

By Laura Sexton

# Nontraded REITs

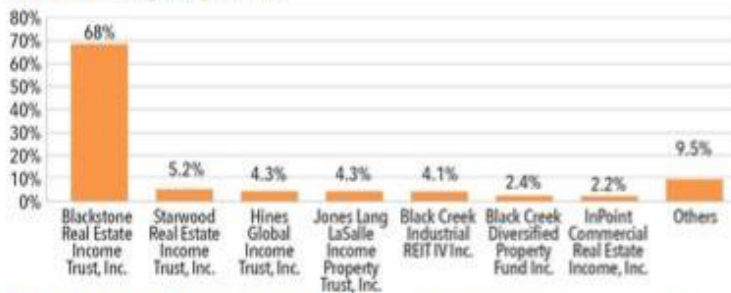
## BY THE NUMBERS

Charts by AI Insight

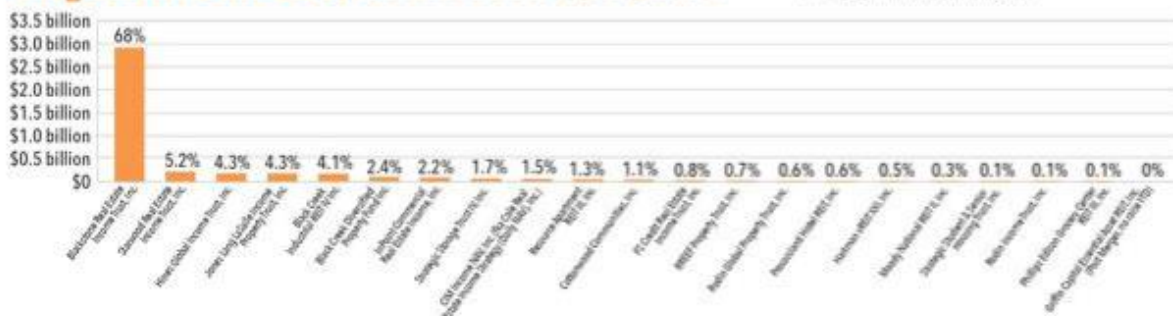
### Capital raise by all programs H1 2019



### Percentage of raise H1 2019 (open funds)



### Capital raise by fund H1 2019 (open funds)



The good news is capital raising across the nontraded REIT industry is on the grow. The news that some observers might find a bit disconcerting is that one player, the redoubtable Blackstone, continues to thoroughly dominate the business.

Blackstone Real Estate Income Trust (BREIT), to be specific, raised over \$2.0 billion during Q2, and \$2.9 billion through H1, or 15 times the raise of its closest competitor, and accounted for nearly 70 percent of funds raised through the first two quarters of this year. (Overall, nontraded REITs raised \$4.3 during first-half 2019.) The increase in the second quarter coincided with Blackstone's announcement June 2 that it acquired an \$18.7 billion industrial portfolio from GLP, of which \$5.3 billion has been allocated to the BREIT.

Blackstone is not the only NTR achieving greater fundraising heights. One might argue the situation begs the question: Is Blackstone simply dominating the space or is its presence helping to elevate the industry to a higher standard?

Considering the performance of other NTRs with an ongoing structure similar to BREIT's (often referred to as "perpetual life" NTRs), the latter appears to be true. Through the first half of the year, all perpetual life NTRs have seen an increase in their capital raise and, in fact, Blackstone's increase of 62 percent over its year-end 2018 capital raise is not the highest in terms of percentage. By that measure, the top two spots belong to Starwood and InPoint, with increases in capital raise of 135 percent and 61 percent, respectively, when comparing the first half of this year with their raise as of year-end 2018.

However one interprets Blackstone's role, NTR participants are no doubt pleased to see the industry growing. ■

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