

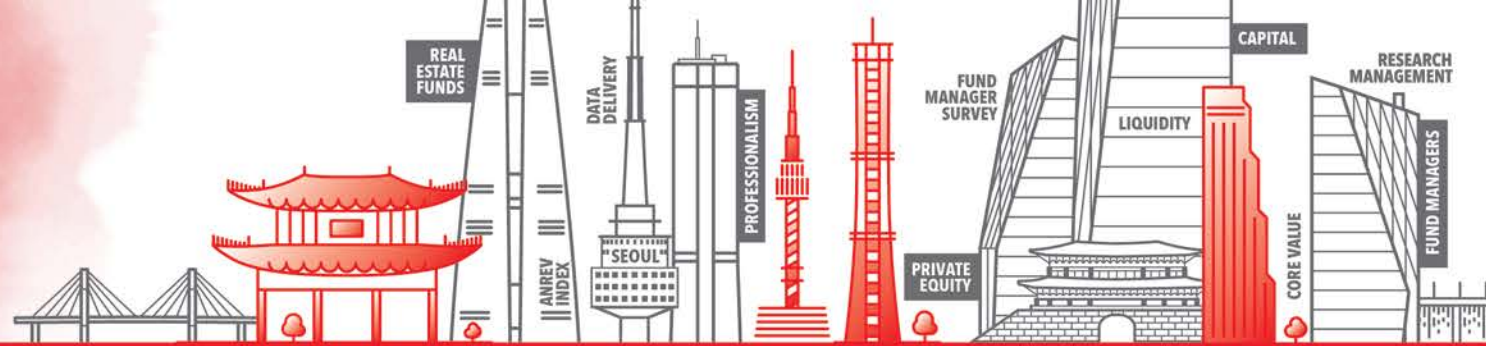
ANREV

Korea Conference 2019

Global Real Estate Secondaries Market

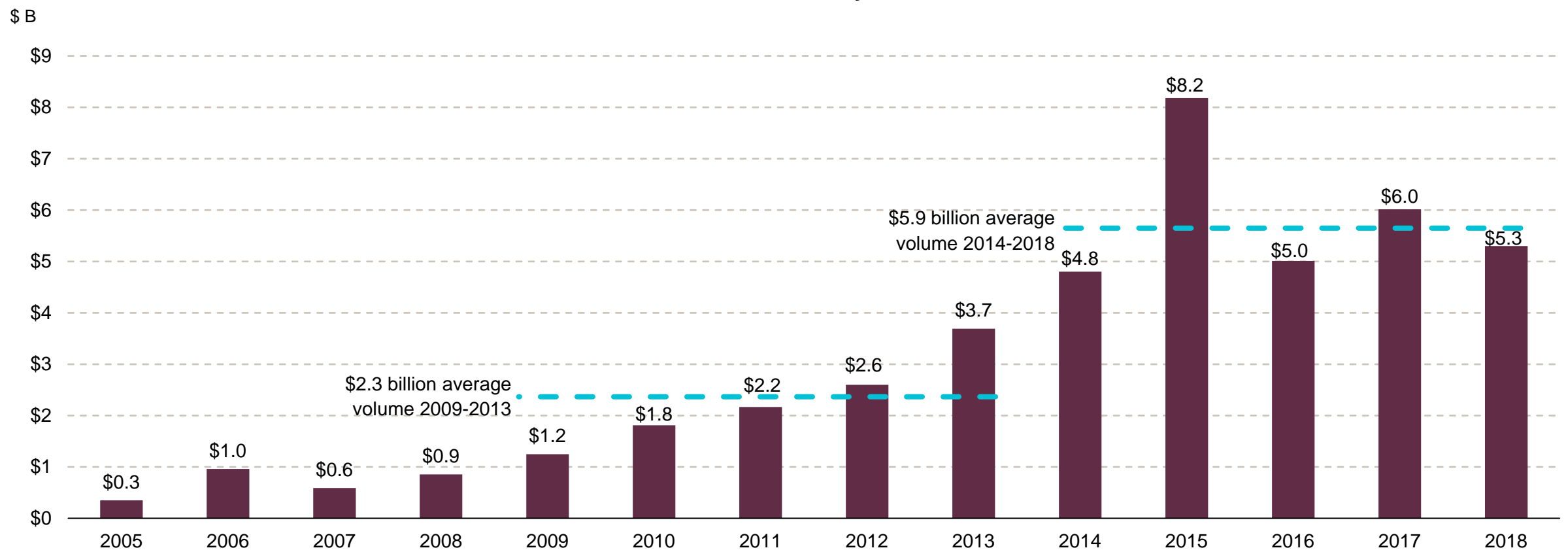
Paul Parker, Landmark Partners
February 2019





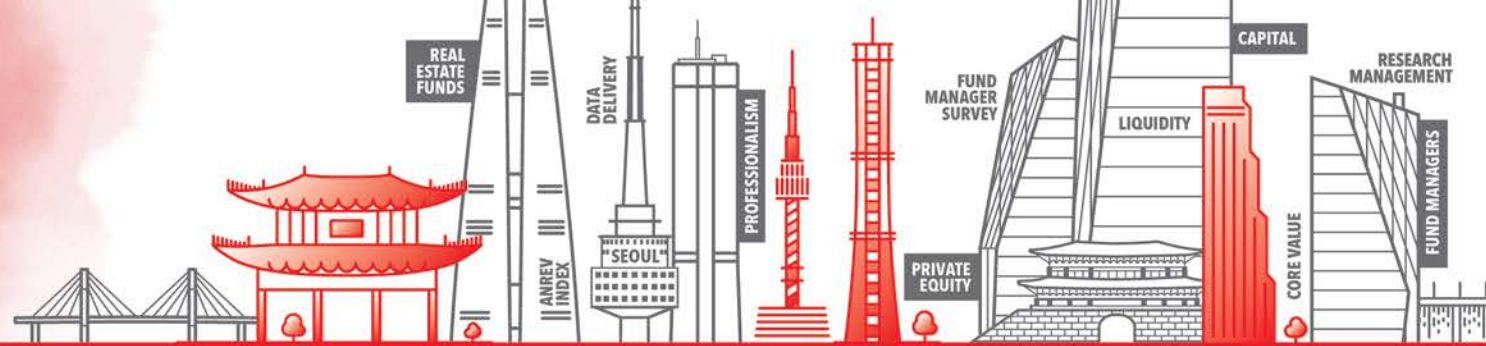
Real Estate Secondary Transaction Volume

Global Real Estate Secondary Transaction Volume



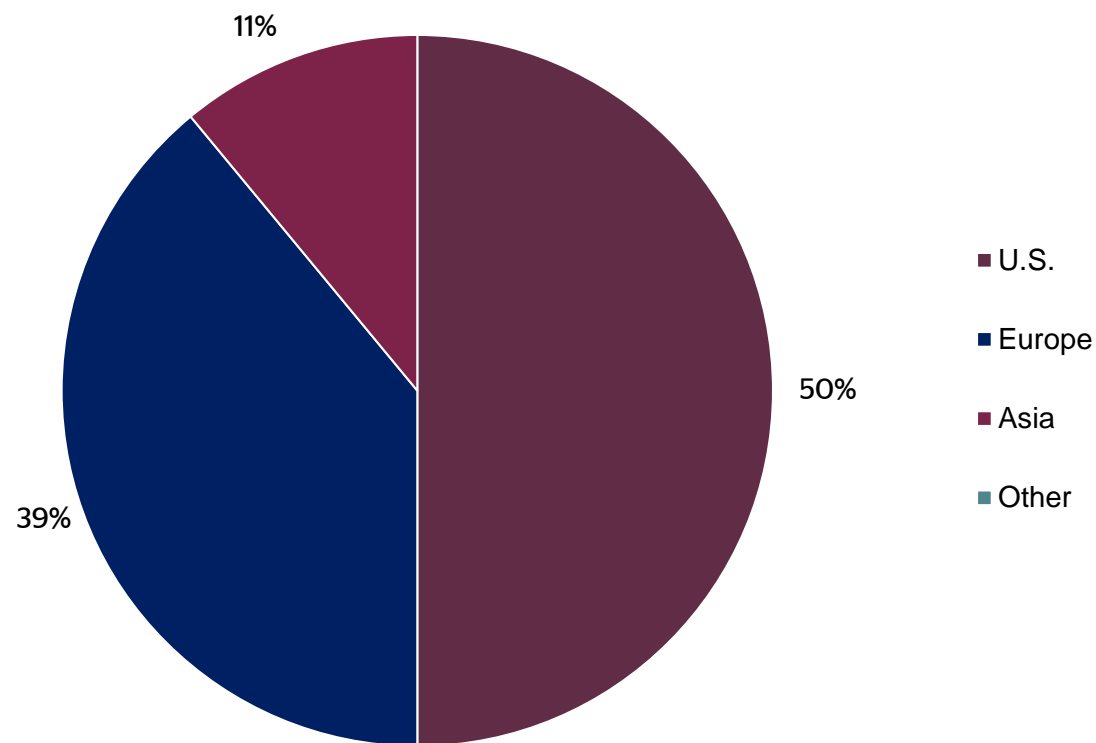
- Secondary transaction volume totaled \$5.3 billion in 2018, with five-year average annual volume for 2014 to 2018 nearly 155% higher than the average volume for 2009 to 2013

Sources: Landmark Partners, Burgiss, Preqin

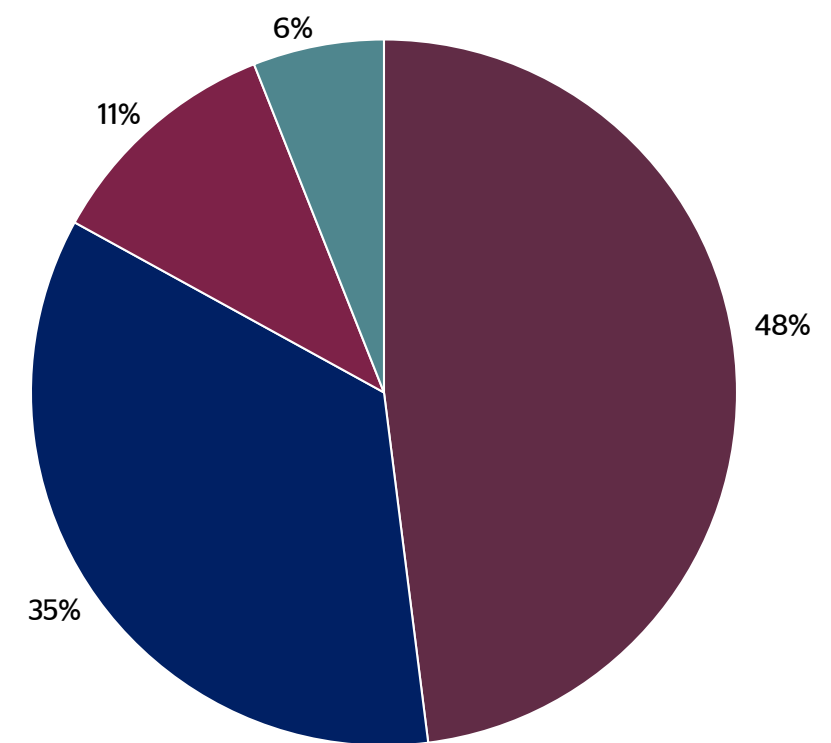


Real Estate Secondary Geographic Diversification

Transaction Volume by Seller Location

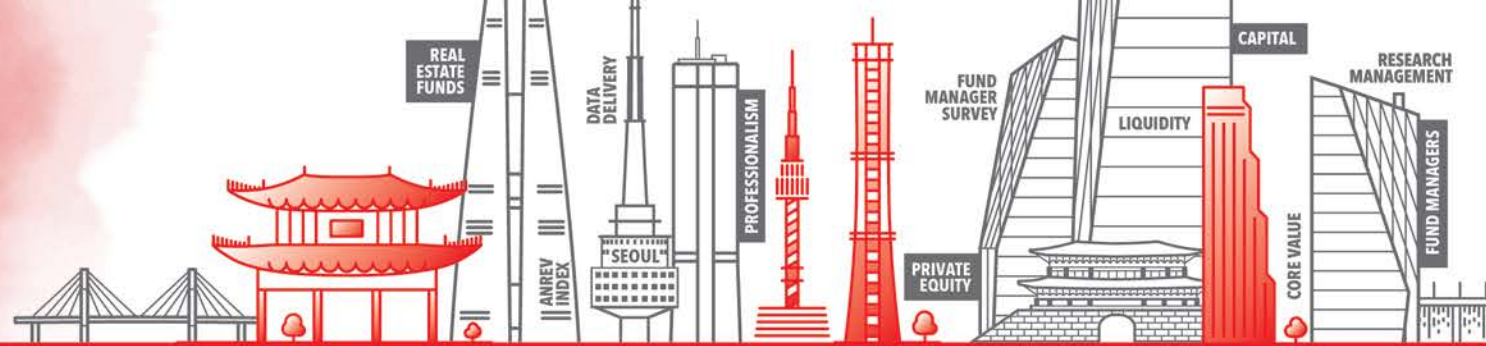


Transaction Volume by Geography of Underlying Assets



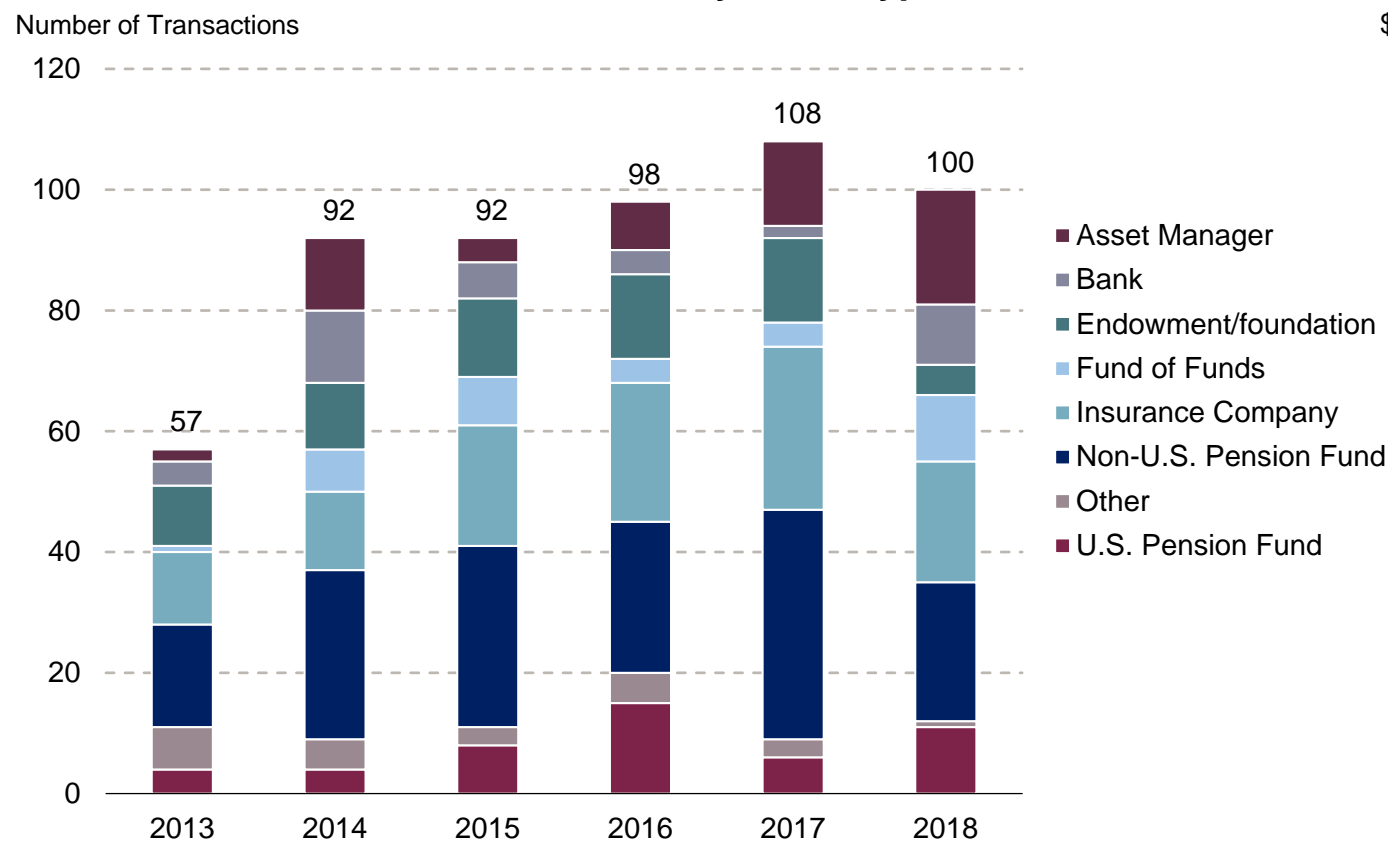
- Consistent with the averages over the past five years, U.S.-based sellers accounted for 50% of 2018 transaction volume, followed by Europe-based sellers which accounted for 39%
- Nearly half of 2018 transaction volume involved underlying property assets located in the U.S., while assets located in Europe represented 35% of volume

Sources: Landmark Partners, Preqin

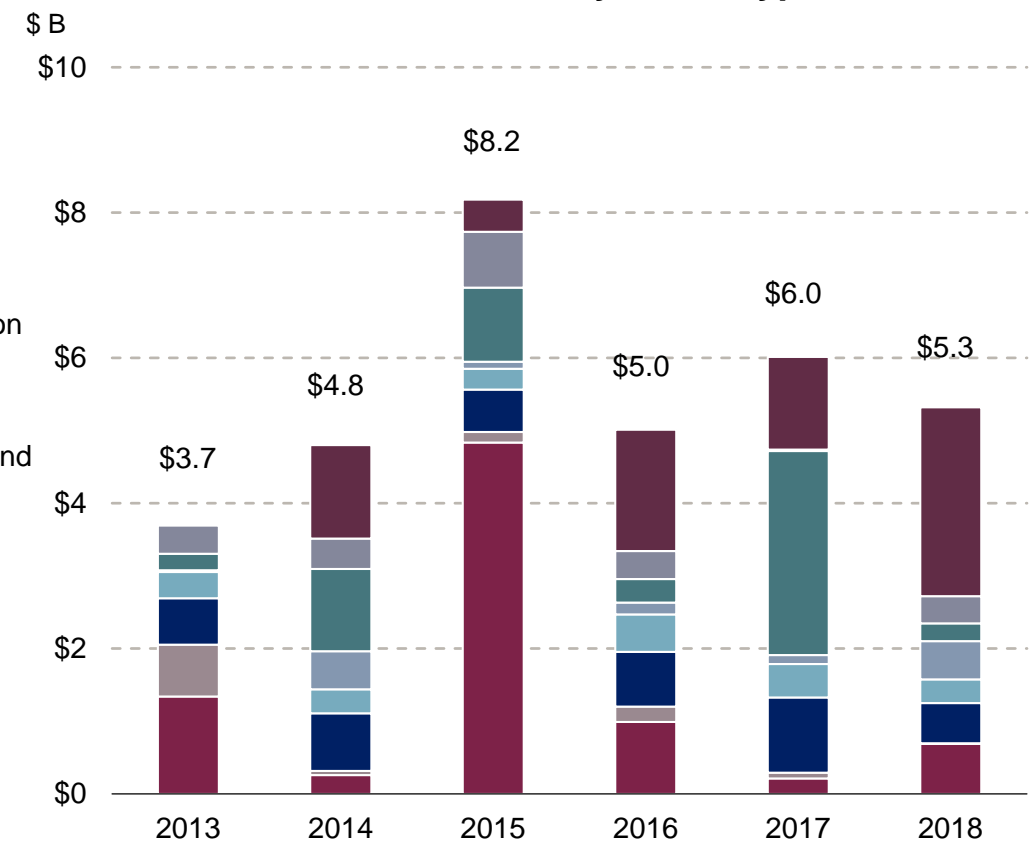


Real Estate Secondary Seller Composition

Number of Transactions by Seller Type

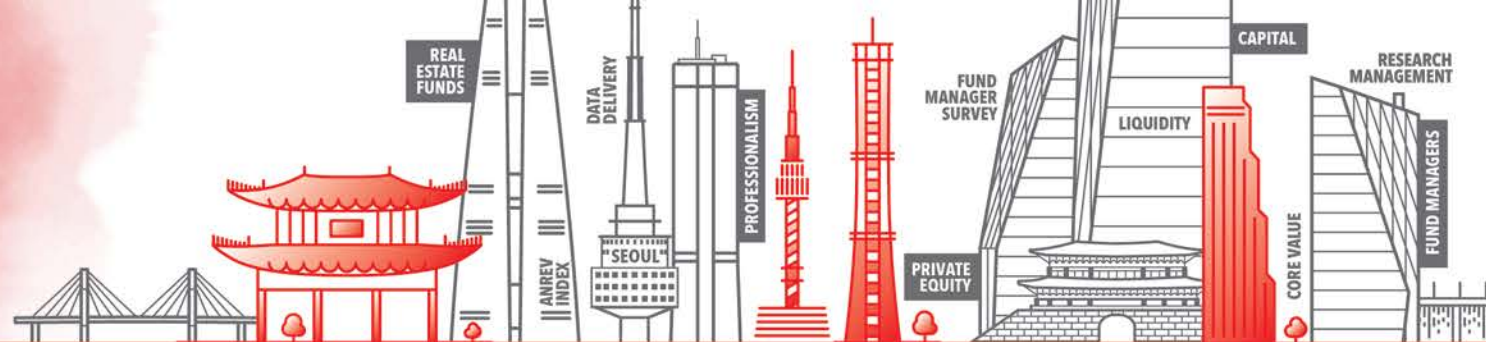


Transaction Volume by Seller Type

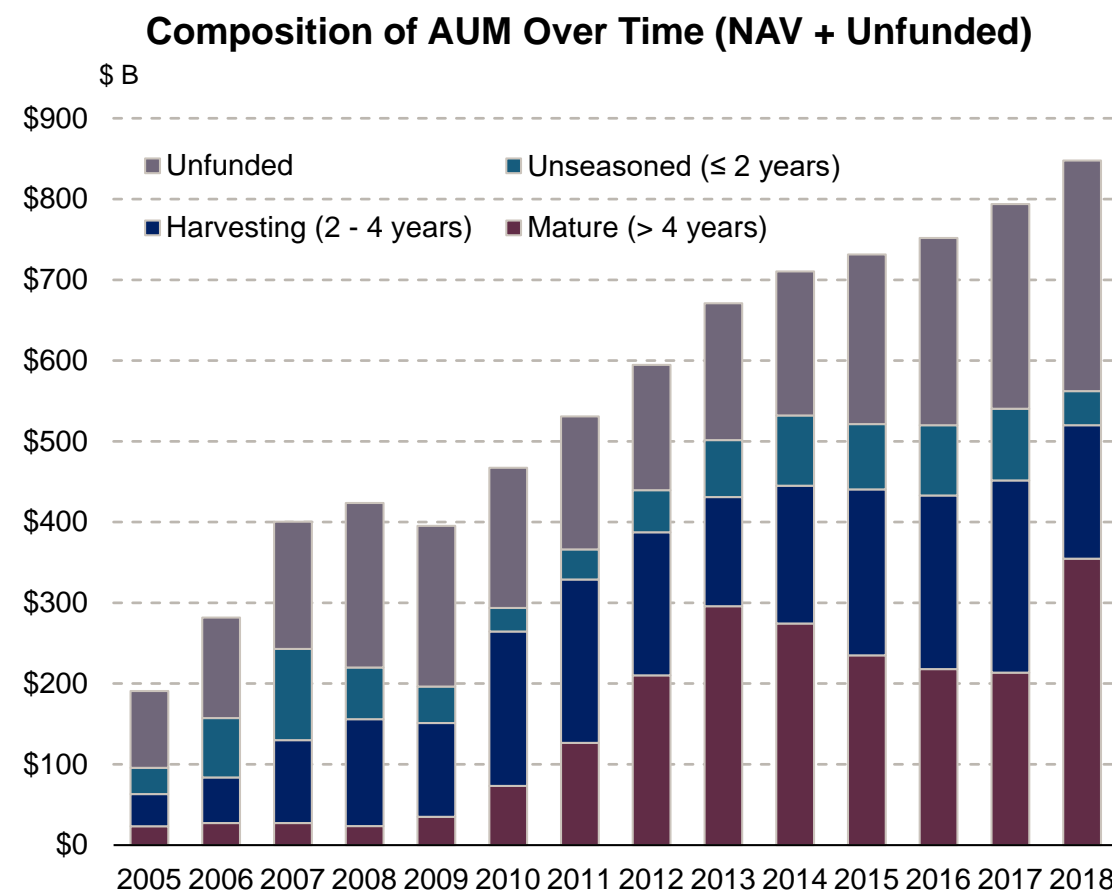
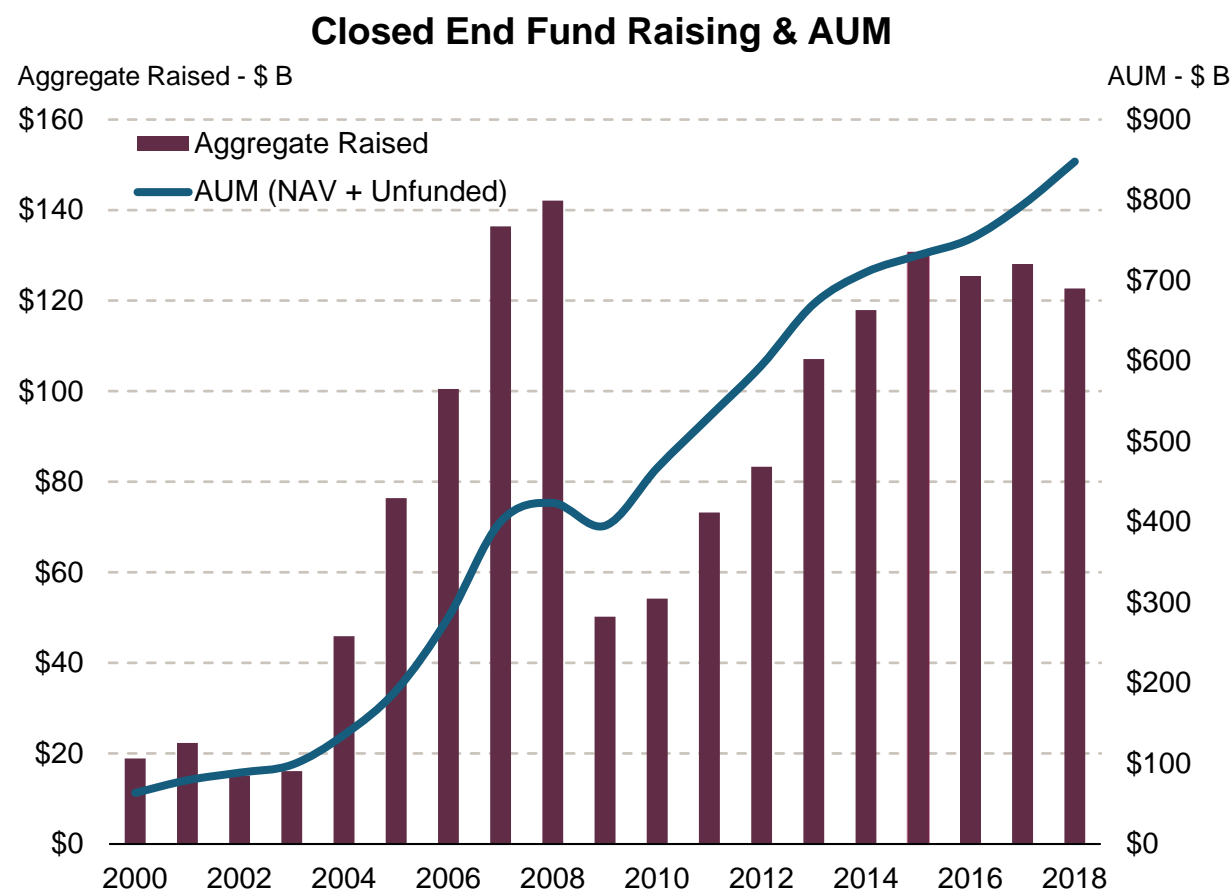


- Ranked by number of transactions, non-U.S. pension funds and insurance companies were the most active sellers in 2018
- Ranked by volume, asset managers dominated the market in 2018, accounting for 49% of transaction activity

Sources: Landmark Partners

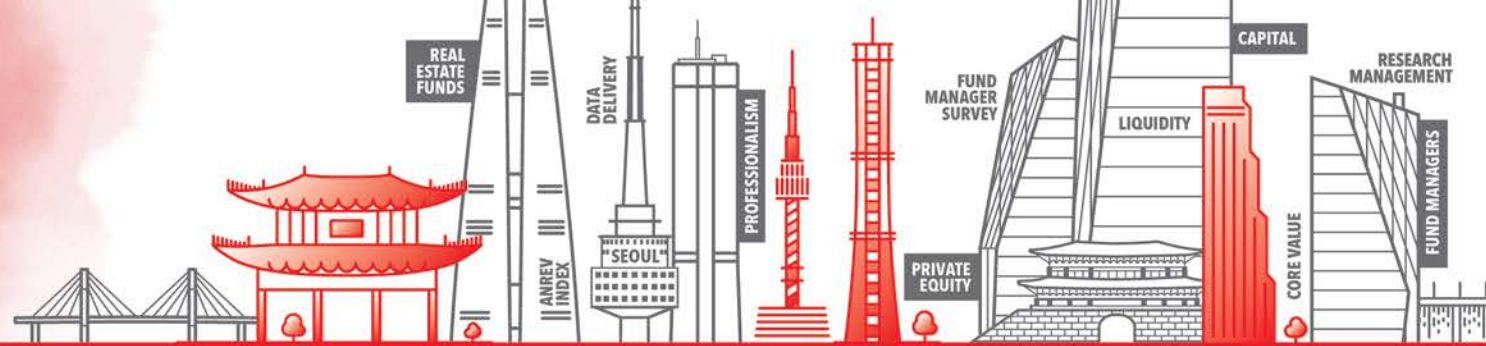


Real Estate Funds: Capital Raising & NAV

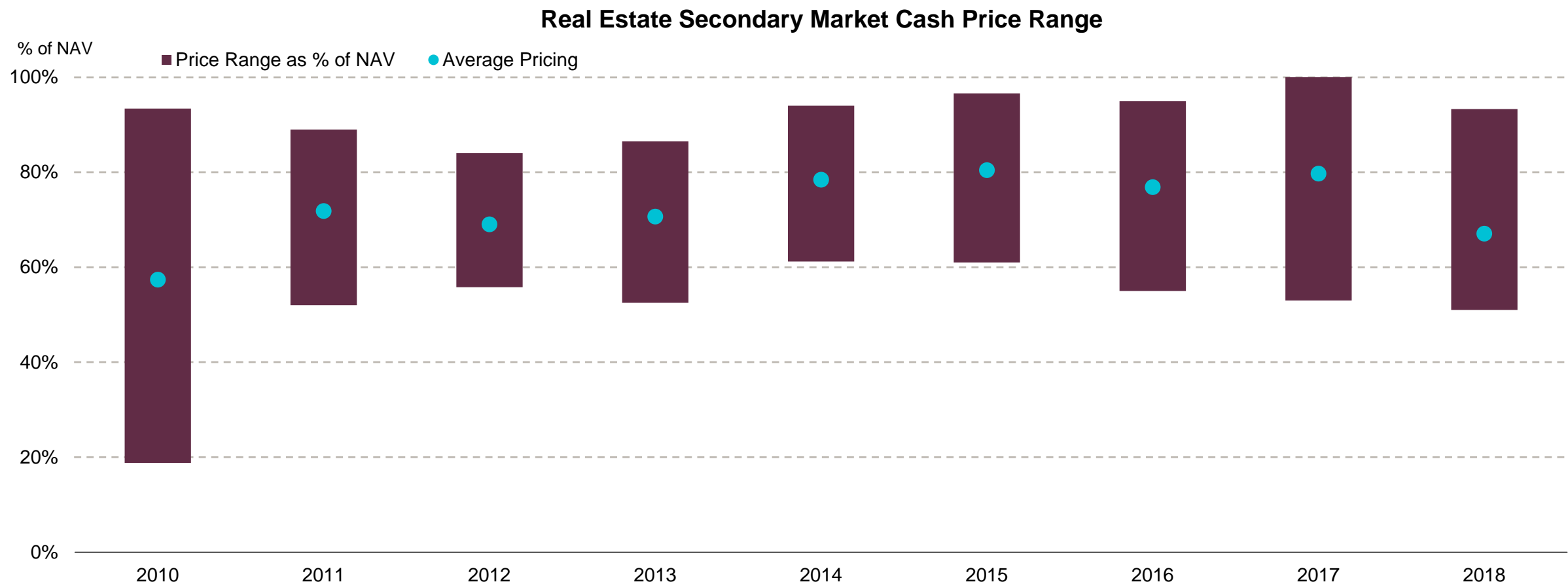


- Substantial capital has flowed into closed end real estate vehicles in the last several years, pushing AUM to almost \$850 billion
- NAV has also grown to over \$550 billion despite strong distribution activity
- The scale of unfunded commitments has also expanded – over \$275 billion of dry powder in private real estate funds will fuel future NAV growth

Sources: Landmark Partners, Burgiss, Preqin



Real Estate Secondary Pricing Trends



- Secondary market pricing of individual fund interests widened during 2018, generally driven by softening prices of pre-2009 vintage legacy funds that are in advanced liquidation
- The data above does not reflect transaction structuring, through which lower nominal discounts are achieved through preferred equity or seller financed structures

Based on funds priced. Excludes the highest 10% and lowest 10%.
Sources: Landmark Partners



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