

# Buyside Funds

## New Real Estate PE Funds

**R**eal estate private equity managers launched or reported closings for just eight funds in March, according to *Real Estate Finance & Investment* and published reports. While there were no clear trends, a handful of funds focusing on the European market were rolled out, including a new fund from Revetas Capital and Patron Capital that will target properties in Central and Eastern Europe and a dedicated European hotel fund from Internos.

- A partnership between **Revetas Capital** and **Patron Capital** wants to acquire high-quality properties in Central and Eastern Europe via a planned €250 million investment fund (see story, page 6).

- **Internos**, a European fund manager, has held the first closing for *Internos Hotel Real Estate Fund*, according to a press release. The company raised €75 million from four German institutional investors for the fund and hopes to raise up to €300 million. It is in talks to acquire a number of properties for the vehicle.

- **Blackstone Group** has raised \$12 billion for *Blackstone Real Estate Partners VII Fund*, which was launched in April 2011. The fund is narrowing in on its goal, as the investment manager originally targeted \$13 billion (*CRE Direct*).

- Canadian-based **Mainstreet Equity** is attempting to raise \$74 million from U.S. investors as part of its *U.S. Multi-Family Residential Fund*. The fund will buy value-added apartments of 100 to 200 units, primarily in secondary markets. The company is planning to liquidate in five years (*CRE Direct*).

- **Thorofare Capital** has raised \$75 million of equity, and is expected to reach \$100 million in the next two months for *Thorofare Asset Based Lending Fund 2*. The company has an investment goal of \$250 million, which will be used to originate loans of up to \$20 million on a broad range of assets across the commercial

real estate sector. The fund provides monthly distributions to its investors (*Commercial Mortgage Alert*).

- **RCG Longview** is looking for \$500 million of equity for *RCG Longview Debt Fund 5*. The fund will seek a 13% return by originating preferred equity, mezzanine loans and senior mortgages. RCG Longview is also open to writing construction and bridge loans, via the company's fifth high-yield debt vehicle (*Commercial Mortgage Alert*).

- **Gaw Capital** is starting to market *Gateway Capital Real Estate Fund 4* to U.S. institutional investors, with the aim of raising \$700 million. The Hong Kong investment shop would look to acquire and develop assets in China and Taiwan, seeking a 20% return (*Real Estate Alert*).

- **Rialto Capital** is targeting \$950 million for a new fund, and is looking to hold a first close by the end of the summer. *Realto Real Estate Fund 2* would hold \$2.3 billion of investment power, including leverage, by committing \$110 million of its own equity (*Real Estate Alert*).

- **John Buck Fund** is set to hold a final close on *JBC Opportunity Fund 4*. The company has raised \$100 million of total equity. The fund will target returns of up to 18% by acquiring and developing a variety of commercial real estate properties in urban markets (*Real Estate Alert*).

## JULY INVESTMENT FUND ROUNDUP

Company	Fund Name	Amount Raised	Target	Investment Focus
<b>New Funds</b>				
<b>Revetas Capital, Patron Capital</b>	NA	€100 million	€250 million	All property types in Central and Eastern Europe
<b>Internos</b>	Internos Hotel Real Estate Fund	€75 million	€300 million	European hotels
<b>Mainstreet Equity</b>	U.S. Multi-Family Residential Fund	NA	\$74 million	Value-added apartments in secondary markets
<b>RCG Longview</b>	RCG Longview Debt Fund 5	NA	\$500 million	Debt origination
<b>Gaw Capital</b>	Gateway Capital Real Estate Fund 5	NA	\$500 million	Acquire and develop assets in China and Taiwan
<b>Rialto Capital</b>	Rialto Real Estate Fund 2	NA	\$950 million	NA
<b>Thorofare Capital</b>	Thorofare Asset Based Lending Fund 2	\$75 million	\$100 million	Originate short-term senior mortgages
<b>Closings</b>				
<b>Blackstone Group</b>	Blackstone Real Estate Partners VII Fund	\$12 billion	\$13 billion	NA
<b>John Buck Fund</b>	JBC Opportunity Fund 4	\$100 million	NA	Acquire and develop assets in urban markets

Source: REFI, published reports