PERE FIFTY

At last the calm

Stability comes to the PERE 50 now that franchises that were chewed up in the global financial crisis have seen their pre-crisis funds forgotten while the stronger groups have prospered via their second or third funds since then

The PERE 50 ranking of private equity real estate firms, following the twisted iron wreckage of the global financial crisis of 2008, now has some shape and stability to it. Unlike last year when there were no fewer than 14 new entrants to the ranking, this time around we see just two firms making their premiere - Greystar Real Estate Partners and Almanac Realty Investors.

This can be explained by the fact that the major banking franchises that used to rank so highly in this list have exited and been replaced by groups that have had the time to raise at least two significant funds since 2010 as the shakedown by investors has left the healthy apples on the trees, while the sickly have fallen.

Of course, there has been no change at the very top of the chart. The Blackstone Group is out of sight having now raised more equity for opportunistic real estate investing than the GDP of 77 different countries. The only slight drama towards the top of the tree relates to second and third spot where Starwood Capital Group this year leapfrogged Lone Star Funds, having figured behind the Dallas-based firm the previous year. Starwood's second position on the grid has a lot to do with raising its largest ever fund - Fund X.

A counterintuitive finding, however, comes in the absolute dearth of true European private equity shops in the PERE 50. How can this be when Europe has been the hottest market for investing? This year, there is no Orion Capital Managers, no Tristan Capital, no Perella Weinberg Partners or Patron Capital. Instead, what we have is Hamburg-based shopping center specialist ECE Real Estate Partners up 25 spots from 67 after great success with its value-add fund and Kildare Partners at number 41 off the back of its impressive first-time raise culminating in November 2014. This is not to say that the other European franchises have not manufactured great success in their own fundraising these past five years, but they do lie in that twilight zone just outside the top 50 having seen their positions in the 40 to 50 bracket taken up mainly by North American firms that have been active due to their capital raising cycles such as DivcoWest, Carmel Partners, Tricon Capital Group, Paramount Group, Merlone Geier Partners and Fir Tree Partners.

Meanwhile, Asia-based franchises are showing up more strongly than European firms even though some of the Asian groups actually slipped places. Gaw Capital just clung on to 50th place having fallen 13 spots and owes its inclusion to capital raised for its new US strategy. PAG fell 16 places in another example of an Asia slip. However, Singapore's Mapletree rose four spots and there is simply no stopping Global Logistic Properties up to fourth place in the world now. What a legacy the late Jeffrey Schwartz and his co-founding partner Ming Mei have created there.

Analyzing the PERE 50 as a whole, it should be noted that the cut-off - the minimum equity a group needed to raise in the past five years to make the ranking - was $1.785 billion. That is considerably up on the $1.3 billion required in 2014 and on the $1.37 billion the year before that. We keep being told capital is not so tough to find this year as more investors look to gain exposure to real estate for macroeconomic and portfolio allocation reasons. Are we seeing here a microcosm of that trend?

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, 2010 to the end of March 2015. 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.

Rank	2014 Ranking	Movement	Name of Firm	Capital Raised ($bn)
1	1	↔	The Blackstone Group	$46,300.00
2	3	▲	Starwood Capital Group	$14,604.10
3	2	▼	Lone Star Funds	$12,500.00
4	10	▲	Global Logistic Properties	$9,072.48
5	5	↔	Brookfield Asset Management	$8,512.75
6	6	↔	Tishman Speyer	$8,359.65
7	4	▼	Colony Capital	$6,468.92
8	14	▲	The Carlyle Group	$5,882.93
9	15	▲	Fortress Investment Group	$4,688.18
10	9	▼	Oaktree Capital Management	$4,325.00
11	26	▲	Ares Management	$4,277.24
12	23	▲	Rockpoint Group	$4,191.92
13	27	▲	KSL Capital Partners	$4,110.47
14	19	▲	LaSalle Investment Management	$3,990.00
15	8	▼	Westbrook Partners	$3,465.00
16	33	▲	CBRE Global Investors	$3,424.00
17	72	↩	Invesco Real Estate	$3,333.50
18	new	★	Greystar Real Estate Partners	$3,200.00
19	45	▲	GreenOak Real Estate	$3,121.00
20	22	▲	Northwood Investors	$3,102.17
21	20	▼	Beacon Capital Partners	$3,096.10
22	16	▼	TA Realty	$3,054.66
23	7	▼	Angelo, Gordon & Co	$2,815.73
24	21	▼	Hines	$2,720.60
25	18	▼	Cerberus Capital Management	$2,650.00
26	25	▼	GTIS Partners	$2,594.90
27	76	▲	Och-Ziff Capital Management	$2,519.00
28	38	▲	Harrison Street Real Estate Capital	$2,455.50
29	54	↩	Shorenstein Properties	$2,450.50
30	71	↩	CIM Group	$2,431.20
31	11	▼	Walton Street Capital	$2,401.00
32	new	★	Almanac Realty Investors	$2,359.85
33	30	▼	DRA Advisors	$2,350.00
34	39	▲	Kayne Anderson	$2,334.00
35	29	▼	Rialto Capital Management	$2,117.22
36	64	↩	AEW Global	$2,110.99
37	61	↩	USAA Real Estate	$2,010.68
38	48	▲	The JBG Companies	$2,009.04
39	12	▼	GI Partners	$2,000.00
40	44	▲	Mapletree Investments	$1,919.20
41	41	↔	Kildare Partners	$1,907.00
42	67	▲	ECE Real Estate Partners	$1,904.13
43	52	▲	Fir Tree Partners	$1,899.00
44	28	▼	PAG/Secured Capital	$1,880.37
45	31	▼	Merlone Geier Partners	$1,879.00
46	32	▼	Paramount Group	$1,853.00
47	-	▲	Tricon Capital Group Inc.	$1,851.31
48	42	▼	DivcoWest	$1,846.25
49	85	▲	Carmel Partners	$1,845.64
50	37	▼	Gaw Capital	$1,785.40
			TOTAL EQUITY RAISED SINCE 2010	**$223,980.57**

Legend: ▲ *Higher rank than 2014* ▼ *Lower rank than 2014* ↔ *Same rank as 2014*
★ *PERE 50 debut* ↩ *PERE 50 return*

PERE FIFTY

24 Hines

$2.720 billion

HQ: Houston / **Founded:** 1957

Hines, the Dallas-based developer-cum-fund manager is a big beast in global real estate with almost $87 billion of assets under management, as at the end of 2014, and 3,450 employees plus 270 private equity real estate partners. On the capital raising side, it has an international platform that saw an opportunistic India residential fund raised in 2014. The year previous, it raised an opportunistic US development fund, and the year before that a US value-added vehicle, a multi-family fund and the Hines Russia & Poland Fund. Counting certain Brazil funds between 2010 and 2012, the firm has clocked up $2.7 billion in the last five years putting it firmly in the middle of the pack.

27 Och-Ziff Capital Management

$2.519 billion

HQ: New York / **Founded:** 1994

New York's Och-Ziff Capital Management has made it to 27th spot on the PERE 50 having raised two dedicated real state funds of late. The big breakthrough came in October last year when it announced it has blasted through its target for Och-Ziff Real Estate Fund III with $1.5 billion of capital commitments. That amounted to 50 percent in excess of the company's original projection. It is expected to deploy up to 20 percent outside of the US, certainly in Europe, said reports at the time. The $1.5 billion total is added to the $840 million corralled for Fund II. Steven Orbuch is president of real estate.

25 Cerberus Capital Management

$2.650 billion

HQ: New York / **Founded:** 1992

Lee Millstein and Ron Kravit: lead Cerberus' real estate activities

New York-based Cerberus has enjoyed major success not only in the fundraising stakes but also in the deployment of its funds. For example, the company emerged in 2014 as Europe's single largest buyer of non-performing loans, according to Cushman & Wakefield. It invested in approximately €17.7 billion of deals constituting nearly 22 percent of the €80.6 billion in closed commercial real estate and real estate-related transactions for the year. This is the second year in a row that Cerberus has topped the broker's chart in Europe, where Lee Millstein oversees activities as head of European and Asian distressed investing. Cerberus' capital for real estate comes in various forms but the most traditional real estate opportunity fund it has is the dedicated global real estate fund series, Cerberus Institutional Real Estate Partners. It raised $1.25 billion for Cerberus Institutional Real Estate Partners II in 2010, and followed up with $1.4 billion in 2013.

26 GTIS Partners

$2.594 billion

HQ: New York / **Founded:** 2005

The company founded by Tom Shapiro in 2005 now has $3 billion in assets under management and has been no slouch raising equity. It has a parallel Brazil and US opportunistic strategy with plenty of co-investment capital in the mix. It followed the GTIS Brazil Real Estate Fund II on $810 million in 2012 and $527 million for a US residential strategy in 2013 with two follow-on funds that were launched last year. In addition, plenty of co-investment capital - more than $690 million - has been raised by the group since 2010, further boosting the tally and keeping them well ensconced in the PERE 50 ranking.

28 Harrison Street Real Estate Capital

$2.455 billion

HQ: Chicago / **Founded:** 2005

Harrison Street Real Estate Capital is proof positive that a real estate manager with a niche investment strategy can still raise huge sums of money. The Chicago-based firm, which exclusively targets opportunities in education, healthcare and storage real estate through its commingled funds, attracted approximately $420 million in the first close of its fifth opportunistic real estate vehicle, Harrison Street Real Estate Partners V, last October. Harrison Street went on to close the fund at its $850 million hard cap, and above its original $750 million equity target, this February. The capital raise was the firm's largest for a closed-end vehicle, and also one of its fastest, with the period between the first and final closes spanning only three months.

PERE FIFTY

1 The Blackstone Group

$46.30 billion

HQ: New York / **Founded:** 1992

Here's a statistic for you. In the past five years, The Blackstone Group has raised more equity for real estate investments than the entire GDP of 77 countries including Haiti, Zimbabwe, Senegal, Honduras, Nicaragua, Iceland and Jamaica. The latest fund has attracted capital commitments of $14.5 billion in less than four months and at press time was expecting another $1.3 billion from high-net-worth investors. Blackstone is also in the market with core funds, but that is not counted for the purposes of this ranking. There is no way any other firm will be ranked number one in this list for years unless Blackstone is taken over or indeed a small country decides to commit its entire GDP to someone else's blind-pool opportunistic real estate fund.

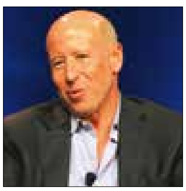
345 Park Avenue, New York: Blackstone's HQ is an equity magnet

2 Starwood Capital Group

$14.604 billion

HQ: Greenwich, Connecticut / **Founded:** 1991

Starwood has been trading places with Lone Star Funds for a few years now. This time around, it is Starwood's turn to leapfrog Lone Star into the second spot with some $14.6 billion raised in the last five years. That is a very impressive figure and had a certain New York firm not enjoyed runaway success with its franchise, we would be looking at Starwood being kingpin right now. As it is, the group is still attracting vast equity for its strategies and shows no signs of easing the foot off the pedal. Earlier this year, in fact, the firm led by Barry Sternlicht, closed its largest opportunistic real estate fund to date – Starwood Global Opportunity Fund X on $5.581 billion. When added to $4.2 billion for Fund IX in April 2013 and $966 million for a hospitality fund in 2010, the firm can lay claim to a gargantuan feat. Fund X will primarily be focused on distressed debt, value-add assets and corporate transactions, and is expected to generate an 18 percent net internal rate of return. So far, Starwood has invested or committed more than $2 billion of equity from Fund X, split fairly evenly between the US and Europe. Some of the most notable transactions made through the fund have been entity-level investments. For example, in December, the firm agreed to acquire the management platforms of SveaReal Fastigheter and DNB NOR Eiendomsinvest I, a Norwegian real estate firm, along with a portfolio of office, industrial, hotel, retail and other assets in Sweden and Norway for $1.4 billion, the single largest property transaction in Scandinavia last year. In January, Starwood also completed the $1.2 billion purchase of TMI Hospitality, an owner, manager and developer of select-service hotels in the US.



Sternlicht: generation X

3 Lone Star Funds

$12.500 billion

HQ: Dallas / **Founded:** 1995

Lone Star Funds slipped one spot to third place on the PERE 50 ranking, but that's only because it hadn't yet closed on its latest property fund, Lone Star Real Estate Fund (LSREF) IV, by the PERE 50 cut off date. Now that Lone Star has hit a final close and exceeded its $5.5 billion hard cap, the equity haul is likely to put the firm ahead of current second place finisher Starwood next year. Starwood Capital Group. LSREF IV was one of the three largest funds in the market at the beginning of 2015, along with The Blackstone Group's Blackstone Real Estate Partners VIII and Starwood's Starwood Distressed Opportunity Fund X. Starwood held a final close of $5.6 billion in March for Fund X, exceeding its original $4 billion to $5 billion target, while Blackstone went on a fundraising tear for BREP VIII, hauling in a staggering $14.5 billion that same month and is expected to add another $1.3 billion from high net worth investors. Like Blackstone, Lone Star is widely managed to raise all of the capital for its property fund in a single close. Indeed, one of Lone Star's largest investors, the Oregon Public Employees' Retirement System, had to seek approval to change its usual investment protocol in order to get its $300 million commitment into the fund on time. And similar to Blackstone, Lone Star tied up its capital raise for LSREF IV, which was launched during the fourth quarter, in only a matter of months. Both firms are known to have used the still unconventional approach of group due diligence sessions to round up all of its capital within an abbreviated period.

Grayken: trading places

PERE FIFTY

4 Global Logistic Properties

$9.072 billion

HQ: Singapore / **Founded:** 2009

Global Logistic Properties made an impressive debut in the top ten list in the 2014 PERE 50 rankings, and the Singapore-based logistics developer and fund manager has continued its stride this year as well, moving up the ranks to fourth. In September, the firm successfully completed a $2.5 billion fundraising program for China, a feat that has made GLP the biggest creator and investor in the logistics sector in the country. In just eight months, the firm managed to raise the capital from domestic state-owned companies, which include China Life Insurance Company and Bank of China Group. The firm has also extended itself elsewhere, both within and beyond Asia. Its industrial joint venture with Canada Pension Plan Investment Board (CPPIB) in Japan has now reached ¥130 billion (€1 billion; $1.08 billion) in equity commitments, after CPPIB invested an additional ¥15 billion in October last year. Within days, additional capital commitments were also announced in the two firms' multiple joint ventures in Brazil. A new $1.1 billion partnership was formed between GLP, CPPIB and another institutional investor in Brazil, while further equity was invested in an existing industrial venture in the country. GLP's biggest deal came in December 2014, when it announced its entry into the US market with a joint buyout of The Blackstone Group's countrywide industrial property portfolio in partnership with GIC Private. The 117 million square foot IndCor portfolio was acquired for $8.1 billion, with GLP being the majority investor after committing 55 percent of the equity.

Indcor asset, El Paso, Texas: another big acquisition for GLP

5 Brookfield Asset Management

$8.512 billion

HQ: Toronto and New York / **Founded:** 1899

Brookfield Asset Management has been showing its ability once again to invest in big complex corporate situations, recently partnering Qatar Investment Authority to take over Canary Wharf Group in London's Docklands area. The Toronto and New York-headquartered company is also a player in the fundraising stakes, weighing in at number five this time around on the ranking. A large proportion of its overall $8.5 billion tally emanates from the $4.35 billion Brookfield Strategic Real Estate Partners (BSREP) fund, which was launched with a $3.5 billion target in 2012 and closed way above that in 2013. The strategy is to invest opportunistically and mainly in North America, Europe, Brazil and Australia. It is targeting positions of control or influence in direct properties, property companies, distressed loans and securities with a focus on multi-faceted distressed property turnarounds and recapitalizations. Other capital has been collected for a value-add multi-family fund directed at North American property and a Brazil retail property fund. Significant equity has also been raised as co-investment capital, further boosting the franchise.

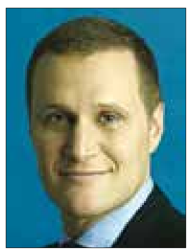
Canary Wharf, London: a signature deal for Brookfield

6 Tishman Speyer

$8.359 billion

HQ: New York / **Founded:** 1978

The venerable Tishman Speyer is well entrenched in the top 10. It has raised two commingled funds since 2009, those being a US value-added and a Brazil opportunity fund pursuing development and redevelopment of office, industrial, and for-sale residential property. It also said to be in market with the next in its series of European value-add funds, TSEV VII. But the most noteworthy aspect of Tishman Speyer's capital raising is that it has so many co-investment vehicles for the US, Europe, Brazil and China – its four main markets. It has at least 30 of these parallel investment vehicles. It is a model and structure that seems to fit for Tishman Speyer and there is no sign of it yet petering out. Expect Tishman to remain in the top 10 for a long time.

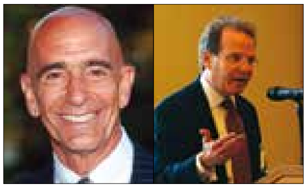


Rob Speyer: Tishman president and co-CEO

7 Colony Capital

$6.468 billion

HQ: Los Angeles / **Founded:** 1991



Barrack, Saltzman: five more years

The big news for Colony was not so much about fundraising but structure. The Santa Monica headquartered firm is now public rather than private having completed its combination with its publicly-traded mortgage real estate investment trust, Colony Financial, in April. It therefore joins the ranks of public firms The Blackstone Group, Oaktree Capital Group and Fortress Investment Group that also are listed but have private funds to invest in real estate. The transaction was approved by a majority of Colony Financial's shareholders. The REIT has since been renamed Colony Capital and will continue to be listed on the New York Stock Exchange under the same ticker symbol, CLNY. The listed entity will now hold and conduct Colony Capital's real estate and investment management business and operations. Colony Capital's executive chairman Thomas Barrack and chief executive Richard Saltzman will lead the combined company after both signed five-year employment agreements. As a public company, Colony Capital will continue to act as a general partner or sponsor of private equity funds and other investment vehicles, as it had as a private company. In terms of capital raising, it has been very busy. It should not go without comment that its current fund in market is more of a debt fund so does not count for the purposes of this list. That is a shame because it has attracted $1.2 billion. No matter. Other funds that are included are the $2.243 billion Colony American Homes I–IV, an opportunistic fund that closed in 2013.

8 The Carlyle Group

$5.882 billion

HQ: Washington D.C. / **Founded:** 1987

The Carlyle Group moves up seven spots and is back inside the top 10 due primarily to capital raised so far for its US-focused Carlyle Realty Partners VII. Launched in the first half of 2013, that fund is said to have attracted at least $2.9 billion of equity. The addition of this figure to the $2.34 billion raised for Fund VI means it is certainly a big player in the US market. In Europe, some capital has come from various co-investment vehicles, though there is no sign of a fund for the region. Robert Stuckey is managing director and head of all of the firm's US funds. Adam Metz is head of international real estate.

Metz: international head, global capital

9 Fortress Investment Group

$4.688 billion

HQ: New York / **Founded:** 1998

New York's Fortress Investment Group has been ramping up on its staffing in the real estate area and continues to execute a high volume of deals in North America, Japan and Europe. The real estate team is jointly run by Thomas Pulley and Anthony Tufariello and they have been quietly executing transactions. On the fundraising side, it has enjoyed huge success in Japan, most recently raising $1.3 billion for its Japan Opportunity Fund II in December 2012 and for its last Fortress Real Estate Opportunities Fund targeting North America and Europe it raised $515 million. It is said to be in market with follow ups to both. Expect Fortress to remain in the top 10 next year or certainly thereabouts.

10 Oaktree Capital Management

$4.325 billion

HQ: Los Angeles / **Founded:** 1995

Howard Marks' Oaktree Capital Management went shooting up the ranking last year owing to its largest global opportunity fund raised to date. Oaktree Real Estate Opportunities Fund VI closed upon $2.67 billion in September 2013, sealing its place as it added to the $1.28 billion raised in 2011. The strategy for its latest fund as far as the US is concerned revolves around 'zombie' real estate. In an earnings call earlier this year, Oaktree's new chief executive, Jay Wintrob declared that the volume of so-called zombie real estate – assets that are worth less than the face amount of its debt – "continues to be ample." The Los Angeles-based alternative investment manager has differentiated itself by focusing on assets in secondary markets, typically acquired in smaller transactions between $25 million and $75 million.

Wintrob: zombie hunting

11 Ares Management
$4.277 billion
HQ: Los Angeles / **Founded:** 1998

Ares Management's real estate group, led by senior partners Bill Benjamin and Steven Wolf, who also led the former AREA Property Partners team, remains a big force in the value-add and opportunistic fields in the US and Europe. Earlier this year, the company announced final closings of its latest two real estate funds, both of which were oversubscribed. Ares European Real Estate Fund IV attracted $1.3 billion in commitments, in the process beating its original target of $1 billion, while Ares US Real Estate Fund VIII collected $824 million, exceeding its initial $750 million equity goal. The European fund is for pursuing residential, retail, office and industrial real estate investments in major markets in the region, including the UK, Germany and France. Meanwhile, the US vehicle is focused on value-add investments in the multifamily, industrial, retail, hotel and office sectors in top US markets.

Benjamin: helped Ares to raise $4 billion-plus

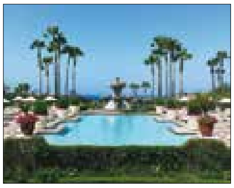
12 Rockpoint Group
$4.191 billion
HQ: Boston / **Founded:** 2003

Further capital raising activity in the past few months has elevated Boston-based Rockpoint Group up to 12th position now. Its most recent fund is Rockpoint Real Estate Fund V for which it is targeting around $2.5 billion of equity and has raised nearly $1.5 billion as of press time. Rockpoint will pursue a similar strategy to that of Fund IV, focusing on value creation opportunities and resolving complex situations through the acquisition of primarily office, hotel and multifamily properties in the largest US coastal markets, according to the minutes from US pension New Mexico ERB's investment committee meeting last month. The figure combines for the purposes of the PERE 50 with equity raised in the predecessor funds and $377.8 million in new capital raised through RP NY CIP Investors, a co-investment partnership for the acquisition of 1345 Avenue of the Americas in New York.

500 Boylston Street, Boston: Rockpoint's HQ

13 KSL Capital Partners
$4.110 billion
HQ: Denver / **Founded:** 2005

The travel and leisure property specialist launched its latest Capital Partners fund towards the end of last year and held a close at the end of January. It is thought the company has so far attracted at least $1.4 billion, which when added to the total for KSL Capital Partners III, which attracted $2 billion, plus a credit opportunities fund and co-investment vehicles puts the company on an impressive $4 billion in five years. Its success has taken the company up 14 spots compared to last year just below Rockpoint. KSL Capital Partners was formed in 2005 by Michael Shannon, the firm's chairman, and Eric Resnick, chief executive officer. Shannon was a founding principal of KSL Recreation Corporation in 1992, which was a platform company of New York buyout giant Kohlberg Kravis Roberts & Co.



Miraval Resort & Spa, Tucson, Arizona: leisure attracts dollars for KSL Capital Partners

14 LaSalle Investment Management
$3.990 billion
HQ: Chicago / **Founded:** 1980

LaSalle might not be first thought of as a value-add or opportunistic real estate investment manager, but the platform is large, global and houses many strategies. There are too many to note here, but an example would be in Asia where is does manage opportunity funds. Its latest one closed in June 2014 on $362 million. In the US, there is the Ranger Fund Series, which is discretionary capital with the Teacher Retirement System of Texas (TRS) scouting hot co-investment opportunities. Most vehicles tend to be between $200 million and $300 million in size. Alongside co-investment vehicles, the equity just piles up to almost $4 billion in the past five years. The Chicago-based company is run globally by Jeff Jacobson.

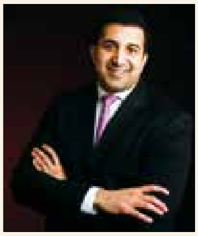
PERE FIFTY

15 Westbrook Partners

$3.465 billion

HQ: New York / **Founded:** 1994

Westbrook, the firm started by Paul Kazilionis in April 1994, has raised $3.465 billion in the past five years for opportunistic real estate investing via its Fund IX and X, the latter of which is still in market. Fund IX closed on $2.725 billion in November 2012. Co-investment capital on top of the two funds takes the complete figure to $3.465 billion. New York-based Sush Torgalkar, chief operating officer, is said to be de facto running the business day-to-day. Mark Donnor is head of Europe based in London. Recent reported deal activity includes the acquisition of a controlling stake in two Manhattan office towers from Savanna. The buildings at 1375 Broadway and 31 Penn Plaza are together valued at approximately $650 million.



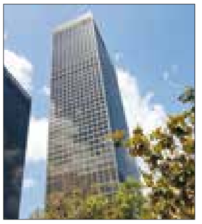
Torgalkar: keeping Westbrook ticking

16 CBRE Global Investors

$3.424 billion

HQ: Los Angeles / **Founded:** 1972

CBRE Global Investors, part of property services giant CBRE Group, is best known in the higher returning space for its US Value series. CBRE Strategic Partners US Value 6 was closed on $1.1 billion in 2012 lending one third of its total for the PERE 50 ranking. It is now said to be in market with the next fund in the series. In 2013, the Los Angeles-based franchise also secured $360 million for a US opportunistic development fund, CBRE Wood Partners Development Fund 3. The first and second versions were raised in the five-year time frame also. In addition, in 2014 the firm closed on $470 million for its second China focused fund, China Opportunity Fund II.



515 South Flower Street, Los Angeles: home to CBRE Global Investors

17 Invesco Real Estate

$3.333 billion

HQ: Dallas / **Founded:** 1983

Invesco is a serious player in the value-added and opportunistic space. The Dallas-based firm has amassed some $3.33 billion for these strategies with the single largest strategy being the Invesco Mortgage Recovery Fund for which it collected $1.465 billion by final close in March 2011. Do not let the name of the fund mislead you. It is a US opportunistic equity fund not a lending fund. The company also raised nearly $350 million for the Invesco Real Estate Value-Add Fund III in June 2013, plus a hotel fund in Europe. It is currently in the market with various value-added and opportunistic strategies, one a global effort, the other two for North America and Asia.

2001 Ross Avenue, Dallas: Invesco's HQ

18 Greystar Real Estate Partners

$3.200 billion

HQ: Charleston, SC / **Founded:** 1993

Greystar is a new entrant and, at number 18, has suddenly become a talked-about private equity real estate franchise. The company itself is not new having been established in 1993 by chairman and chief executive officer Bob Faith in the multi-family sector and has now become the largest manager, developer of apartment communities in the US. As far as discretionary commingled funds are concerned, it raised $800 million for Greystar Equity Partners Fund VIII in March 2014, which followed up on $600 million for Fund VII. It has also formed other capital pools, mostly for North America but also for Europe where it has been expanding significantly. Its total assets under management now stand at $10 billion. It employs 10,000 people, 150 of which are private equity real estate professionals.

Faith: got to have it at Greystar

19 GreenOak Real Estate

$3.121 billion

HQ: New York, London, Tokyo / **Founded:** 2010

GreenOak Real Estate has rocketed up the rankings by 24 spots. The private equity real estate firm run by former leaders of Morgan Stanley Real Estate Investing, has raised a variety of funds and co-investment vehicles in the past few years, the largest being GreenOak US Fund II which was closed on around $750 million in September 2014. Our records suggest it is currently in the market in Europe with a Spain real estate program and in Japan with its second fund. Set up in 2010, the firm founded by Sonny Kalsi, John Carrafiell and Fred Schmidt, with offices in New York, London and Tokyo has since added offices in Madrid and Seoul.

20 Northwood Investors

$3.102 billion

HQ: New York / **Founded:** 2006

John Kukral's Northwood Investors has moved up two places to 20th place. In each of the past four years the new York-based company has been in the market with its Northwood Real Estate Partners series. Northwood Real Estate Partners Series II closed in September 2011 on $1.11 billion, which has turned out to be the firm's single biggest raising to date. Since then it has raised varying sums of capital sometimes exceeding the target, sometimes not. The firm currently has around $5 billion of assets under management and employs 157 staff, some 54 of which are private real estate professionals.

21 Beacon Capital

$3.096 billion

HQ: Boston / **Founded:** 1998

Beacon Capital is back in the market with a fund – its first outing since raising $2.54 billion for a fund that was launched in April 2008 and closed in January 2010. Given the vintage, that fund will be excluded from the five-year tally used for the PERE 50 ranking, meaning success for the current fund in market is crucial if the firm is to have any chance of remaining on the list in 2016. Sources suggest that as of December last year Beacon had attracted around $520 million of commitments towards a $1.25 billion target. Given the cut off for the PERE 50 this year was $1.845 billion, it is a distinct possibility that it will fall outside the list for the first time.

23 Angelo Gordon & Co

$2.815 billion

HQ: New York / **Founded:** 1988

Angelo Gordon & Co is one of the most active of the firms in the top 50 in terms of raising capital for regional strategies, and is having some success in each area. Collectively, it has raised at least $780 million for an opportunistic fund in North America, an opportunity fund in Asia and its first vehicle in Europe – a value-add proposition. That adds to the recent previous funds such as its $1.265 billion AG Realty Fund VIII, for example, that was closed in February 2012 and Asia Realty Fund II, which was closed on $615 million in 2011. The firm has also found great success for a net lease strategy for which it has raised more than $1.5 billion in the past five years.

22 TA Realty

$3.054 billion

HQ: Boston / **Founded:** 1982

Big corporate change has come to this organization, but for now, TA Realty remains in the PERE 50 on the back of two large funds closed in 2010 and 2013. In 2010, the Boston-based group collected $1.4 billion for its North American value-add fund, The Realty Associates Fund IX. For the follow-on, The Realty Associates Fund X, it raised slightly more upon final close in April 2013 with capital commitments of $1.56 billion. But the big news was to arrive in October 2014 when it emerged that Japanese group, The Rockefeller Group, was to take it over. It follows on from a 2010 transaction when The Rockefeller Group became a strategic investor alongside management in London-based Europa Capital by acquiring a majority stake. Since then, Europa has raised its first funds since new ownership and has broadened its activities with the establishment of an income strategies business – a positive sign for TA perhaps.

28 State Street, Boston: TA Realty might have changed hands but it remains firmly in the top ranking

29 Shorenstein

$2.450 billion

HQ: San Francisco / **Founded:** 1960

Shorenstein is another of those companies demonstrating it is possible to grow large despite a narrowly defined strategy. The San Francisco-based headquartered firm is best known for its value-added office strategy in the US. That said, more recently it has branched out to include multi-family rentals. It is another high riser up the rankings this year, going up from outside of the top 50 to 29th place. It raised $1.2 billion for Shorenstein Realty Investors Ten in March 2011, then raised practically the same number for Fund XI but took approximately just five months to do so, earning it an award for North America capital raises in the annual PERE Global Awards. As well as having an HQ in San Francisco, the company maintains an office in New York.

Douglas Shorenstein: founder of Shorenstein

30 CIM Group

$2.431 billion

HQ: Los Angeles / **Founded:** 1994

That's the way to crash into the PERE 50 – one big fund raise, and suddenly up to position 30. The Los Angeles-based firm launched CIM Fund VIII in December 2012 and in January 2015 it closed the North American fund on $2.431 billion. It was the largest single fund the group had raised according to records. The firm has around $18.7 billion of assets under management and employs more than 500 people. The company is led by 10 principals and can best be described as a specialist in investing in urban communities. As well as opportunity funds, it manages core/stabilized funds and infrastructure funds.

31 Walton Street Capital

$2.401 billion

HQ: Chicago / **Founded:** 1994

Respected Chicago-based firm Walton Street Capital begun by Neil Bluhm, the co-founder of JMB Realty, has been going a long time so credit to the franchise for its durability. For the purposes of the PERE 50, the most significant capital raise ended in February 2014 when it closed out Walton Street Real Estate Fund VII on $1.388 billion. In addition, the firm raised some equity for a Mexico strategy plus various co-investment structures – some for the US and some for Latin America. It is currently said to be in market for a debut debt fund looking to invest in whole loans, mortgage participations and mezzanine loans backed by real estate and other real estate-related assets in the US.

33 DRA Advisors

$2.350 billion

HQ: Los Angeles / **Founded:** 1986

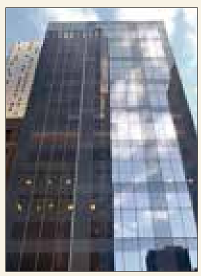
DRA Advisors cemented its presence in the PERE 50 with a $1.35 billion capital raise in 2014 for its Growth & Income Fund III, which is part of a value-add North America series. The firm now has approximately $6 billion of assets under management in four sub-sets: offices, industrial, retail and multi-family. The history of the company in terms of third-party fund management dates back to a time when DRA spun-off from Dreyfus Corporation in 1994. It raised $83 million for its first ever fund. With the passage of time, so the funds have grown larger. Fund VII collected $1 billion in 2011 and Fund VIII was larger still.

32 Almanac Realty Investors

$2.359 billion

HQ: New York / **Founded:** 1996

A totally new entrant to the PERE 50 this, but not a new firm. Almanac, created back in 1996, raises private funds to provide growth capital to public and private real estate companies. Since inception it has raised $3.7 billion for this strategy and it is still going strong. It is said to be in market with its latest offering for which it has so far garnered around $1 billion. That is added to the $819 million in November 2012 raised for the predecessor, Almanac Realty Securities VI. A Canada version was launched in 2014 as well. Upon the announcement of its most recent successful fund close, Almanac said Fund VI and its affiliates had made commitments to invest up to $150 million in Drawbridge Realty Trust; up to $150 million in NRES Holdings; and up to $100 million in RAIT Financial Trust.



1140 Avenue of the Americas, New York: Almanac HQ

PERE FIFTY

34 Kayne Anderson

$2.334 billion

HQ: Los Angeles / **Founded:** 1984

The real estate team, led by Al Rabil, is based down in Boca Raton, Florida though the investment firm itself is headquartered in Los Angeles. The company has seen steady progress up the table. In 2011, the company raised $575 million for KAREP II and then $750 million for KAREP III – even turning away investors during the four-month capital raising effort. KAREP IV is said to be in the market with a $1 billion target and a close that occurred in March, bringing the overall combined five-year total to just over $2.3 billion.

35 Rialto Capital Management

$2.117 billion

HQ: Miami / **Founded:** 2007

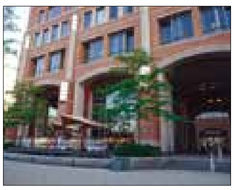
Rialto made its debut on the PERE 50 last year at number 29 and remains in the ranking this time around. The Miami-based firm, led by chief executive officer Jeffrey Krasnoff and president Jay Mantz, is investing the 2013 vintage US-focused Rialto Real Estate Fund II, which blasted through its original $950 million fundraising target to reach $1.3 billion. Commitments came in from a mixture of endowments, foundations, public and private pension plans, global financial institutions, family offices, fund of funds and insurance companies in the space of just 15 months.

36 AEW Capital Management

$2.110 billion

HQ: Boston / **Founded:** 1981

AEW does much more than value-added and opportunistic funds, of course, but it remains a significant force in the strategies nonetheless. Perhaps best known for its North American opportunistic series AEW Partners, the company has attracted almost $1 billion for that business in the last five years. On top of that there has been a value-added US senior housing fund that closed on $371 million last year and a southeast UK value-add office fund as well. It is currently said to be out raising an Asia value-add fund and a Europe value-add equivalent too.



2 Seaport Lane, Boston: AEW's home

37 USAA Real Estate

$2.010 billion

HQ: San Antonio, Texas / **Founded:** 1982

USAA Real Estate and its affiliate Square Mile Capital have raised just over $2 billion for value-add and opportunistic strategies. Its largest fund in the five-year window is an office development fund that won $700 million of commitments in 2014 for deployment in North America. Square Mile's SMP IV adds $455 million to the total tally for its credit and equity fund. Len O'Donnell is president and chief executive officer of the company that has a total of around $12 billion in assets.

38 The JBG Companies

$2.009 billion

HQ: Chevy Chase, Maryland / **Founded:** 1960

The JBG Companies, which focuses on urban infill property in the Washington D.C. metropolitan area, ended fundraising for its Fund IX in August 2104. The $680 million raised has been partially put to use, with one of the latest transactions being the creation of a joint venture to invest in Washington D.C. with CBRE Global Investment Partners (GIP), the indirect real estate arm of CBRE Global Investors. Older funds with a 2007, 2010, and 2011 vintage were of similar sizes. Nothing has touched JBG Urban in 2007, however, which closed on $2.5 billion, though that one does not count for this ranking.

4445 Willard Avenue, Chevy Chase, Maryland: where JBG resides

39 GI Partners

$2.000 billion

HQ: Menlo Park, California / **Founded:** 2001

GI has traditionally been a private equity firm investing in companies heavily backed by real estate. It is still doing that, though perhaps moving closer to being a mainstream mid-market private equity firm of late with some deals with negligible physical property. Examples would be US facilities management group Kellermeyer Bergensons Services and Logibec, a Canadian healthcare IT company. For the purposes of the PERE 50, however, it stays in this year having raised $2 billion for GI Partners IV which closed in April 2014. That $2 billion easily surpassed its original $1.5 billion target. GI Partners also raised capital for real estate last year through separate accounts with institutional investors such as the California State Teachers' Retirement System, but that capital is not included in the ranking's fundraising totals.

40 Mapletree Investments

$1.919 billion

HQ: Singapore / **Founded:** 2000

The real estate subsidiary of Singapore's Temasek Holdings was actively capital raising last year for three real estate vehicles. This goes to explain the firm's improved performance in this year's rankings. In July, the firm surpassed final targets for two Japanese funds in singles closes. Close to ¥57 billion (€43 million; $47 million) was raised for an office fund and ¥51 billion was raised for a development fund for logistics assets. The final close for an office fund was held in January this year at $65 million. The firm also wrapped up fundraising for CMREF 2 Shariah, its joint venture with the CIMB Group, at MYR 140 million (€35 million; $44 million), well below the original target of MYR 1 billion. After including leverage and co-investment capital, however, that fund has a purchasing power of up to MYR600 million.

41 Kildare Partners

1.907 billion

HQ: London / **Founded:** 2013

Short: not Short of capital raising success

Somewhat incredibly, there is only one London-based firm on the top 50 this year with the likes of Rockspring Property Investment Managers, Orion Capital Managers, Tristan Capital, Perella Weinberg Partners and Patron Capital figuring just outside the group. Perhaps it is stranger still that Kildare is by the far the outlier because unlike the others it has only been going a short while. Kildare's European Partners I reached nearly $2 billion in May 2014 for the firm's stunning debut fund. The company was begun by former Lone Star Funds professional Ellis Short who left Lone Star in 2007 to set up shop in 2013 and attracted several heavyweight investors in the process of fundraising such as The California State Teachers Retirement System (CalSTRS). That pension system agreed to make an additional $100 million commitment to Kildare European Partners I last year in addition to its original $100 million investment in October 2013.

42 ECE Real Estate Partners

$1.904 billion

HQ: Hamburg / **Founded:** 1965

Longstanding European shopping center company ECE made big inroads into becoming a manager of third-party equity since Credit Suisse's placement agency business agreed to raise its debut fund, ECE European Prime Shopping Centre Fund, topping out at €775 million, in September 2011. Centers were acquired in Germany, Denmark, Poland, Austria, the Czech Republic, and Italy. So successful was the strategy that the Hamburg-based company was able to return to the fundraising trail towards the end of October last year and has since raised another €740 million.

43 Fir Tree Partners

$1.899 billion

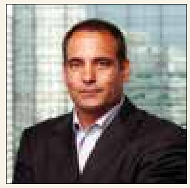
HQ: New York / **Founded:** 1994

Fir Tree Partners makes it onto the PERE 50 ranking having raised equity for three funds in a series. In 2010, the company attracted $629 million for Real Estate Opportunity Fund II, a value-added vehicle that exceeded its $500 million target, and in 2014 closed on $785 million for Fund III. Fund IV is said to be in market with close to $500 million of commitments secured to date. The company employs around 85 people and has more than $12 billion of assets under management.

44 PAG/Secured Capital

$1.8 billion

HQ: Tokyo / **Founded:** 1997



J-P Toppino: managing partner at PAG Real Estate

Among the biggest drops witnessed in the rankings this year is that of Hong Kong-based private equity real estate firm PAG, which counts funds raised by Tokyo's Secured Capital as its own. The two firms merged in 2011. It hauled $1.5 billion for its Secured Capital Real Estate Partners V opportunistic fund in 2013, 50 percent more capital than it originally targeted, which led it to debut in the 2014 rankings. This year's ranking comes as that fund is approximately 65 percent deployed and a successor fund is expected to materialize by the end of the year, that is if it Secured chooses not to reinvest proceeds already generated from quickly round-tripping early investments. Meanwhile, it has hit the capital raising trail on a core-plus fund for Asian investments for which it wants $1 billion from investors. That capital would not count for the purposes of this ranking, however.

45 Merlone Geier Partners

$1.879 billion

HQ: San Francisco / **Founded:** 1993

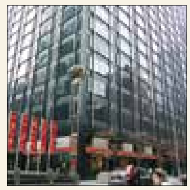
Not too much is known about San Francisco-based Merlone Geier Partners as it makes little effort to discuss its business. What is known however is that in September 2013 it closed its latest fund, Merlone Geier Partners Fund XI, raising $900 million in equity. The strategy is to acquire, develop and redevelop retail properties along the West Coast. Fund XI primarily received investments from university endowments and foundations, consistent with the investor base of the San Francisco-based private real estate investment firm's previous vehicles. Merlone Geier and its predecessor, M&H Realty Partners, have been investing in West Coast retail property since 1993, and have acquired 123 assets totaling nearly 20 million square feet.

46 Paramount Group

$1.853 billion

HQ: New York / **Founded:** 1978

Paramount Group is a real estate investment firm established that invests in office space in the US, with a focus on investments in New York, Washington D.C. and San Francisco. The firm launched its fund series in 2004 and raised $1 billion within two years for its first three funds. According to our data, the firm is in the midst of raising Paramount Group Real Estate Fund VII with a $400 million target. The fund sizes tend to be modest to mid-size. Fund VI raised $221 million in February 2013, for example.



1633 Broadway, New York: Paramount's place of residence

47 Tricon Capital Group

$1.851 billion

HQ: Toronto / **Founded:** 1988

David and Gary Berman: co-founders

Tricon may not necessarily be a household name, but at least it is now in the PERE 50. The Toronto-based company has actually been going since 1988 and says its mission is to become North America's pre-eminent asset management company focused on residential developments. It was co-founded by David Berman, and Geoff Matus. Gary Berman is the president and chief executive officer. According to the company, its private commingled funds are predominantly populated with institutional investors, including two of the top pension plans in the US and three of the top 15 pensions in Canada. Its recent run includes raising C$195 million (€148 million; $159 million) for Tricon Housing Partners Canada III and $330 million each for two US equivalent funds. Various co-investment capital and participations bumps up the overall five-year figure to $1.851 billion, earning itself 48th spot in the ranking.

PERE FIFTY

48 DivcoWest

$1.846 billion

HQ: San Francisco / **Founded:** 1993

DivcoWest nearly slid outside the top 50 ranking, but remains just in there in 48th place. The San Francisco-based company specializes in value creation via investing in well-located office and research and development properties that serve tech-orientated tenants in the US. Last year, it closed out on $976 million for DivcoWest Fund IV. That was more than twice the size of its predecessor fund which closed in December 2011, though that year the company also attracted almost as much co-investment as commingled fund capital. Stuart Shiff is chief executive officer and Robert Mashaal is chief investment officer.

50 Gaw Capital Partners

$1.785 billion

HQ: Hong Kong / **Founded:** 2005

Hong Kong-based Gaw Capital may have slipped a few notches down this list, but the firm does not seem to be a waning star. It has been finding growth in various markets, not least the US. The company is in the midst of raising $500 million for a US value-added fund and has obviously made a key hire in the market. In September 2013, former director of real estate at The New Jersey Division of Investment, Timothy Walsh, joined to become president of Gaw Capital Partners USA, its US affiliate, and the dollars already are flowing. The principal reason for it being in the top 50, however, remains its success in closing Asia opportunity fund, Gateway Real Estate Fund IV, in 2013 on $1.025 billion.

49 Carmel Partners

$1.845 billion

HQ: San Francisco / **Founded:** 1996

Carmel Partners, the San Francisco-based firm, was a runner up in the *PERE* awards in the North America capital raise of the year category, but has not missed out on the PERE 50. The firm made the cut, in at number 49 after stunning success raising Carmel Partners Investment Fund V last year on $1 billion of capital commitments having spent just nine months on the fundraising trail. Many investors in Carmel's previous funds signed on for Fund V, along with several new limited partners that committed approximately $200 million of equity. The capital raised represented more than 50 commitments from US-based investors, including endowments and foundations, family offices and corporate pension plans. The firm focuses on multifamily development, renovation and debt opportunities in supply-constrained, high barrier-to-entry markets in the US, such as the San Francisco Bay area, Southern California, Honolulu and New York.

1000 Sansome Street, San Francisco: Carmel's home

Those that nearly made the cut

Here are the 10 firms that just fell outside the PERE 50. Expect to see some of these businesses back in the ranking in the years to come

51	66	▲	up 15	Rockspring Property Investment Managers	London
52	34	▼	down 18	Perella Weinberg Partners	New York
53	13	▼	down 40	Orion Capital Managers	London
54	82	▲	up 28	Iron Point Real Estate Partners	Washington, D.C.
55	35	▼	down 20	Hemisfério Sul Investimentos	São Paulo
56	36	▼	down 20	Alpha Investment Partners	Singapore
57	17	▼	down 40	CapitaLand	Singapore
58	49	▼	down 9	Related Companies	New York
59	40	▼	down 19	Phoenix Property Investors Limited	Hong Kong
60	58	▼	down 2	Exeter Property Group	Plymouth Meeting (PA)

PERE FIFTY

Big Apple, big slice

New York-based managers account for 46 percent of all the capital raised by US firms, writes Kevon Davis, research analyst at *PERE*'s Research & Analytics division

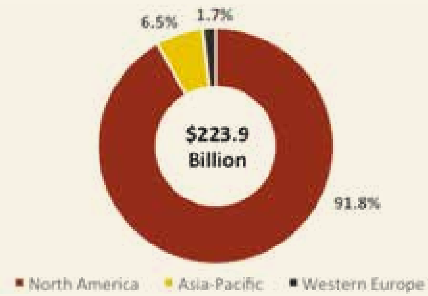
It seems that the streets of Manhattan are paved with gold. Having spent March and the lead up to springtime collecting and analyzing data for the annual PERE 50, the PERE Research & Analytics team discovered how New York-based managers account for both the majority of capital in the region as well as for the top 50. There are no fewer than 16 firms that are based in New York raising a total of $94.4 billion for value-added and opportunistic strategies in the past five years. This accounts for 46 percent of total capital in the region and 42 percent of aggregate raised by the top 50. The Blackstone Group, of course, accounts for the majority of New York-based fundraising at 49 percent. But even if we exclude Blackstone, New York managers overshadow the next largest concentration of managers collecting capital by 66 percent or by $19.1 billion. Nevertheless, fund managers based in California, the next highest, showed an uptick from last year where managers raised $22.3 billion, a boost of 30 percent. As real estate activity continues to improve, it will be interesting to see if any region can come close to New York.

Geographically, North American firms on the whole account for the majority of capital raised from the top 50 firms, with 44 firms accounting for roughly 92 percent of total capital. Compared to last year's demographics, this shows that North American general partners are on the rise, with a jump of six percent. As for placement, this years' ranking was less regionally diverse than last year, with four of the top 50 firms being based in Asia-Pacific compared to the seven in 2014. Western European-based firms also saw less firms make it to the eventual 50, with two making it this year from the four that made it last year. While having one representative in last years' ranking, Latin American-based firms didn't make it to this years' ranking, with the closest coming in at number 55.

In terms of the overall direction of capital, this year, the top 50 firms raised an aggregate $223.9 billion between January 2010 and March 2015, a boost of 27 percent from last year where the top 50 firms raised $176.5 billion between 2009 and March 2014. With such an uptick in capital, it is a clear indication that fundraising has improved dramatically between now and the last PERE 50. This is especially true amongst the larger fund managers where the top ten fund managers in this year's ranking raised an aggregate $120.7 billion. This represents a jump of 32 percent from last year where the top ten raised $91.5 billion. The Blackstone Group once again takes first place with an aggregate of $46.3 billion, which accounts for 38 percent of the top ten firm's aggregate capital and 21 percent of the eventual 50 firms. Of the top ten firms, eight returned from the ranking last year while three maintained their placement.

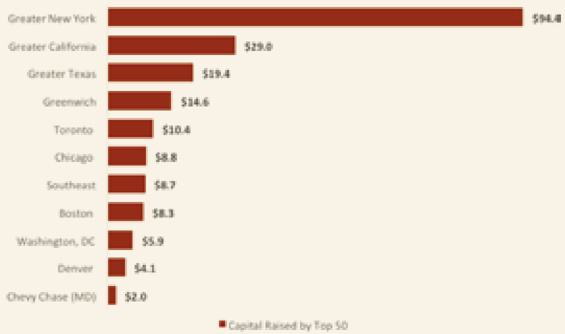
As for the placement within the top 50, 50 percent of managers rose from their previous placement in the rankings, while 38 percent dropped from last year and eight percent remained in the same position. The last four percent is comprised of firms that made it to the ranking for the first time this year. Of the 25 firms that rose in their placement, 16 firms rose at least ten spots from the previous ranking with the highest making a jump of 55 spots. Conversely, of the 19 firms that fell in the ranking, seven fell by at least 13 positions. □

Capital raised by firms by region 2015 PERE 50



North American-based managers dominate the top 50 with 92 percent of the total capital

Capital raised by North American based firms ($ billion)



New York-based managers overshadow the next region by 256 percent
Source: *PERE Research & Analytics*