

Strong capital raising activity despite the uncertainty

- > Capital allocated to global strategies grew for the second consecutive year
- > Asian Pacific investors displaced European investors as the main capital source for real estate globally
- > Capital raised for non-listed debt falls

At least €246 billion was raised globally for non-listed real estate in 2022, representing the second-highest result since the beginning of the study in 2015.

Relative to the 2021 results, capital raised in 2022 decreased for all three regions – Europe, Asia Pacific, and North America

– however the latest results remain broadly in line with the long-term annual averages. Vehicles with global strategies were the only category to see a rise in capital raised, with an increase of €8 billion to €64 billion in 2022.

North American strategies remain the most popular among investors for the second year

in a row, followed by European and global strategies.

For the first time, Asian Pacific investors have become the main source of capital for the non-listed real estate industry globally. This comes at the expense of European investors who saw their share of capital raised decline to 30% in 2022. North American investors contributed 34%.

By investor type, sovereign wealth funds grew their importance significantly compared with previous editions of the report. This is a consequence of the increase in the

Figure 1: Capital raised for investment in non-listed real estate globally by regional strategy

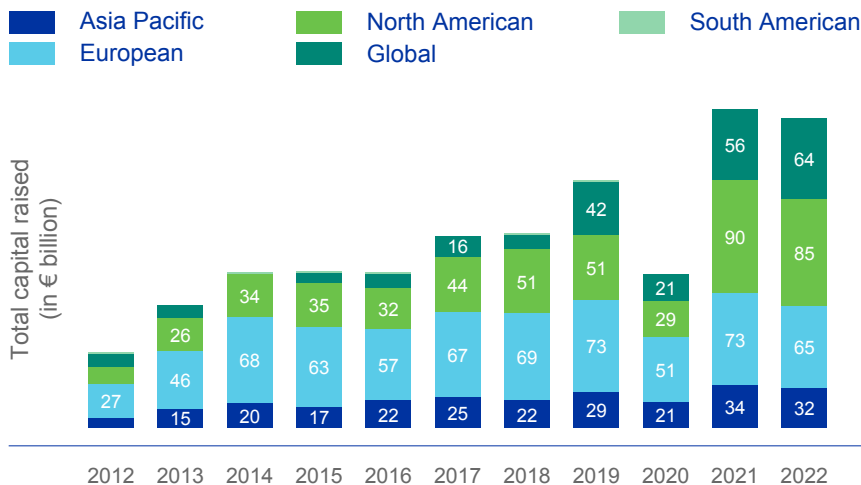
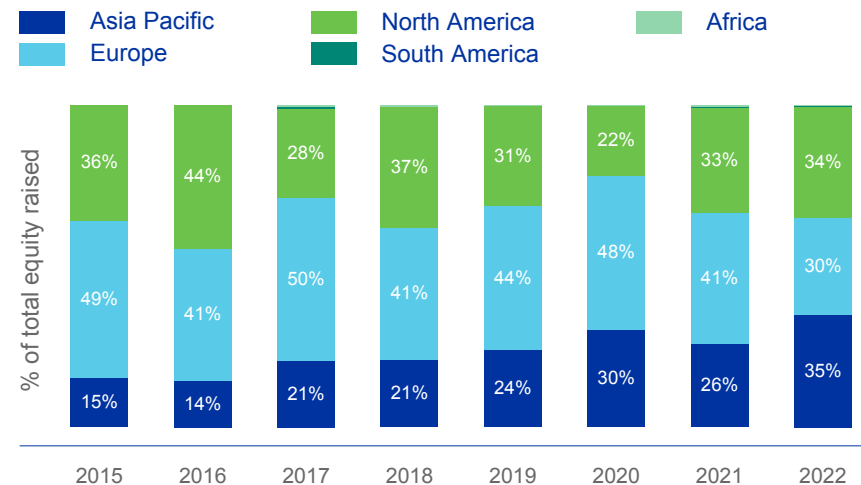


Figure 2: Capital raised globally by investor domicile



importance of Asian Pacific investors, while the traditional European investors, pension funds, and insurance companies, decreased their contribution to the capital raised during 2022.

Non-listed real estate funds remained the preferred vehicle for investors, accounting for 55.8% of the total capital raised, followed by separate accounts investing directly JVs and clubs representing 21.2% and 10.5% respectively.

For the first time since 2016 the amount of capital raised for non-listed real estate debt

was lower than for joint ventures and club deals, falling to 8% from 11% in 2021. This decline may reflect the fact that, while investor demand remains strong, it could be limited by supply, particularly in Europe and Asia Pacific where private debt markets are still in early stages of development.

By sector strategy, multisector strategies attracted slightly more capital than single-sector ones, representing 53% of the total capital raised.

Residential and industrial/logistics remain preferred sectors to invest in Europe,

accounting for more than 50% of the total capital raised for single-sector strategies.

By style, core represents the lion's share for equity vehicles and senior for debt vehicles, accounting for 49% and 70% of the total capital raised for European strategies, respectively.

For further details, contact research@inrev.org. The full report is available for members at inrev.org/research.

Figure 3: Accessing Europe: capital raised by sector strategy

