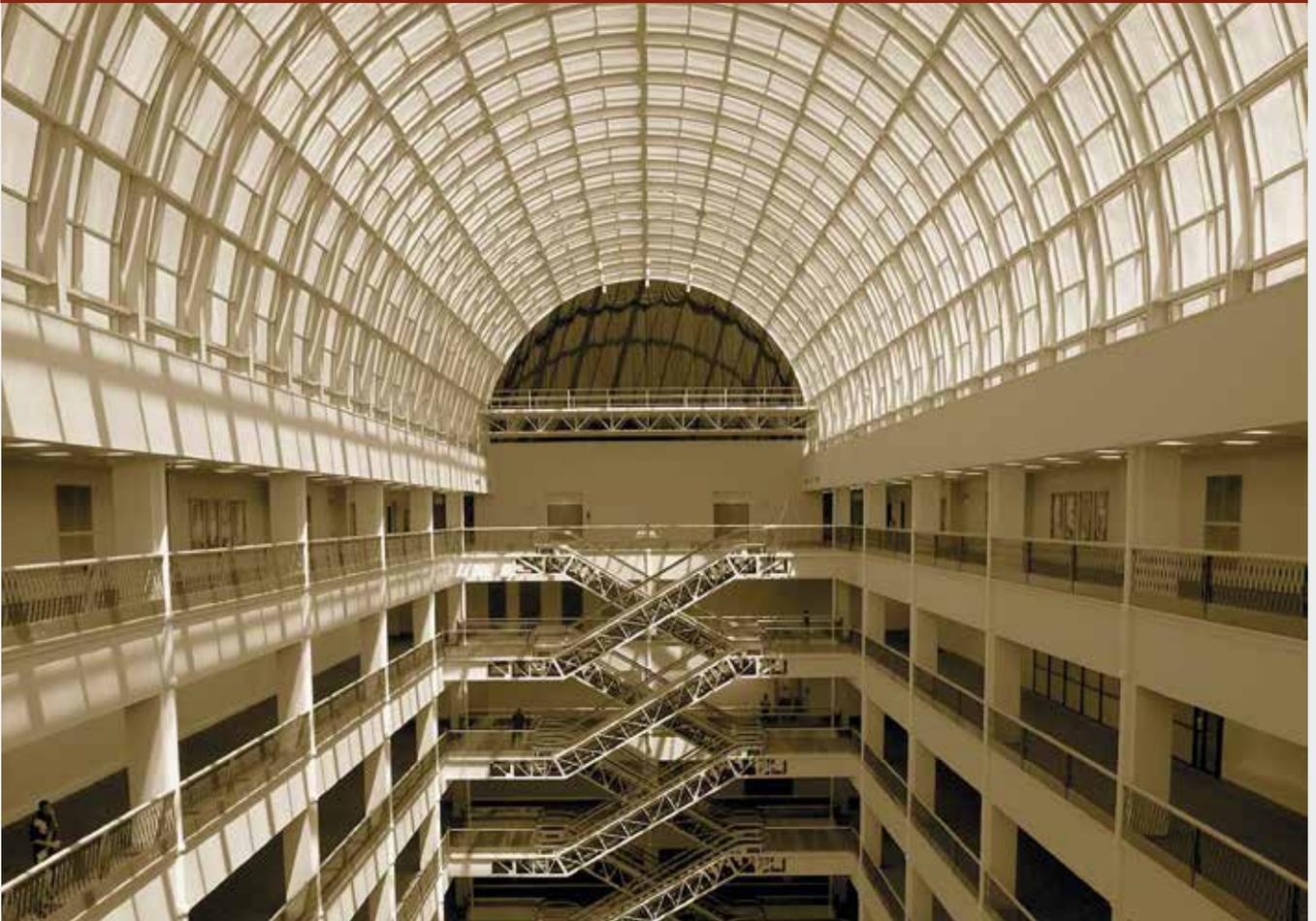


**PEI** Alternative  
Insight

# PERE

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FOR THE WORLD'S PRIVATE REAL ESTATE MARKETS



The 2017  
**PERE 50**

## Property's loftiest managers

Higher risk and return preferences from institutional investors has seen *PERE*'s signature ranking swell

**T**he world's biggest issuers of capital are backing their words with action. Declaring an increasing interest in higher risk and return strategies as core yields compress to unattractive levels, institutional investors are today showing greater support for investment vehicles set up to create prime real estate and less support for those whose purpose is just to hold it. According to the European Association for Investment in Non-listed Real Estate Vehicles, for example, 49.4 percent of a sample pool of 85 investors prefer value-add strategies today, up from 41.1 percent five years ago. INREV noted 18.8 percent preferred opportunistic strategies, up from 7.1 percent in the same timeframe.

Accordingly, *PERE*'s flagship ranking, the *PERE 50*, is reflecting a marked uptick in fundraising. At an aggregate of \$333.75 billion, there was almost 20 percent more capital raised for the top 50 value-added and opportunistic real estate fund managers this year than last. Subsequently, at the top end of the ranking a \$20 billion-plus club has materialized. It has a three-strong membership of Blackstone, Brookfield and Starwood with Lone Star Funds knocking on the door; that club consisted of Blackstone only last year. Similarly, the number of managers having raised more than \$10 billion in the last five years has grown from four to seven, with Carlyle, GLP and Pimco joining the aforementioned firms.

In a further indication of greater collections of capital by private real estate's manager cohort, the minimum amount of capital raising required to make the ranking this year was \$2.57 billion, up about 6 percent on last year and a whopping

80 percent on five years ago, when the ranking switched from the *PERE 30* format. Then, 50th place qualified with just \$1.3 billion; that haul would snag 82nd place today. Indeed, for the first time, even place number 100, Rubenstein Partners, came in at \$1.08 billion, and that is prompting *PERE* to consider doubling the size of this ranking in the future.

Meanwhile, beyond the big picture, this year's ranking has thrown up other themes and stories. For instance, traditionally dominated by North American-based investment managers, the proportion of managers represented from elsewhere has risen from 10 last year to 12 this year. GLP, Gaw Capital, e-Shang Redwood, Meyer Bergman, Kildare Partners, Partners Group, Orion Capital, Keppel Capital, Aermont Capital, PAG, Patrizia and Tristan Capital are included this time around.

Furthermore, it is a non-North American firm, ESR, the Singapore-based logistics real estate investment manager, that is this year's highest climber. A new entrant, the firm starts life on the ranking at a respectable 29th position. The biggest faller, on the other hand, was a US firm, Fortress Investment Group. The SoftBank-owned alternatives investment manager is today perching perilously close to the ranking's trap door in 48th position, having collected \$2.6 billion for higher risk and return private real estate strategies over the last five years. The fact that is a decreasingly significant amount on a relative basis shows how popular these strategies are in absolute terms. Investors want these products and have backed their ambitions with commitments. □

Rank	Change	Firm	Headquarters	Fundraising Total (\$m)
1	—	Blackstone	New York	49,824.00
2	▲ 1	Brookfield	Toronto	29,064.93
3	▲ 1	Starwood Capital Group	Miami Beach	21,912.40
4	▼ 2	Lone Star Funds	Dallas	18,600.00
5	▲ 8	The Carlyle Group	Washington DC	11,022.18
6	▼ 1	GLP	Chicago	10,672.64
7	◆	Pacific Investment Management Co.	Newport Beach	10,100.00
8	▲ 25	AEW Global	Boston	7,847.78
9	▲ 3	GreenOak Real Estate	New York	7,003.02
10	▼ 4	Tishman Speyer	New York	6,861.42
11	▼ 4	Oaktree Capital Management	Los Angeles	6,428.00
12	▼ 3	CBRE Global Investors	Los Angeles	6,364.10
13	▲ 8	Angelo Gordon	New York	5,941.00
14	▲ 1	Ares Management	Los Angeles	5,817.60
15	▼ 5	Rockpoint Group	Boston	5,611.80
16	▲ 1	CIM Group	Los Angeles	5,392.11
17	▲ 3	Crow Holdings Capital Partners	Dallas	4,980.70
18	▲ 8	Rialto Capital	Miami	4,730.00
19	▲ 10	Cerberus Capital Management	New York	4,662.17
20	▲ 2	Morgan Stanley Real Estate Investing	New York	4,634.25
21	▼ 5	LaSalle Investment Management	Chicago	4,554.80
22	▼ 14	Westbrook Partners	New York	4,402.00
23	▼ 4	Gaw Capital Partners	Hong Kong	4,319.60
24	▲ 11	Harrison Street Real Estate Capital	Chicago	4,262.73
25	—	Walton Street Capital	Chicago	4,073.70
26	▲ 19	KKR	New York	4,054.00
27	▲ 10	Bridge Investment Group	Salt Lake City	3,975.00
28	▼ 10	Colony Northstar	Los Angeles	3,966.04
29	▲ 111	ESR	Hong Kong	3,935.69
30	▼ 3	Meyer Bergman	London	3,883.46
31	▲ 1	Kildare Partners	London	3,860.00
32	▼ 9	Invesco Real Estate	Dallas	3,777.00
33	▲ 10	Partners Group	Zug	3,686.00
34	▲ 2	KSL Capital Partners	Denver	3,552.48
35	▲ 11	Exeter Property Group	Conshohocken	3,531.27
36	▼ 5	Orion Capital Managers	London	3,529.95
37	▼ 26	PGIM Real Estate	Madison	3,511.69
38	▼ 10	DRA Advisors	New York	3,421.00
39	▲ 11	Keppel Capital*	Singapore	3,410.00
40	▲ 4	Aermont Capital	London	3,403.73
41	▲ 16	DivcoWest	San Francisco	3,361.00
42	▼ 12	PAG	Hong Kong	3,355.00
43	▲ 6	Kayne Anderson Capital Advisors	Boca Raton	3,280.00
44	◆	Patrizia**	Augsburg	3,003.15
45	▼ 5	Tristan Capital Partners	London	2,897.18
46	▼ 12	GTIS Partners	New York	2,842.80
47	▼ 5	Almanac Realty Investors	New York	2,669.61
48	▼ 34	Fortress Investment Group	New York	2,613.48
49	▲ 11	BlackRock Real Estate	New York	2,578.79
50	▼ 12	Northwood Investors	Denver	2,566.25
<b>TOTAL RAISED</b>				<b>333,747.51</b>

\* Listed last year as Alpha Investment Partners \*\* Including Rockspring Property Investment Managers



## Methodology

The annual PERE 50 ranking measures private equity real estate firms by equity raised over the last five-year period. For this year's ranking, the relevant period runs from January 1, 2013, to end of March 2018. Qualifying equity is raised for direct real estate investment through closed-ended, commingled real estate funds and co-investment vehicles that sit alongside those funds. The firm must have discretion over the fund's capital, meaning club funds, separate accounts and joint ventures are excluded from the ranking. Further, as a ranking of private equity real estate firms, only funds with value-added and opportunistic investment strategies qualify. Strategies such as core and core-plus, as well as those not focused on direct real estate, like fund of funds, debt funds, and funds where the primary strategy is not real estate focused, such as general private equity, are excluded.

**1 Blackstone**  
 \$49.82 billion  
 HQ: New York  
 Founded: 1985

The chasing pack is drawing closer but still way off truly competing with Blackstone as the private real estate sector's leading equity sponge. While markets top out in the New York-headquartered firm's US heartland, its recent fundraising successes have been in Europe and Asia. In both regions, the firm has bettered its own record raises within a 12-month period, first hauling \$7.8 billion for Blackstone Real Estate Europe V last June, before collecting \$7 billion for Blackstone Real Estate Asia II last month. Blackstone funds

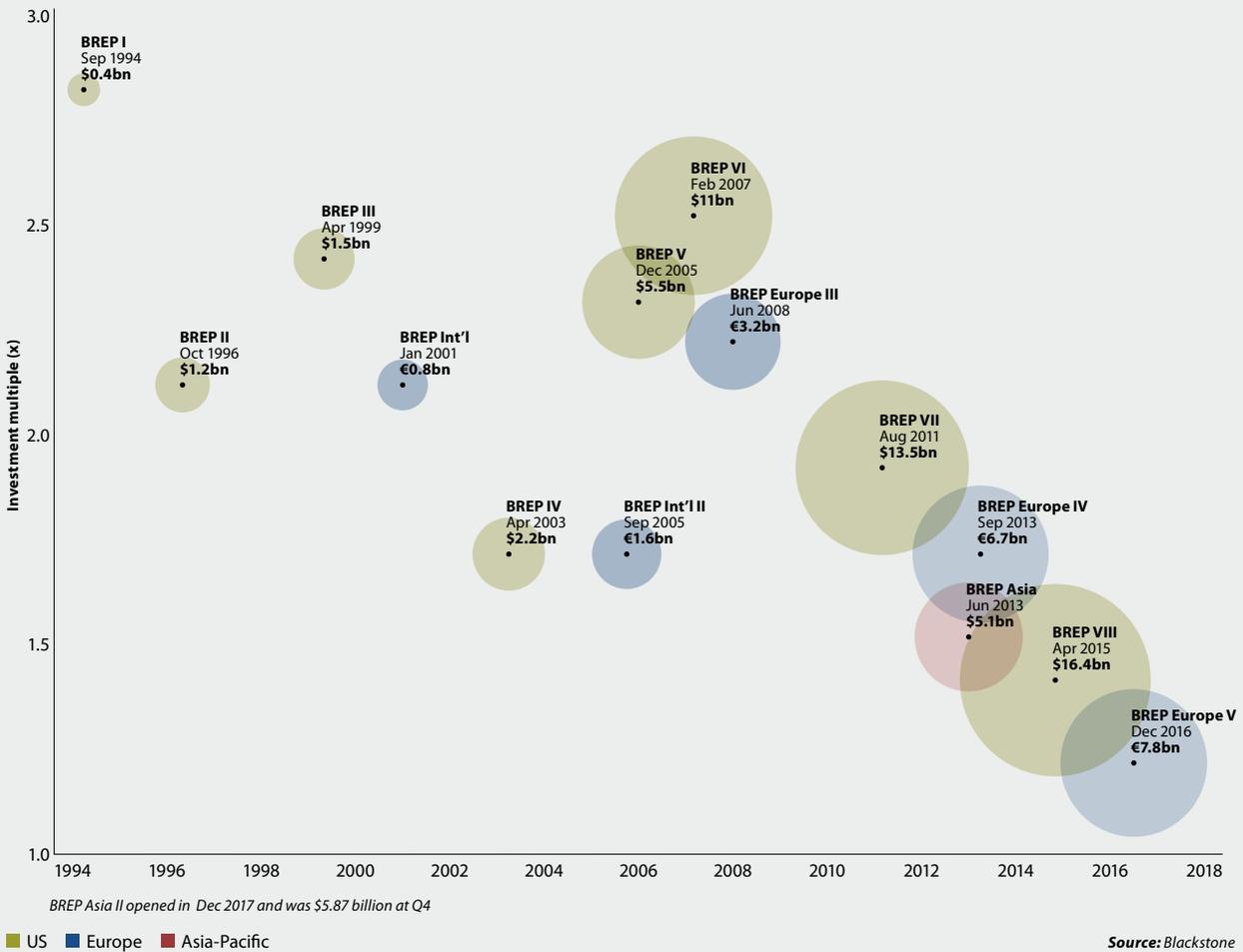


**Gray:** moved to company president

are often oversubscribed; such is the magnetism of a series boasting net realized IRRs of 19 percent and 2x multiple from a cool \$94.5 billion of equity deployed since its inception in 1994, according to its Q4 earnings. With numbers like that, it is of little wonder division boss Jon Gray was elevated to company president this year. He leaves big shoes to fill, but with another \$32.3 billion in dry powder at the firm's disposal, he will expect successors Ken Caplan and Kathleen McCarthy to keep the chasing pack at bay. □

### Size counts

Blackstone's continued ability to reap consistent rewards from ever bigger capital raises has seen the firm maintain pole position on the *PERE 50* ranking



## 2 Brookfield

\$29.06 billion  
HQ: Toronto  
Founded: 1899

1

If Blackstone was to fail, it would be Toronto's Brookfield that would pick up the torch. Brookfield's own capital-raising exploits are also putting some breathing space between itself and third place Starwood Capital. Its fundraising prowess has come via its global opportunity fund series Brookfield Strategic Real Estate Partners. Now on its third iteration, the firm is poised to close on \$10 billion for BSREP III after holding two quick closings in recent months. The fundraise, Brookfield's biggest yet, slightly exceeds BSREP II, which attracted \$9 billion from investors by its final closing in April 2016. Like Blackstone, Brookfield can point to impressive returns made at increasing scale as the reason for its support. According to one investor report, the \$4.4 billion BSREP I generated an IRR of 19.5 percent and an equity multiple of 1.6x as of last June. Not bad for a series that is only five years old. □



**Brookfield:** poised to close on \$10 billion for BSREP III

## 3 Starwood Capital Group

\$21.91 billion  
HQ: Miami  
Founded: 1991

1

Private real estate's third \$20 billion-plus club member, like Blackstone and Brookfield, Starwood has been another beneficiary of a growing tendency among the world's biggest institutional investors to back fewer managers with bigger equity tickets. Barry Sternlicht's firm made its biggest fundraising headline in March with the closing of \$7.6 billion for Starwood Global Opportunity Fund XI, the Miami-based firm's biggest capital raise to date. The raising blasted past its original \$5 billion-\$6 billion target, and was also \$2 billion more than its predecessor vehicle in 2015. Markets have become topy, but Starwood's investors have been impressed with its ability to continue transacting. Indeed, Fund XI was already \$1 billion invested or committed when *PERE* reported on its final closing, including significant outlays in the US, perceived by most to be the most advanced market in the current cycle. The series is 26 years old but remains firmly in growth mode. □



**Sternlicht:** his firm is in the \$20 billion-plus club

4

**Lone Star Funds**

\$18.6 billion  
 HQ: Dallas  
 Founded: 1995



**Grayken:** firm shifted emphasis in 2017

John Grayken's Lone Star Funds runs two major series of private equity funds. One is primarily focused on opportunistic real estate outlays and this is the series included in the firm's *PERE 50* ranking. It sits proudly among the market's mega-fund managers, its subscriptions often hit target, sometimes hard-caps and unlike many managers in the sector, its marketing efforts can be relatively brief affairs.

However, with no new capital to add to its five-year total, it has slipped to fourth place this year. Qualifying funds include 2013's \$7 billion Lone Star Real Estate Fund III, 2015's \$5.8 billion Fund IV and 2016's Fund V, which corralled a similar amount. Whether the firm claws back this lost ground next year remains to be seen, with greater noises being made about exits and establishing a core investment management capability via its asset management and loan servicing affiliate Hudson Advisors. □

5

**The Carlyle Group**

\$11.02 billion  
 HQ: Washington, DC  
 Founded: 1970



Washington, DC-based Carlyle has ebbed and flowed as an international private equity real estate firm, its European platform going through something of a renaissance, while its Asia business is today greatly reduced.

Motoring on has been Carlyle's US business, which has performed strongly and been rewarded for its efforts with enviable capital support. Carlyle Realty Partners VIII, the latest of its North American products, was launched last May and has corralled \$5.24 billion from investors in the 12 months since.

Predecessor vehicle CRP VII pulled in \$4.2 billion at final close at the end of 2014 and is producing an equity multiple of 1.4x, according to investor documents, while CRP VI, which falls outside of the ranking's catchment timeframe, generated a 21 percent IRR.

The series dominates Carlyle's ranking, but European capital should play a greater role in future. Some investors have looked beyond its poorly performing third Europe fund, and helped the firm to a \$330 million first closing for a rebranded fourth vehicle. □



**Washington, DC:** Carlyle's fundraising was dominated by US products

6

**GLP**

\$10.67 billion  
 HQ: Chicago  
 Founded: 2009



**Gazeley:** money raised for its pipeline

GLP saw meaningful raises in China and Europe last year. At the end of December, the firm raised \$1.5 billion for GLP China Value-Add Venture and almost \$1.3 billion for GLP Europe Development Partners I. For the former, it raised the money with the intention of adding the acquisitions of standing assets to the funding of developments. The vehicle was backed by insurer China Life.

In Europe, the fundraise is expected to capitalize the development pipeline of Gazeley, the logistics developer the firm acquired from Brookfield just months before. Investors will see their capital plowed into more than 16 million square feet of buildable land in the region. GLP is spreading its wings to include infrastructure and private equity fundraises in future, which will not count toward its *PERE 50* standing. But these are in addition to, not instead of, fundraising for warehouses, so expect GLP to remain in a lofty position in rankings to come. □

# 7 Pacific Investment Management Co

\$10.10 billion  
 HQ: Newport Beach  
 Founded: 1971



Asset management goliath Pimco takes seventh spot in the *PERE 50* ranking on the back of its last two PIMCO BRAVO Funds. In March 2014, the firm raised \$5.5 billion for Fund II and followed that with a smaller, but still meaningful, \$4.6 billion raise for Fund III in November 2017. The November final closing meant that Pimco pulled in more than \$2 billion in just six months. The final closing was also completed a good \$600 million over the upper ceiling of the firm's initial fundraising target of \$3 billion-\$4 billion. The hard-cap was \$5 billion, according to documents from the New Mexico State Investment Council, which committed \$100 million to the vehicle. Pimco is using the capital to fund real estate and "speciality finance investments," according to Securities and Exchange Commission regulatory filings. □



**Pimco:** seeks alpha through its BRAVO funds

□

# 8 AEW Global

\$7.85 billion  
 HQ: Boston  
 Founded: 1981



The most recent qualifying capital raised by the Boston-based real estate investment manager came for its AEW Senior Housing Investors III fund, a US-oriented value-add vehicle through which the firm intends to buy retirement residential properties. However, the biggest contributor to AEW's standing remains LOGISTIS, a logistics-focused operation periodically capitalized. Its equity was last increased in November 2015 to \$1.91 billion. The platform was implemented in 2012 and consists of three funds; the latter two qualify for inclusion. Other inclusions are AEW Partners VII, the latest of a US opportunity fund series which started in 1988, and AEW Value Investors Asia II, the first Asian fundraise under the leadership of the firm's Asia head, David Schaefer, who joined three years earlier. □



**Schaefer:** his Asia fund is included in AEW's total

# 9 GreenOak Real Estate

\$7 billion  
 HQ: New York  
 Founded: 2010



The private equity real estate business of former Morgan Stanley Real Estate Investing bosses Sonny Kalsi, John Carrafiell and Fred Schmidt goes from fundraising strength to strength. From 12th place last year, the firm continues to rise on the back of efforts for its soon-to-be-closed third US fund, GreenOak US III. Tipping \$1.6 billion by last January, the fund, GreenOak's biggest since its formation in 2009, further establishes the firm as one of the biggest opportunistic real estate investors Stateside. Smaller propositions, but also popular with investors,



**Kalsi:** leading GreenOak's biggest fundraise

are the firm's European and Asian series. In both regions, the firm has evolved from offering country-specific propositions to tabling pan-regional vehicles. GreenOak Asia II collected \$655 million at final closing in March 2016, while GreenOak Europe II reached \$718 million at the time ranking was compiled. □

# 10 Tishman Speyer

\$6.86 billion  
 HQ: New York  
 Founded: 1978



Over the past five years, Tishman Speyer has raised nearly \$1.5 billion in equity from its three commingled real estate funds, including the \$534.54 million, 2016-vintage Tishman Speyer European Real Estate Venture VII, the \$346.23 million, 2013-vintage Tishman Speyer Brazil Fund III and the firm's newest European property offering, Tishman Speyer European Real Estate Venture VIII, which was launched in September and has collected \$608.4 million to date.



**45 Rockefeller Plaza:** Tishman Speyer's HQ

The bulk of the New York-based developer and fund manager's \$6.86 billion equity haul over the past half-decade, however, has come from 18 co-investment and discretionary separate accounts that have netted a total of \$5.37 billion, most recently \$53.6 million for European Co-investment 5 last year. □

11

4

**Oaktree Capital Management**

\$6.43 billion  
 HQ: Los Angeles  
 Founded: 1995



**Wintrob:** launched new fund

While Oaktree Capital Management’s five-year equity total remained unchanged this year, it dropped out of the top 10 as some of its rivals added significant amounts of new capital. The biggest components of the total were Oaktree Real Estate Opportunities Fund VI and VII, which together account for nearly \$5.6 billion. One fund to watch will be Oaktree’s new real estate income fund, launched last year. In an earnings call in January, chief executive Jay Wintrob said the vehicle will emphasize “income-oriented investment sourced across our entire real estate platform.” □

12

3

**CBRE Global Investors**

\$6.36 billion  
 HQ: Los Angeles  
 Founded: 1972

Over the past five years, CBRE Global Investors has raised three funds of at least \$1 billion. In November, CBRE Strategic Partners US Value 8 garnered \$1.34 billion in equity from 25 institutional investors in the US, Europe, Middle East and Asia. The fund’s capital has been invested or committed in 17 office, multifamily, mixed-use and logistics assets, including the Concourse Creative Campus, a 751,093-square-foot office complex in Atlanta. The same month, CBRE GI also held a final close of \$1 billion on CBRE Asia Value Partners IV. □



**Concourse Creative Campus:** a Value 8 deal

13

8

**Angelo Gordon**

\$5.94 billion  
 HQ: New York  
 Founded: 1988



**Europe:** a winning strategy for Angelo Gordon

Angelo Gordon leapt eight spots this year, bolstered partly by a big new capital raise. The firm launched its new European real estate fund, AG Europe Realty II, last January and closed on \$825 million in March. The vehicle is focused on the acquisition of sub-performing real estate assets in Europe. Also included in the firm’s five-year total was its debut European property fund, for which the firm closed on \$570 million in March 2015, and its most recent US offering, the 2016-vintage, \$1.33 billion AG Realty Fund IX. □

14

1

**Ares Management**

\$5.82 billion  
 HQ: Los Angeles  
 Founded: 1998

Ares Management moved up one spot, partly thanks to approximately \$1.3 billion in new capital raised in the past year for its latest real estate funds, including \$715 million for Ares US Real Estate Fund IX. In August, co-founder Michael Arougheti said the company planned to launch its next European property vehicle, Ares European Real Estate Fund V, by early 2018. By March, the firm had amassed \$624 million in commitments for the fund, according to a filing with the SEC, and nearly halfway to its €1.25 billion target. □



**Arougheti:** quickly raised capital for European fund

15

5

**Rockpoint Group**

\$5.23 billion  
 HQ: Boston  
 Founded: 2003



**Boston:** from where Rockpoint masterminds its US exploits

Rockpoint’s standing in the *PERE 50* is under threat of slipping further unless it raises again soon (one of its two qualifying funds is in the last year of its inclusion.) Rockpoint Real Estate Fund IV was closed on \$1.95 billion in March 2013. That leaves the Boston firm’s record haul for Fund V, which closed on \$3.29 billion exactly three years later. Of course, if a similar time period between fundraises were to ensue for a Fund VI, that would mean a March 2019 closing, in time for next year’s ranking. □



**Manhattan:** where CIM invested last year

CIM Group has held a final close on just one commingled fund in the past five years: CIM Fund VIII, which captured \$2.4 billion in 2015. The Los Angeles-based firm is also marketing its latest fund in the series, CIM Fund IX, which launched last August and has raised \$403.8 billion. In addition, CIM has captured nearly \$2.6 billion over that timeframe through 21 co-investment vehicles and discretionary separate accounts. Of that, six raised \$811.55 million in the past year toward investments including the Gilman Hall site, which features the 146,000-square-foot Gilman Hall Tower and contiguous parcels in Manhattan. □



16

**CIM Group**  
\$5.39 billion  
HQ: Los Angeles  
Founded: 1994

Last February, Crow Holdings Capital Partners launched its seventh fund in its Crow Holdings Realty Partners series. The fund has attracted \$917 million, with commitments from the Connecticut Retirement Plans and Trust Funds and the Illinois Municipal Retirement Fund. Crow, led by chief executive Michael Levy, also brought to market Crow Holdings Self-Storage Fund in July, which has captured more than \$200 million, with backing by the San Francisco Employees' Retirement System. And Crow Holdings Multi-Family Build-to-Hold Fund, rolled out in July 2016, has amassed \$230 million so far. □



**Levy:** now leading the charge at Crow



17

**Crow Holdings Capital Partners**  
\$4.98 billion  
HQ: Dallas  
Founded: 1998



**Lennar:** parent company of Rialto

The largest component of Rialto Capital Management's five-year tally came from its 2013-vintage real estate opportunistic fund Rialto Real Estate Fund II, which raised a total of \$1.3 billion. However, the Miami-based firm also has brought in new capital in the past year, including \$365 million gathered from investors such as the Michigan Department of Treasury for the property, or equity, sleeve of RREF III in the fund's April 2017 final close. Rialto, whose parent company is homebuilder Lennar Corporation, also collected \$140 million in co-investment capital to deploy alongside RREF III in March. □



18

**Rialto Capital Management**  
\$2.46 billion  
HQ: Miami  
Founded: 2007

The New York-based private equity giant has moved up the ranking in 2018, raising \$4.6 billion in the five-year period considered. Early last year, the firm hauled \$1.8 billion for its fourth global opportunistic real estate fund, Cerberus Institutional Real Estate Partners. More than 60 investors committed to CIREP IV, helping it surpass its predecessor by around \$400 million. The firm also raised \$161 million for residential investments, further fortifying its position. □



**Cerberus:** the New York-based firm has moved up the rankings this year



19

**Cerberus Capital Management**  
\$4.66 billion  
HQ: New York  
Founded: 1992



**de Poulpiquet:** led the record closing of G9

The New York-based financial services firm returned to the *PERE 50* in 2017, and maintained its top 30 spot this year. This is on the back of a \$2.73 billion capital raised for the North Haven Real Estate Fund IX Global, known in the market as G9, in January, solidifying MSREI's re-emergence as a formidable global property investor. The firm, led by global head Olivier de Poulpiquet, outraised the capital hauled by the predecessor fund G8 by \$1 billion. *PERE* also understands that every G8 institutional investor returned to commit capital to G9. □



20

**Morgan Stanley Real Estate Investing**  
\$4.63 billion  
HQ: New York  
Founded: 1991

21

5

**LaSalle Investment Management**

\$4.55 billion  
 HQ: Chicago  
 Founded: 1980



**Gabbay:** leads opportunistic fundraising efforts in Asia

One key capital raise for LaSalle Investment Management in the past year has been the closing of its latest Asia opportunistic vehicle, led by Asia-Pacific chief executive Mark Gabbay. Just before press time, the firm announced it had raised over \$1 billion for the LaSalle Asia Opportunity Fund V, making it more than twice the size of the \$485 million LAO IV. LAO V was launched in August 2016 with a \$750 million target but a year later, *PERE* reported on the firm's decision to up the fundraising target to \$1 billion. □

22

14

**Westbrook**

\$4.40 billion  
 HQ: New York  
 Founded: 1995

As the *PERE 50* counts fundraising in the last five years, Westbrook fell significantly from last year after a fund that closed in 2012 no longer factored into its total. Its latest vehicle, the \$2.85 billion Westbrook Real Estate Fund X, raised a whopping \$850 million more than the firm's original target. Among Fund X's 103 investors are New York State Common Retirement Fund, which earmarked \$350 million, and the Teacher Retirement System of Texas, which committed \$200 million. The firm's fundraising total includes co-investment capital for both Funds X and IX. □



**New York:** Westbrook's home

23

4

**Gaw Capital Partners**

\$4.32 billion  
 HQ: Hong Kong  
 Founded: 2005



**Gaw:** steering fundraising efforts

The Hong Kong-based private equity real estate firm closed its fifth pan-Asia opportunistic real estate fund on \$1.3 billion with \$500 million in co-investment sidecars. That followed a successful capital-raise for Gaw's US-focused vehicle. For the Gaw Capital US Value Add Fund II, also known as US Fund III, the firm is understood to have raised more than \$300 million against a \$350 million target and a \$450 million hard-cap. No placement agent has been used for the US fund series. The firm also raised \$151 million for its hospitality-focused fund that closed in September 2016. □

24

11

**Harrison Street Real Estate Capital**

\$4.26 billion  
 HQ: Chicago  
 Founded: 2005

The Chicago-based firm has moved up 11 positions this year, with the \$1.1 billion haul for its sixth opportunistic fund, including co-investment capital, marking a key highlight. In late June, the firm closed Harrison Street Real Estate Partners VI at its hard-cap of \$950 million in addition to \$205 million in co-investment capital. According to *PERE* reports, the firm also secured a \$368 million niche property account mandate from Germany's largest public pension fund, Bayerische Versorgungskammer. □



**Chicago:** the investment manager's home base

25

**Walton Street Capital**

\$4.07 billion  
 HQ: Chicago  
 Founded: 1994



**Bluhm:** holding steady

The Chicago-based firm, founded by Neil Bluhm, remains at number 25; a steady performance largely attributable to the \$1.2 billion closing of its eighth multi-sector vehicle. As per SEC filings, the firm closed the Walton Street Real Estate Fund VIII in May last year. It had initially launched the vehicle, seeking opportunistic investments across North America, in 2015 with a \$1.5 billion target. The Maine Public Employees Retirement System and the Oakland County Pension Trust Funds are some of the LPs in the vehicle. □



**KKR:** jumping up the PERE 50 ranking

After landing a spot in the *PERE* 50 last year, the New York-based private equity giant, whose real estate arm is led by Ralph Rosenberg, has vaulted up the ranking. The performance is the result of KKR's successful closing of its latest Americas-focused opportunistic vehicle in January. KKR Real Estate Partners Americas II, launched in the fourth quarter of 2015 with a \$1.5 billion target, was closed on \$2 billion. The fund is bigger in size than the \$1.5 billion predecessor fund that closed in late 2013. □



26

**KKR**  
\$4.05 billion  
HQ: New York  
Founded: 1976

The firm has been climbing up the *PERE* 50 over the past two years. After jumping 11 spots to reach 37th place last year, the Salt Lake City-based firm has jumped again. Late last year, it is understood to have blasted through its initial \$750 million fundraising target for the Bridge Senior Housing & Medical Properties Fund II and achieved a final close of over \$1 billion. The fund is significantly bigger than its predecessor in the senior housing fund series, which closed on \$735 million in 2015. □



**Salt Lake City:** home to Bridge Investment Group



27

**Bridge Investment Group**  
\$3.97 billion  
HQ: Salt Lake City  
Founded: 2011



**Barrack:** his firm is set to close its first infra fund this year

Colony NorthStar has fallen several places from last year. However, *PERE* expects the firm to climb up the charts in 2019 since it is nearing a final close of its debut digital infrastructure fund, expected to be more than its \$3 billion target. In addition, the firm is understood to have raised around \$700 million from co-investments through the five-year period ending February this year. According to an earnings call in May 2017, it also collected \$335 million for an industrial-focused fund. □



28

**Colony Northstar**  
\$3.96 billion  
HQ: Los Angeles  
Founded: 1991

Making a standout debut in this year's ranking is the Asia-focused logistics real estate operator and developer e-Shang Redwood (ESR). The firm makes it to the top 30 on account of successfully raising capital for logistics investments in the region, particularly Japan. As of March, the firm is understood to have raised over \$400 million for its second Japan-focused logistics vehicle. In addition, ESR also raised over \$370 million in co-investments for Japan logistics and an additional \$250 million in co-investments for an undisclosed strategy. □



**de Portes:** ESR's co-founder and president



29

**ESR**  
\$3.93 billion  
Founded: 2016  
HQ: Hong Kong



**Shopping:** the firm's latest fund targets high streets and department stores

The London-based retail property investment manager has slipped slightly from last year. This is despite the firm breaking its own fundraising record in January with the closing of its third fund. According to *PERE* reports, the firm closed the Meyer Bergman European Retail Partners III on €816 million, more than the €750 million it raised for its predecessor MBREP II in July 2014. Close to 55 percent of the investors in the second fund are understood to have re-upped in Fund III. □



30

**Meyer Bergman**  
\$3.88 billion  
HQ: London  
Founded: 2004

31

1



**London:** HQ for Kildare

**Kildare Partners**

\$3.86 billion  
 HQ: London  
 Founded: 2013

Relative newcomer Kildare Partners claimed a spot in the *PERE 50* for the second year in a row on the strength of its two funds, Kildare European Partners I and II. The firm closed its second Europe-focused property fund on \$1.95 billion in May, just slightly above the \$1.91 billion raised for its debut property fund in 2014. Kildare began fundraising for KEP II in April last year, with a \$2 billion target. Among KEP II’s investors were the Texas Permanent School Fund, New Mexico Educational Retirement Board and Texas Municipal Retirement System. □

32

9

**Invesco Real Estate**

\$3.77 billion  
 HQ: Dallas  
 Founded: 1983

Another firm that has dropped in the ranking this year is Invesco Real Estate. The Dallas-based investment manager’s funds in market include its fifth US value-added vehicle, launched last year, and its Asia opportunistic vehicle, launched in 2015. Apart from co-investment capital for the Asia opportunistic fund, no other capital raising was done for opportunistic or value-added strategies in 2017, *PERE* understands. In 2016, the firm closed the Invesco US Value-Add Fund IV on \$750 million. □



**Dallas:** home of Invesco Real Estate

33

10

**Partners Group**

\$4.47 billion  
 HQ: Zug  
 Founded: 1996



**Zug:** Partners Group home

The Zug, Switzerland-headquartered firm has climbed the ranking this year after raising approximately \$1.2 billion for private real estate direct investments in 2017 (a sizeable leap from \$381 million raised in 2016). *PERE* understands that all this capital was gathered via specific mandates and separate accounts. The firm’s \$1.1 billion global private equity fund that closed in 2015 continues to fortify its position in the ranking since it falls in the five-year capital-raising period. □

34

2

**KSL Capital Partners**

\$3.55 billion  
 HQ: Denver  
 Founded: 2005

KSL Capital Partners’ position in the ranking continues to benefit from the nearly \$2.7 billion in capital raised for KSL Capital Partners IV, its travel and leisure-focused fund. The vehicle closed higher than its original \$2.25 billion fundraising target in September 2015, with the Washington State Investment Board committing \$250 million and the New York State Common Retirement Fund investing \$225 million. In total, the firm has raised \$3.5 billion in capital for opportunistic and value-added strategies in the past five years. □



**Denver:** HQ for KSL, which raised \$2.7 billion for travel and leisure in 2015

35

11

**Exeter Property Group**

\$3.53 billion  
 HQ: Conshohocken, Pennsylvania  
 Founded: 1994



**European logistics:** latest commingled fund focus

Exeter has seen fundraising success for both its US value-added series and its new European fund focus. The firm launched its first Europe commingled fund last year, targeting €500 million-€700 million for Exeter Europe Value Venture III; it hit the halfway point to its capital goal by December. Early LPs include Singapore’s GIC, which committed €75 million, and the New Mexico State Investment Council, which earmarked \$75 million. The firm’s latest US value-added fund, Exeter Industrial Value Fund IV, closed last year on \$1.3 billion. □



**Top trio:** former LaSalle execs founded the firm

Orion Capital's last big opportunistic capital-raising effort came in March 2017, when it closed its fifth western Europe-focused fund on €1.5 billion. Repeat investors included the Texas County and District Retirement System, which allocated \$40 million to Fund IV and \$70 million to Fund V. Orion is led these days by Aref Lahham after co-founding partners Van Stults and Bruce Bossom scaled down their holdings to allow new partners to assume proprietary positions. □

5

36

**Orion Capital Managers**

\$3.52 billion  
HQ: London  
Founded: 1999

Most of PGIM Real Estate's five-year equity tally came from funds raised before 2017, including the 2016-vintage PGIM European Value Partners Fund, which raised €457 million. Its sole equity final close last year was \$235 million for PruMex IV CKD, a closed-ended real estate fund focused on industrial, for-sale residential, multifamily and mixed-use properties in Mexico. Two of its funds will drop out of the eligible window next year, but the firm is poised to offset that with six funds currently in market, targeting the US, Europe and Asia. □



**Mexico:** one of PGIM Real Estate's investment markets

26

37

**PGIM Real Estate**

\$3.51 billion  
HQ: Madison  
Founded: 2010



**220 East 42nd Street:** New York headquarters

DRA Advisors knows the middle of the *PERE 50* well, having bounced between 37th and 28th for the last seven years, reaching a high of 28th last year following its biggest fundraise to date. US-focused DRA Growth & Income Fund IX corralled \$1.6 billion, with an additional \$218 million in co-investments. Its predecessor collected \$1.35 billion and \$302 million in co-investments. Investors in both vehicles included the City of Ann Arbor Employees' Retirement System, the Employees Retirement System of Texas and the Los Angeles Water & Power Employees' Retirement Plan. □

10

38

**DRA Advisors**

\$3.42 billion  
HQ: New York  
Founded: 1991

The only Singapore-based firm to crack the top 50, Keppel Capital, formerly Alpha Investment Partners, moved up from the final spot on last year's list. One big capital infusion in 2017 came from the Canada Pension Plan Investment Board, which said it would invest up to \$500 million in Keppel's Alpha Data Centre Fund. As of October, the Asia-Pacific and Europe-focused fund had raised \$1 billion in committed capital and co-investments. The firm is also more than halfway to its \$1 billion target for Alpha Asia Macro Trends Fund III, a value-added vehicle. □



**Data centers:** major source of fundraising

11

39

**Keppel Capital**

\$3.41 billion  
HQ: Singapore  
Founded: 2004



**Bressler:** industry magnate and Aermont leader

Aermont, led by Leon Bressler, saw a relatively quiet year of fundraising, adding about \$580 million year-on-year. Its last fund, PW Real Estate Fund III, closed in March 2016 on €1.5 billion against a €1.25 billion target. Despite the name, the fund was Aermont's first since it spun out of Perella Weinberg Partners. Some of its largest public investors were the New Jersey Division of Investment, which allocated \$100 million and the New Mexico Public Employees Retirement Association, which committed \$70 million. □

4

40

**Aermont Capital**

\$3.40 billion  
HQ: London  
Founded: 2004

41

16



**DiamondView East Village:** purchased in Fund V

**DivcoWest**

\$3.36 billion  
 HQ: San Francisco  
 Founded: 2013

DivcoWest wrapped up fundraising in September for its latest value-added vehicle, DivcoWest Fund V, which brought in \$1.58 billion against a \$1.5 billion target. Like its predecessor, which closed in 2014 on \$976 million, the firm is investing Fund V in office and research and development properties in US growth markets. Repeat investors in Funds IV and V included California State Teachers' Retirement System, Massachusetts Pension Reserves Investment Management Board and Oregon State Treasury. □

42

12

**PAG**

\$3.35 billion  
 HQ: Hong Kong  
 Founded: 2002

A \$1.5 billion interim close for PAG's latest Asia opportunistic fund shot the firm onto the *PERE 50* ranking last year, and the vehicle's final close in September cemented its status for another 12 months. The firm raised \$1.9 billion for Secured Capital Real Estate Partners VI, well above its \$1.5 billion target. Investors in the fund, focused on distressed debt and off-market commercial real estate opportunities in Asia-Pacific, included the Canada Pension Plan Investment Board, which allocated \$375 million. □



**Hong Kong:** home to PAG

43

6



**Rabil:** investing in niche property types

**Kayne Anderson Capital Advisors**

\$3.28 billion  
 HQ: Boca Raton  
 Founded: 2007

Alternatives-focused Kayne Anderson continues to make headway on its latest fund in market, Kayne Anderson Real Estate Partners V. The firm, whose real estate business is led by Al Rabil, launched the opportunistic fund in 2016 with a \$1.2 billion target. Public pension investors so far include Arkansas Teacher Retirement System, which committed \$25 million; Employees' Retirement System of the State of Hawaii, which earmarked \$50 million; and Teachers' Retirement System of Louisiana, which invested \$75 million. □

44

**Patrizia**

\$3 billion  
 HQ: Augsburg  
 Founded: 1984

Patrizia jumped nearly 20 spots and became a European heavyweight last year through fundraising and the addition of other European managers. In 2017, the real estate investment manager, led by Wolfgang Egger, bought Rockspring Property Investment Managers and TRIUVA, a Germany-based integrated investment platform, in two separate deals adding €17.5 billion of assets under management across Europe. The acquisition doubled Patrizia's AUM from the start of 2017 to €40 billion. Having added Rockspring's more geographically diverse investor base, expect the firm to keep climbing the *PERE 50*. □



**Egger:** Oversaw significant M&A

45

5



**London:** home to Tristan

**Tristan Capital Partners**

\$2.89 billion  
 HQ: London  
 Founded: 1999

Tristan held steady in this year's ranking, sliding just five spots. The firm's 2017 capital additions included €50 million from Texas Teacher Retirement System for a value-added sidecar fund to invest alongside Tristan's headline European Property Investors Special Opportunities IV. Tristan closed the headline fund in December 2015 on €1.5 billion. The vehicle – Europe's biggest opportunistic fund that year – was 30 percent oversubscribed and Tristan said it turned away more than €500 million of unfulfilled demand. □



**Homebuilding:** new JV strategy for GTIS

Last year, GTIS inked its first programmatic JV with an institutional investor, expanding beyond its traditional menu of discretionary funds and co-investment vehicles. The California State Teachers' Retirement System committed \$204 million to invest in homebuilding and residential lot development across the US. Outside of that JV, GTIS last closed a commingled fund in December 2016, corralling \$680 million for its third Brazilian vehicle. Investors included PGGM and APG, with each earmarking about \$250 million. □

12

46

**GTIS Partners**  
\$2.84 billion  
HQ: New York  
Founded: 2005

In September, Matthew Kaplan-run Almanac returned to the fundraising trail, seeking \$1.5 billion for Almanac Realty Securities VIII. The series provides growth capital to public and private companies that own and operate real estate primarily in the US. Public investors in Fund VIII last year included the Pennsylvania Public School Employees' Retirement System, which earmarked \$150 million, and the San Joaquin County Employees' Retirement Association, which committed \$30 million. The firm closed the predecessor vehicle on \$1.4 billion in 2015 against a \$1 billion target. □



**Kaplan:** overseeing latest fundraise

5

47

**Almanac Realty Investors**  
\$2.66 billion  
HQ: New York  
Founded: 1981



**Tokyo:** home to Fortress's parent company

Since agreeing to be acquired by Japanese telecoms and internet giant SoftBank Group in early 2017, Fortress has been quiet on the fundraising front. The ranking stalwart saw a 34-spot drop year-on-year, as four funds that closed in 2012 no longer counted as part of the ranking. The firm last corralled \$480 million for the FJOF3 Residential Co-Investment Fund in March 2017, targeting opportunistic Japanese residential investments. The raise followed a record \$1.3 billion hard-cap raise for the Fortress Japan Opportunity Fund in November 2015. □

34

48

**Fortress Investment Group**  
\$2.61 billion  
HQ: New York  
Founded: 1999

BlackRock saw both major fund closes and leadership changes in 2017. In November, the firm closed its fourth Asia fund on over \$500 million, and last spring the firm raised over €700 million for its fourth European fund – its first final close since inheriting the fund series via its acquisition of private equity real estate business MGPA in 2013. In May, Jack Chandler, the man behind BlackRock's purchase of MGPA, said he would retire as chairman of the real estate business. MGPA co-founder and chief investment officer Simon Treacy also left in January for a job developing property in Hawaii. □



**Treacy:** left after two 2017 fund closes

11

49

**BlackRock Real Estate**  
\$2.57 billion  
HQ: New York  
Founded: 1988



**Kukral:** overseeing US and Europe-focused firm

John Kukral-led Northwood raised \$310 million for its 2017 US and western Europe-focused opportunistic fund, Northwood Real Estate Partners (Series VIII), just above a \$300 million target. After closing the predecessor vehicle in 2016 on \$428 million, the Denver-based firm corralled capital from the City of Tallahassee Pension Fund and the National Public Radio Foundation – a longtime LP – for Fund VIII. In the last five years, the fund series hit a capital-raising high with the fourth vehicle, raising over \$1 billion for the 2013-vintage fund. □

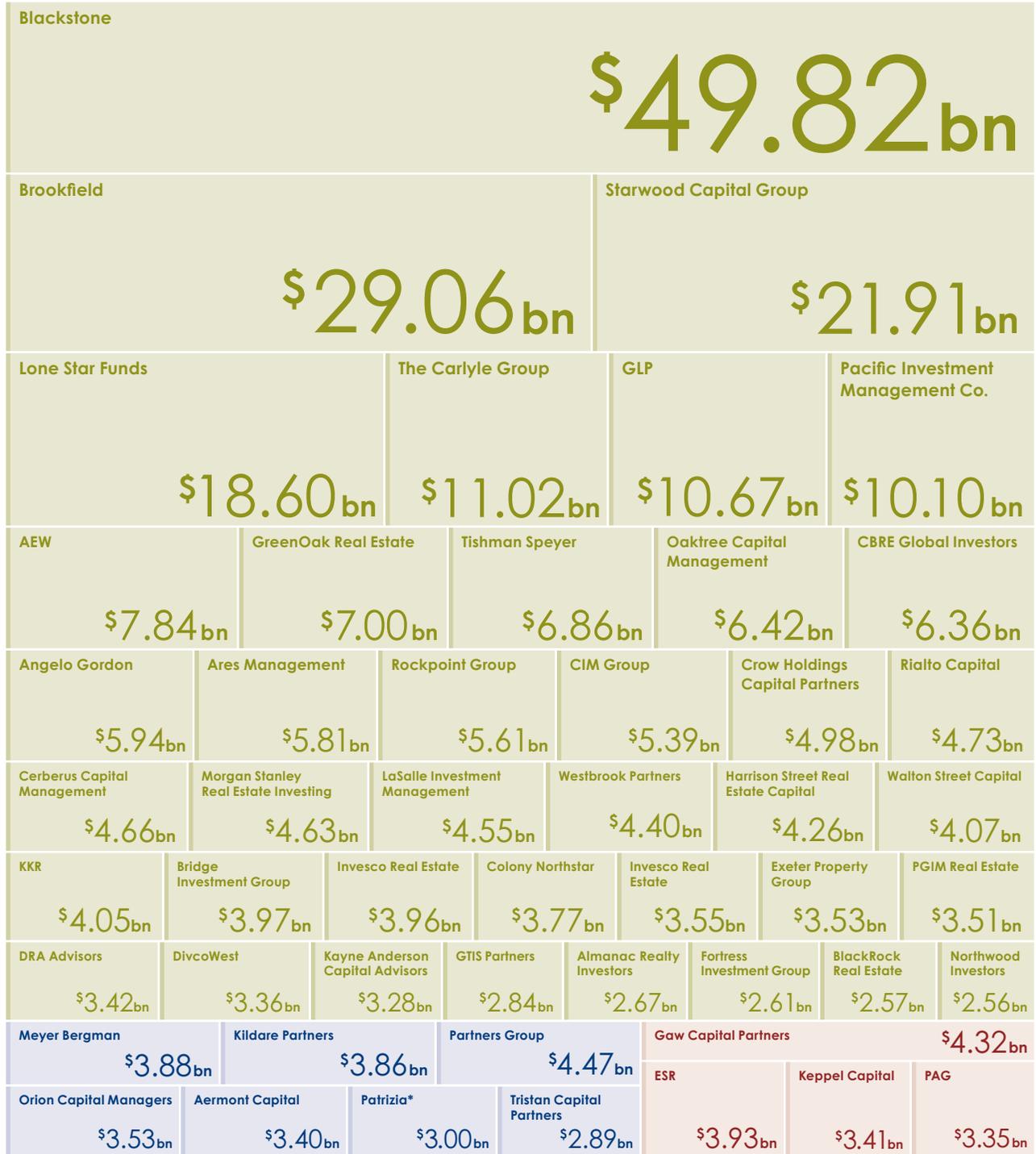
12

50

**Northwood Investors**  
\$2.56 billion  
HQ: Denver  
Founded: 2006

# Property's wildest in the west

The lion's share of opportunistic institutional capital has been raised by western-based investment managers. This year they comprise 45 of the ranking's 50 managers



■ North America ■ Europe ■ Asia Pacific

\*including Rockspring Property Investment Managers

Source: PERE