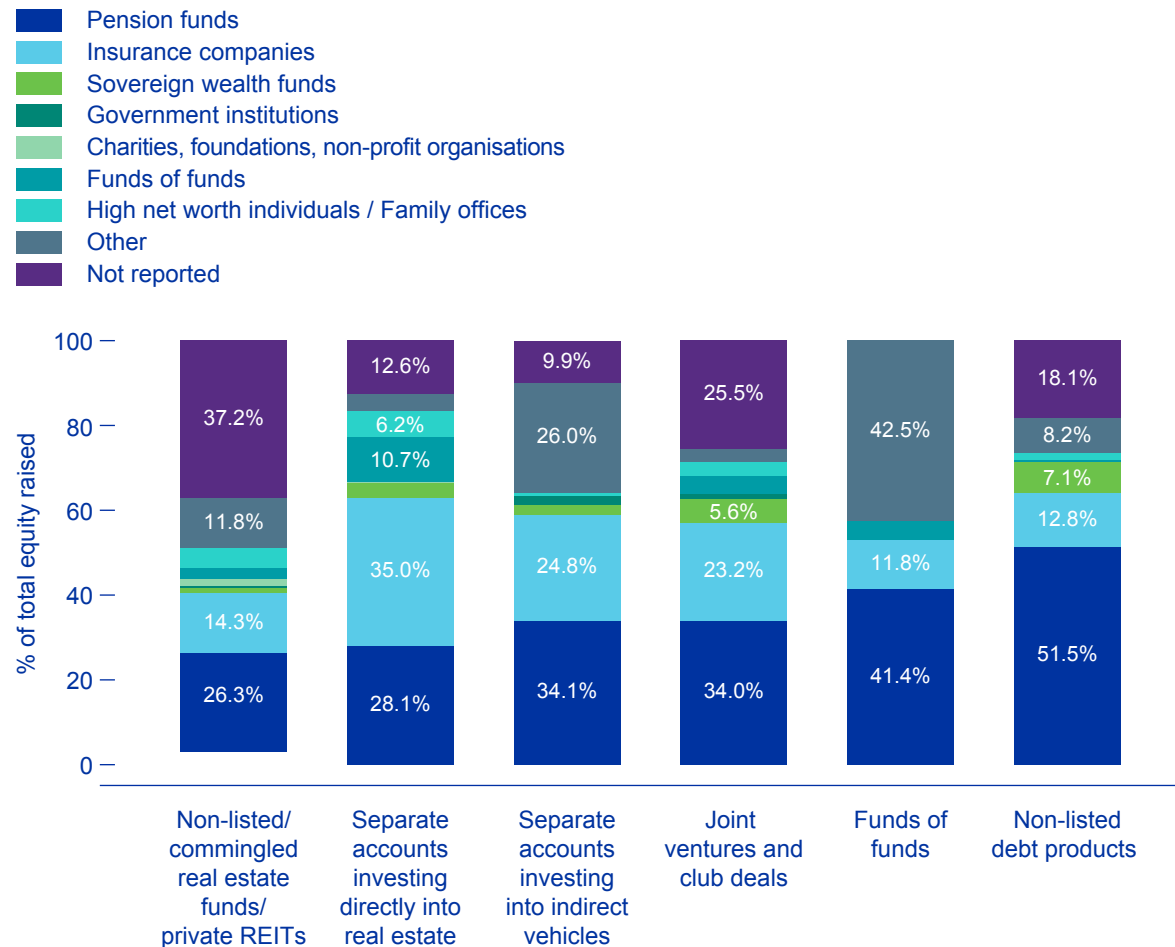
Figure 24: European strategy - equity raised by investor domicile



Traditionally pension funds are the main source of equity raised for most types of vehicles. In 2019 pension funds provided 26.3% of the capital raised for non-listed real estate funds. For other types of vehicles targeting European strategies between 30-40% of the capital raised came from pension funds with the exception of non-listed debt products for which they provided even 51.5% of the new equity.

However, similar to last year insurance companies were the largest source of capital for separate accounts investing directly into real estate, with 35.0% of the total equity raised. They were also the second most important source of capital, behind pension funds, for all the other vehicle types.

Figure 25: European strategy - equity raised by investor type and vehicle type



Equity raised for European non-listed real estate funds

During 2019, €73.3 billion was raised for investment into European non-listed real estate vehicles.

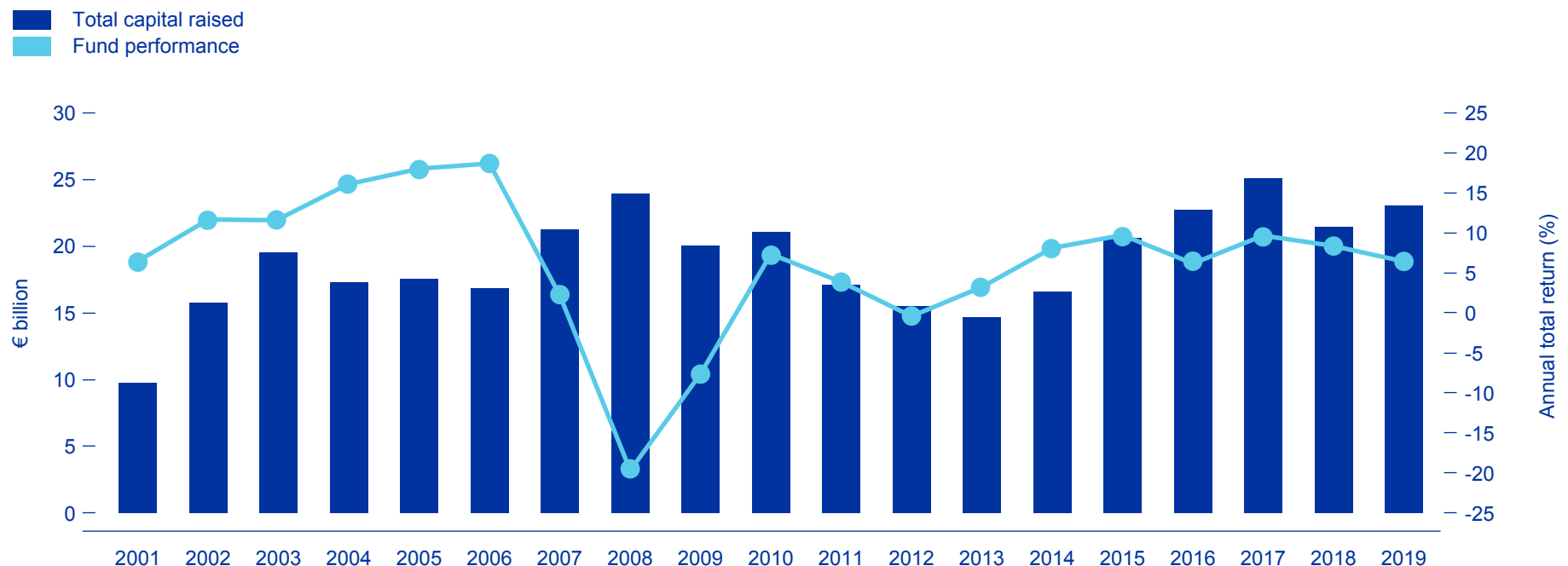
This section of the report focuses on the capital raised for European non-listed real estate funds, using data from the INREV Vehicle Universe. In total, 150 European funds raised new equity during 2019, 39.2% of the number of funds recorded in the Vehicle Universe. While capital raised for closed end

funds has been explicitly captured in the database since 2011, capital calls are used as a proxy for new equity raised for open end funds and does not include reinvestments into subsequent funds.

In 2019, total equity raised for European non-listed real estate funds was €23.0 billion, slightly higher than last year's €21.4 billion, and substantially above the ten year average of €19.7 billion.

While the capital raised in 2019 increased compared to 2018, average returns have slowed somewhat in recent years. According to the INREV Quarterly Index for Q4 2019, European non-listed real estate funds delivered an average total quarterly return of 2.1%, resulting in a 12-month performance of 6.3% for 2019. Although this annual total return was lower than what was recorded in 2018 or 2017, it was close to the 10-year average.

Figure 26: Equity raised for European non-listed real estate funds



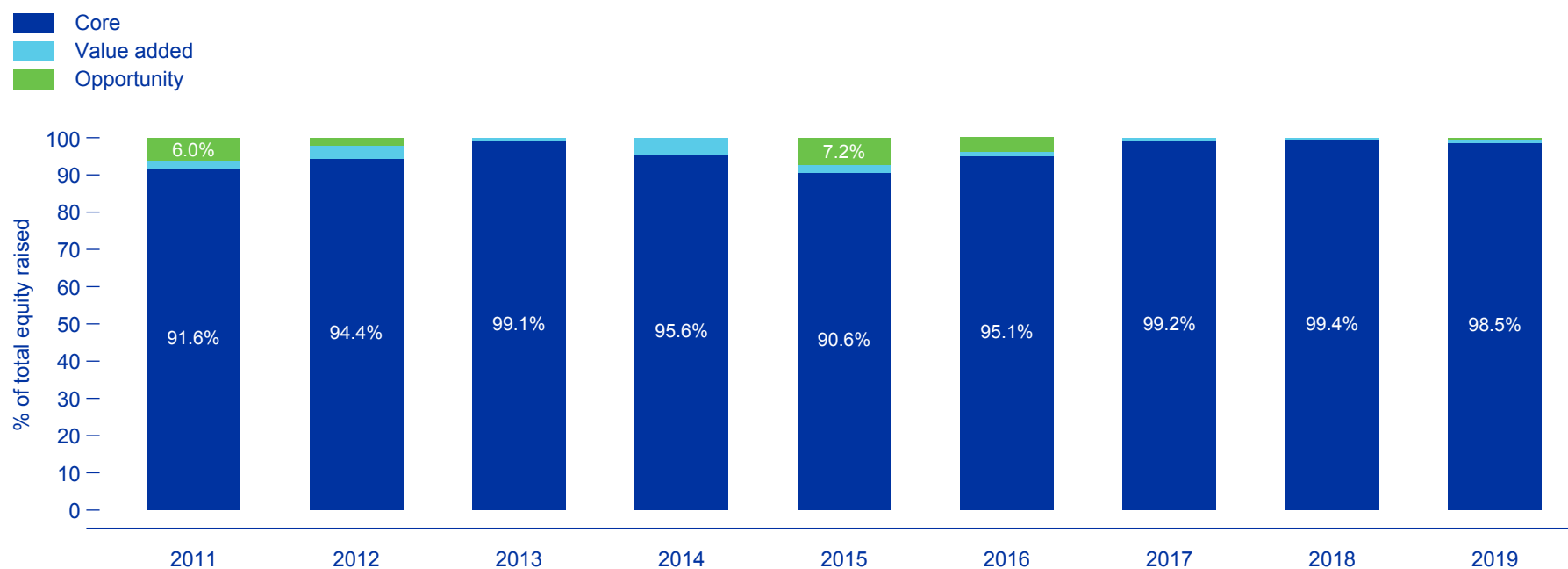
Source: INREV Quarterly Index Q4 2019, INREV Vehicle Universe (capital raising figures are based on unfrozen historical data and may be subject to change)

Equity raised for European non-listed real estate funds by style

This part of the report analyses new equity raised by fund style. In 2019 the survey sample comprised 145 core funds, 4 value added funds and 1 opportunity funds.

Core strategies attracted the great majority of new equity raised for European non-listed real estate funds in 2019 (99.5%, equating to €22.7 billion). Only a small proportion, 0.4% (€0.4 billion) was raised for value added and opportunity funds.

Figure 27: Equity raised for European non-listed real estate funds by style



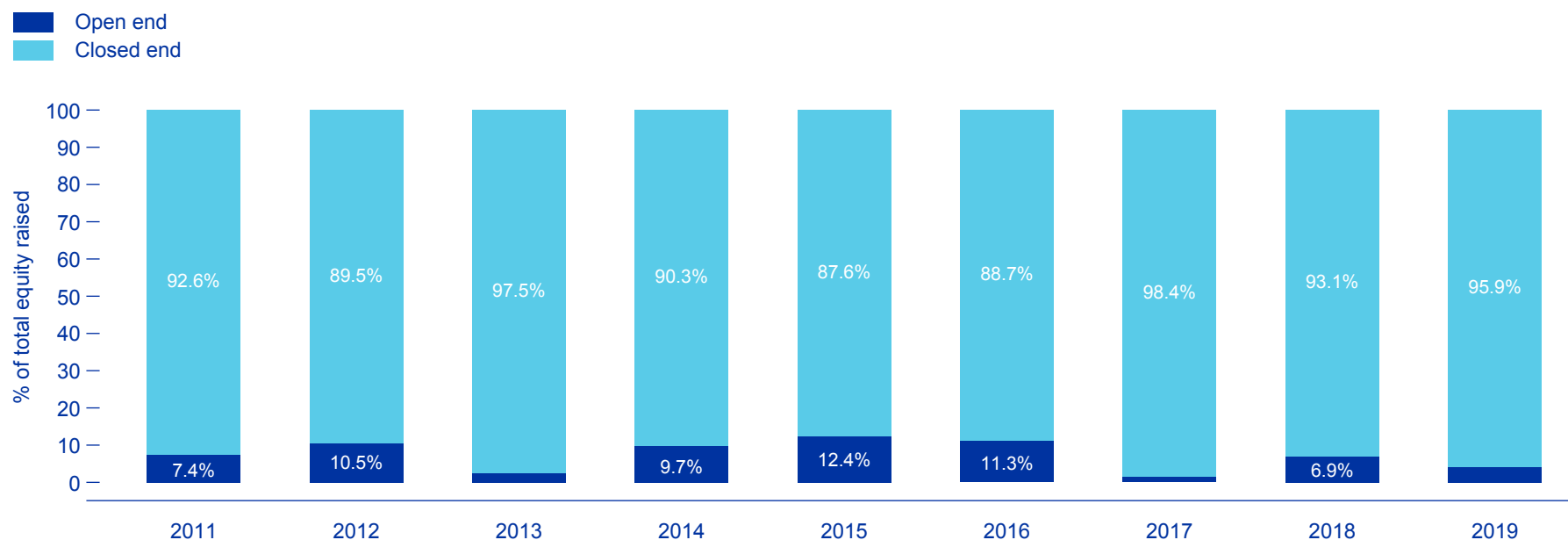
Equity raised for European non-listed real estate funds by structure

In terms of fund structure, the 2019 survey sample was split between 143 open end funds and 7 closed end funds.

Most open end funds tend to follow a core strategy. Therefore, considering that core strategies were most popular among investors during 2019, it comes as little surprise that the majority of new capital (95.9%) was raised for open end structures in 2019. This equates to €22.1 billion of new equity.

Only 4.1% of the new equity raised was allocated to closed end funds, equating to €1.0 billion of total capital in 2019.

Figure 28: Equity raised for European non-listed real estate funds by structure



Equity raised for European non-listed real estate funds by year of first close

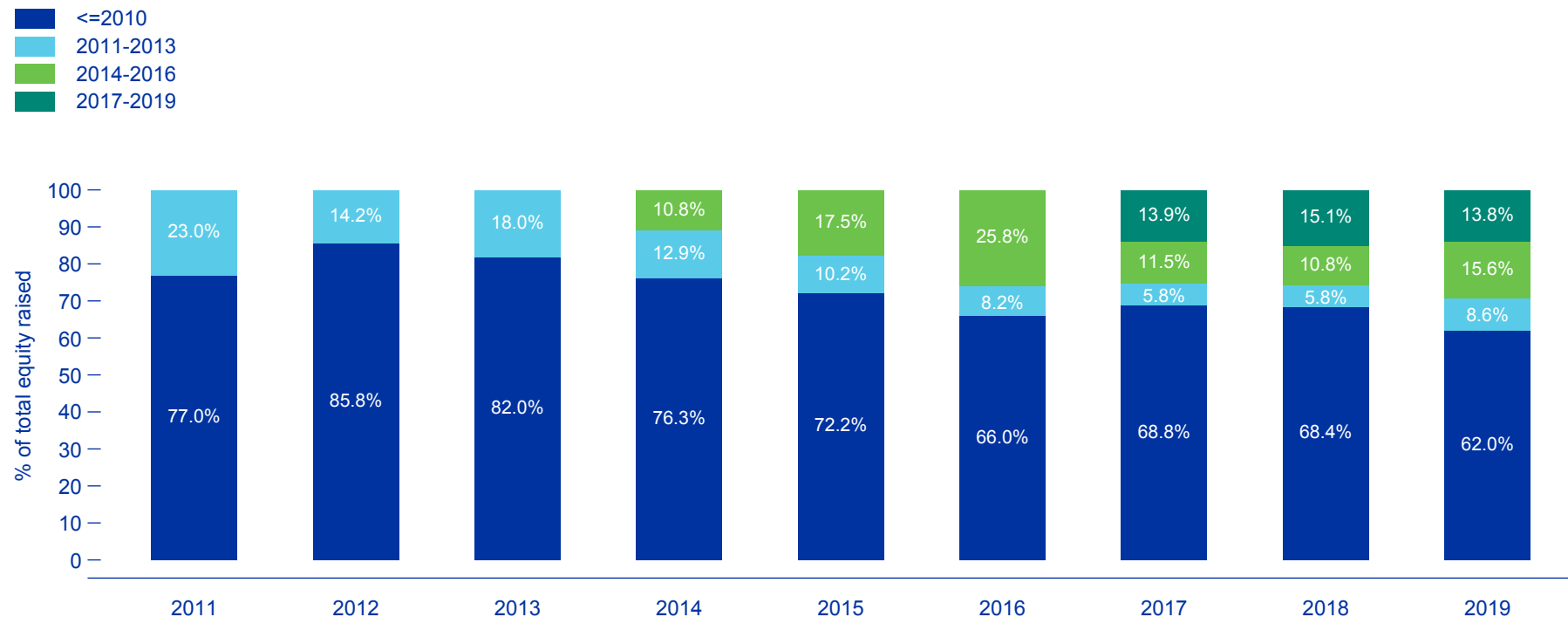
The year of first closing may be taken as a proxy for fund vintage. In the 2019 sample 71

funds have a year of first close prior to 2011, 19 between 2011 to 2013, 25 between 2014 to 2016 and 35 between 2017 to 2019.

Most of the new capital raised in 2019, 59.9%, was allocated to funds with vintage years prior to 2011. Next came the group of funds with

vintage years between 2014 and 2016, while those with younger vintages accounted for 13.8% of the total capital raised. Meanwhile, those funds with a first close between 2011 and 2013 represented 8.6% of the new equity raised in 2019.

Figure 29: Equity raised for European non-listed real estate funds by year of first close



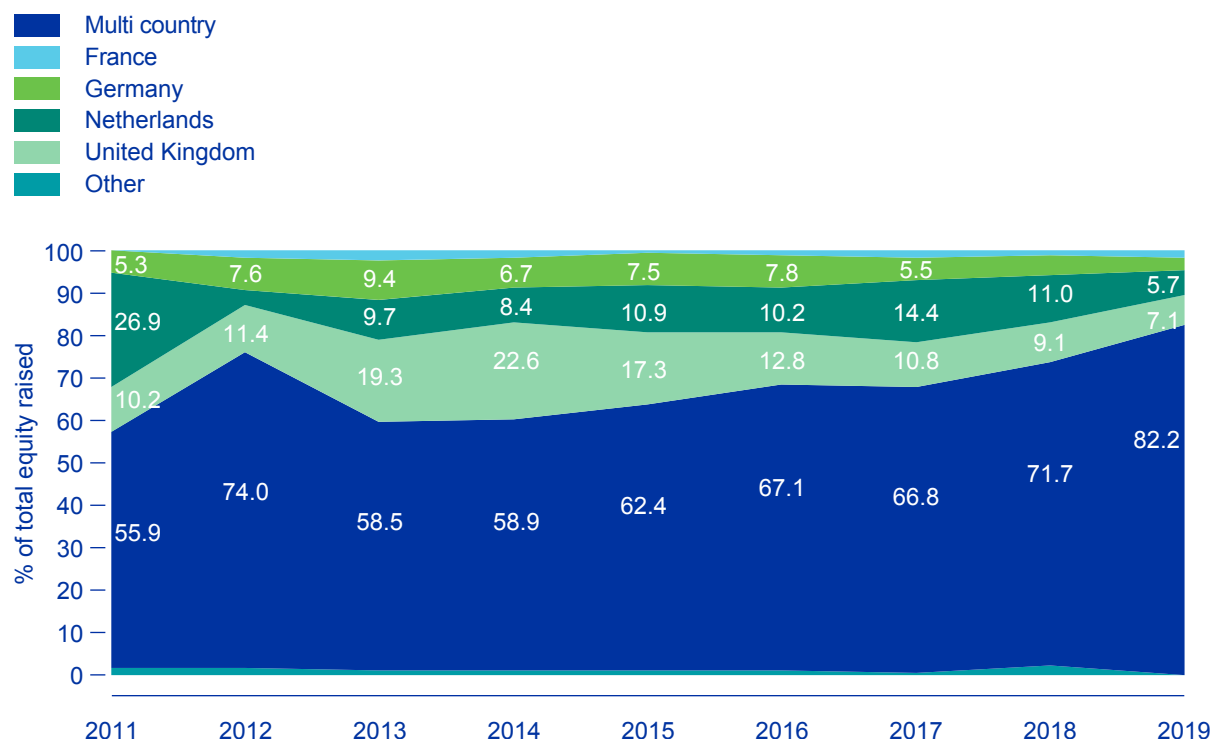
Equity raised for European non-listed real estate funds by country strategy

The 2019 sample was split between 90 funds that follow a multi-country strategy and 60 following a single-country strategy. Among the single-country strategy funds, 22 target Germany, 20 the UK, 14 the Netherlands and 3 France, while the fund remaining target other countries.

Multi-country strategy funds increased their share of the total capital raised in 2019 to make up more than four-fifths of the total, 82.2%. The remaining 17.8% was raised by single-country funds. The UK, the Netherlands and Germany accounted for the largest shares of new equity raised by single-country strategy funds, at 7.1%, 5.7% and 3.3% of the European total, respectively.

In 2019, multi-country strategy funds continued their trend towards an increasing share of the new equity raised for European funds that started in 2013.

Figure 30: Equity raised for European non-listed real estate funds by country strategy



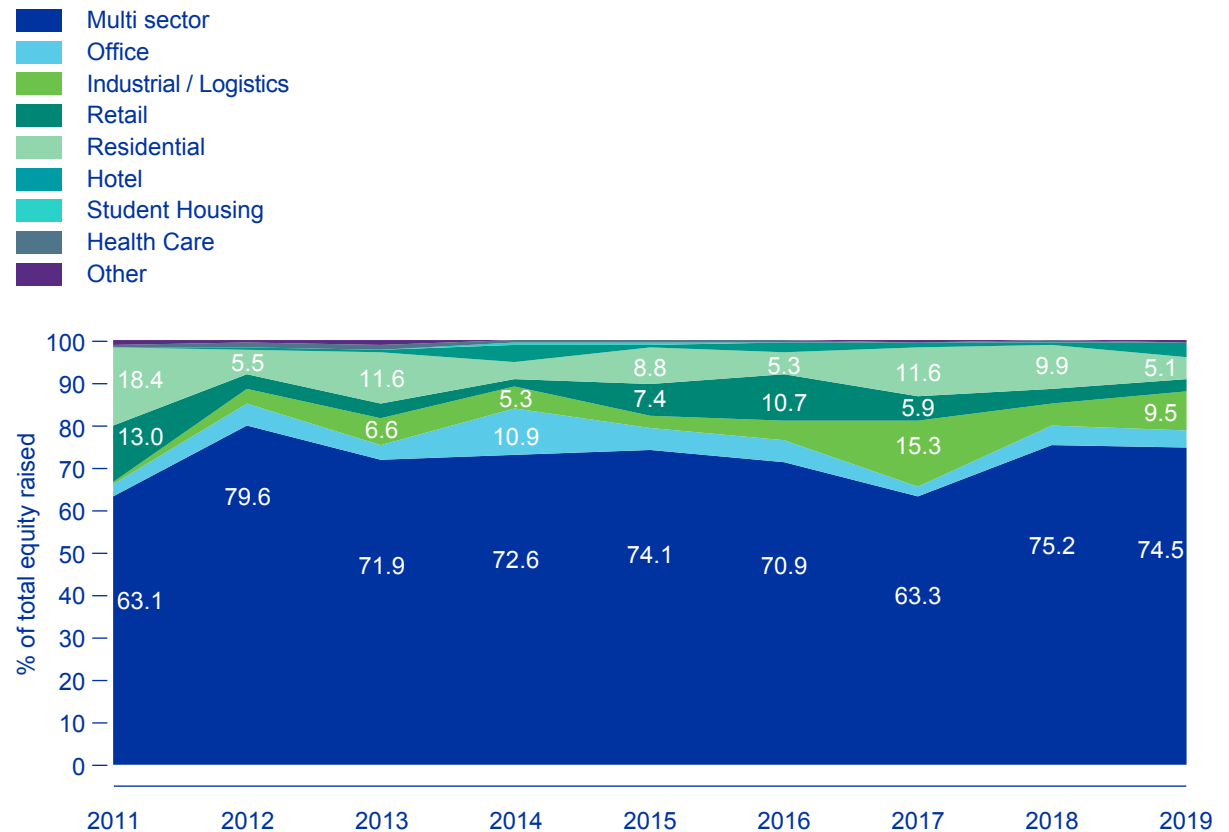
Equity raised for European non-listed real estate funds by sector strategy

In 2019 100 European non-listed real estate funds followed a multi-sector strategy and 50 targeted a single-sector. Among funds with a single-sector strategy, 13 focused on residential, 11 on offices, 10 on retail and 9 on industrial / logistics, while the remaining 7 targeted hotels, student housing, healthcare or other single-sectors.

Almost three quarters of the new equity raised for European non-listed funds in 2019 went to funds with a multi-sector strategy. The remaining 25.5% of the capital raised went to single-sector funds.

Among single-sector funds, those targeting industrial / logistics real estate were most popular during 2019, accounting for 9.5% of the capital raised. Next were funds investing in residential, offices and hotels, accounting for 5.1%, 3.8% and 3.3% of the total, respectively. Retail and healthcare-focused funds also raised new capital in 2019, though this was limited to 2.9% and 0.3% shares, respectively.

Figure 31: Equity raised for European non-listed real estate funds by sector strategy



Equity raised for European non-listed funds by target leverage

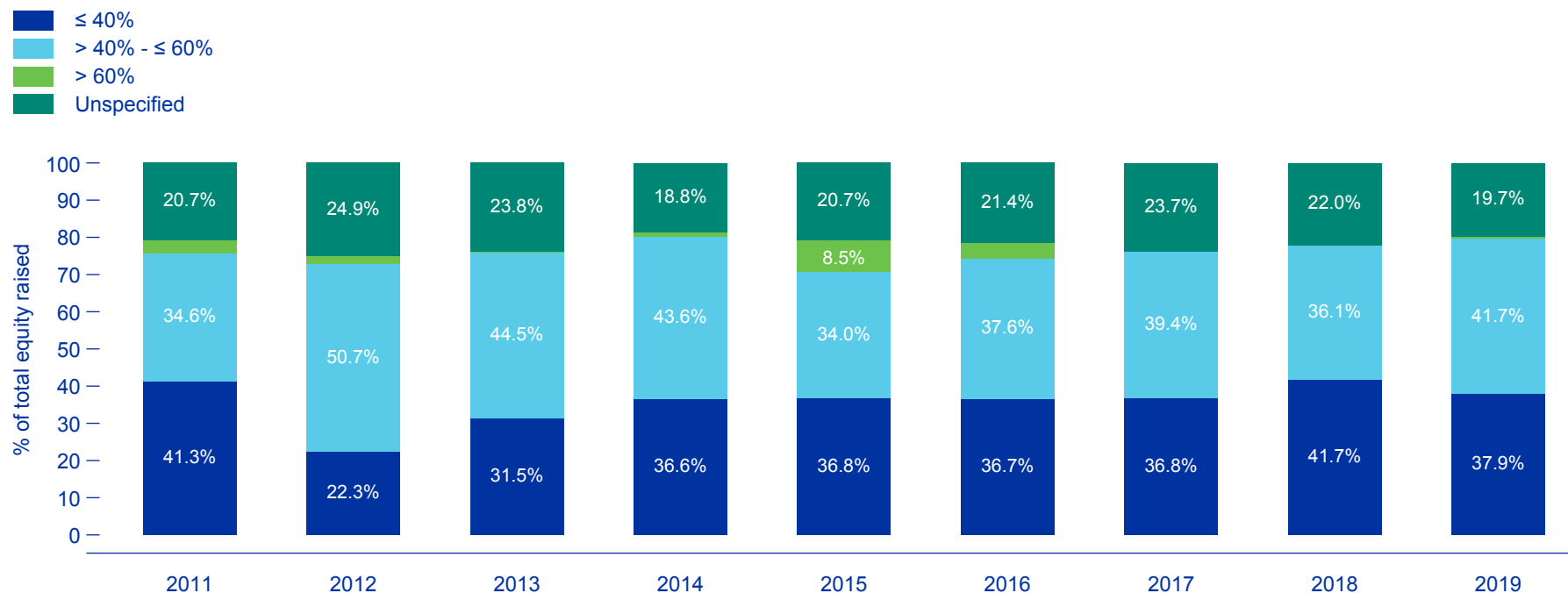
In 2019, the sample was divided between 63 funds with target leverage levels below or equal to 40%, 60 funds targeting leverage

of 40-60%, and only 1 aiming for higher than 60% leverage. There were a further 26 funds for which the leverage level was not specified.

More than 40% of the new equity raised for European non-listed real estate funds in 2019 was allocated to those with leverage levels between 40% and 60%. The next largest

share of capital went to funds with target leverage below 40%. This group of funds comprise 37.9% of the total capital raised in 2019. Only 0.7% of the equity raised was allocated to funds targeting leverage above 60%.

Figure 32: Equity raised for European non-listed real estate funds by leverage



Equity raised for European non-listed real estate debt funds

This part of the report considers equity raised for European non-listed real estate debt funds.

The number of funds in the [INREV Debt Funds Universe](#)¹ currently stands at 81. These funds have a target gross asset value (GAV) of €46.2 billion. Funds with a senior loan strategy represent over half of the sample, 50.6% (41 of the 81).

Around 20% of the funds are domiciled in Luxembourg and 11.1% in the UK. Luxembourg domiciled funds represent over a half, 51.6%, of the sample by target GAV. The share of UK domiciled funds has risen to 17.8% on this measure.

The sample is almost equally split between single-country (42) and multi-country strategies (38). However, single-country funds are substantially smaller than multi-country funds, and represent only 29.0% of target GAV.

In 2019, €1.3 billion of new capital was raised for European non-listed real estate debt funds. The most popular debt strategies for investors, based on the amount of capital raised, is senior debt (76.6%). The remaining capital was allocated to mixed senior and subordinated (18.4%), and whole loans (3.6%) and junior + mezzanine 1.7%.

Figure 33: Equity raised for European non-listed real estate debt funds by loan strategy

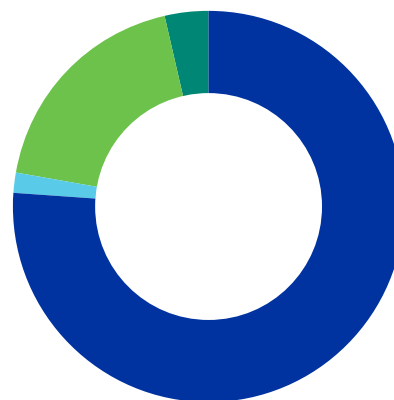
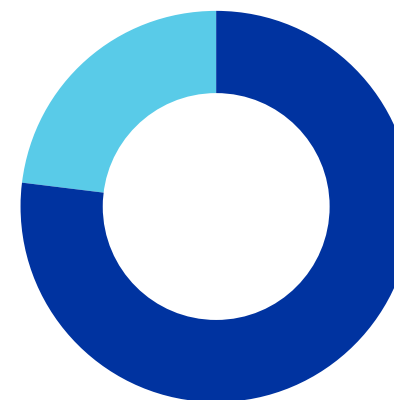
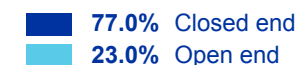


Figure 34: Equity raised for European non-listed real estate debt funds by structure



By structure, capital raised for debt funds shows a preference for closed end vehicles. More than 80% of the capital raised for debts funds in 2019 targeted closed end funds.

¹ As at end March 2020

By year of first close, those funds dating from 2018 and 2019 took 55.0% of the total equity raised, while those launched before 2015 raised 33.8%. Debt funds that closed between 2016 and 2017 raised 12.2% of total new equity in 2019.

As for the overall capital raising sample, the main sources of capital for debts funds are pension funds and insurance companies. In total, debts funds raised 52.3% of their total capital from pension funds and 32.9% from insurance companies. Sovereign wealth funds and funds of funds provided the rest of the capital, accounting for 14.6% of the total.

European investors continue to be the main source of capital for European debt funds, and provided 83.7% of the total capital raised in 2019. The remaining 16.3% of the capital was raised from North American investors. No capital was raised from Asia Pacific investors for this type of vehicle.

Figure 35: Equity raised for European non-listed real estate debt funds by year of first close



Figure 36: Equity raised for European non-listed real estate debt funds by type of investor

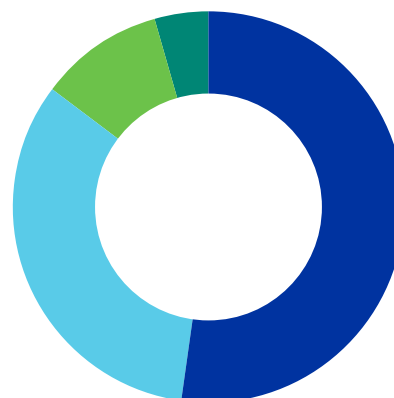
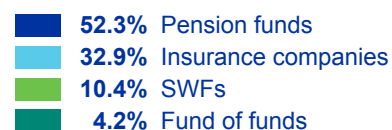
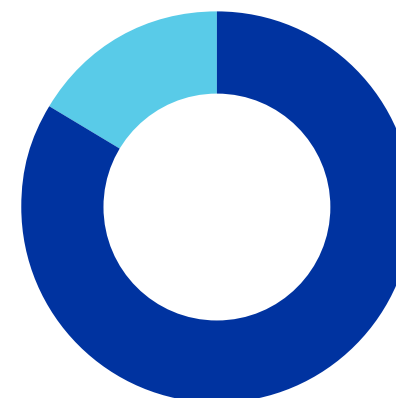


Figure 37: Equity raised for European non-listed real estate debt funds by investor domicile



List of participants

The following list of fund managers, funds of funds managers and debt fund managers participated in the Capital Raising Survey and gave permission for their company names to be published. This survey was undertaken in conjunction with ANREV in Asia Pacific and NCREIF in North America.

A.S.R. Real Estate
 AEW
 Aina Hospitality
 Alma Property Partners
 Alpha Real Capital Llp
 Altamar Real Estate
 Altera Vastgoed
 Altis Im
 Altis Property Partners
 American Realty Advisors
 AMP Capital
 Amundi
 Amvest
 Antirion Sgr
 Apache Capital Partners
 Aquial Capital
 Ardstone Capital
 Areim AB
 Art-Invest Real Estate Funds
 Atland
 Axa Im - Real Assets
 Barings Llc
 BC Partners Real Estate
 Blackrock

Blackstone
 Blue Vista Capital Management
 BNP Paribas REIM
 Bouwinvest
 Brookfield Asset Management
 Cain International
 Capra Global Partners
 Catalyst Capital
 CBRE Global Investors
 Charter Hall Group
 CITIC Capital
 Clearbell Capital Llp
 COS Capital
 Credit Suisse Asset Management
 Deutsche Finance Group
 Dexu
 DNB REIM /DNB Life
 DRC Capital
 DTZ Investors
 DWS
 Edmond de Rothschild REIM
 EG
 EQT
 Equity Estate Group
 ESR Singapore Pte Ltd
 Everwest Real Estate Investors
 Evidence Capital
 Farmland Opportunity
 Fortius Funds Management
 Franklin Templeton
 Frogmore

GARBE Industrial Real Estate Gmbh
 Gaw Capital
 Generali Real Estate
 Greystar Real Estate Partners
 Hahn Group
 Heitman
 Helaba Invest
 ICG
 IGIS Asset Management
 ImmoFinRe Group
 Intercontinental Real Estate Corporation
 Invesco Real Estate
 Investa Property Group
 Jamestown, L.P.
 Jensen
 Keppel Capital Holdings
 KGAL Investment Management
 Gmbh & Co. Kg
 Knight Frank Investment Management
 Kristensen Properties
 La Française Am
 LaSalle Global Partner Solutions
 LaSalle Investment Management
 LBO France
 Legal & General Investment Manager
 Lendlease
 Lothbury Investment Management Limited
 M&G Real Estate
 M7 Real Estate Limited
 Madigan Capital
 Meritz AIM

Metlife Investment Management, LLC
Mitsui Fudosan Investment Advisors, Inc.
Moorfield
Morgan Stanley
Niam AB
OP Real Estate Asset Management
Patrizia
PGIM Real Estate
Phoenix Property Investors
Pradera
PROJECT Investment
Prologis
Proprium Capital Partners
Quantum Immobilien
Kapitalverwaltungsgesellschaft MbH
Real I.S. Ag
Redevco
Rynda Property Investors Llp
Sarofim Realty Advisors Co.
Savills Investment Management
Sentinel Real Estate Corporation
Sirius Capital Partners
Sona Sierra
Staikov
Storebrand Asset Management
Sweco Capital Consultants B.V.
Syntrus Achmea Real Estate & Finance
TA Realty
The GPT Group
Tokio Marine Asset Management
Trevian Asset Management

Tristan Capital Partners
Vesteda
Warburg-HIH Invest Real Estate Gmbh
Waterton

